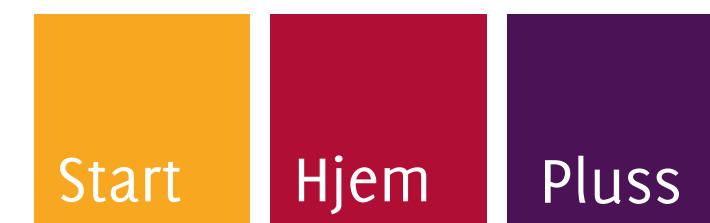


Q3 2014

Oslo 14 November 2014
Baard Schumann, CEO
Sverre Molvik, CFO

SELVAAG BOLIG



Agenda

■ Highlights

- Operational update
- Financial update
- Outlook and summary

Highlights Q3 2014

- Strong sales development in all housing categories
- Construction activity maintained at high levels
- Market conditions continue to improve
- Expected dividend of minimum NOK 1.0 per share for fiscal 2014



Nybyen Økern,
Oslo

Key financials Q3 2014

Operating revenues

765

million NOK

EBITDA margin

12.5

per cent

Equity ratio

37.0

per cent

EBITDA margin (NGAAP)

16.6

per cent

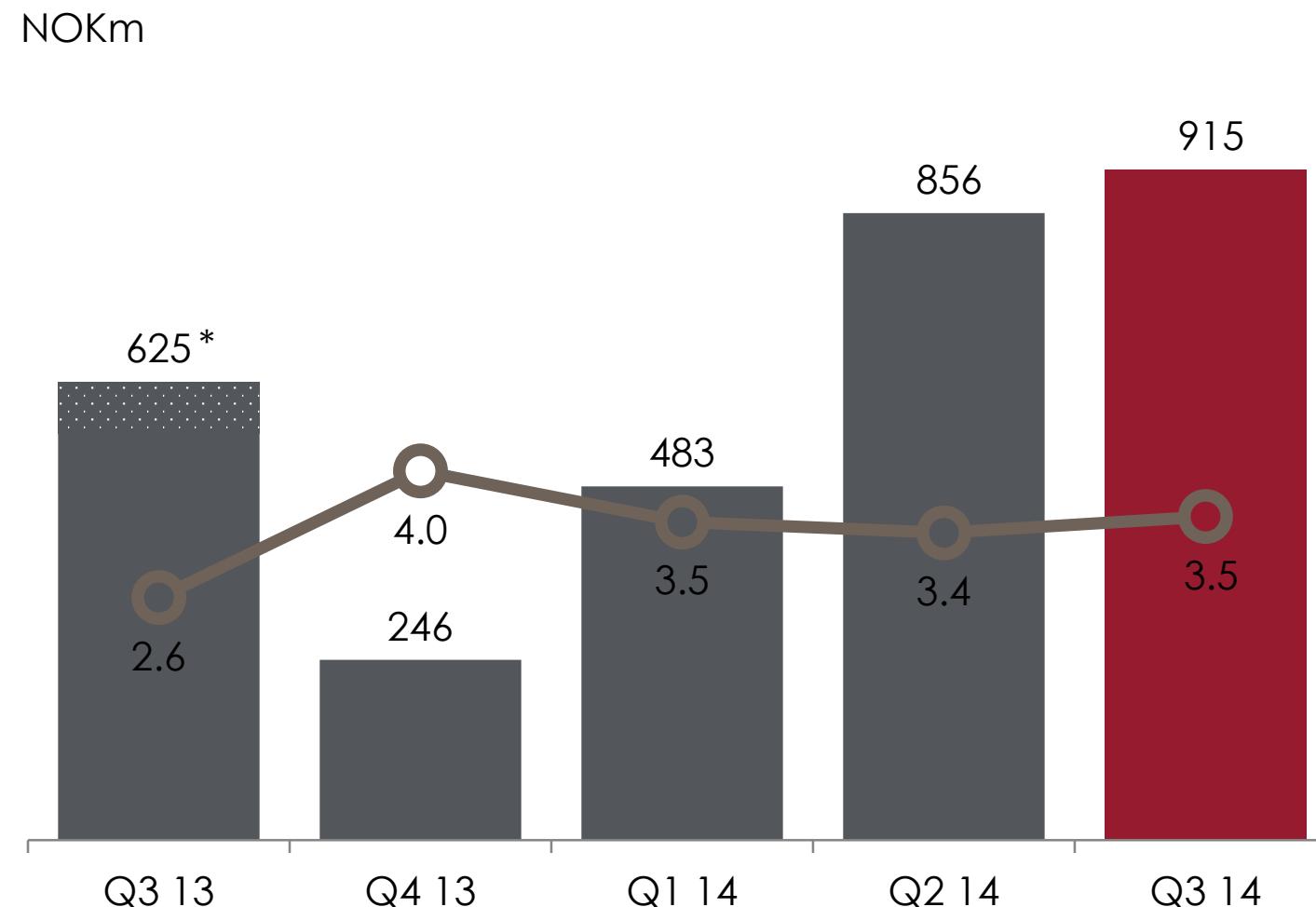
Agenda

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

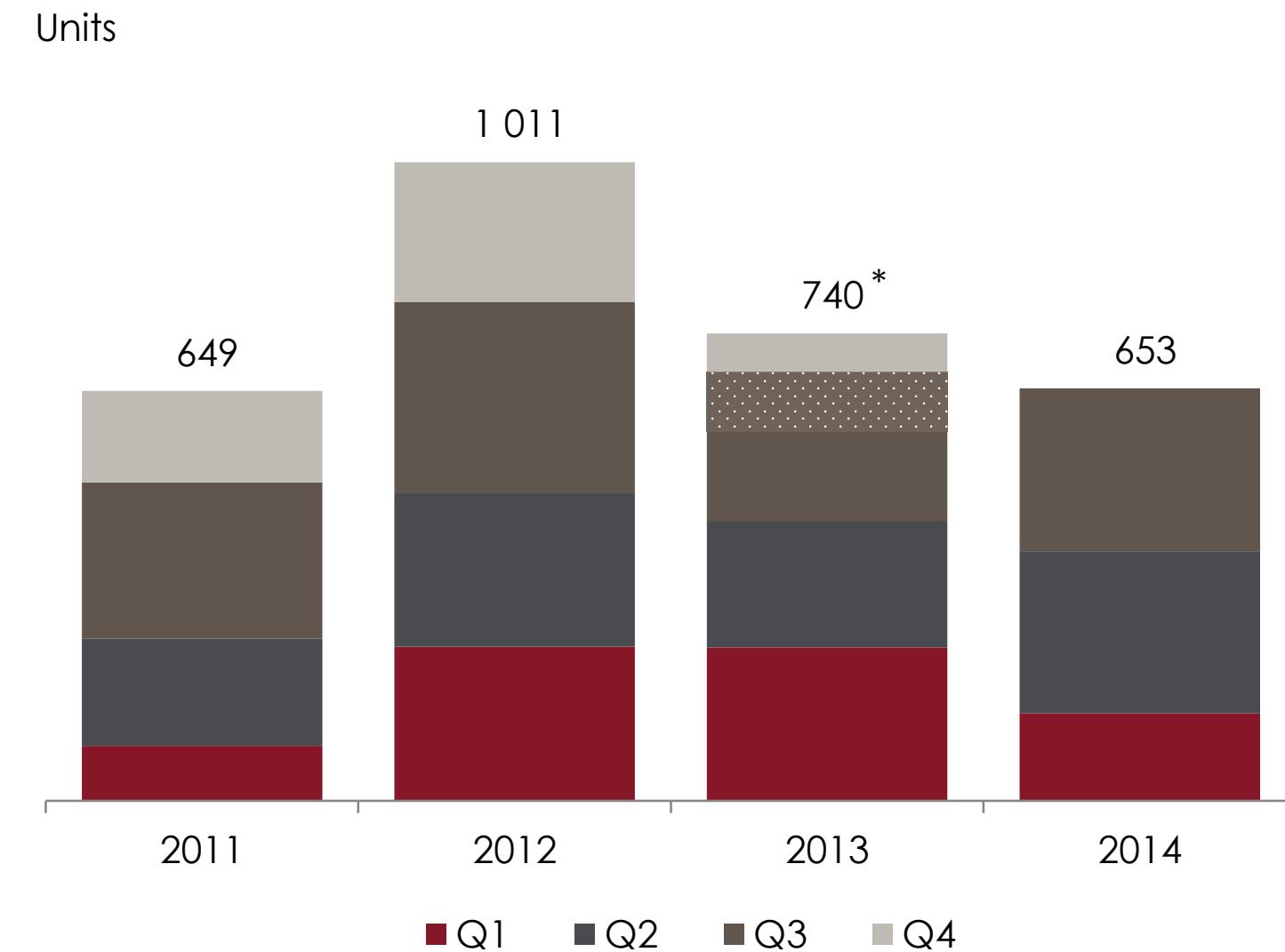


Strong sales development

Total sales value and value per sold unit



Residential units sold



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

* Includes 95 student residences with an average value of NOK 0.7 million (dotted area)

Nybyen Økern – good demand on sales start

- 400 units in total
- Sales start with 78 units on 25 October 2014
 - 50 units sold on sales start
- Next sales start: 35 units on 17 January 2015

