

**Q1
2014**

First quarter results



SELVAAG BOLIG

[Start](#) [Hjem](#) [Pluss](#)

Highlights of the first quarter 2014

- Operating revenues of NOK 245 million (NOK 524 million) and EBITDA of NOK 9 million (NOK 102 million)
- Many housing starts and a high level of building activity, improvement in sales from the previous period
 - 139 units sold (243) and sales started for 154 homes (227)
 - Construction started on 77 units (168)
 - 77 units completed (178) and 80 delivered (170) - including nine completed earlier
 - A total of 1 474 units, of which 76 per cent are sold, were under construction at 31 March (1 058), with a combined sales value of NOK 5 547 million (NOK 3 747 million)
- Land purchases in Oslo and Trondheim

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

Key figures

(figures in NOK 1 000)	Q1 2014	Q1 2013	2013
IFRS main figures			
Operating revenues	244 581	523 777	2 196 964
EBITDA	9 005	102 195	289 060
Operating profit/(loss)	3 787	96 657	266 971
Profit/(loss) before taxes	(2 522)	82 098	236 988
Cash flow from operating activities	(413 703)	319 499	103 950
Net cash flow	(441)	17 928	29 053
Interest-bearing liabilities	3 217 722	2 563 283	2 785 215
Total assets and liabilities	6 448 970	5 472 479	5 969 849
Equity ratio	35.0%	39.3%	37.8%
Earnings per share (whole NOK)	(0.03)	0.60	1.75
Segment reporting (NGAAP):			
Operating revenues	688 204	637 561	2 599 843
EBITDA*	123 762	144 345	422 657
EBITDA margin	18.0%	22.6%	16.3%
Key figures:			
Number of sold units	139	243	740
Number of started units	77	168	1 083
Number of delivered units	80	170	687
Number of completed units	77	178	678

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

Financial review

Summary of overall results

(figures in NOK 1 000)	Q1 2014	Q1 2013	2013
Total operating revenues	244 581	523 777	2 196 964
Project expenses	(193 070)	(377 855)	(1 709 646)
Other operating expenses, salaries and personnel cost, depreciation and amortisation	(46 517)	(49 096)	(230 861)
Associated companies and joint ventures	(1 207)	(169)	10 514
Total operating expenses	(240 794)	(427 120)	(1 929 993)
Operating profit	3 787	96 657	266 971
Net financial expenses	(6 309)	(14 559)	(29 983)
Profit before taxes	(2 522)	82 098	236 988
Income taxes	651	(20 551)	(51 408)
Net income	(1 871)	61 547	185 580

Results for the first quarter of 2014

(Figures in brackets relate to the corresponding period of 2013. The figures are unaudited.)

Selvaag Bolig had operating revenues of NOK 244.6 million (NOK 523.8 million) in the first quarter. It delivered 80 homes (170) in the period, including 79 (169) from consolidated project companies, which accounted in all for NOK 224.5 million (NOK 507.1 million) of total consolidated operating revenues.

Project costs for the quarter totalled NOK 193.1 million (NOK 377.9 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. The decline in project costs reflects fewer units delivered than in the same period of 2013.

Operating costs excluding project costs and the share of results from associates came to NOK 46.5 million (NOK 49.1 million) for the quarter. Payroll costs accounted for NOK 16.5 million (NOK 21.1 million) of this figure. The decline primarily reflected the divestment of Meglerhuset Selvaag (the estate agency and letting business) in 2013. In addition, NOK 10.5 million (NOK 5.7 million) in payroll costs related to housing under construction was capitalised during the period and will be expensed as project costs on delivery. Furthermore, other operating costs came to NOK 24.8 million (NOK 22.4 million) for the quarter, including NOK 8.1 million (NOK 7.3 million) for sales and marketing.

The share of loss from associates and joint ventures came to NOK 1.2 million (NOK 0.2 million). This negative result primarily reflects few units delivered from part-owned projects.

EBITDA came to NOK 9 million (NOK 102.2 million) in the quarter, corresponding to a margin of 3.7 per cent (19.5 per cent). The low margin for the group as a whole differs from margins in the individual projects, and must be viewed in relation to a low number of deliveries during the quarter.

Consolidated depreciation and amortisation totalled NOK 5.2 million (NOK 5.5 million), so that consolidated operating profit for the quarter came to NOK 3.8 million (NOK 96.7 million).

