

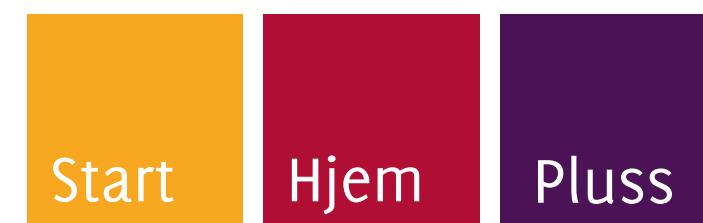
Q1 2014

Oslo 22 May 2014

Baard Schumann, CEO

Haavard Rønning, CFO

SELVAAG BOLIG



Agenda

■ Highlights

- Operational update
- Financial update
- Outlook and summary

Operational highlights first quarter

- Increased sales compared to previous quarter
- High construction activity
- Land acquisitions in Oslo and Trondheim

Financial highlights

Operating revenues

245

million NOK

EBITDA margin

3.7

per cent

Equity ratio

35.0

per cent

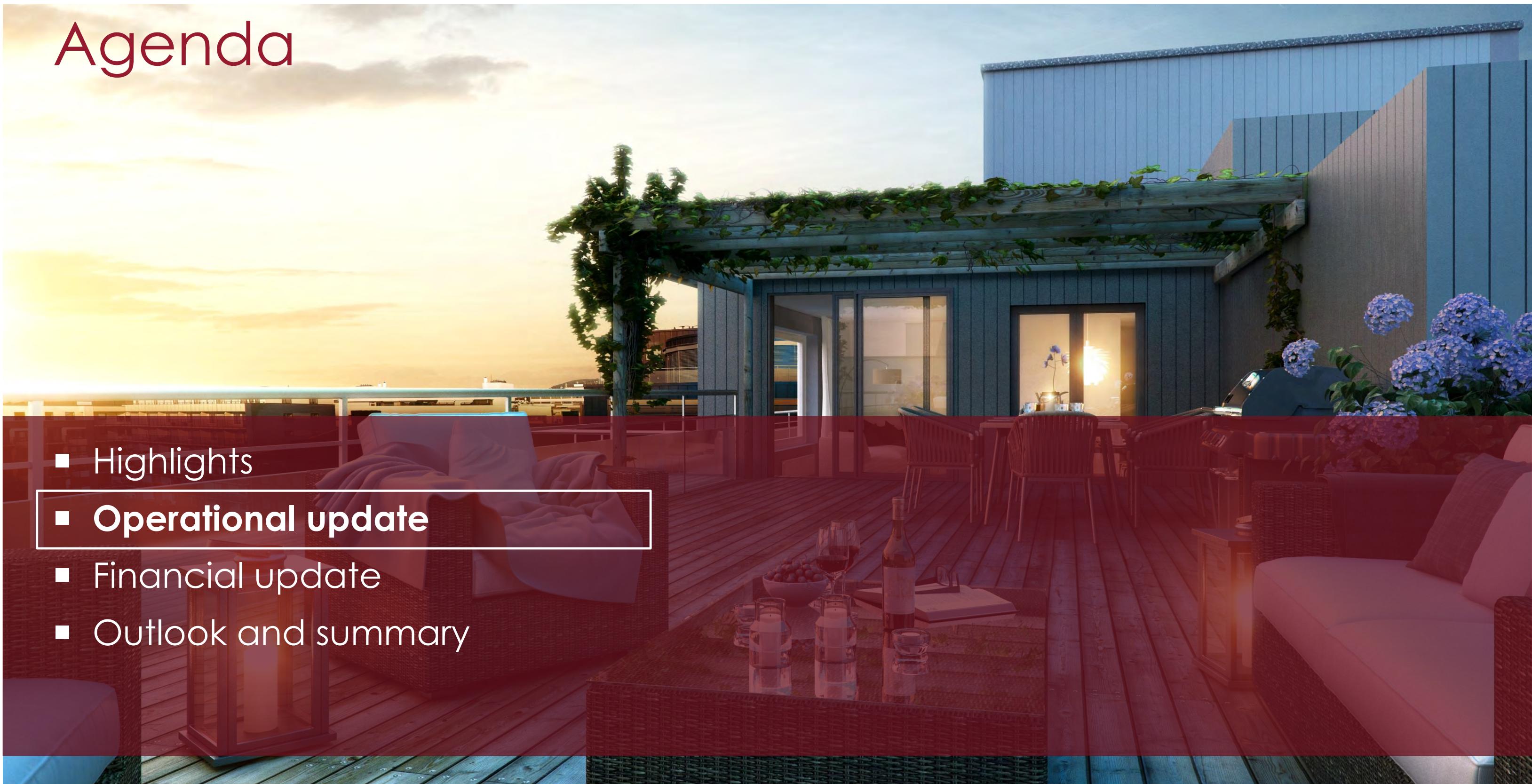
EBITDA margin (NGAAP)

18.0

per cent

Agenda

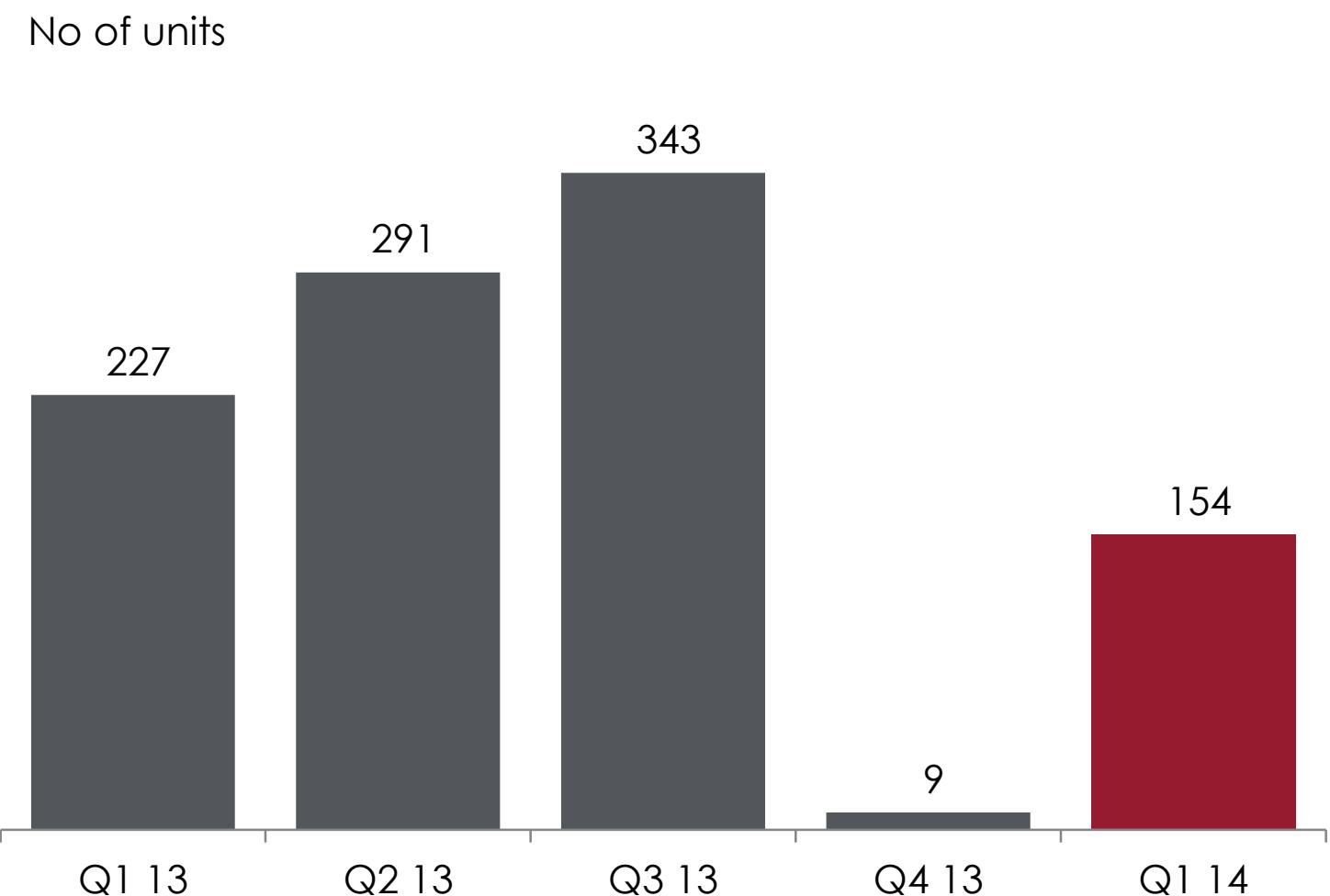
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Increase in sales starts

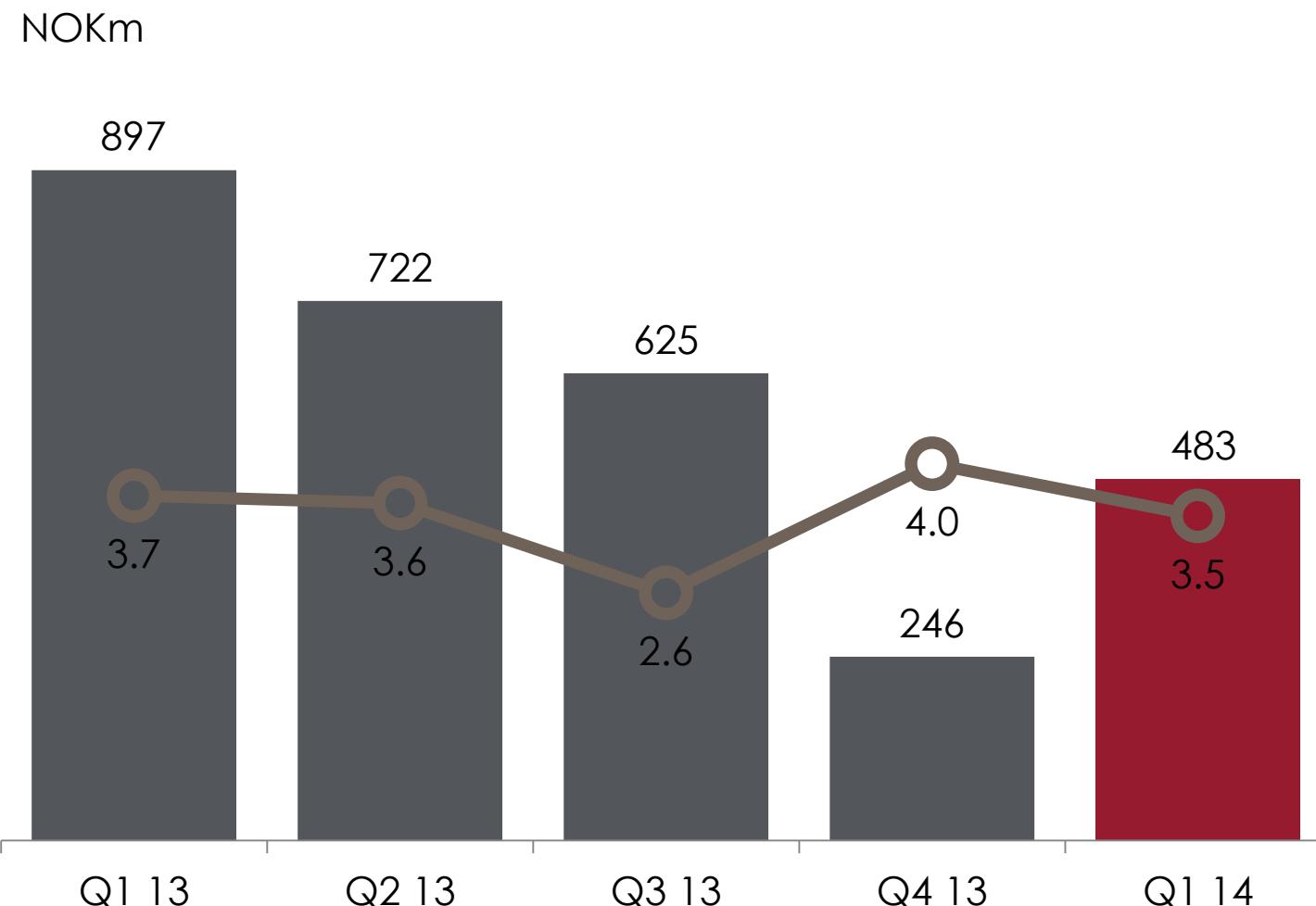
- Sales starts on four projects
 - Løren
 - Kornmoenga
 - Sjøsia (two construction stages)
 - Stage I “Start” and stage II “Hjem”
(see slide 27 for sales development)
 - Aase Gård