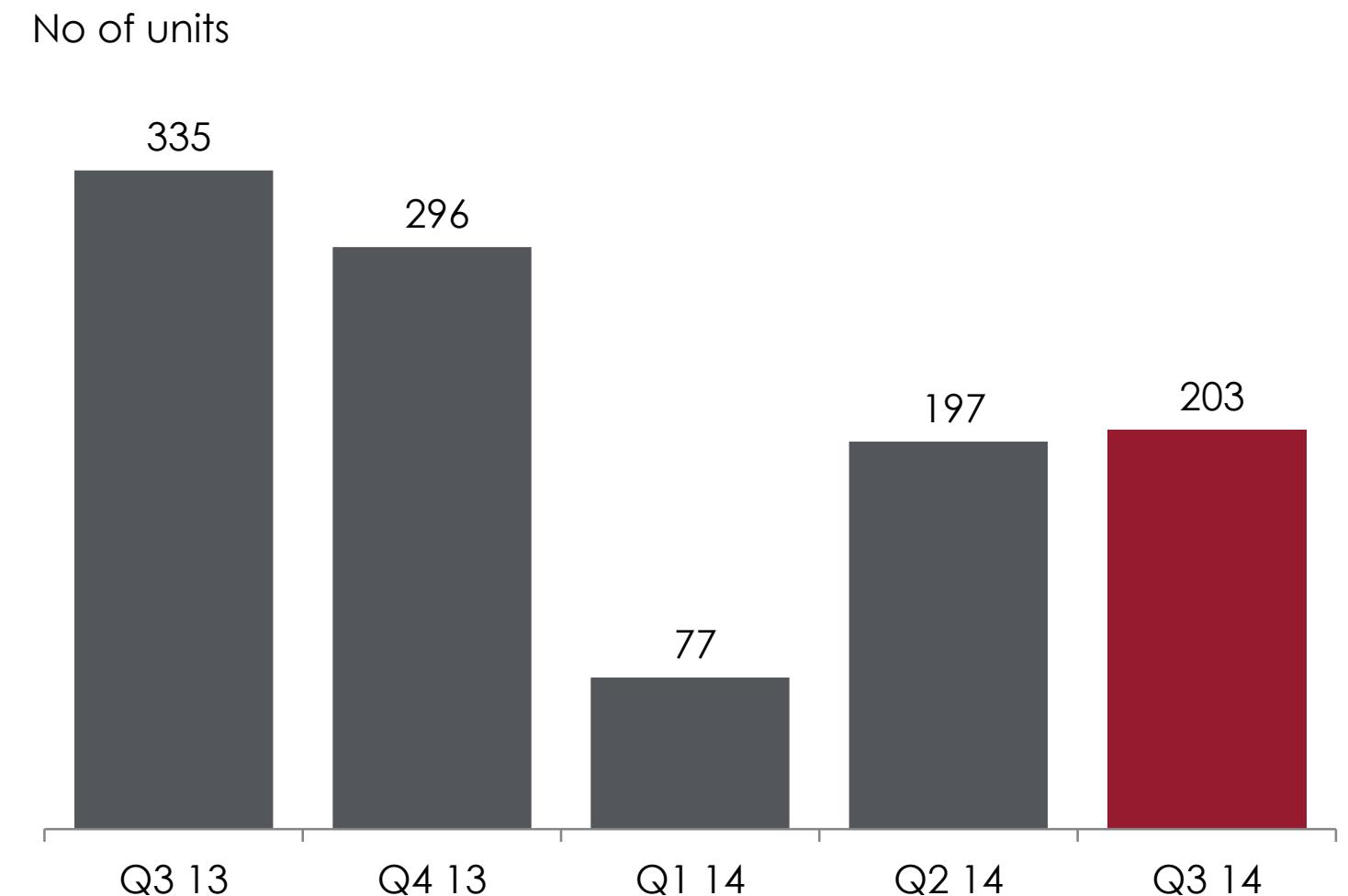


Nybyen Økern, Oslo

Construction starts on a healthy level

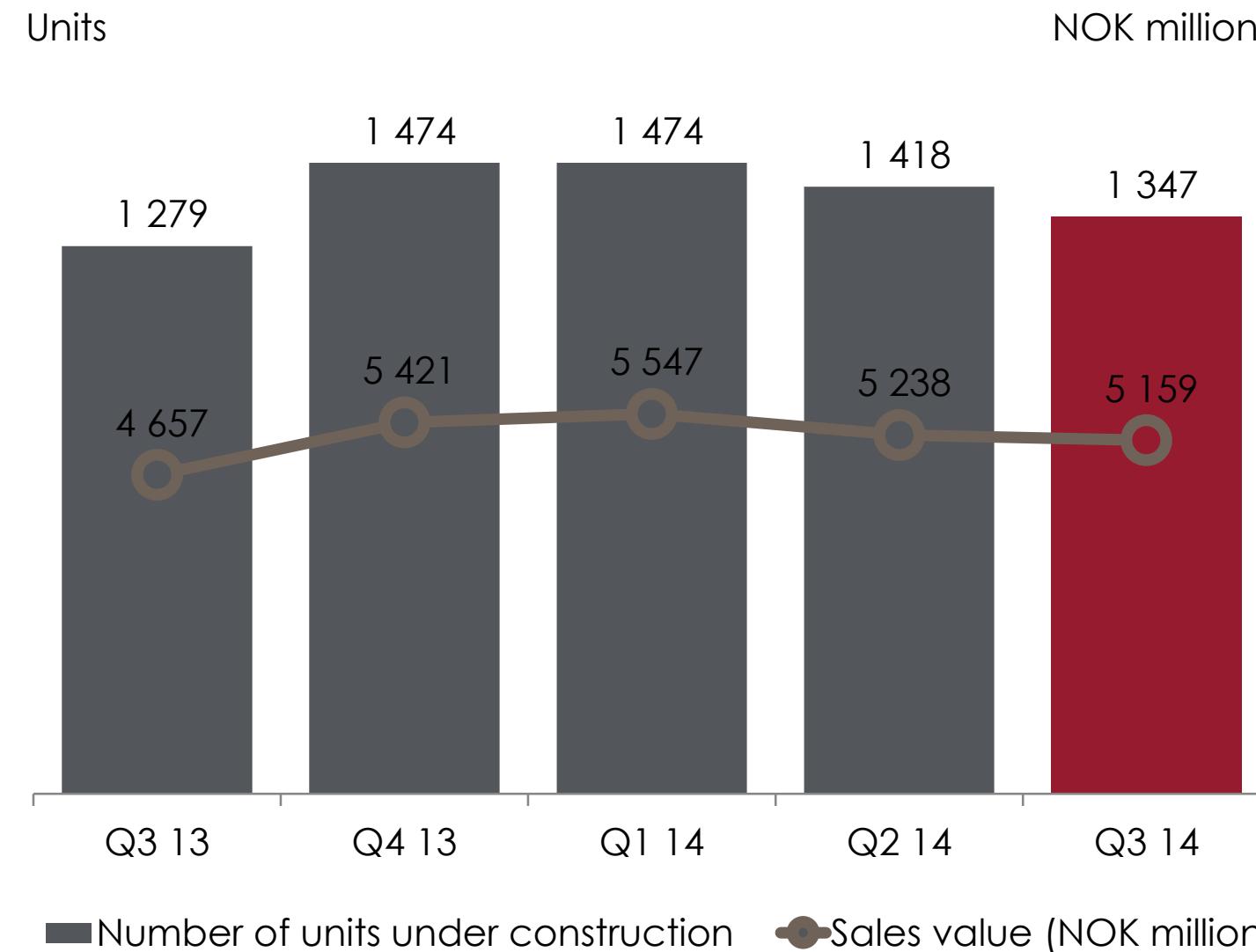
- Construction start on six projects
 - Jaasund, Sola
 - Aase Gaard, Sandnes
 - Kaldnes, Tønsberg
 - Lade Allé, Trondheim
 - Nyhavn, Bergen
 - Bjørnåsen Nord, Oslo

Construction starts per quarter