Net financial expenses came to NOK 6.3 million (NOK 14.6 million). The variation from 2013 reflects the recognition of NOK 12.2 million in guarantee costs in the first quarter of last year. The pre-tax loss came to NOK 2.5 million (profit of NOK 82.1 million).

Net tax income is estimated at NOK 0.7 million (expense of NOK 20.6 million) for the quarter, so that the consolidated net loss was NOK 1.9 million (profit of NOK 61.5 million). A loss of NOK 3 million was attributable to the shareholders of Selvaag Bolig ASA and a profit of NOK 1.1 million to non-controlling shareholders in a joint venture.

Cash flow

Consolidated net cash flow from operational activities was negative at NOK 413.7 million (positive at NOK 319.5 million) for the first quarter. The decline from 2013 primarily reflected fewer homes delivered and a high level of construction activity.

Net cash flow from investing activities was negative at NOK 2.6 million (positive at NOK 20.3 million) for the quarter. Dividends from joint ventures came to NOK 5.7 million (NOK 0 million). The purchase of a joint venture in Trondheim involved a cash payment of NOK 8.25 million.

Net cash flow from financing activities was NOK 415.8 million (negative at NOK 321.9 million). The change from the first quarter of 2013 reflected the drawdown of construction loans in current projects, and the payment of NOK 54.9 million to an external guarantor for the Løren 2B project last year.

Cash and cash equivalents decreased by NOK 0.4 million during the first quarter. The group's total holding at 31 March was NOK 586.6 million (NOK 575.9 million).

Cash flow summary

(figures in NOK 1 000)	Q1 2014	Q1 2013	2013
Profit before taxes	(2 522)	82 098	236 988
Net cash flow from operating activities	(413 703)	319 499	103 950
Net cash flow from investment activities	(2 575)	20 301	48 787
Net cash flow from financing activities	415 837	(321 872)	(123 684)
Net change in cash and cash equivalents	(441)	17 928	29 053
Cash and cash equivalents at start of period	587 042	557 989	557 989
Cash and cash equivalents at end of period	586 601	575 917	587 042

Financial position

The carrying amount of Selvaag Bolig's total inventories (land, housing under construction and completed homes) at 31 March was NOK 4 661.3 million, compared with NOK 4 283.9 million at 31 December and NOK 3 853.4 million a year earlier. The increase from the fourth quarter of 2013 reflected a high level of building activity. See note 5 for a further specification of inventories.

Equity at 31 March was NOK 2 257.1 million (NOK 2 153.3 million), corresponding to an equity ratio of 35 per cent (39.3 per cent). Non-controlling interests amounted to NOK 23.8 million (NOK 24.6 million) of equity.

Other current non-interest-bearing liabilities totalled NOK 641.6 million (NOK 407 million) at 31 March, of which NOK 328.1 million (NOK 232 million) represented advance payments from customers.

At 31 March, consolidated interest-bearing debt amounted to NOK 3 217.7 million (NOK 2 563.3 million), of which NOK 2 330.7 million (NOK 1 452 million) was non-current and NOK 887 million (NOK 1 111.3 million) was current.

The group had land loans of NOK 1 175.3 million (NOK 1 327.5 million) at 31 March. These are normally converted to construction loans in line with the progress of the respective construction projects.

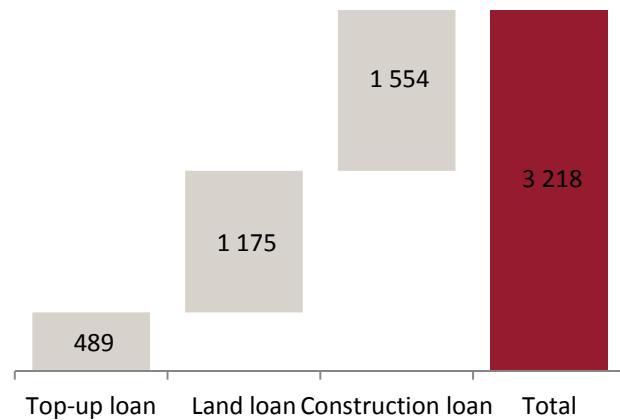
Two undrawn overdraft facilities of NOK 150 million each were held by the group at 31 March, with one allocated for financing the start-up of new projects.

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 commencing on 27 September 2013. Interest on the loan is three months Nibor plus a margin of 475 basis 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 March. The bond was listed on the Oslo Stock Exchange in the third quarter of 2013.