Sales starts per quarter

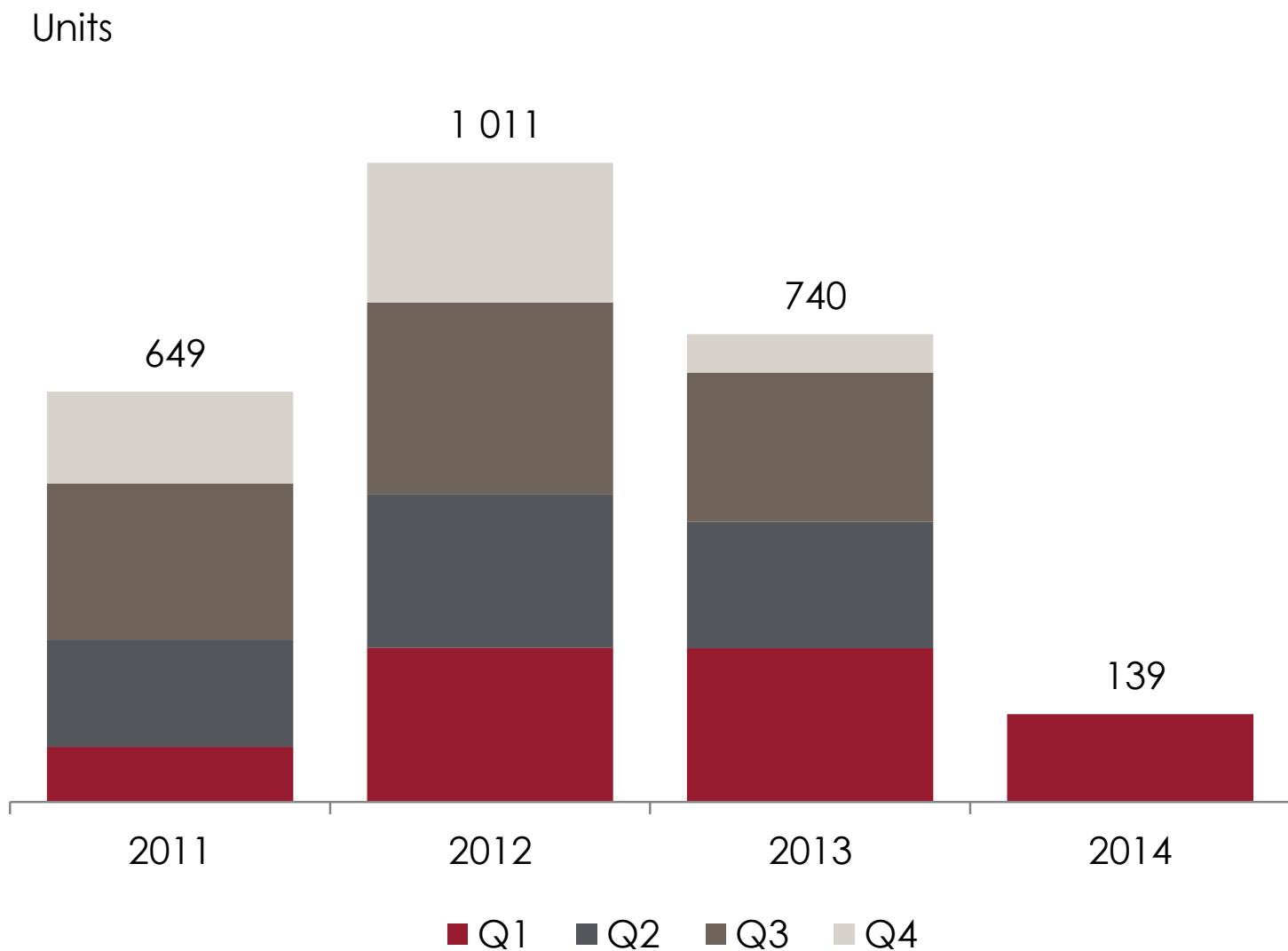


Improved sales pace

Total sales value and value per sold unit



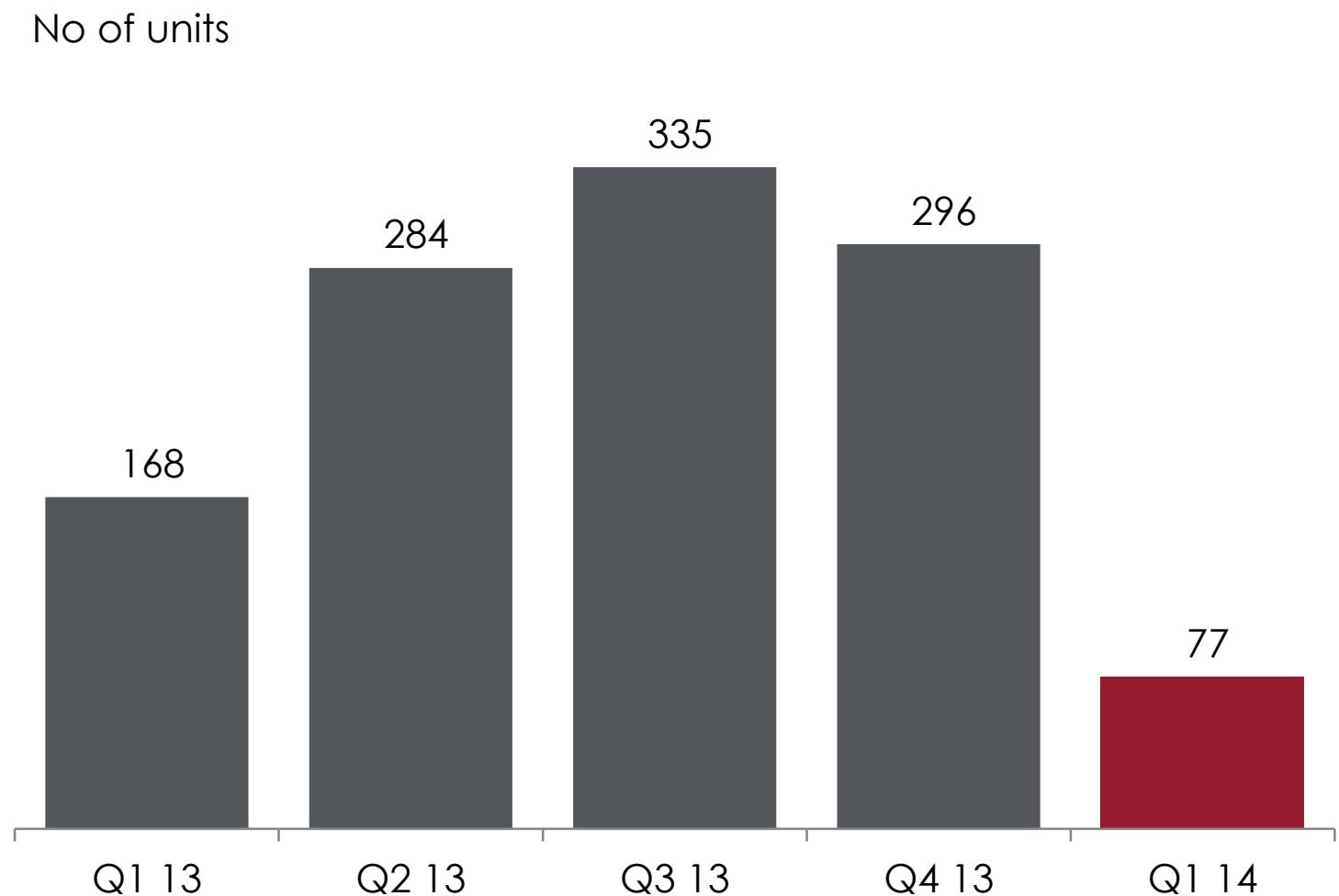
Residential units sold



Construction starts in Q1 2014

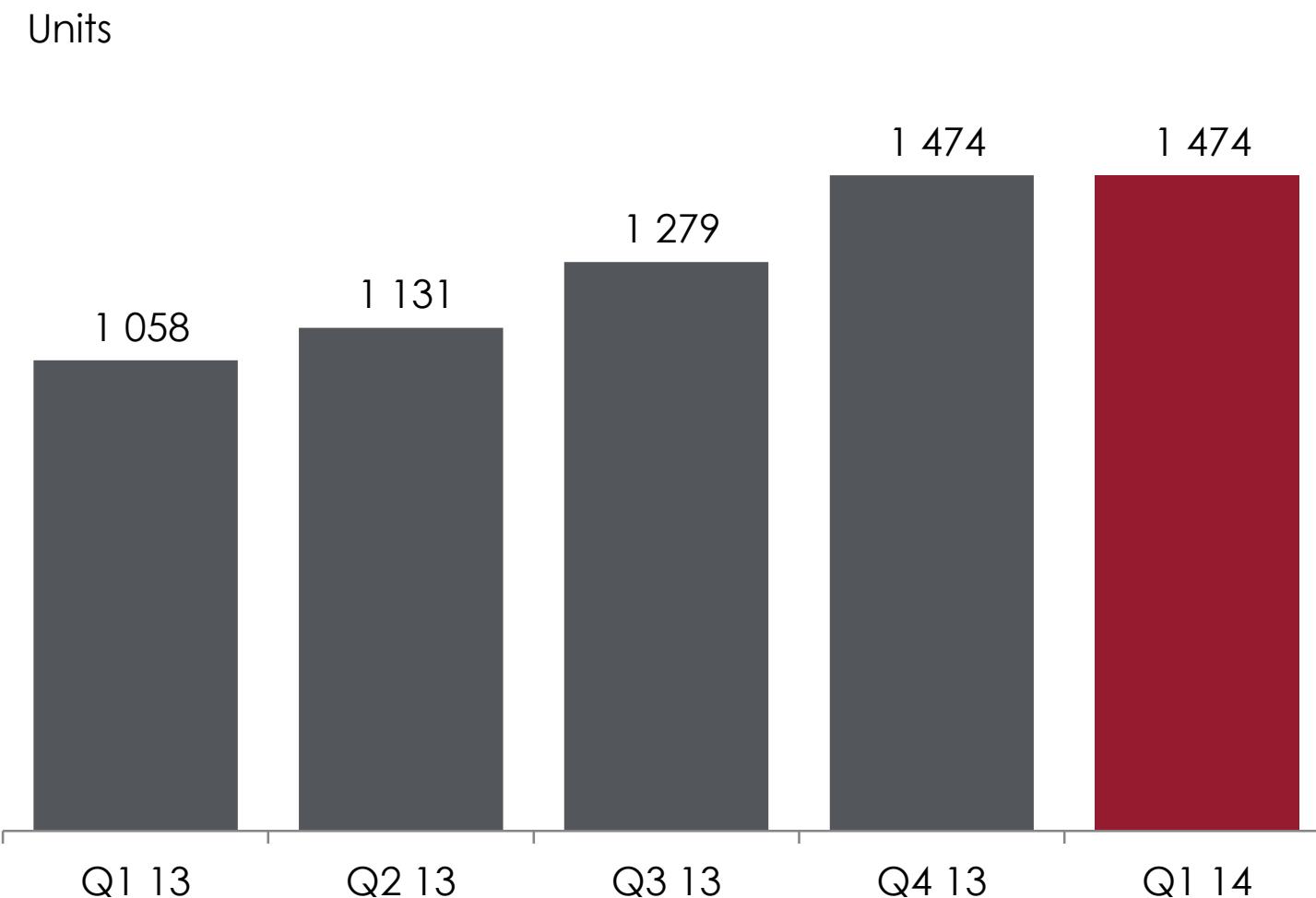
- Construction start on five projects
 - Bjørnåsen Nord
 - Kaldnes
 - Kornmo
 - Bo Emmaus
 - Aase Gård

Construction starts per quarter



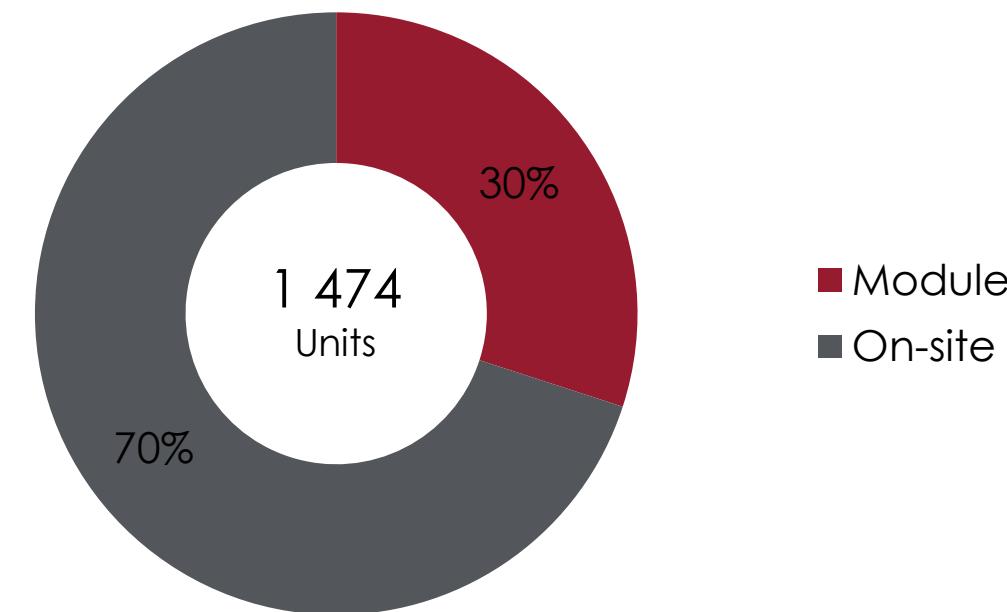
Steady production activity

Quarterly development units in production



Note: All numbers are adjusted for Selvaag Bolig's ownership in joint ventures.
 Measure point: decision of construction start. Selvaag Bolig has two joint venture projects under construction. The joint venture partners' share amount to 71 residential units, implying that Selvaag Bolig currently manages 1545 residential units under construction

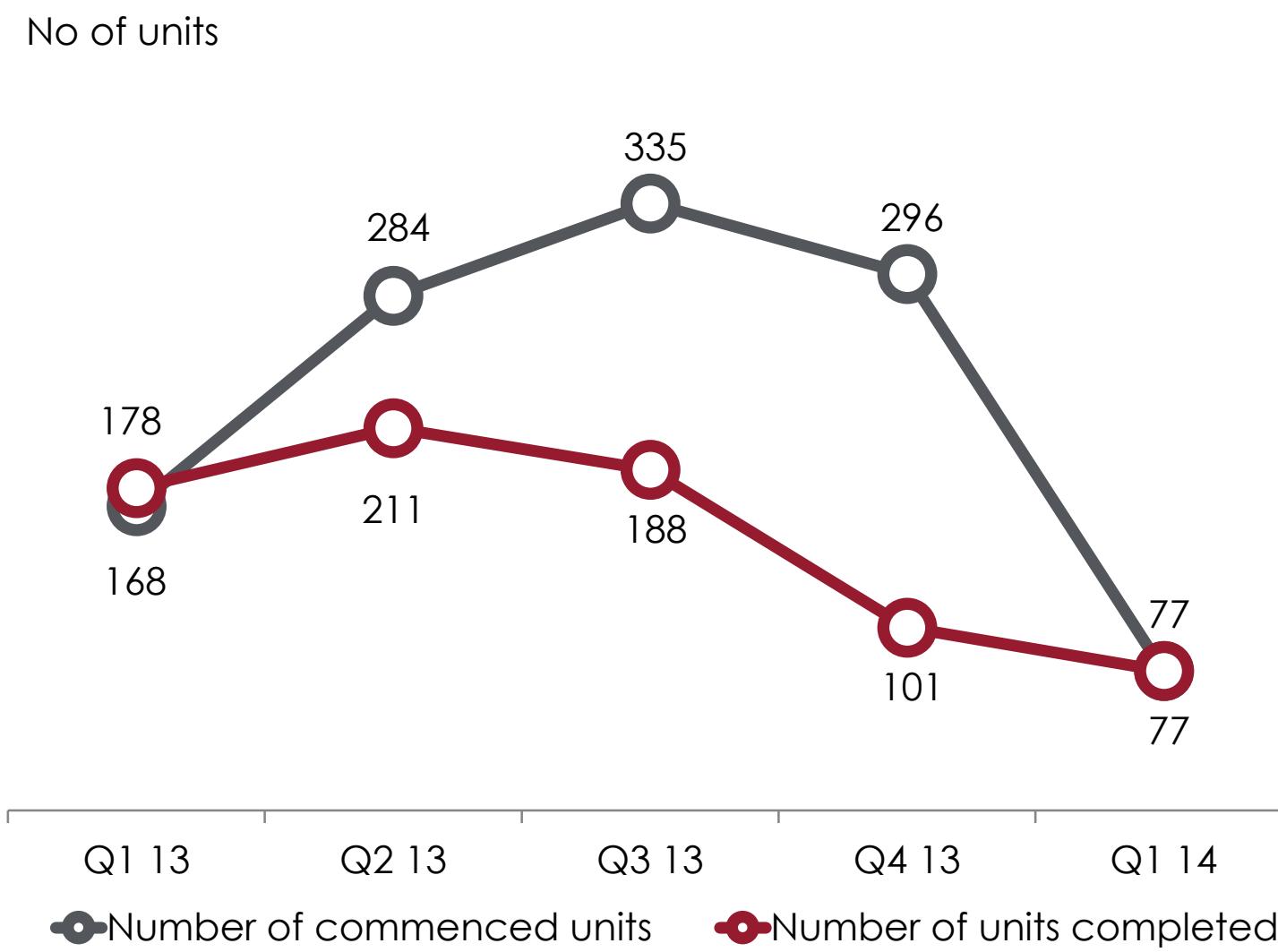
Production split



- Sales value of units in production NOK 5 547 million
- 78% of production volume in Greater Oslo
- 76% of the units are sold