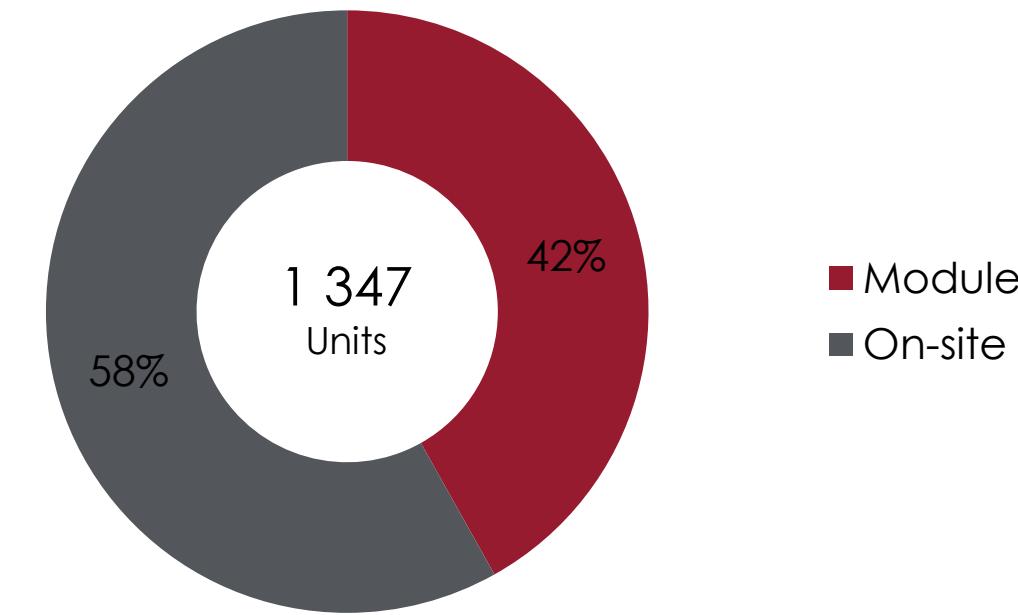
Continued high production activity

Development units under construction



Note: Projects are included when construction is decided. All numbers are adjusted for Selvaag Bolig's ownership share in joint ventures. Selvaag Bolig currently has 1 379 residential units under construction including joint venture projects.