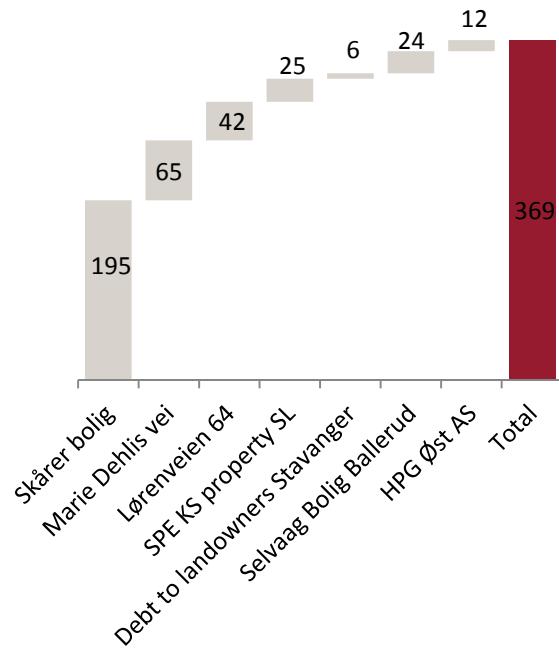
Net interest-bearing debt

(figures in NOK 1 000)	Q1 2014	Q1 2013	2013
Non-current interest-bearing debt	2 330 703	1 451 994	2 116 176
Current interest-bearing debt	887 019	1 111 289	669 039
Cash and cash equivalents	(586 601)	(575 917)	(587 042)
Net interest-bearing debt	2 631 121	1 987 366	2 198 173

The group's interest-bearing debt falls primarily into three categories: liabilities in parent company Selvaag Bolig ASA (top-up loans), land loans and construction loans. At 31 March, the group had a top-up loan of NOK 489 million, land loans of NOK 1 175 million and construction loans of NOK 1 554 million. The top-up loan consisted of a bond carried at a net amortised cost of NOK 489 million.

Interest-bearing debt at 31 March 2014 (NOK mill)

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)

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 the cost of sales when the homes are delivered. At 31 March, NOK 805 million in interest on land loans had been capitalised, while interest charges of NOK 369 million on loans were recognised in profit and loss.

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 first quarter 2014

(figures in NOK 1 000)	Operating revenues		EBITDA		Operating profit/loss	
	Q1 14	Q1 13	Q1 14	Q1 13	Q1 14	Q1 13
Property development						
- Greater Oslo	536 000	449 597	119 722	126 870	111 828	118 543
- Rest of Norway	141 969	178 667	26 403	42 693	10 003	26 320
- Other countries	668	646	117	224	1 573	2 834
Other	9 567	8 651	(22 480)	(25 442)	(24 039)	(27 118)
IFRS adjustments	(443 623)	(113 784)	(114 757)	(42 150)	(95 578)	(23 922)
Total group	244 581	523 777	9 005	102 195	3 787	96 657

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 first quarter were NOK 536 million (NOK 449.6 million). They derived from 21 projects, all of which are in production because construction has started.

Although the group experienced a somewhat slower pace of sales compared with the same period of 2013, 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 416.3 million (NOK 322.7 million) in the first quarter. Construction costs in the segment reporting are exclusive of directly-related financial expenses (interest on construction loans). 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 119.7 million for the quarter (NOK 126.9 million), corresponding to a profit margin of 22.3 per cent (28.2 per cent).

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 first quarter were NOK 142 million (NOK 178.7 million), and derived primarily from 10 projects in Stavanger and one in Bergen.

As in Greater Oslo, operating costs move primarily in line with construction and sales costs. These follow project development and amounted to NOK 115.6 million (NOK 136 million) in the first quarter exclusive of financial expenses.

EBITDA for the segment came to NOK 26.4 million (NOK 42.7 million), corresponding to a margin of 18.6 per cent (23.9 per cent).

Housing development - other countries

Only one project was under way in this segment at 31 March. 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 first quarter came to NOK 0.7 million (NOK 0.6 million), attributable in their entirety to

rental income. Operating costs of NOK 0.6 million (NOK 0.4 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 first quarter came to NOK 9.6 million (NOK 8.6 million). NOK 5 million of the revenues

related to fees from an external housing developer for using the Pluss concept.

Total operating costs for the segment amounted to NOK 32 million (NOK 34.1 million) for the first quarter. These are largely attributable to management and administration as well as to company promotion.