Commenced units aligned with completion ratio

Commenced and finalized units

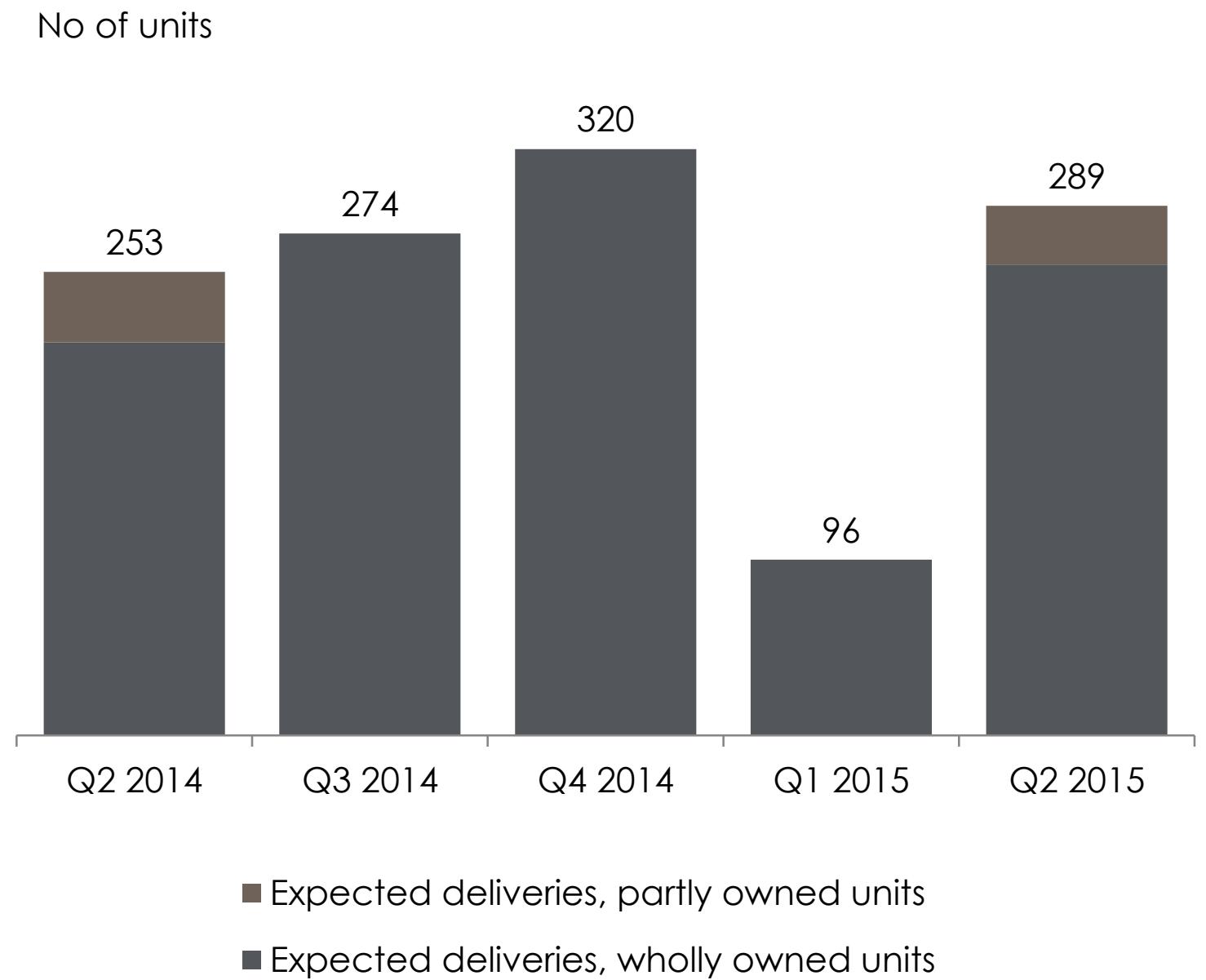


Note: All numbers are adjusted for Selvaag Bolig's ownership in joint ventures.

1 232 units for delivery next five quarters

- 89% of 2014 completions sold
- Advancements since last quarter
 - 30 units at Bjørnåsen Nord and 32 units in Moss moved from Q4 to Q3 2014
 - 12 units at Aase moved from Q2 to Q1 2015
- Postponed since last quarter
 - Four units at Bo Emmaus postponed from Q4 2014 to Q1 2015
 - 32 units at Kaldnes postponed from Q1 to Q2 2015
 - Four units at Jaasund postponed from Q1 to Q3 2015

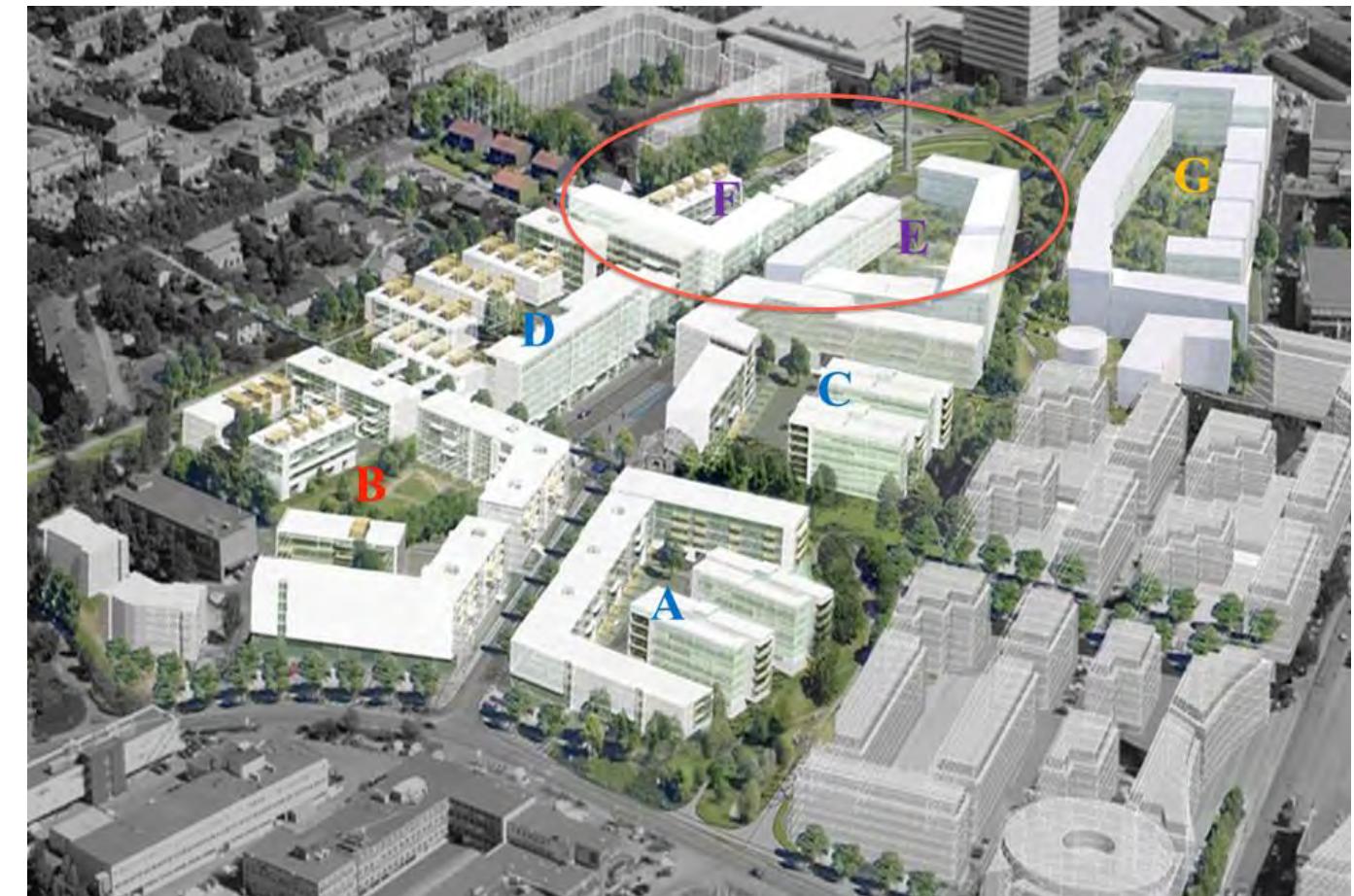
Expected deliveries per quarter



Acquisitions

Two new projects

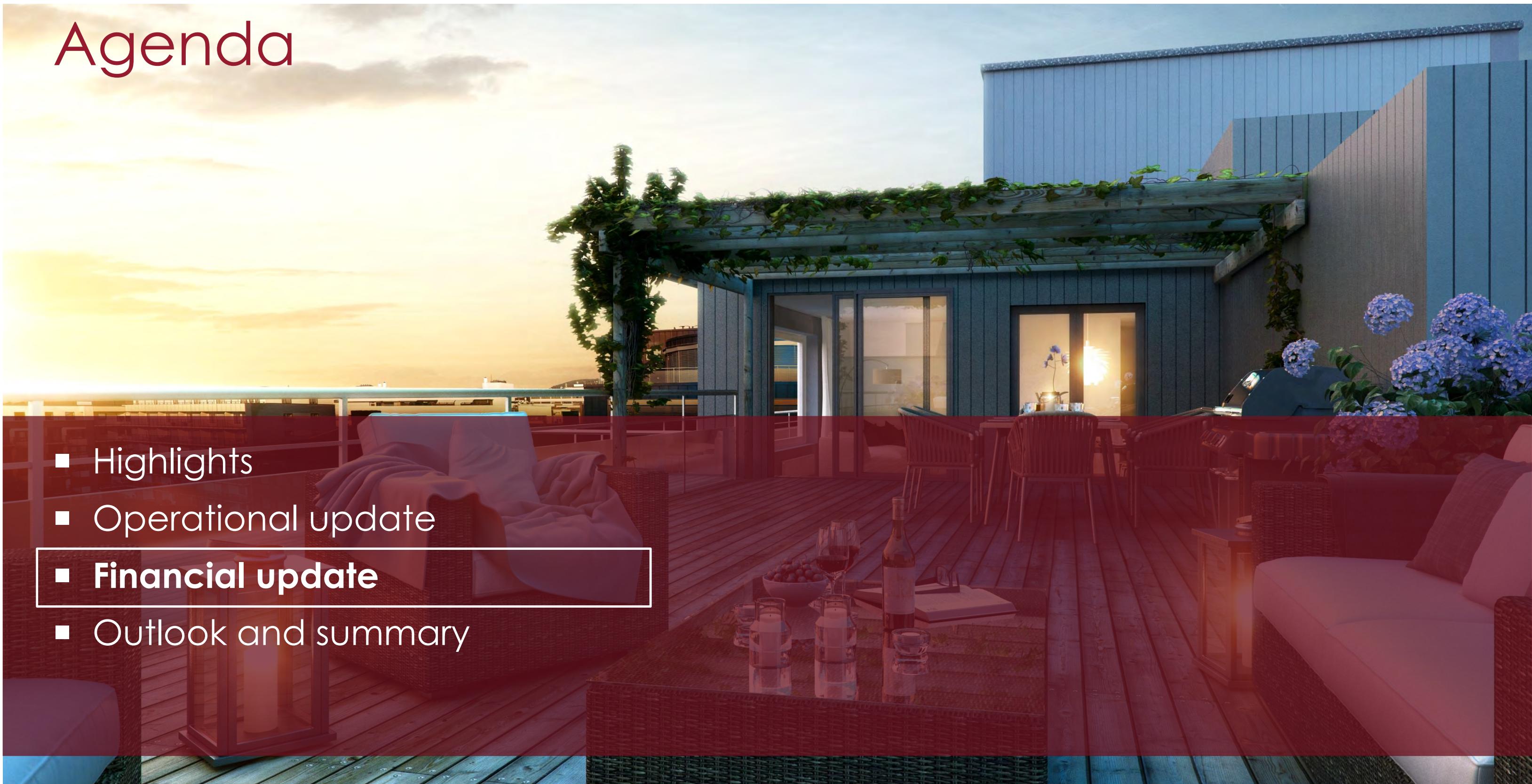
- Agreement to purchase land at Tidemannsbyen, Ensjø in Oslo
 - 50/50 JV with Ferd Real Estate
 - NOK 206 million
 - 320 units, 22 100 saleable square metre (100%)
 - Completion of transaction and sales start expected in H2 2016
- Agreement to purchase two plots in Trondheim
 - 50/50 JV with Heimdal Sag Invest AS
 - 222 units, 14 430 saleable square metre (100%)
 - First transaction completed in Q1 2014
 - NOK 17.4 million
 - Second transaction expected in Q1 2016
 - To be sold at market value upon zoning



Ensjø, Oslo

Agenda

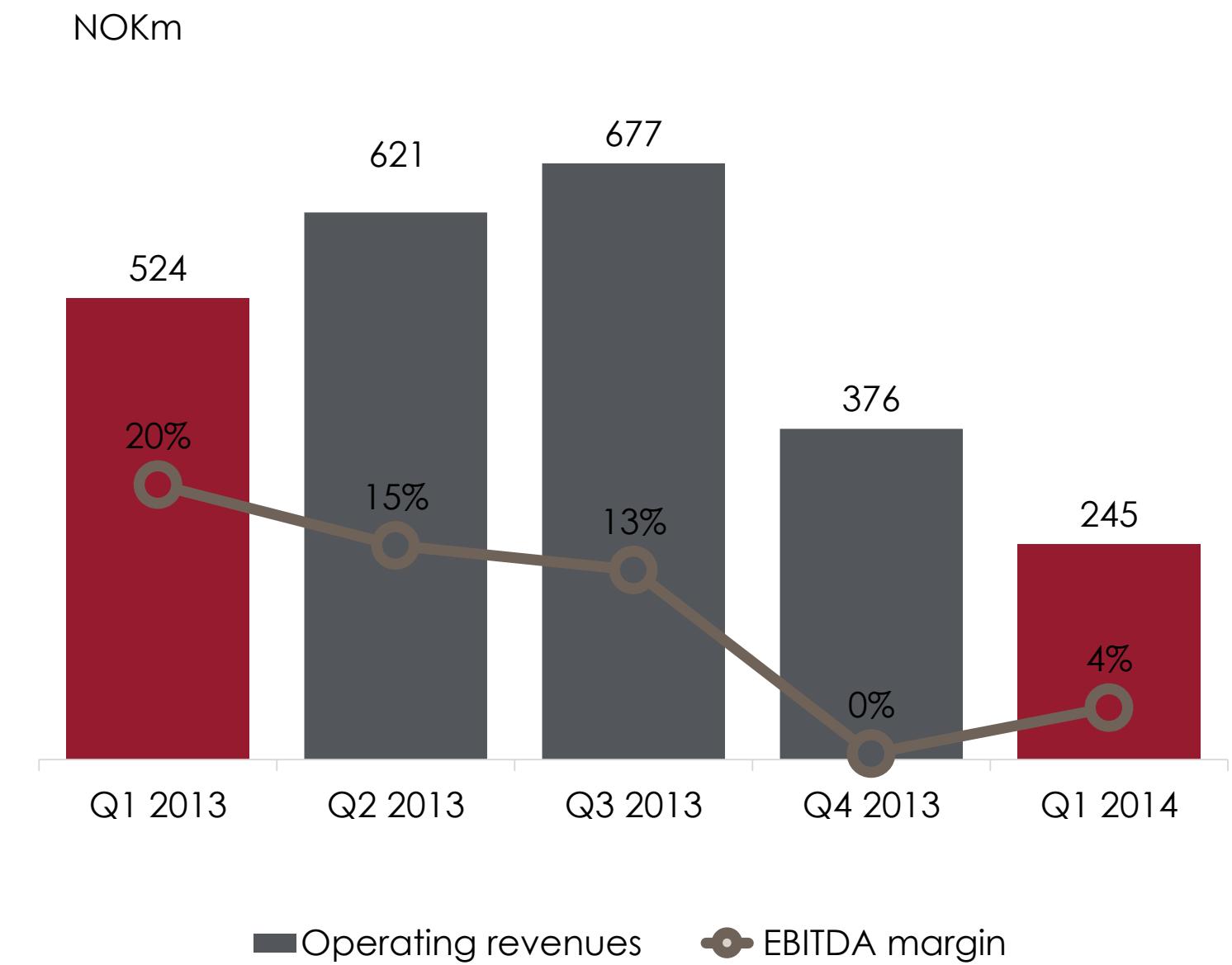
- Highlights
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- **Financial update**
- Outlook and summary