Production split

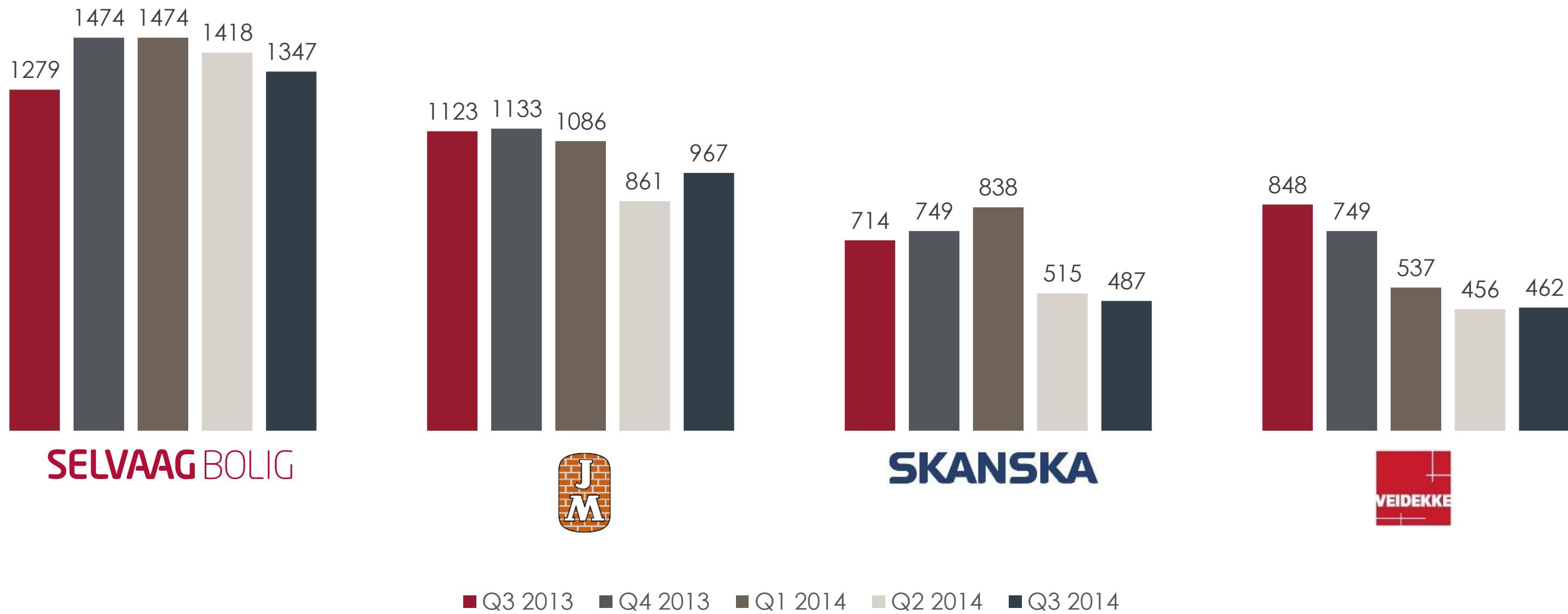


- Sales value of units under construction
NOK 5 159 million
- 61% of production volume in Greater Oslo
- 76% of the units are sold

Overall construction activity back on good levels

Units under construction vs. peers

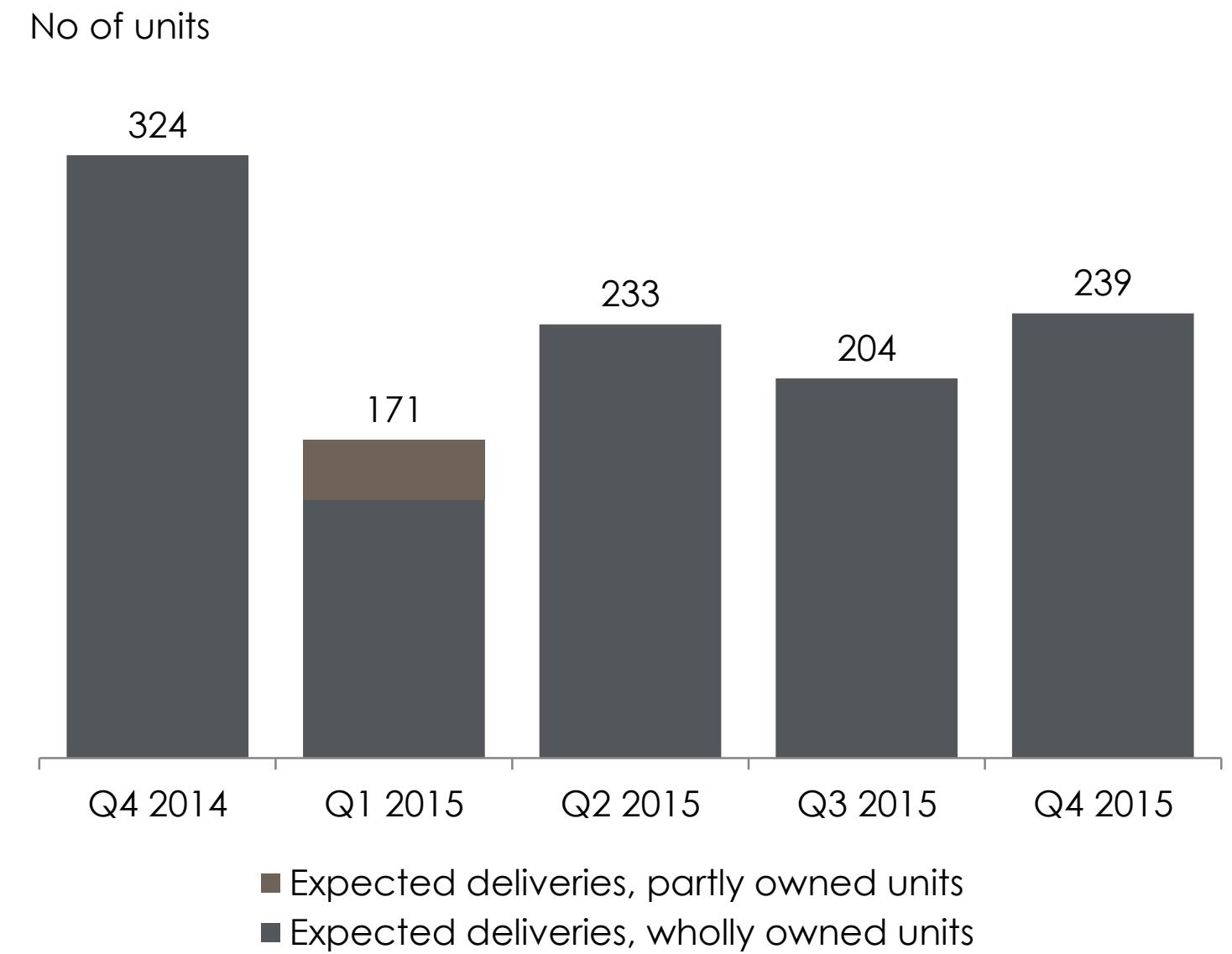
No of units



1 171 units for delivery next five quarters

- 94% of 2014 completions sold
- Advancements since last quarter
 - 32 units at Kaldnes advanced from Q2 2015 to Q1 2015
 - 38 units at Bjørnåsen Nord advanced from Q2 2015 to Q1 2015
 - 9 units at Kornmoenga advanced from Q2 2015 to Q1 2015
 - 89 units at Lillohøyden advanced from Q4 2015 to Q3 2015
 - 43 units at Strandkanten advanced from Q4 2015 to Q3 2015