This yielded a negative EBITDA of NOK 22.5 million (NOK 25.4 million) for the segment.

Review of operations

Operations

The pace of sales during the quarter was satisfactory, but lower than in the corresponding period of 2013. Activity in the group was at a high level, and construction started on as many homes as were delivered in the quarter.

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, Oppegård, Kristiansand, Stavanger, Sandnes, Sola, 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 a property at Ensjø in Oslo for NOK 206 million. Selvaag Bolig ASA will own 50 per cent of the project, with the remainder owned by Ferd Eiendom. The total project will consist of 320 units covering 22 100 saleable square metre, which implies a land cost of roughly NOK 9 330 per saleable square metre. The purchase will be completed in the third quarter of 2016.

Furthermore, Selvaag Bolig has entered into an agreement to acquire two sites in Trondheim. Selvaag Bolig AS will own

50 per cent of the projects, with Heimdal Sag Invest AS owning the remainder. The total project will consist of 220 units covering 14 430 saleable square metre.

The price for the first site was NOK 17.4 million which implies a land cost of NOK 4 650 per saleable square metre. The purchase was completed in the first quarter of 2014. The price for the second site in Trondheim will be the marked price at the date when planning permission is secured. The purchase is expected to be completed in the first quarter of 2016.

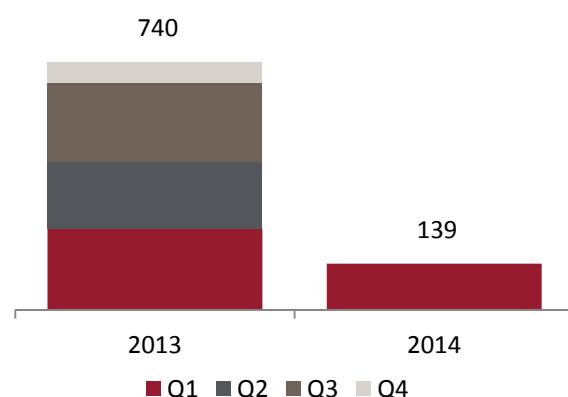
Quarterly development of the project portfolio

	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 millio)	3 747	4 163	4 657	5 421	5 547

Market trends

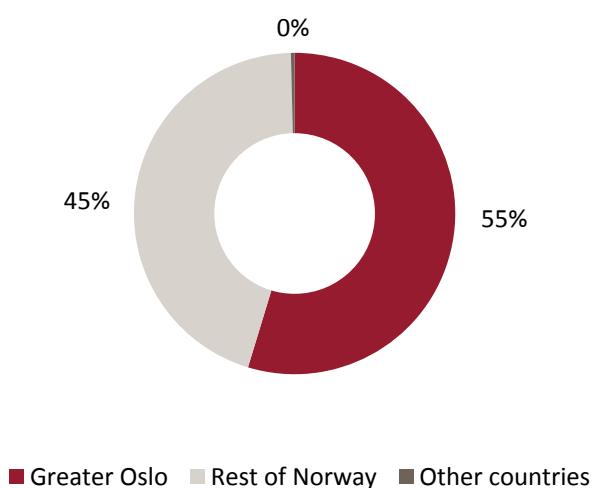
Selvaag Bolig sold 139 residential units (243) during the first quarter. These sales embrace Selvaag Bolig's consolidated project companies as well as its relative share of homes sold in part-owned projects. Sales of new homes during the first quarter were significantly better than in the fourth quarter of last year.

Units sold



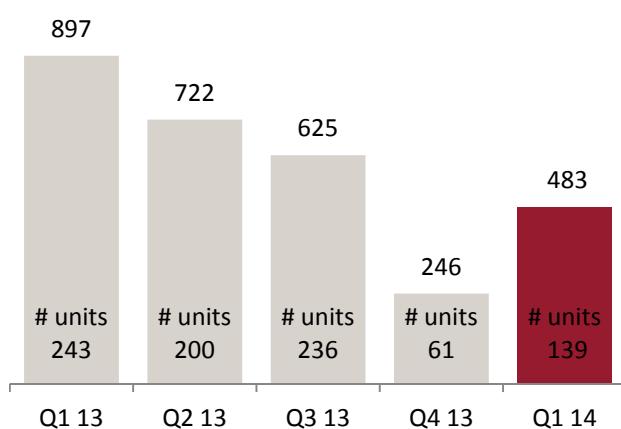
The 139 units sold broke down into 76 in Greater Oslo, 63 in the rest of Norway and one in other countries.