Income statement highlights Q1 2014 (IFRS)

- Revenues NOK 245 million (524)
 - Delivery of 80 units (170)
- Project costs NOK 193 million (378)
- Low Sales & Marketing costs
 - NOK 8.1 million (7.3)

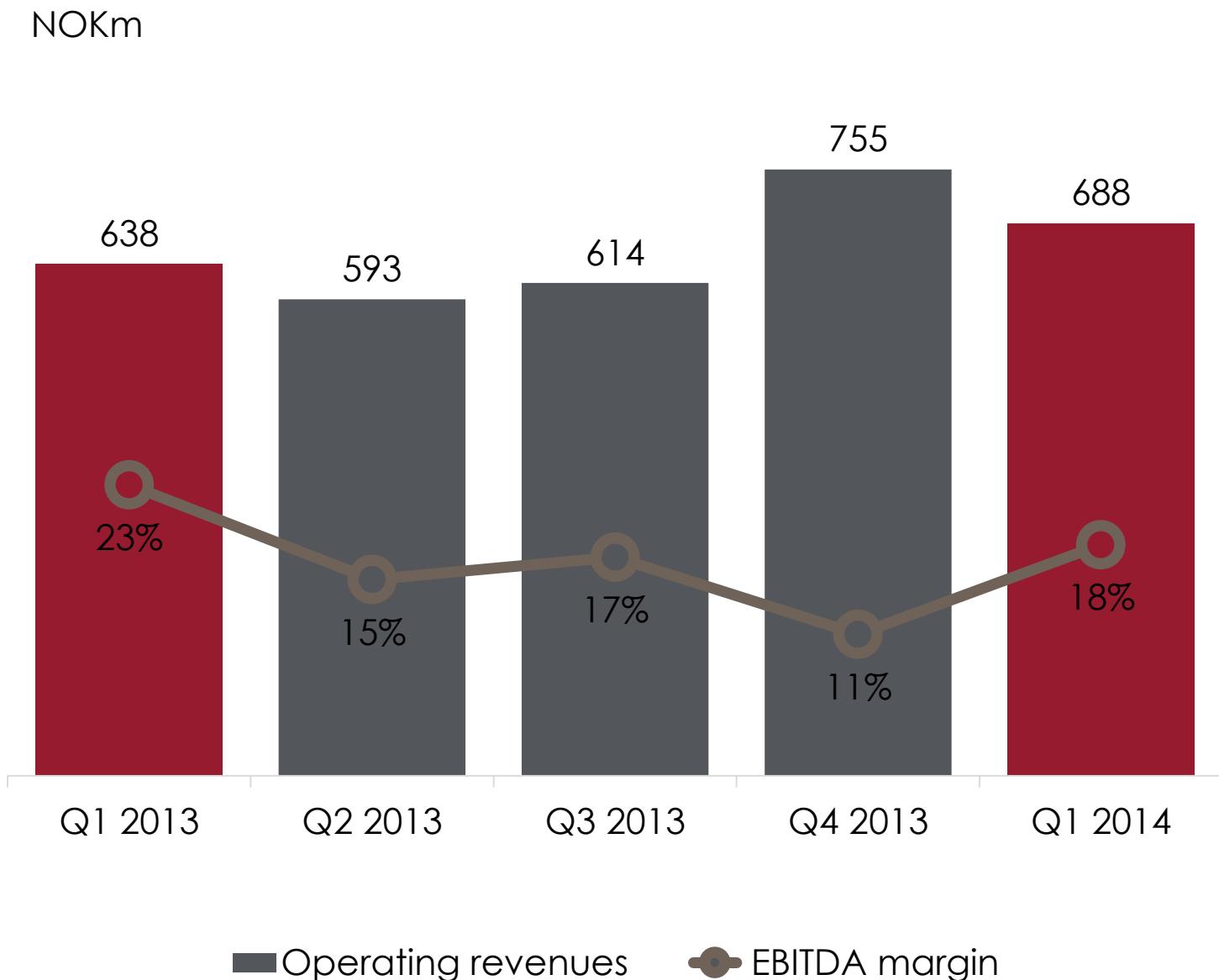
Revenue and EBITDA margin (IFRS)



Income statement highlights Q1 2014 (NGAAP)

- High production
- Good margins in projects under construction

Revenue and EBITDA margin (NGAAP)*

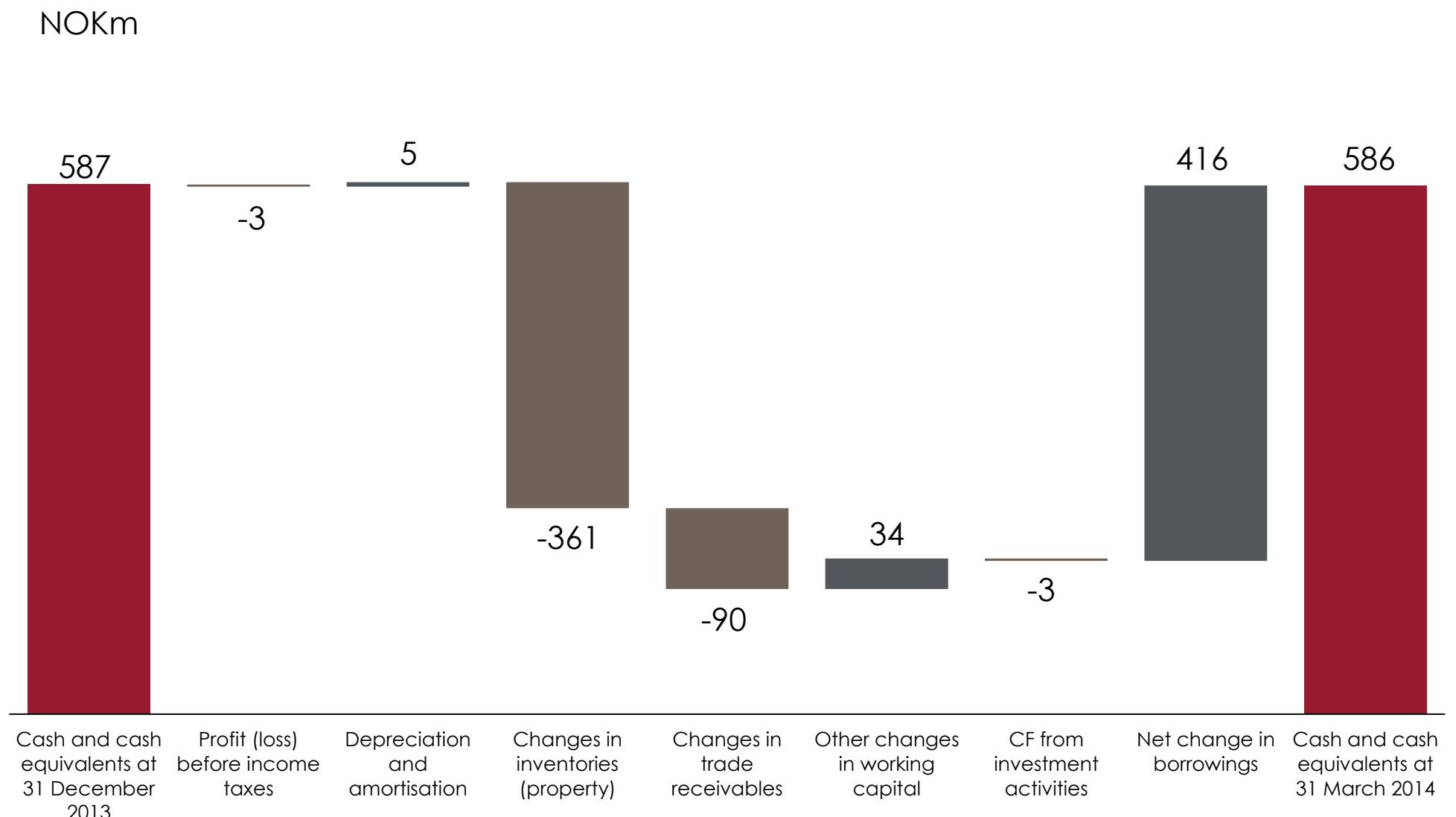


* Construction cost are exclusive of financial expenses in the segment reporting

Cash flow development Q1 2014

- Payments for the majority of deliveries booked in Q1 2014 have cash effect in later quarters
- High activity in projects under construction

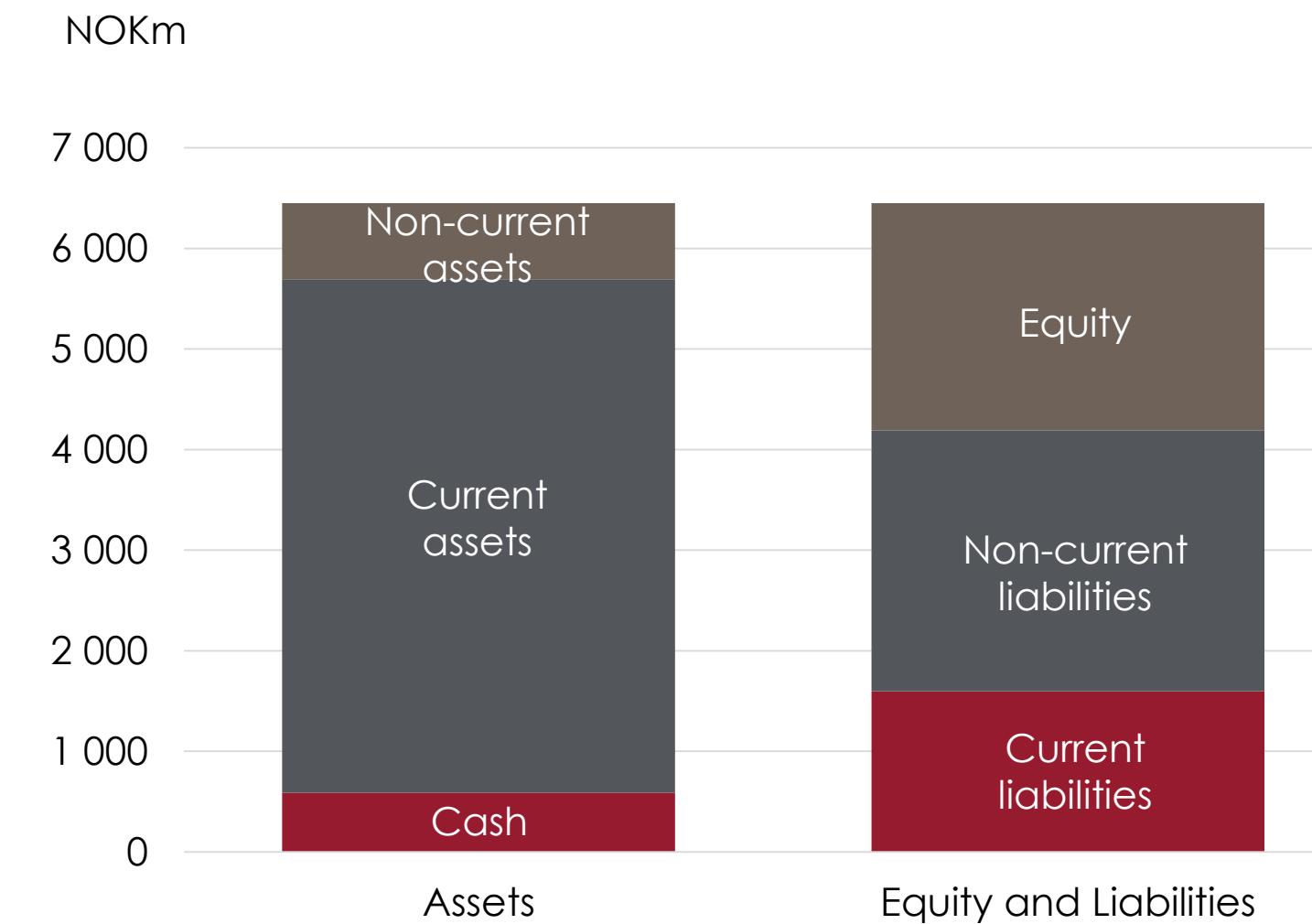
Condensed cash flow



Balance sheet highlights Q1 2014

- Book value per share NOK 23.8
- Trade receivables increased NOK 90 million
- Inventory increased NOK 378 million
- Net increase NOK 215 million in non current interest-bearing liabilities
- Net increase NOK 218 million in current interest-bearing liabilities
- Prepayments from customers count for NOK 328 million of other current non interest-bearing liabilities

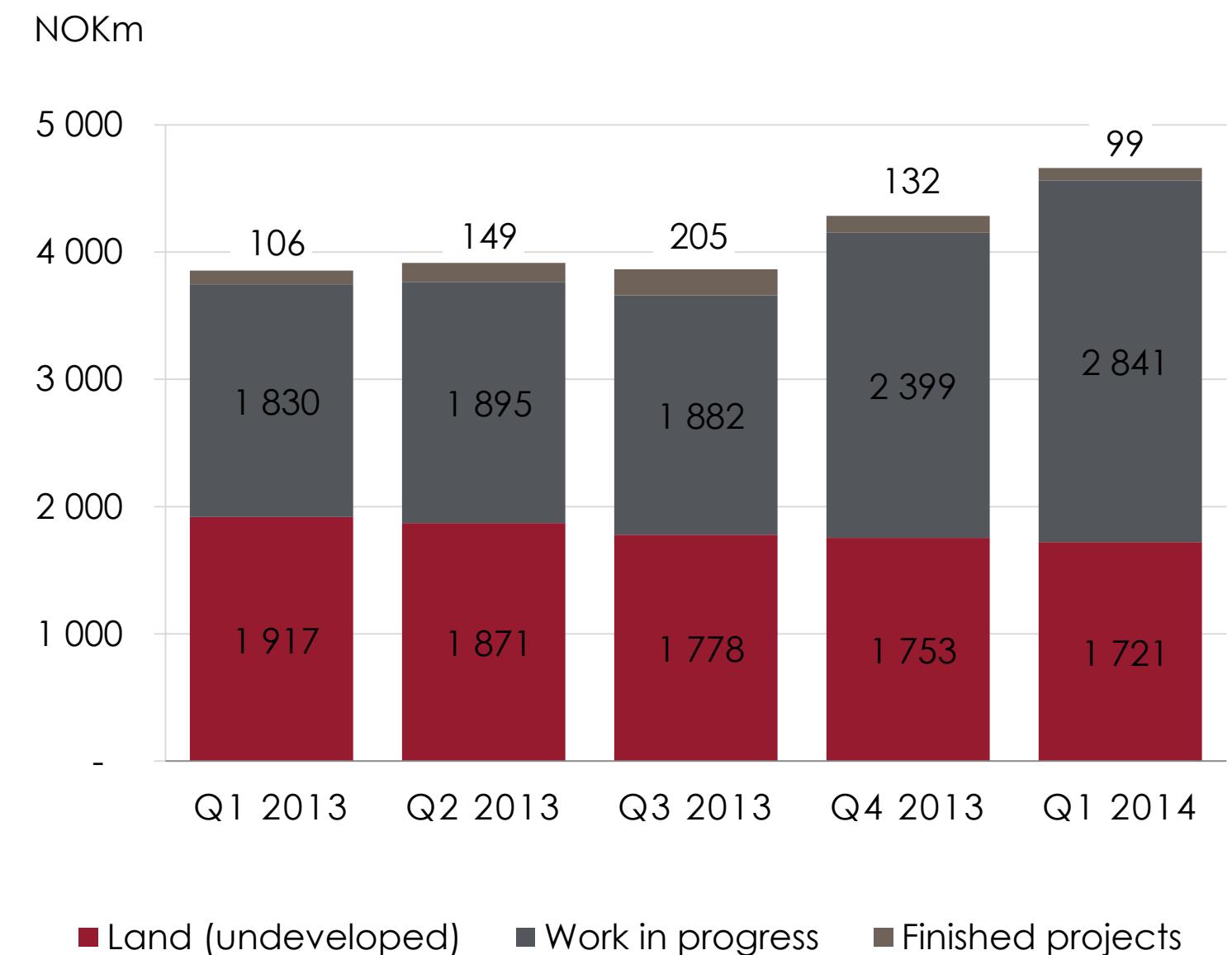
Balance sheet composition



Inventories (property)