Expected deliveries per quarter



Agenda

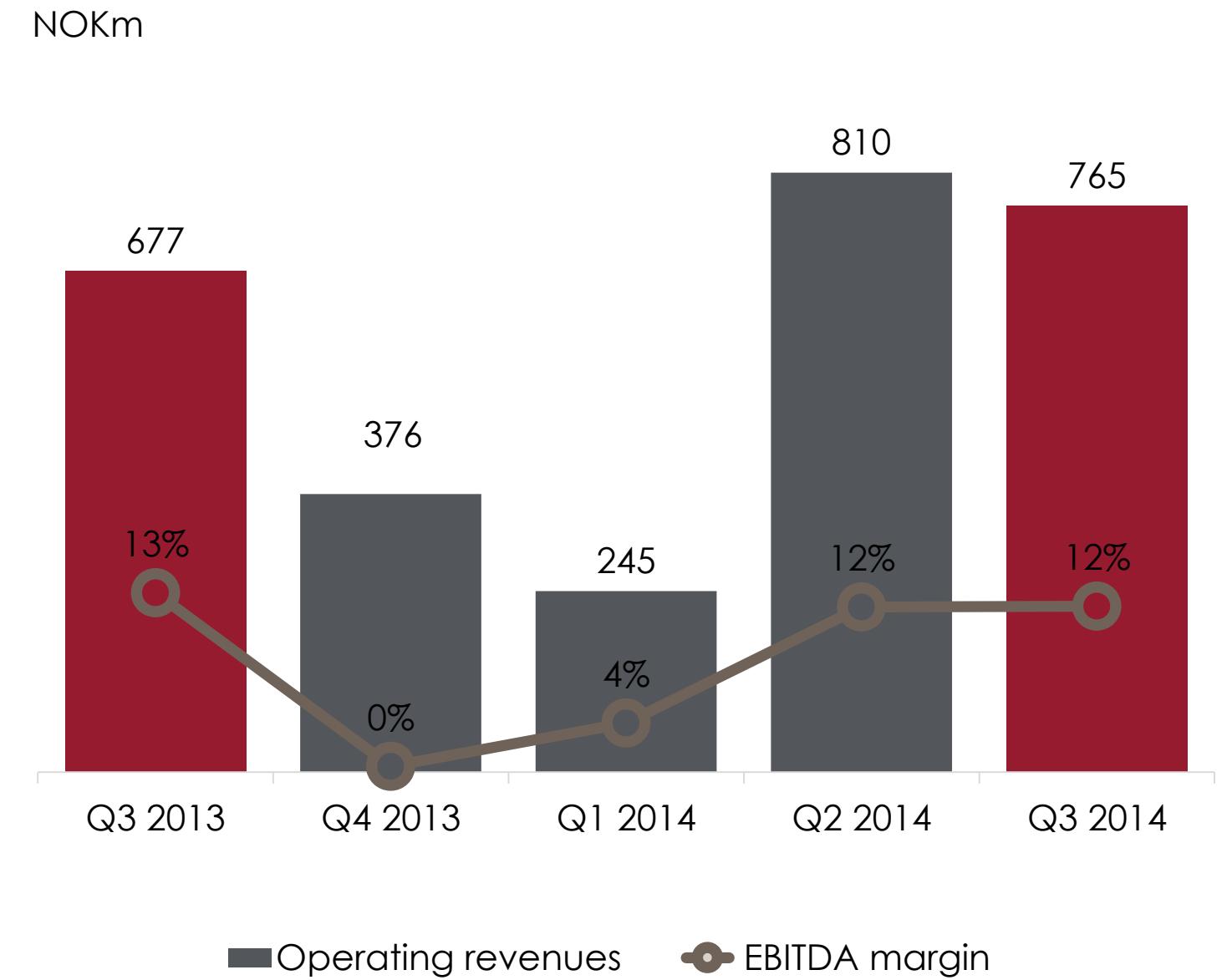
- Highlights
- Operational update
- Financial update**
- Outlook and summary



Income statement highlights Q3 2014 (IFRS)

- Delivery of 279 units (187)
- Revenues NOK 765 million (677)
 - Including 95 student residences with an average value of NOK 0.7 million
- Project costs NOK 628 million (536)
- Other costs NOK 47 million (56)
- EBITDA NOK 95 million (91)
- EBITDA adjusted 125 million
 - Adjusted for financial expenses included in project costs
- Earnings per share NOK 0.65
 - Earnings per share year-to-date NOK 1.33

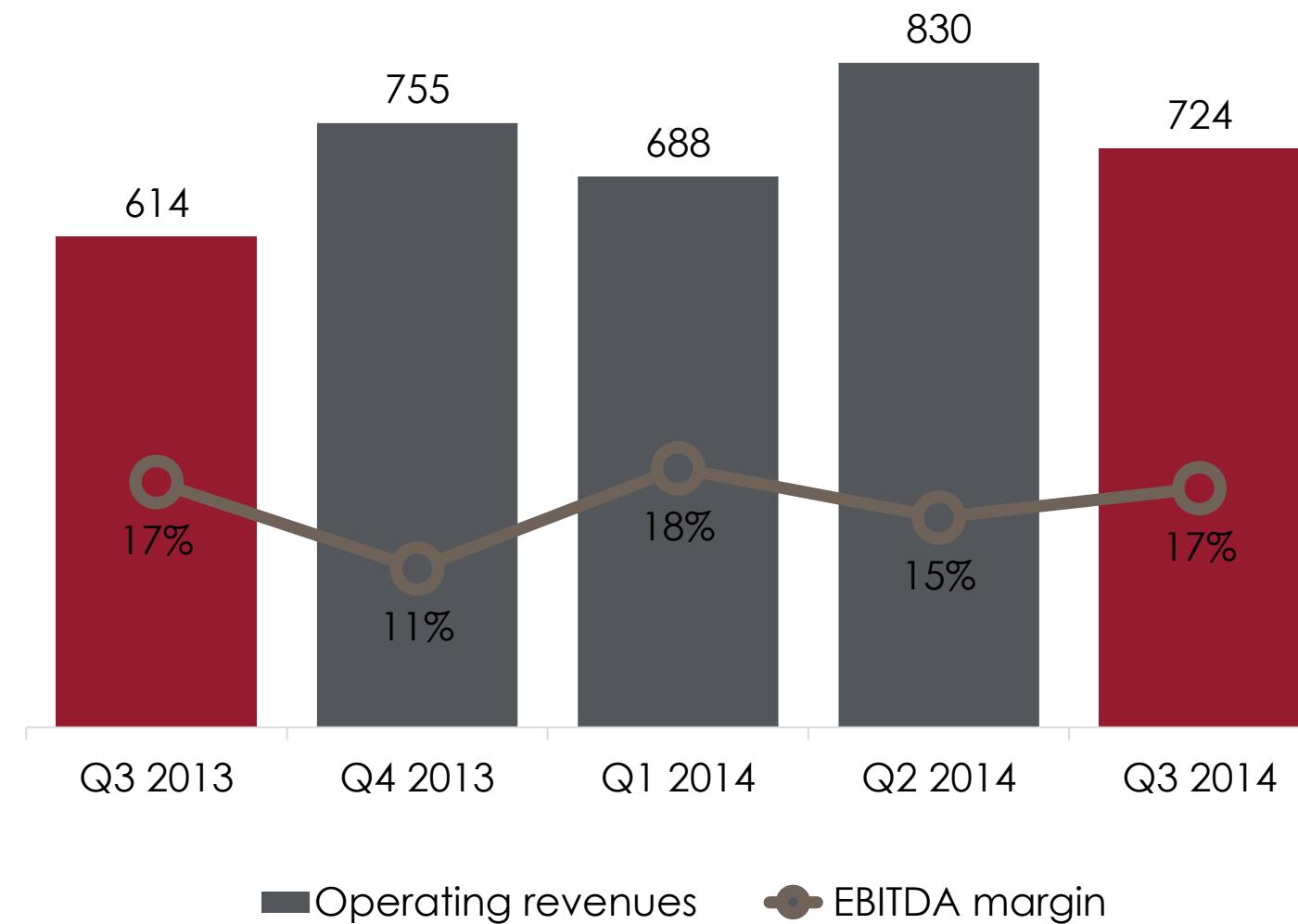
Revenues and EBITDA margin (IFRS)