Breakdown of sales



The combined value of the 139 units sold during the quarter was NOK 483 million. This represents a halving from NOK 897 million in the same period of 2013 but a doubling from NOK 246 million in the fourth quarter of last year.

Value of units sold (NOK mill)



Selvaag Bolig started sales during the quarter in four projects (Sjøsia in Tromsø is being developed in two phases) embracing a total of 154 residential units (227). Market conditions during the first quarter were better than in the fourth quarter of 2013, which had a positive impact on sales for Selvaag Bolig.

The company experienced good demand in projects available for sale during the first quarter. This trend continued in the second quarter, and is exemplified by the pace of sales in the Nyhavn and Sjøsia projects in Bergen and Tromsø respectively. Fifty of 75 flats at Sjøsia had been sold from the start of sales in early February to mid-May, spread over two construction stages. Furthermore, 22 of 49 flats in the Nyhavn project were sold from the start of sales in early April to mid-May.

Sales starts in the quarter

Project	# of units	Category	Segment
Løren	56	Flat	Greater Oslo
Kornmoenga	11	Terraced	Greater Oslo
Sjøsia	43	Flat	Rest of Norway
Sjøsia	32	Flat	Rest of Norway
Aase	12	Terraced	Rest of Norway
Total	154		

Construction also began on 77 (168) units during the first quarter.

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

Housing starts (no of units)

Project	# units	Category	Segment
Bjørnåsen Nord	38	Terraced	Greater Oslo
Kaldnes	14	Flat	Greater Oslo
Kornmo	9	Terraced	Greater Oslo
Aase	12	Terraced	Rest of Norway
Bo Emmaus	4	Terraced	Rest of Norway
Total	77		

At 31 March, Selvaag Bolig had 1 474 units under construction, unchanged from 31 December and an increase of just over 400 units from the same date in 2013. They broke down into 1 145 units in Greater Oslo, 290 in the rest of Norway and 39 abroad.

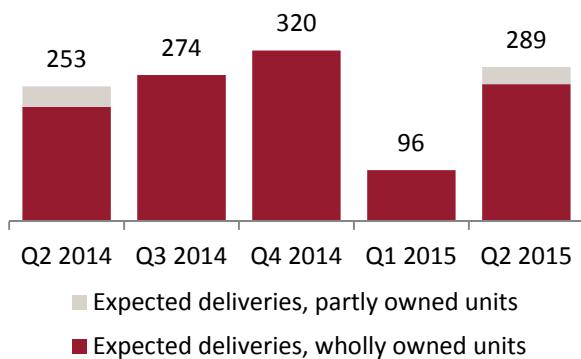
The order backlog at 31 March - in other words, the sales value of the 1 474 (1 058) units under construction - was NOK 5 547 million (NOK 3 747 million).

A total of 77 (178) units were completed in the first quarter, of which 80 (170) were delivered. The completed units were divided between three projects - Bjørnåsen, Kornmo and Jaasund. Consolidated project companies accounted for 79 of the completed units, and part-owned project companies for one.

Units completed by project

Project	# units	Category	Segment
Bjørnåsen Syd	62	Flat	Greater Oslo
Kornmo	10	Terraced	Greater Oslo
Jaasund	5	Detached	Rest of Norway
Total	77		

Based on estimated completions, the number of deliveries is expected to rise during 2014.

Expected number of deliveries

Share information

The company had 93.76 million issued shares at 31 March, divided between 934 shareholders.

The 20 largest shareholders controlled a total of 88.1 per cent of the total number of outstanding shares. The largest shareholder was Selvaag Gruppen, with a 53.5 per cent holding.