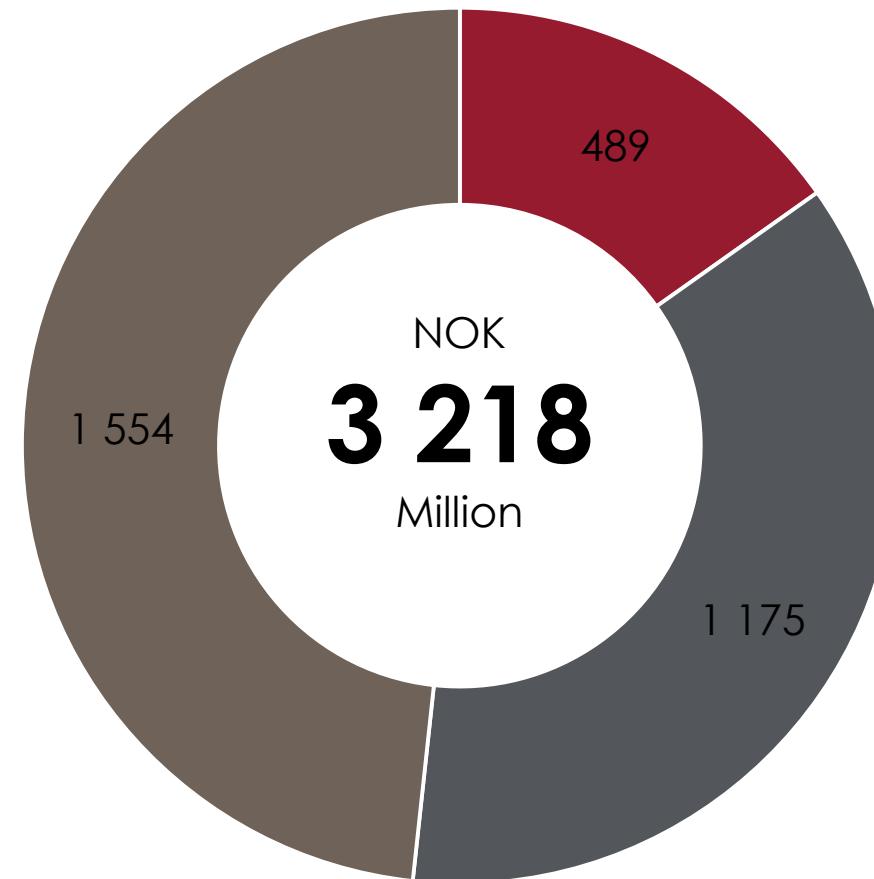
- Land value decreased
 - Due to construction starts
- Work in progress increased by NOK 442 million
 - High activity in projects under construction
- Finished goods decreased by NOK 32 million
 - Delivered units finalized in previous quarters

Inventory value development



Sound debt structure

Interest bearing debt as at 31 Mar 2014

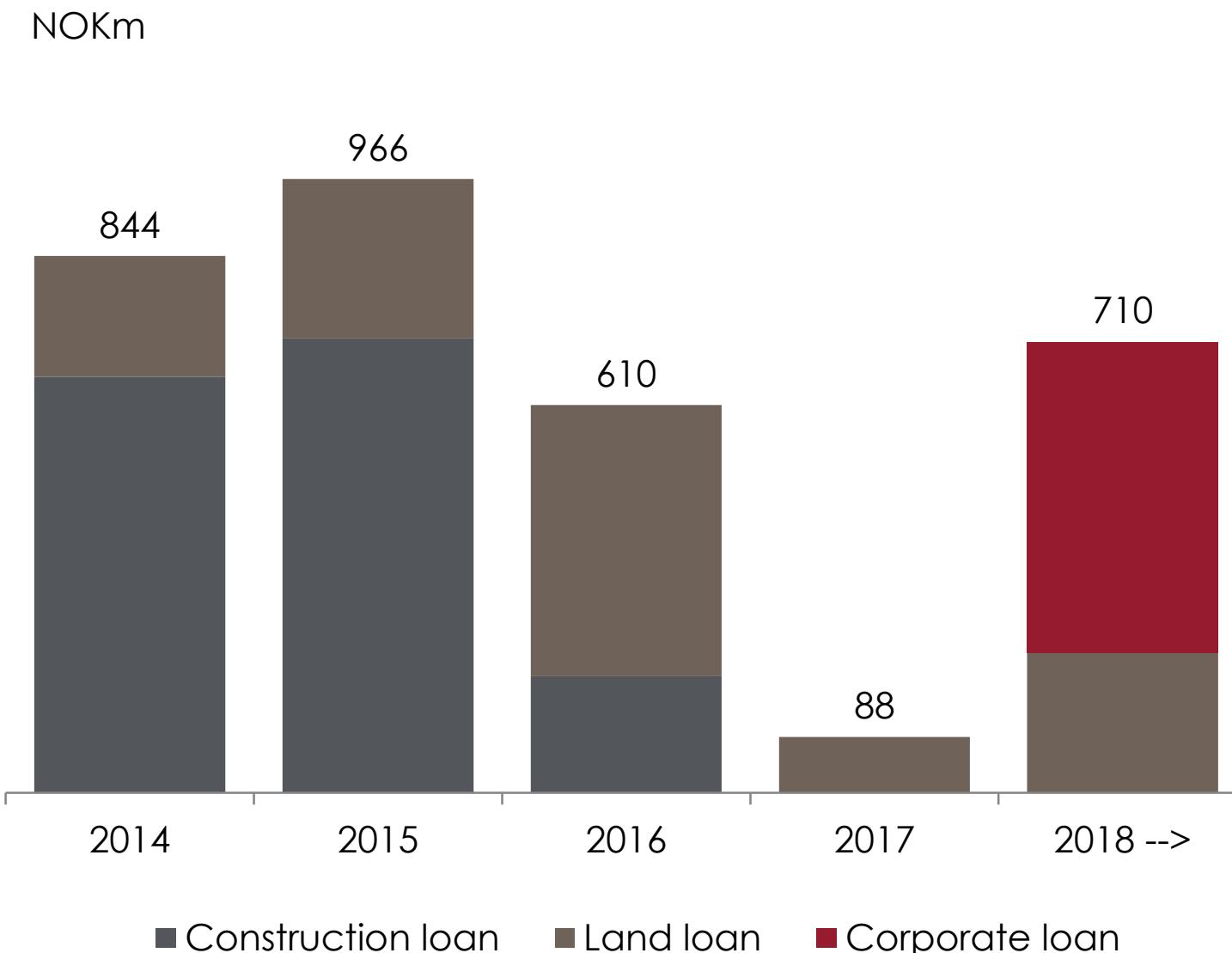


Loan facility	Drawn per 31 Mar (NOKm)	Interest rate margin
1 NOK 500 million senior unsecured bond loan	500	4.75%
2 NOK 150 million revolving credit facility from DNB maturing in 2015	0	2.50%
3 NOK 150 million working capital facility from DNB maturing in 2014	0	2.50%
4 Land loan facilities from a range of Nordic credit institutions	1 175	2.20% - 3.15%
5 Construction loan facilities from a range of Nordic credit institutions	1 554	2.20% - 3.00%

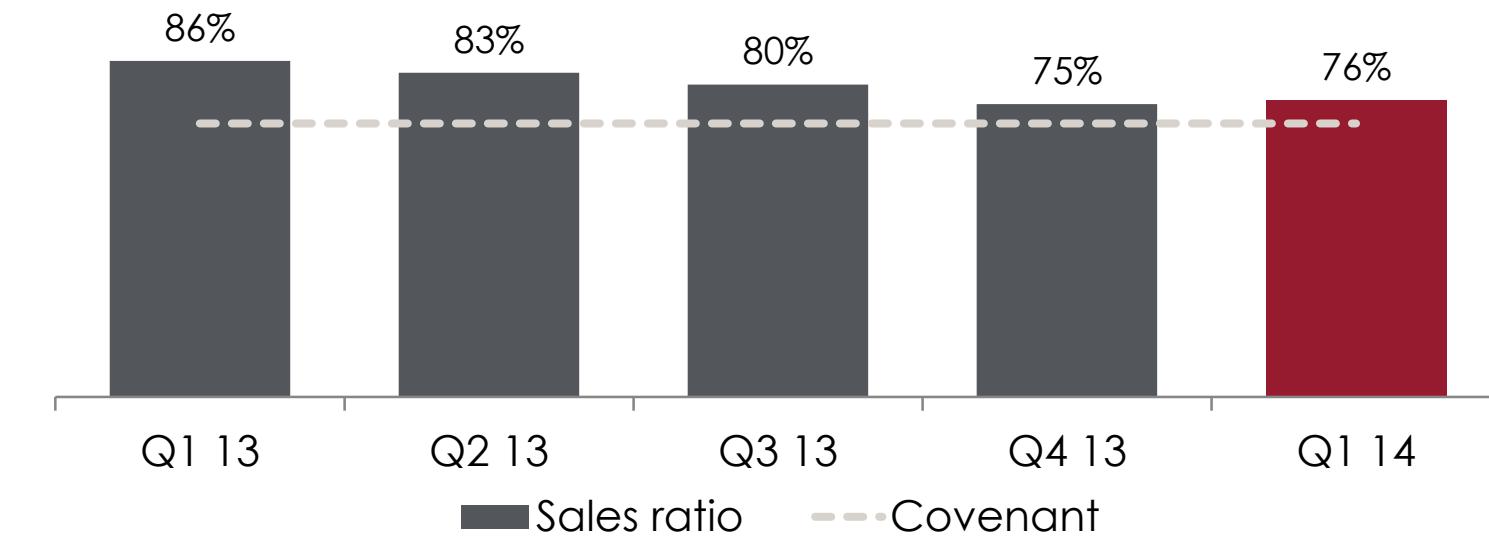
Note: Bond loan of NOK 500m differs from the summed up top up loan in the table (NOK 489m). The difference is due to NOK -11m in amortized cost which is not actual debt.

In compliance with financial covenants

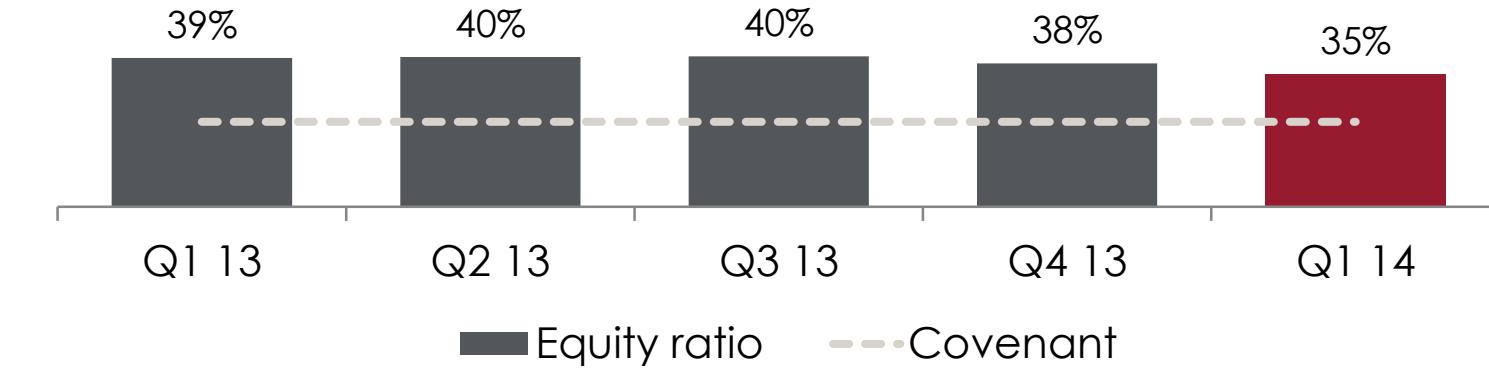
Debt maturity profile (31 Mar 2014)



Sales ratio covenant (minimum 70.0%)

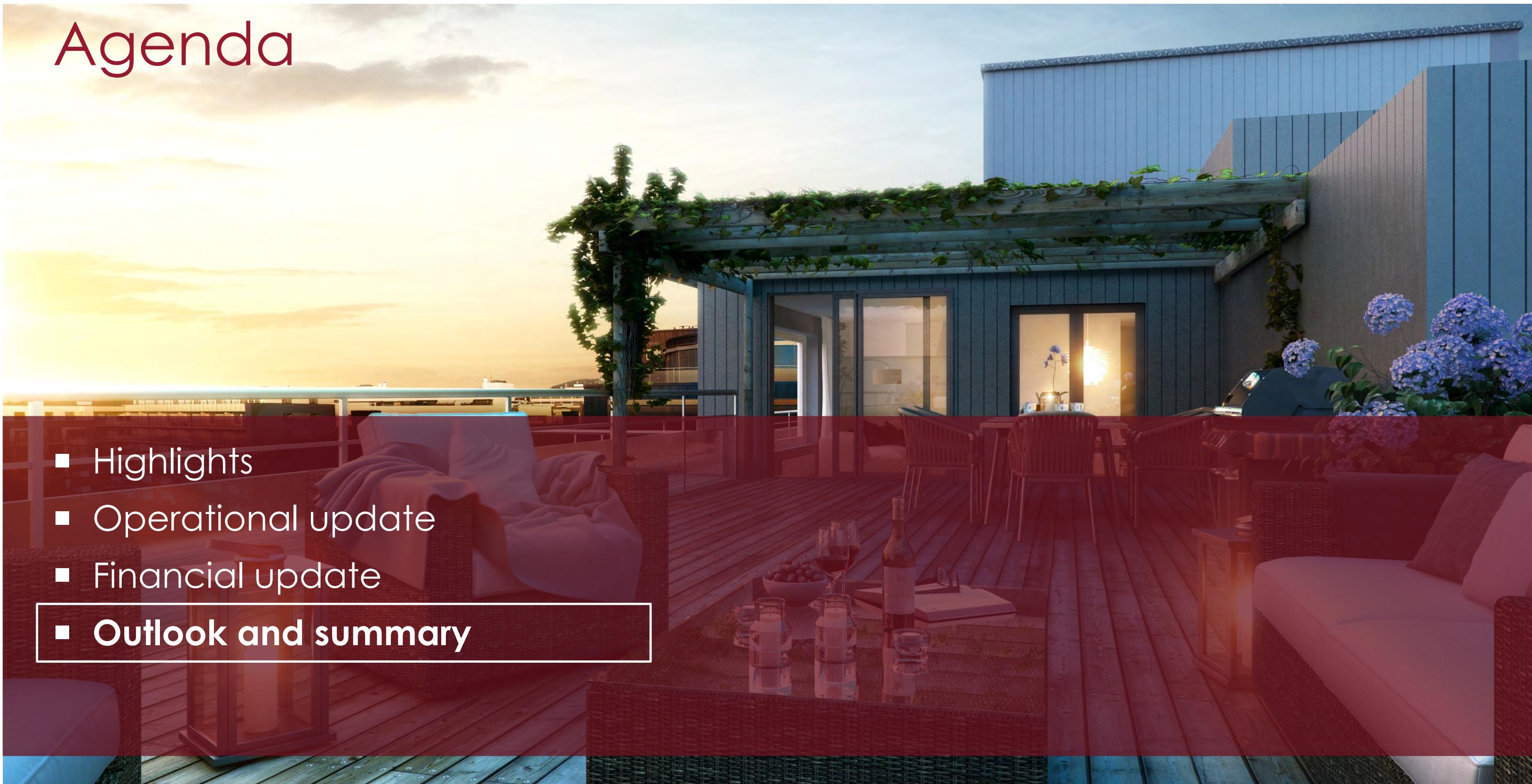


Equity ratio covenant (minimum 22.5%)