Income statement highlights Q3 2014 (NGAAP)

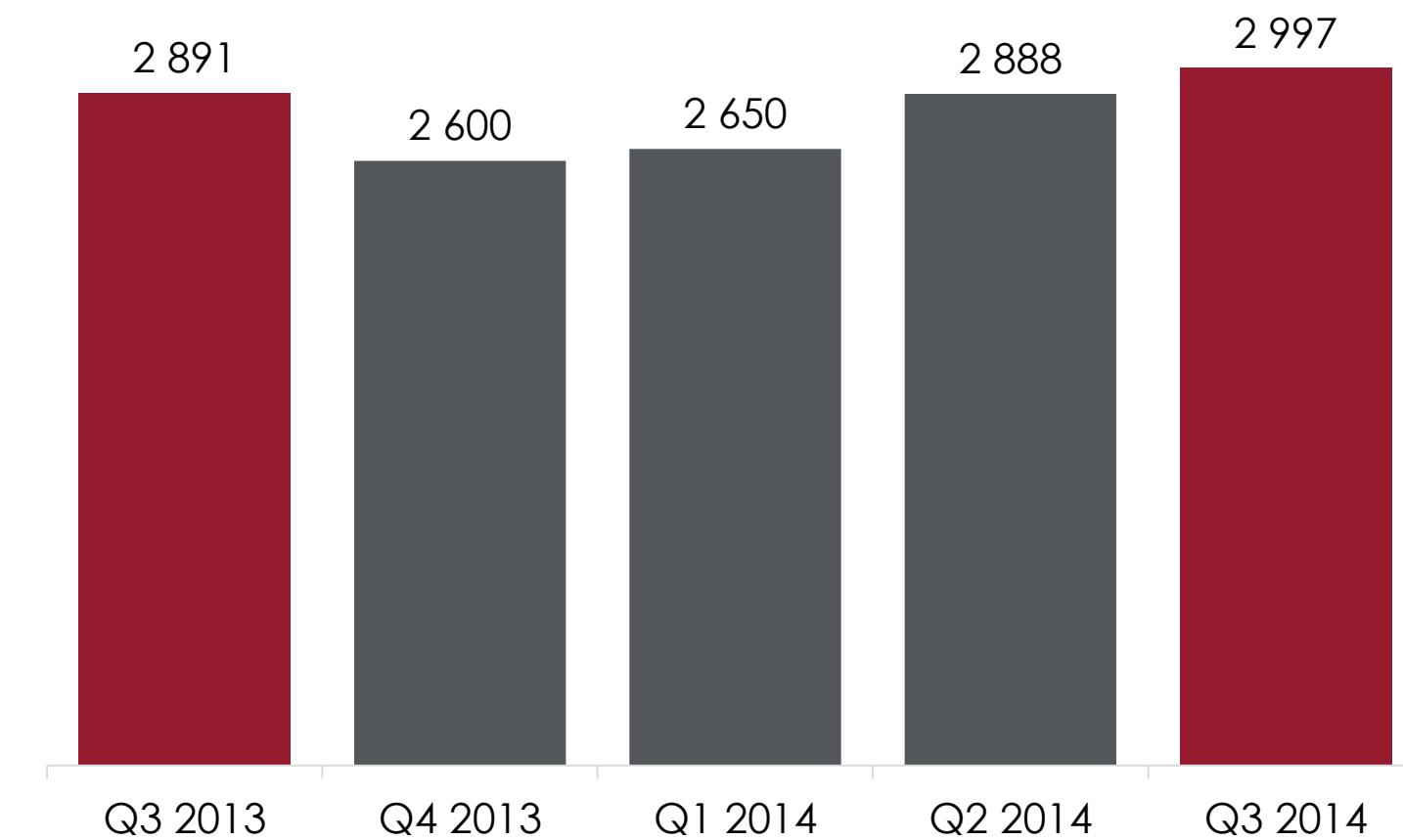
Revenues and EBITDA margin (NGAAP)*

NOKm



12 months rolling revenues (NGAAP)*

NOKm



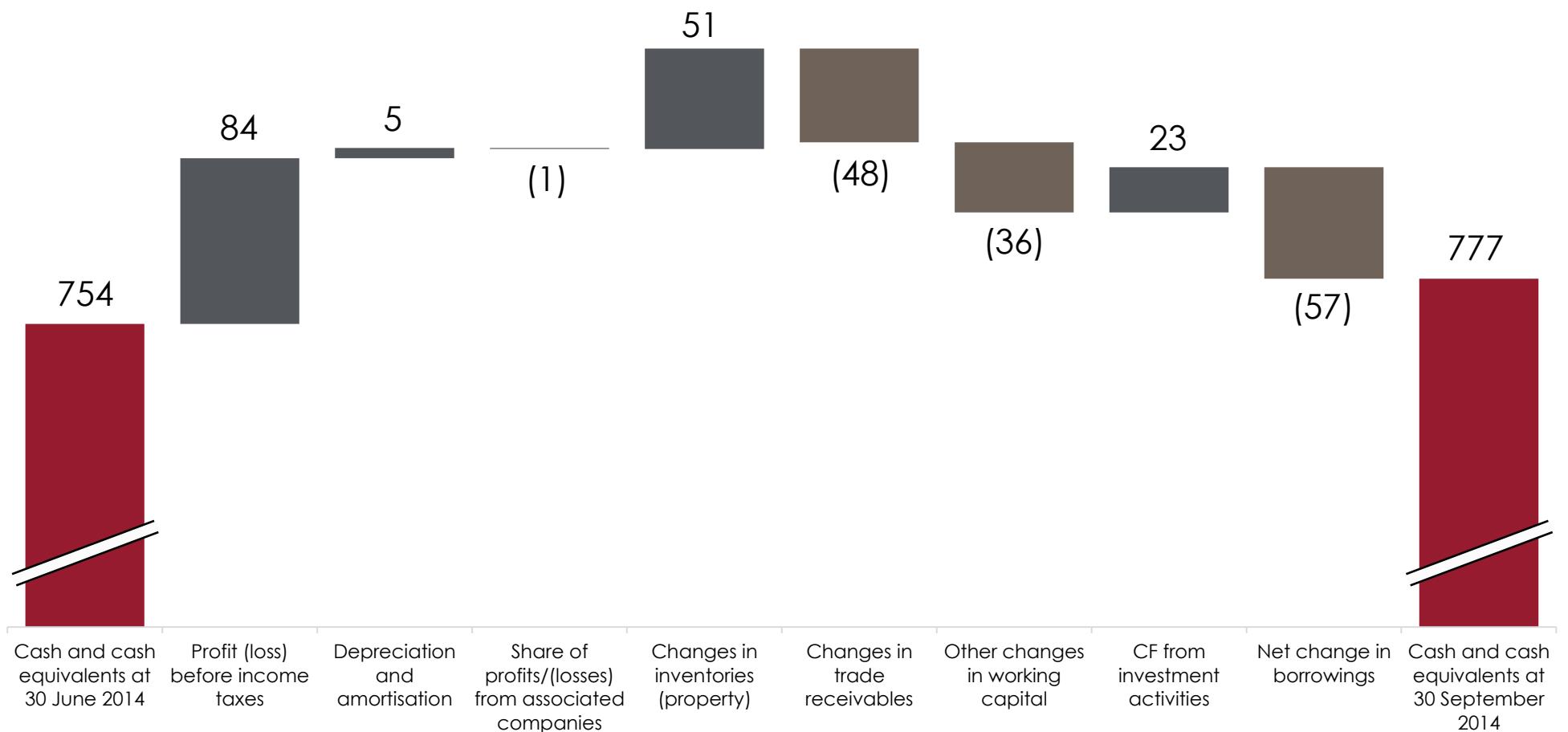
* Construction costs are exclusive of financial expenses in the segment reporting (NGAAP)

Cash flow development Q3 2014

- Positive cash flow from operating activities
- Dividends from JV in Stockholm of NOK 27 million
- Continued high activity in projects under construction