20 largest shareholders at 31 March 2014

Shareholder	# of shares	% share
SELVAAG GRUPPEN AS	50 180 087	53.5 %
SKANDINAVISKA ENSKILDA BANKEN AB	6 011 842	6.4 %
AS ATLANTIS VEST	4 065 598	4.3 %
IKM EIENDOM AS	3 575 624	3.8 %
MP PENSJON PK	3 077 294	3.3 %
HAVFONN AS	2 144 856	2.3 %
T S EIENDOM AS	1 782 568	1.9 %
PARETO AS	1 490 000	1.6 %
HOLBERG NORGE	1 305 334	1.4 %
STOREBRAND VERDI	1 291 243	1.4 %
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	986 915	1.1 %
J.P. MORGAN CHASE BANK N.A. LONDON	750 000	0.8 %
VERDIPAPIRFONDET OMEGA INVESTMENT	671 000	0.7 %
BANAN	550 000	0.6 %
STOREBRAND LIVSFORSIKRING AS	532 755	0.6 %
STOREBRAND AKSJE INNLAND	505 678	0.5 %
HUSTADLITT A/S	501 449	0.5 %
Total 20 largest shareholders	82 576 856	88.1 %
Other shareholders	11 188 832	11.9 %
Total number of shares	93 765 688	100.0 %

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

Selvaag Bolig had no significant transactions with related parties during the quarter. See note 23 to the consolidated financial statements for 2013 for detailed information on transactions with related parties in earlier years.

Housing market

Prices declined for all types of housing nationwide in Norway during the second half of 2013. This trend reversed during the first quarter of 2014 and, according to Statistics Norway (SSB), Norwegian house prices at 31 March were 2.1 per cent higher on average than at 31 December and on a par with prices at 31 March 2013.

However, price developments in Selvaag Bolig's core areas were somewhat mixed. Prices in Oslo and Bærum rose during the quarter by 1.8 per cent, and were 0.1 per cent higher than at 31 March 2013. In Akershus outside Bærum, prices increased by two per cent in the quarter, and were 0.8 per cent higher than at 31 March 2013. Stavanger prices, on the other hand, declined by 1.9 per cent during the period and ended up 5.5 per cent lower than at 31 March 2013. In Bergen, prices rose by 4.8 per cent and were up by 2.8 per cent from the year before. Prices in Trondheim rose by 2.6 per cent, and were 1.1 per cent lower than at 31 March 2013.

Sales of second-hand homes in the period were high and at the same level as the first quarter in 2013 and 2012. Eiendomsverdi reports that the inventory of second-hand homes has been decreasing after the end of the quarter. Sales of newbuilt homes also improved significantly during the quarter and Selvaag Bolig sold 139 units, compared with 61 units in the fourth quarter 2013. The positive development has continued into the second quarter.

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.

Interim financial statements (IFRS)

Statement of comprehensive income

(figures in NOK 1 000, except earnings per share)	Q1 2014	Q1 2013	2013
Revenues	226 696	507 650	2 133 271
Other revenues	17 885	16 127	63 693
Total operating revenues	244 581	523 777	2 196 964
Project expenses	(193 070)	(377 855)	(1 709 646)
Salaries and personnel costs	(16 503)	(21 149)	(87 656)
Depreciation and amortisation	(5 218)	(5 538)	(22 089)
Other operating expenses	(24 796)	(22 409)	(121 116)
Other gains (losses), net	-	-	(419)
Associated companies and joint ventures	(1 207)	(169)	10 933
Total operating expenses	(240 794)	(427 120)	(1 929 993)
Operating profit	3 787	96 657	266 971
Financial income	2 208	5 028	16 419
Financial expenses	(8 517)	(19 587)	(46 402)
Net financial expenses	(6 309)	(14 559)	(29 983)
Profit/(loss) before taxes	(2 522)	82 098	236 988
Income taxes	651	(20 551)	(51 408)
Net income	(1 871)	61 547	185 580
Other comprehensive income/expenses			
Translation differences	(3)	(1)	(115)
Total comprehensive income/(loss) for the period	-1 874	61 546	185 465
Net income for the period attributable to:			
Non-controlling interests	1 117	5 040	21 398
Shareholders in Selvaag Bolig ASA	(2 988)	56 507	164 182
Total comprehensive income/(loss) for the period attributable to:			
Non-controlling interests	1 117	5 040	21 398
Shareholders in Selvaag Bolig ASA	(2 991)	56 506	164 067
Earnings per share for net income/(loss) attributed to shareholders in Selvaag Bolig ASA			
Earnings per share (basic and diluted) in NOK	-0.03	0.60	1.75