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- **Outlook and summary**

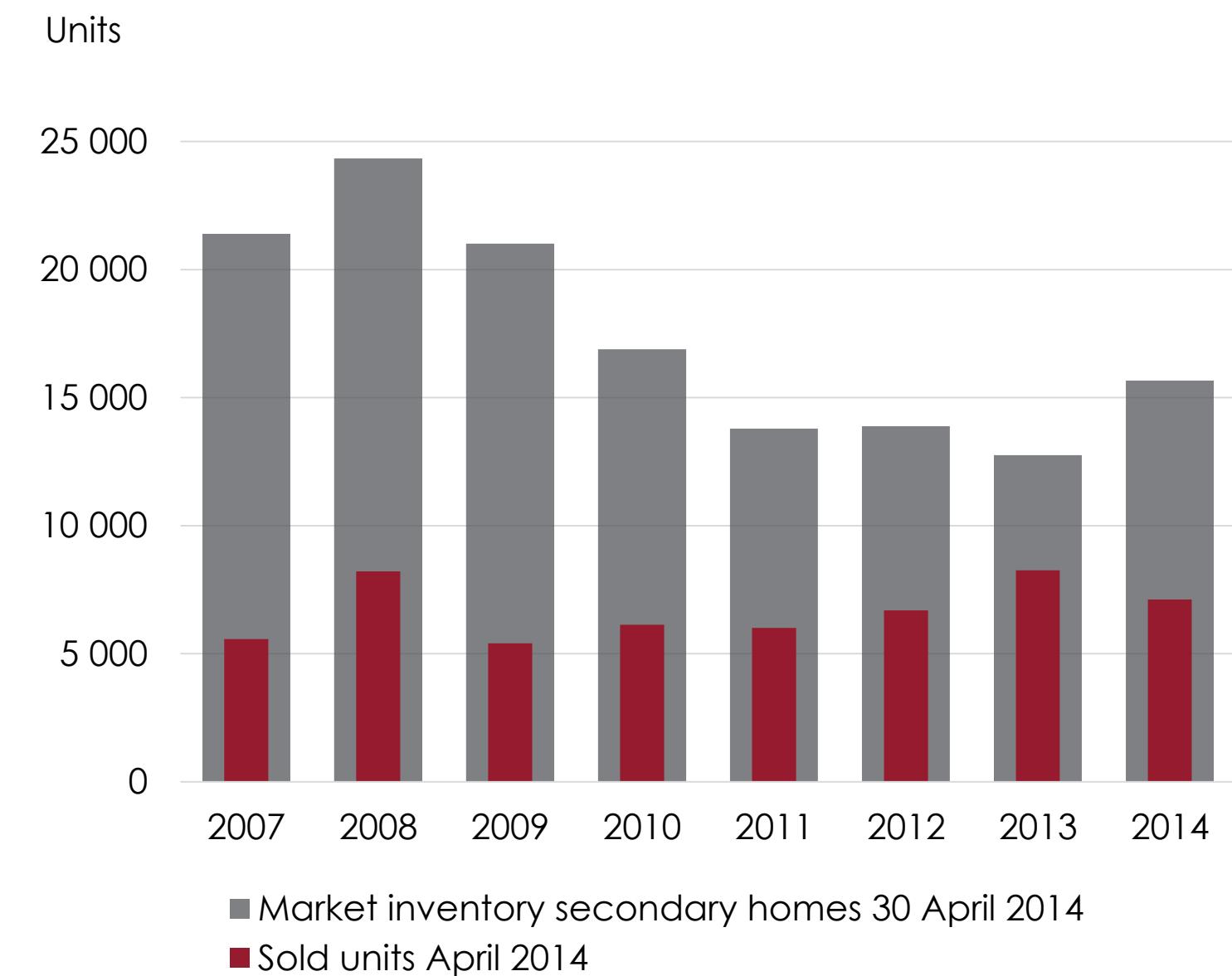


Second-hand market:

Positive sales and inventory development

- Improved market
 - Price increase
 - Strengthened sales (affected negatively by Easter in April)
 - Market inventory at moderate levels (historically)
- Macro economics expected to drive market development going forward
 - Low interest rates
 - Banks increasing lending to private households
 - Stable low unemployment rates

Norway, total market, April 2007-2014



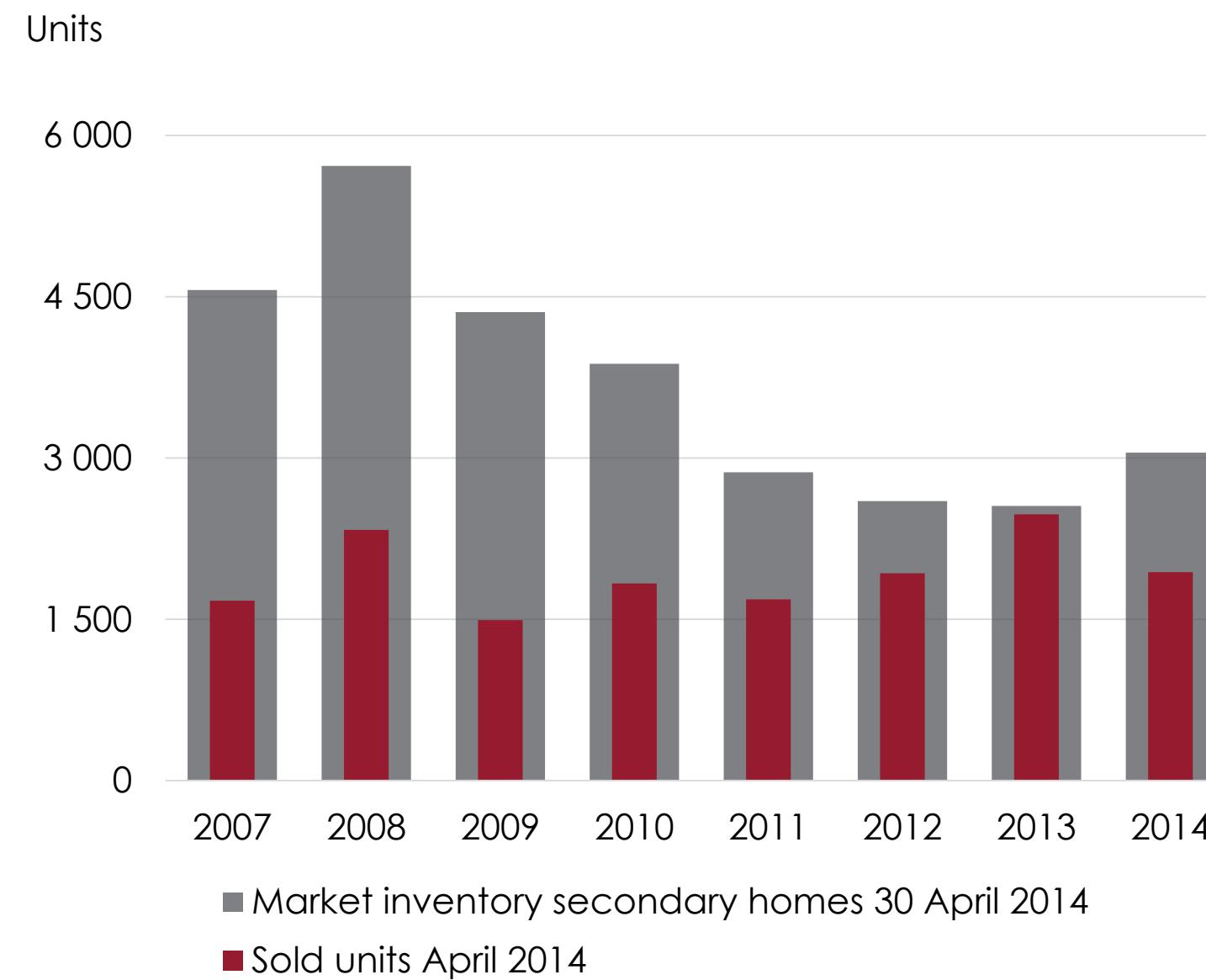
Source: Eiendomsverdi

MARKET OUTLOOK

Second-hand market:

Positive sales and inventory development

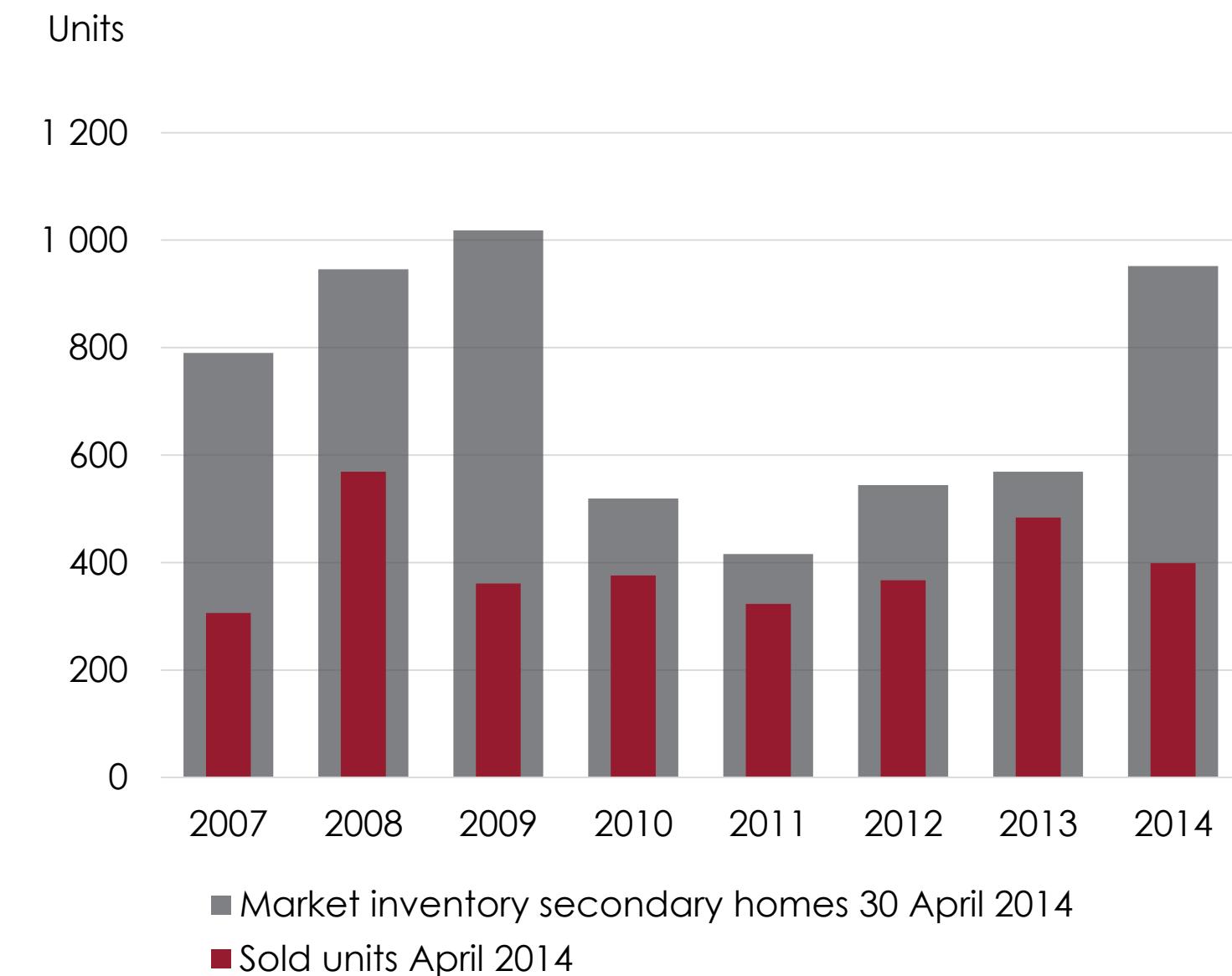
Oslo and Akershus, April 2007-2014



Selected areas: Oslo, Lørenskog, Ski, Oppgård, Bærum, Asker

Source: Eiendomsverdi

Rogaland, April 2007-2014



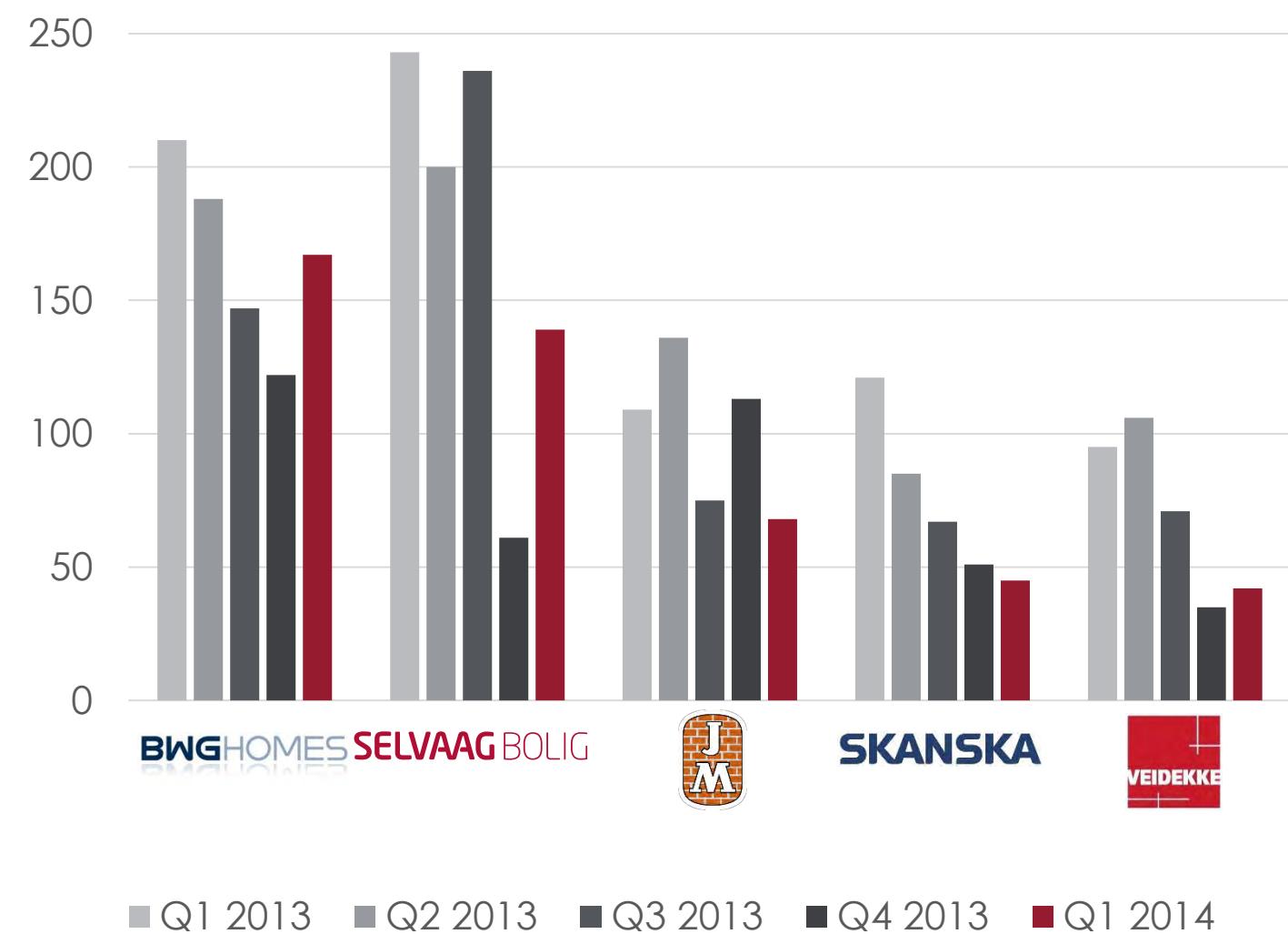
Selected areas: Stavanger, Sola, Randaberg, Sandnes