Condensed cash flow

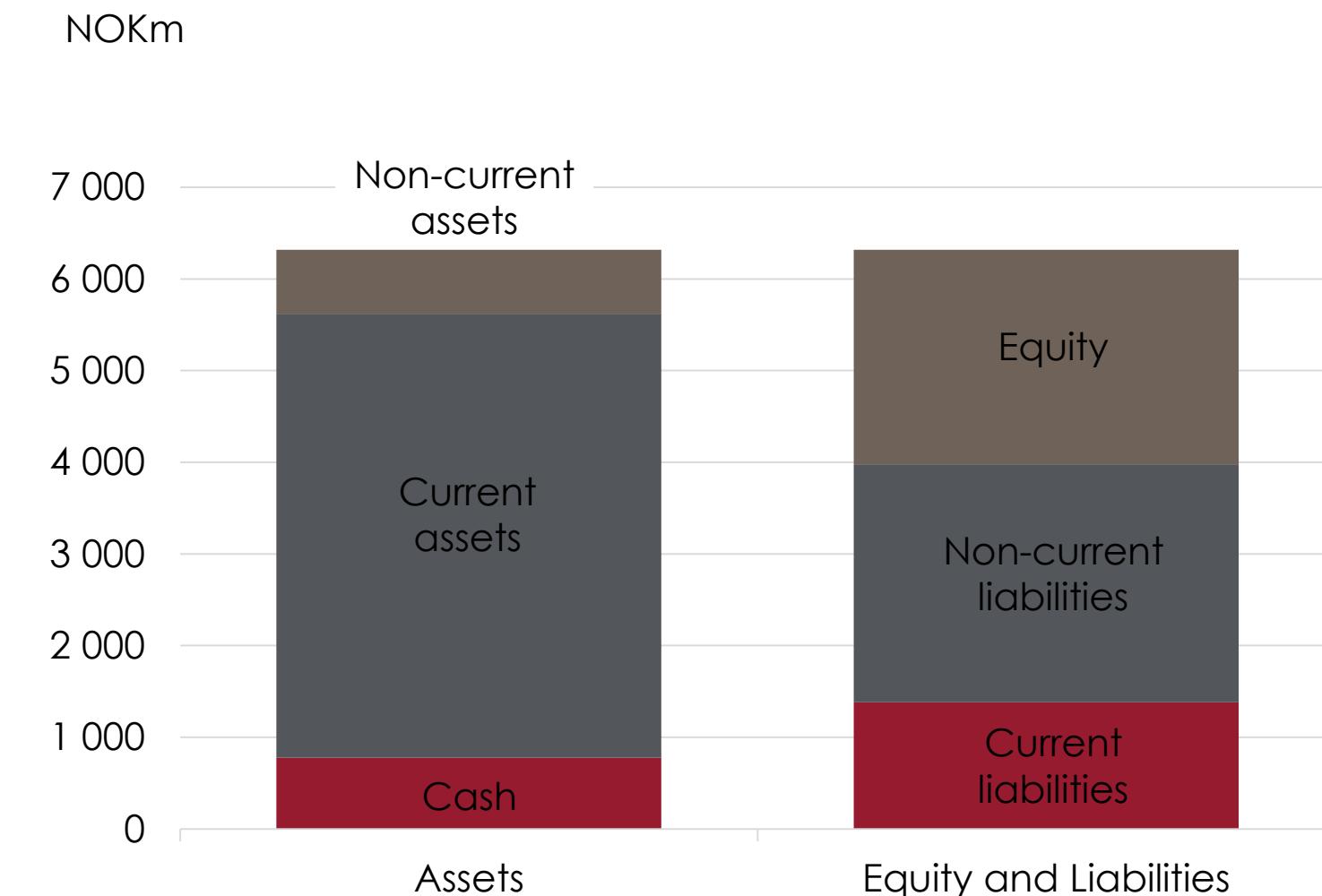
NOKm



Balance sheet highlights Q3 2014

- Book value per share NOK 24.7
 - NOK 24.0 in Q2 2014
- Changes since Q2 2014:
 - Trade receivables increased by NOK 48 million
 - Inventories reduced by NOK 32 million
 - Net reduction of NOK 57 million in interest-bearing liabilities
- Prepayments from customers count for NOK 326 million of other current non interest-bearing liabilities