The consolidated financial information has not been audited

Statement of financial position

(figures in NOK 1 000)		Q1 2014	Q1 2013	2013
ASSETS				
Non-current assets				
Goodwill		383 376	389 183	383 376
Other intangible assets		46 379	65 592	51 106
Property, plant and equipment		4 411	6 252	4 914
Investments in associated companies and joint ventures		152 073	150 738	150 705
Loans to associated companies and joint ventures		13 869	23 215	12 251
Other non-current assets		156 810	120 560	154 336
Total non-current assets		756 918	755 540	756 688
Current assets				
Inventories (property)	Note 5	4 661 349	3 853 357	4 283 850
Trade receivables		196 744	209 250	107 015
Other current receivables		247 358	78 415	235 254
Cash and cash equivalents		586 601	575 917	587 042
Total current assets		5 692 052	4 716 939	5 213 161
TOTAL ASSETS		6 448 970	5 472 479	5 969 849
EQUITY AND LIABILITIES				
Equity attributed to shareholders in Selvaag Bolig ASA		2 233 276	2 128 705	2 236 268
Non-controlling interests		23 835	24 604	22 718
Total equity		2 257 111	2 153 309	2 258 986
LIABILITIES				
Non-current liabilities				
Pension liabilities		1 183	372	1 183
Deferred tax liabilities		153 446	126 171	154 097
Provisions		92 578	92 112	92 578
Other non-current non interest-bearing liabilities		17 892	15 000	10 269
Non-current interest-bearing liabilities		2 330 703	1 451 994	2 116 176
Total non-current liabilities		2 595 802	1 685 649	2 374 303
Current liabilities				
Current interest-bearing liabilities		887 019	1 111 289	669 039
Trade payables		65 639	114 127	115 157
Current tax payables		1 793	1 106	2 255
Other current non interest-bearing liabilities		641 606	406 999	550 109
Total current liabilities		1 596 057	1 633 521	1 336 560
Total liabilities		4 191 859	3 319 170	3 710 863
TOTAL EQUITY AND LIABILITIES		6 448 970	5 472 479	5 969 849

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	Attributed to shareholders in controlling interest	Non-controlling interests	Total equity
EQUITY AS OF 1 JANUARY 2014	187 511	1 394 857	700 629	1 079	3 528	-51 337	2 236 267	22 718 *)	2 258 985
<i>Total comprehensive income/(loss) for the period:</i>									
Net income/(loss) for the period	-	-	-	-	-	-2 988	-2 988	1 117	-1 871
Other comprehensive income/(loss) for the period	-	-	-	-3	-	-	-3	-	-3
EQUITY AS OF 31 MARCH 2014	187 511	1 394 857	700 629	1 076	3 528	-54 325	2 233 276	23 835 *)	2 257 111
EQUITY AS OF 1 JANUARY 2013	187 511	1 394 857	700 629	1 194	3 528	-215 519	2 072 200	74 421 *)	2 146 621
<i>Profit sharing to external guarantor</i>									
Net income/(loss) for the period	-	-	-	-	-	56 506	56 506	5 040	-
Other comprehensive income/(loss) for the period	-	-	-	-1	-	-	-1	-	-
EQUITY AS OF 31 MARCH 2013	187 511	1 394 857	700 629	1 193	3 528	-159 013	2 128 705	24 604 *)	2 153 309
<i>Profit sharing to external guarantor</i>									
Dividend to non-controlling interests	-	-	-	-	-	-	-	-9 000	-
EQUITY AS OF 31 DECEMBER 2013	187 511	1 394 857	700 629	1 079	3 528	-51 337	2 236 267	22 718 *)	2 258 985
<i>Total comprehensive income/(loss) for the rest of the year</i>									
Net income/(loss) for the period	-	-	-	-	-	107 676	107 676	16 358	124 034
Other comprehensive income/(loss) for the period	-	-	-	-114	-	-	-114	-	-114