Positive sales trend from Q4 2014

- Sales are picking up
- Positive trend amongst most peers
 - However, competitors have few new large scale projects

Sales activity

Units



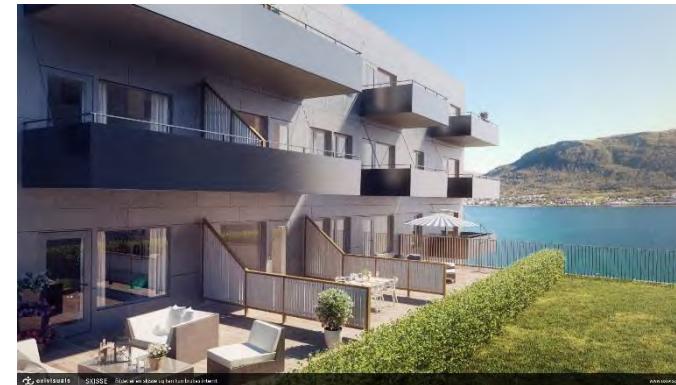
Source: Selvaag Bolig

Strong sales development at Nyhavn, Bergen

- Successful sales start on projects in Q1 2014 and so far in Q2 2014
- Sales phase in both Bergen and Tromsø indicate market improvement

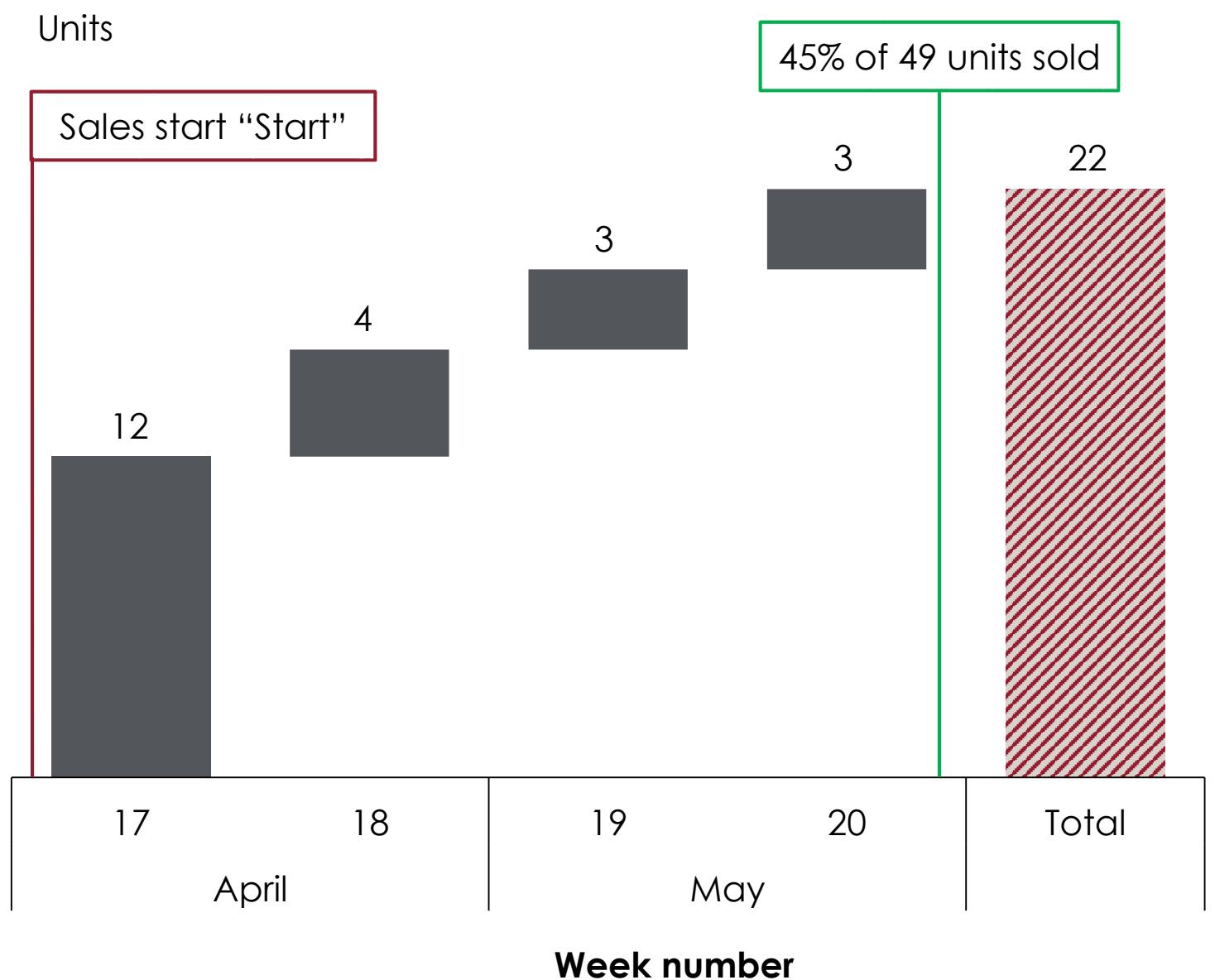


Nyhavn, Bergen



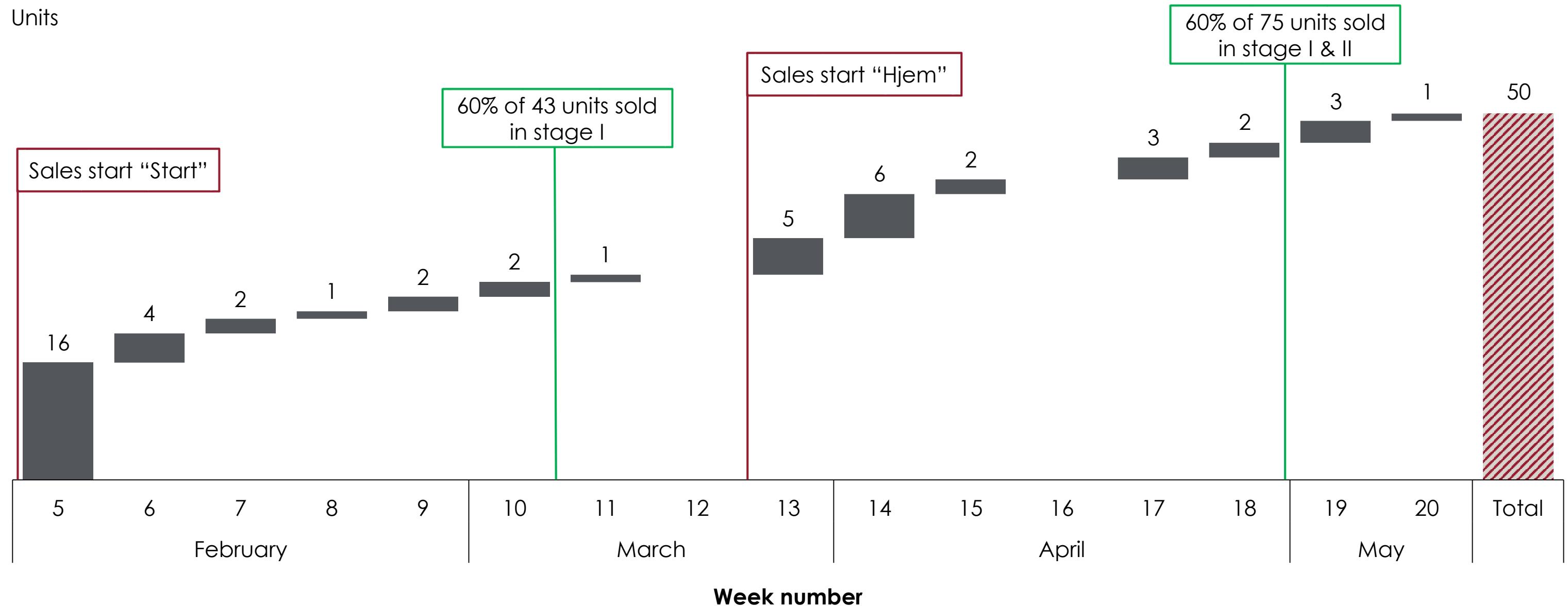
Sjøsia, Tromsø

Sales development on 49 unit project



Strong sales development at Sjøsia, Tromsø

Sales development on two construction stages (43 and 32 units)



Upcoming new projects

- Lade
 - Trondheim (new core area)
 - 221 units
 - Expected sales start on stage I with 40 units in Q2 2014
- Nyhavn, Bergen
 - 156 units
 - Expected sales start on stage I with 49 units in Q2 2014
- Tromsø
 - 155 units
 - Expected sales start on stage III with 48 units in Q2 2014



Lade Allé, Trondheim



Nyhavn, Bergen

Focus on value creation

- Reaching sales levels which secures project initiations
- Cost control through exploiting competitive advantages
- Acquisition of land in core areas



Sjøsia, Tromsø

Summary

- Improved sales
- Strategic land acquisitions
- High construction activity
- Solid financial position



Kaldnes, Tønsberg

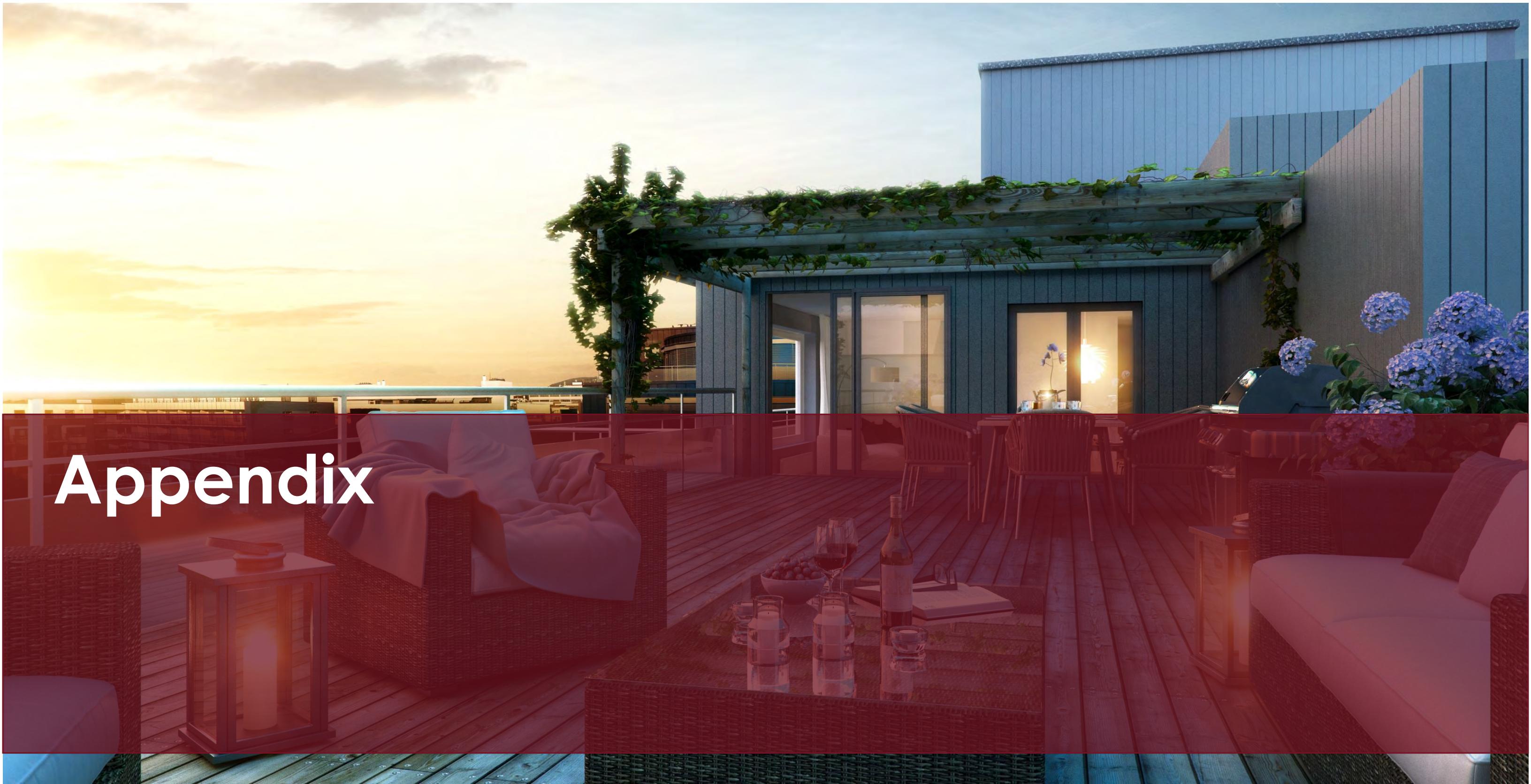
Thank you for your attention – follow us online!