The consolidated financial information has not been audited

*) 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)	Q1 2014	Q1 2013	2013
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(loss) before taxes	(2 522)	82 098	236 988
Income taxes paid	(462)	-	-
Depreciation and amortisation	5 218	5 538	22 089
Other gains (losses), net	-	-	419
Share of profits/(losses) from associated companies and joint ventures	1 207	169	(10 933)
Changes in inventories (property)	(361 329)	57 327	(361 075)
Changes in trade receivables	(89 729)	(9 574)	91 758
Changes in trade payables	(49 518)	(67 252)	(66 053)
Changes in other operating working capital assets	(13 134)	206 552	12 492
Changes in other operating working capital liabilities	96 566	44 641	178 265
Net cash flow from operating activities	(413 703)	319 499	103 950
CASH FLOW FROM INVESTMENT ACTIVITIES			
Proceeds from sale of property, plant and equipment and intangible assets	-	1 939	2 939
Purchases of PPE and intangible assets	-	(507)	(2 500)
Proceeds from disposal of businesses and subsidiaries, net of cash disposed	-	-	507
Purchases of businesses and subsidiaries, net of cash acquired	-	-	-
Purchases of associated companies and joint ventures	(8 250)	-	(43 305)
Proceeds from sale of other investments and repayment of loans	-	27 461	42 961
Purchases of other investments and accounts receivable	-	(8 592)	(10 008)
Dividends and disbursements from associated companies and joint ventures	5 675	-	58 193
Net cash flow from investment activities	(2 575)	20 301	48 787
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings	433 945	170 799	1 642 843
Repayments of borrowings	(18 108)	(369 451)	(1 480 042)
Net change in bank overdrafts (group account)	-	(68 363)	(213 384)
Payment of profit sharing and dividends	-	(54 857)	(73 101)
Net cash flow from financing activities	415 837	(321 872)	(123 684)
Net change in cash and cash equivalents	(441)	17 928	29 053
Cash and cash equivalents at start of period	587 042	557 989	557 989
Cash and cash equivalents at end of period	586 601	575 917	587 042

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 2013.

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 2013.

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 2013.

3. Transactions with related parties

See note 23 in the Group's Consolidated Financial Statements for 2013 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 first quarter 2014 (figures in NOK 1 000)	Property development				
	Greater Oslo	Rest of Norway	Other countries	Other	Total
Operating revenues	536 000	141 969	668	9 567	688 204
Project expenses	(409 719)	(112 672)	-	(643)	(523 034)
Other operating expenses	(6 559)	(2 894)	(551)	(31 404)	(41 408)
EBITDA (percentage of completion)	119 722	26 403	117	(22 480)	123 762
Reconciliation EBITDA to operating profit (loss):	-	-	-	-	-
EBITDA (percentage of completion)	119 722	26 403	117	(22 480)	123 762
Sales revenues (adjustment effect of percentage of completion)	(528 654)	(139 513)	-	-	(668 167)
Sales revenues (completed contract)	169 116	55 428	-	-	224 544
Project expenses (adjustment effect of percentage of completion)	409 066	111 927	-	-	520 992
Project expenses (completed contract)	(141 986)	(48 934)	-	-	(190 920)
Depreciation and amortisation	-	-	-	(5 218)	(5 218)
Share of income (losses) from associated companies and joint ventures	365	(1 363)	(209)	-	(1 207)
Other gain (loss), net	-	-	-	-	-
Operating profit (loss)	27 629	3 948	(92)	(27 698)	3 787
Units in production	1 145	290	39	I/A	1 474
Units delivered	71	9	-	I/A	80
Segments first quarter 2013 (figures in NOK 1 000)	Property development				
	Greater Oslo	Rest of Norway	Other countries	Other	Total
Operating revenues	449 597	178 667	646	8 651	637 561
Project expenses	(315 628)	(132 456)	-	(1 575)	(449 659)
Other operating expenses	(7 099)	(3 518)	(422)	(32 518)	(43 557)
EBITDA (percentage of completion)	126 870	42 693	224	(25 442)	144 345
Reconciliation EBITDA to operating profit (loss):	-	-	-	-	-
EBITDA (percentage of completion)	126 870	42 693	224	(25 442)	144 345
Sales revenues (adjustment effect of percentage of completion)	(441 220)	(179 678)	-	-	(620 898)
Sales revenues (completed contract)	360 691	146 423	-	-	507 114
Project expenses (adjustment effect of percentage of completion)	319 619	132 423	-	-	452 042
Project expenses (completed contract)	(271 301)	(108 940)	-	-	(380 241)
Depreciation and amortisation	-	-	-	(5 538)	(5 538)
Share of income (losses) from associated companies and joint ventures	451	(414)	(206)	-	(169)
Other gain (loss), net	-	-	-	1	1
Operating profit (loss)	95 110	32 507	18	(30 979)	96 656
Units in production	774	246	39	I/A	1 058
Units delivered	131	39	-	I/A	170

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 2014	Q1 2013	FY 2013
Land (undeveloped)	1 720 721	1 916 999	1 753 368
Work in progress	2 841 241	1 829 984	2 398 847
Finished projects	99 387	106 374	131 635
Carrying amount	4 661 349	3 853 357	4 283 850

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