@SelvaagAksjen

Q2 2014:

19 Aug 2014



Income statement IFRS

(figures in NOK million)	Q1 2014	Q1 2013	2013
Total operating revenues	244.6	523.8	2 197.0
Project expenses	(193.1)	(377.9)	(1 709.6)
Other operating expenses	(41.3)	(43.6)	(208.8)
Other gains (loss)	-	-	(0.4)
Associated companies and joint ventures	(1.2)	(0.2)	10.9
EBITDA	9.0	102.2	289.1
Depreciation and amortisation	(5.2)	(5.5)	(22.1)
EBIT	3.8	96.7	267.0
Net financial expenses	(6.3)	(14.6)	(30.0)
Profit/(loss) before taxes	(2.5)	82.1	237.0
Income taxes	0.7	(20.6)	(51.4)
Net income	(1.9)	61.5	185.6

Net income for the period attributable to:

Non-controlling interests	1.1	5.0	21.4
Shareholders in Selvaag Bolig ASA	(3.0)	56.5	164.1

Cash Flow statement

(figures in NOK million)	Q1 2014	Q1 2013	2013
Net cash flow from operating activities	(413.7)	319.5	104.0
Net cash flow from investment activities	(2.6)	20.3	48.8
Net cash flow from financing activities	415.8	(321.9)	(123.7)
Net change in cash and cash equivalents	(0.4)	17.9	29.1
Cash and cash equivalents at start of period	587.0	558.0	558.0
Cash and cash equivalents at end of period	586.6	575.9	587.0

Balance sheet

(figures in NOK million)	Q1 2014	Q1 2013	2013
Intangible assets	429.8	454.8	434.5
Property, plant and equipment	4.4	6.3	4.9
Investments in associated companies and joint ventures	152.1	150.7	150.7
Other non-current assets	170.7	143.8	166.6
Total non-current assets	756.9	755.5	756.7
Inventories (property)	4 661.3	3 853.4	4 283.9
- Land	1 720.7	1 917.0	1 753.4
- Work in progress	2 841.2	1 830.0	2 398.8
- Finished goods	99.4	106.4	131.6
Other current receivables	444.1	287.7	342.3
Cash and cash equivalents	586.6	575.9	587.0
Total current assets	5 692.1	4 716.9	5 213.2
TOTAL ASSETS	6 449.0	5 472.5	5 969.8
Equity attributed to shareholders in Selvaag Bolig ASA*	2 233.3	2 128.7	2 236.3
Non-controlling interests	23.8	24.6	22.7
Total equity	2 257.1	2 153.3	2 259.0
Non-current interest-bearing liabilities	2 330.7	1 452.0	2 116.2
Other non-current non interest-bearing liabilities	265.1	233.7	258.1
Total non-current liabilities	2 595.8	1 685.6	2 374.3
Current interest-bearing liabilities	887.0	1 111.3	669.0
Other current non interest-bearing liabilities	709.0	522.2	667.5
Total current liabilities	1 596.1	1 633.5	1 336.6
TOTAL EQUITY AND LIABILITIES	6 449.0	5 472.5	5 969.8

* Corresponding to a book value of NOK 23.8 per share

Operational highlights – key operating figures

(number of residential units, unless otherwise stated)	Q1 13	Q2 13	Q3 13	Q4 13	Q1 14
Number of units sold	243	200	236	61	139
Number of commenced units	168	284	335	296	77
Number of units completed	178	211	188	101	77
Number of units in production	1 058	1 131	1 279	1 474	1 474
Proportion of sold units in production	86 %	83 %	80 %	75 %	76 %
Number of completed unsold units	23	23	22	8	8
Sales value of units in production (NOK million)	3 747	4 163	4 657	5 421	5 547
Number of employees	100	101	97	98	99

IFRS EBITDA Q1 2014

(figures in NOK million)	Property development				Other	Total
	Greater Oslo	Rest of Norway	Other countries			
IFRS EBITDA for the quarter, per segment						
Operating revenues	176.5	57.9	0.7		9.6	244.6
Project expenses	(142.6)	(49.7)	-		(0.6)	(193.0)
Other operating expenses	(6.6)	(2.9)	(0.6)		(31.4)	(41.4)
Share of income (losses) from associated companies and joint ventures	0.4	(1.4)	(0.2)		-	(1.2)
Other gain (loss), net	-	-	-		-	-
EBITDA	27.6	3.9	(0.1)	(22.5)		9.0

Operational reporting first quarter

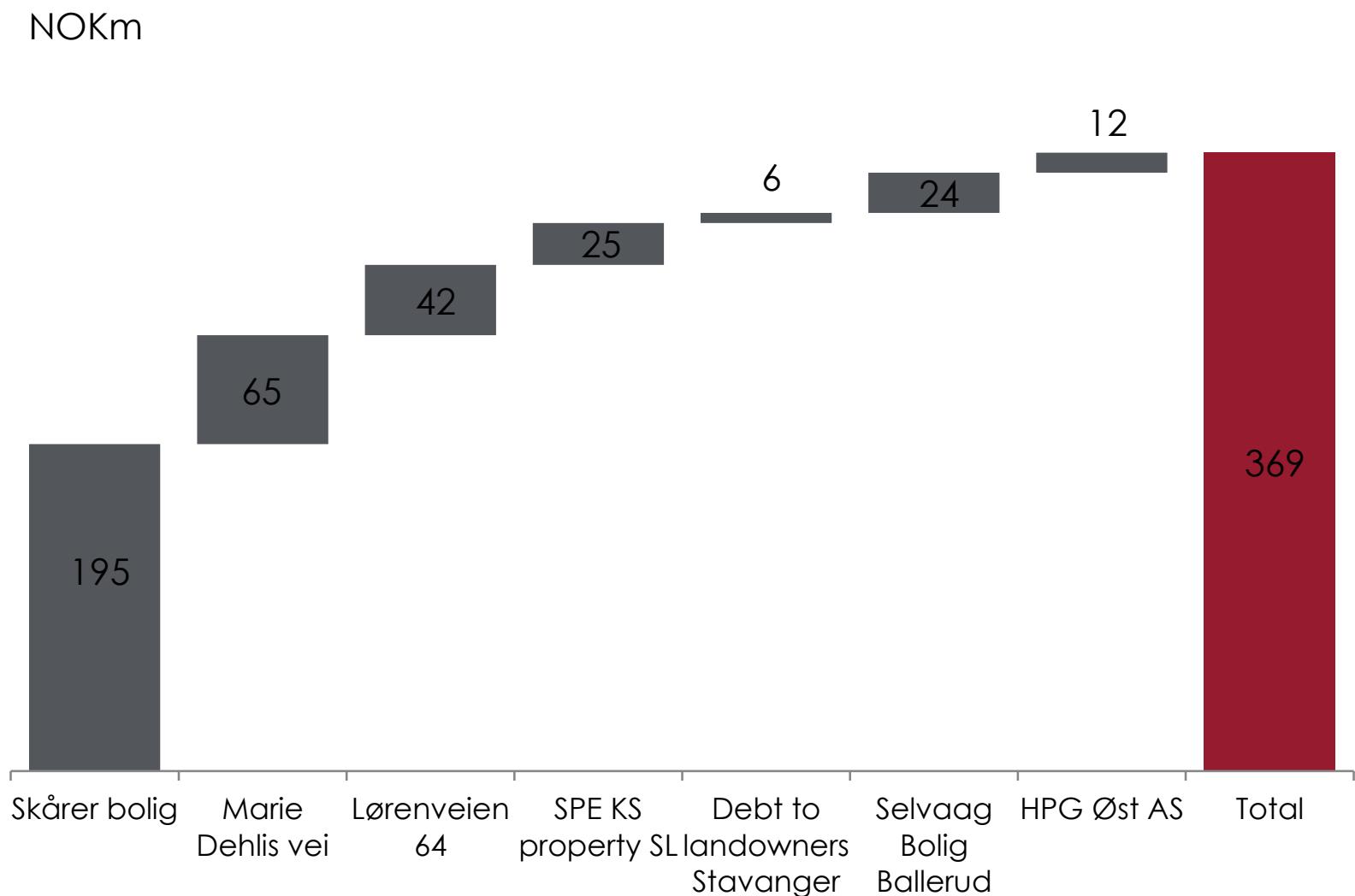
(figures in NOK million)	Property development				Other	Total
	Greater Oslo	Rest of Norway	Other countries			
Operating revenues	536.0	142.0	0.7	9.6	688.2	
Project expenses	(409.7)	(112.7)	-	(0.6)	(523.0)	
Other operating expenses	(6.6)	(2.9)	(0.6)	(31.4)	(41.4)	
EBITDA (percentage of completion)	119.7	26.4	0.1	(22.5)	123.8	

Note: Construction costs are exclusive of financial expenses in the segment reporting.

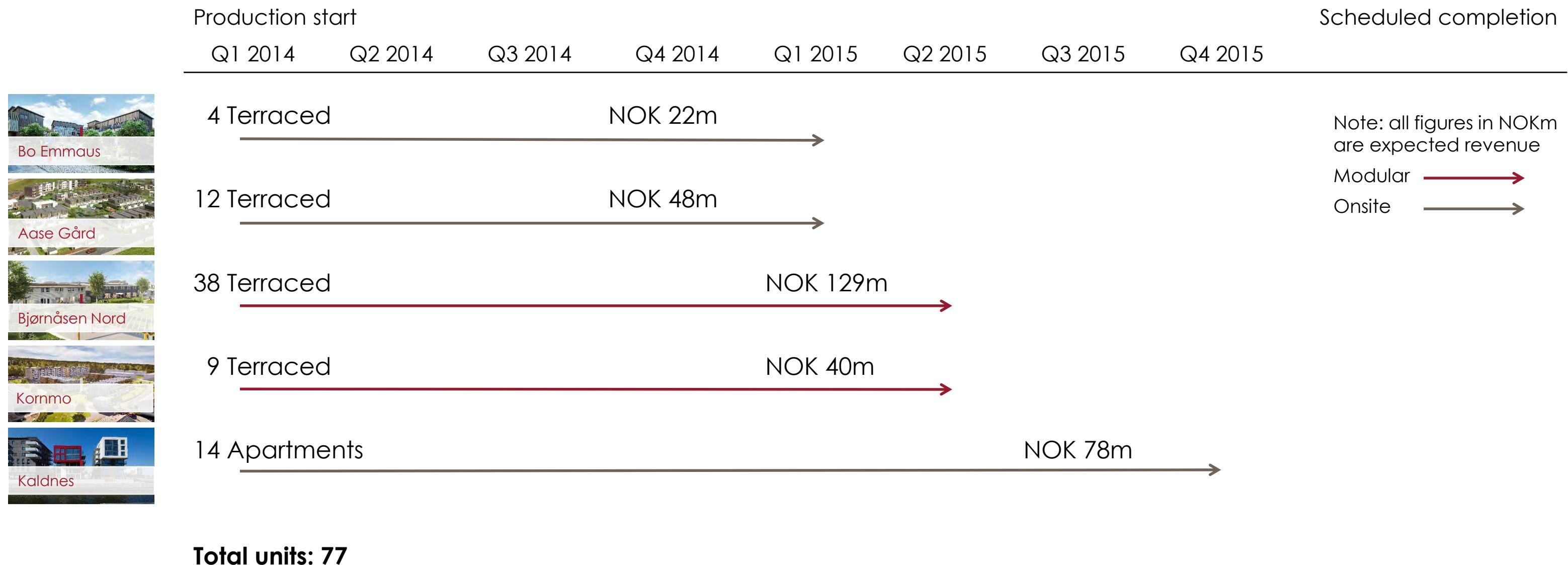
Land loan interests on the P&L

- Total land loans are NOK 1 175 million of which NOK 806 million are loans where interest cost are activated
- Land loan interests activated at regulation
- As at 31 March interests connected to land loans of NOK 369 million was charged on the P&L

Interest charged on the P&L as at 31.03.2014

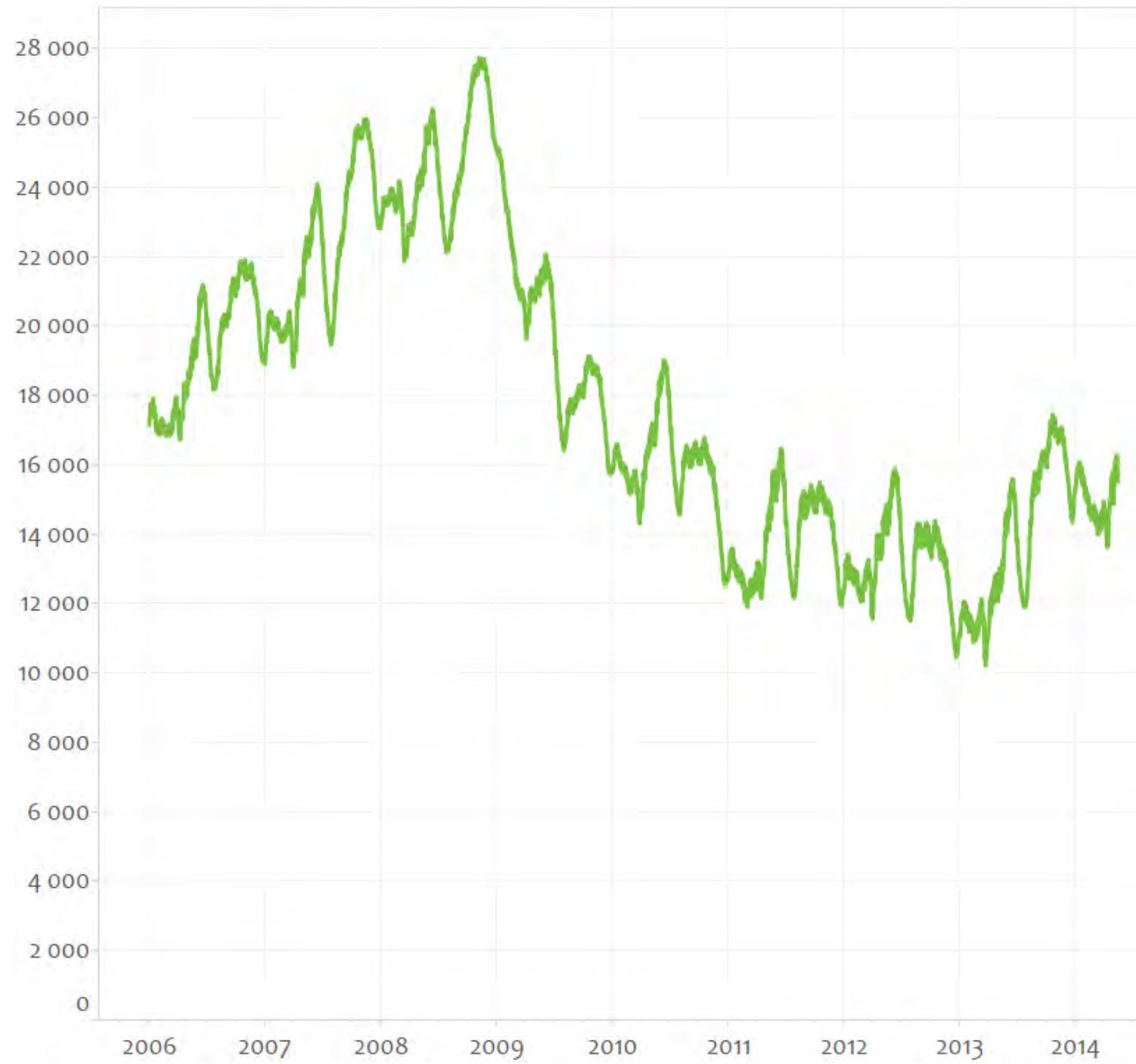


Construction start on existing projects



Market inventory at 30 April – Norway

Units



Market inventory: Homes for sale, not sold the last nine months

Source: Eiendomsverdi

Market inventory at 30 April – Oslo

Units



Market inventory: Homes for sale, not sold the last nine months

Source: Eiendomsverdi

Market inventory at 30 April – Akershus

Units



Market inventory: Homes for sale, not sold the last nine months

Source: Eiendomsverdi

Market inventory at 30 April – Rogaland

Units



Market inventory: Homes for sale, not sold the last nine months

Source: Eiendomsverdi