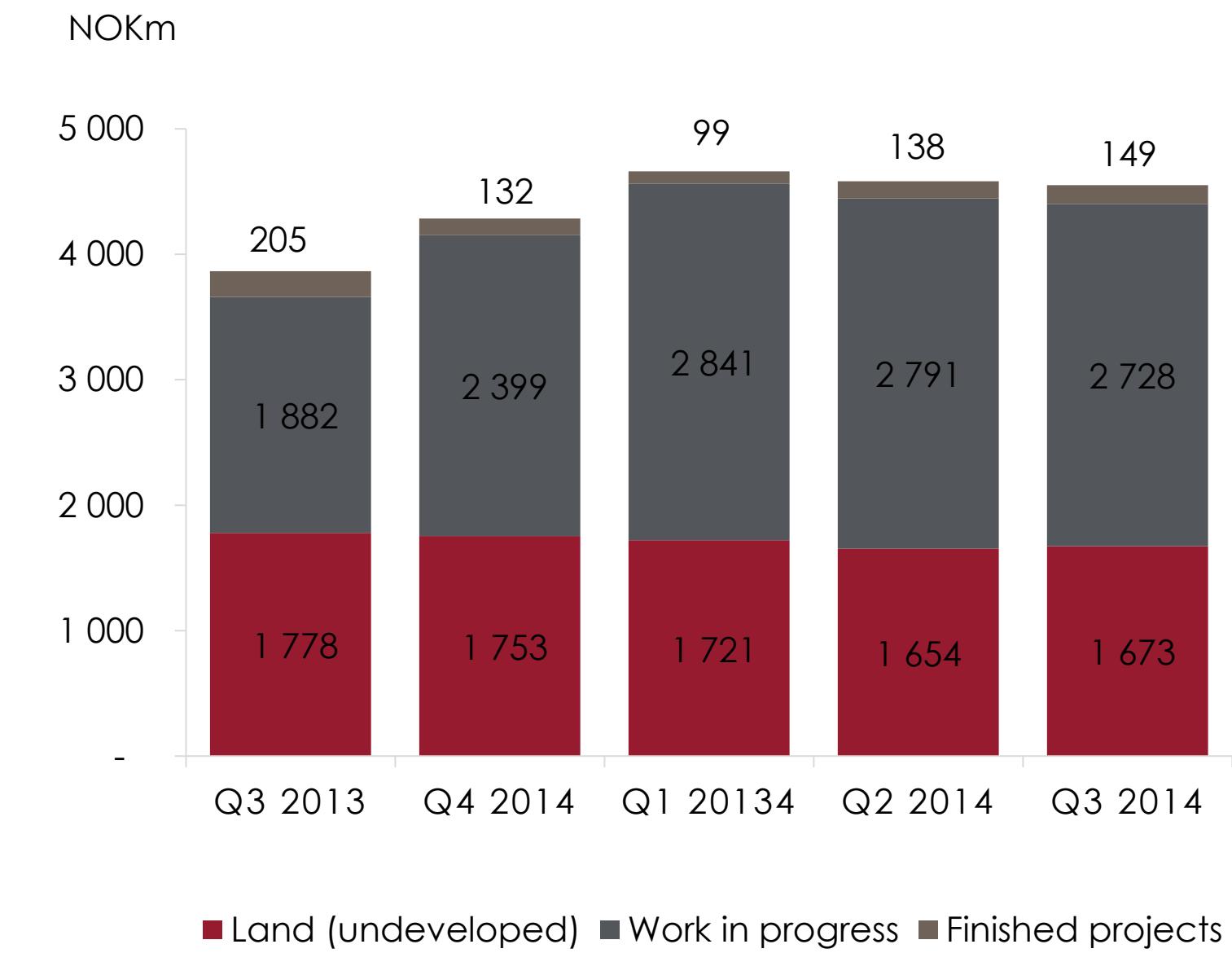
Balance sheet composition



Inventories (property) Q3 2014

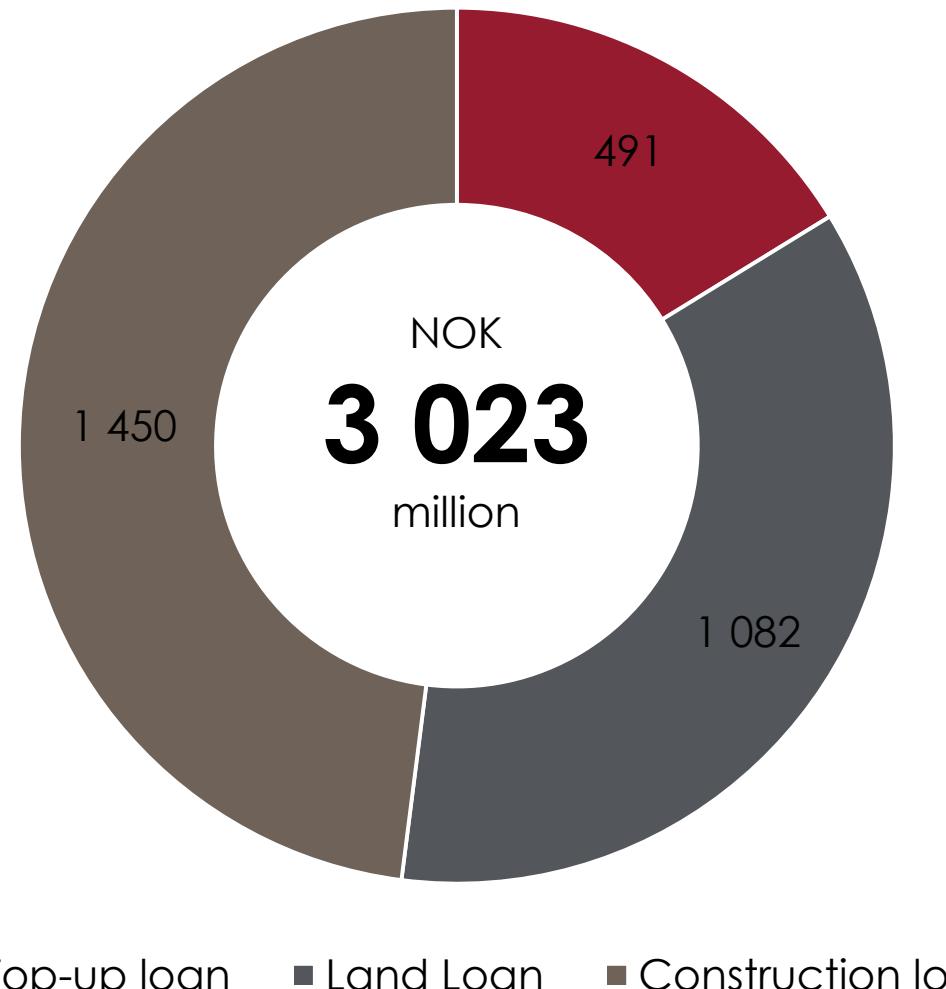
- Land value increased NOK 20 million from last quarter
 - Acquisition of land at Stabekk for NOK 16.5 million
- Work in progress decreased by NOK 63 million from last quarter
 - Due to increase in units delivered
- Finished goods increased by NOK 12 million from last quarter
 - Due to increase in completed undelivered units (the majority is sold)

Inventory value development



Sound debt structure

Interest bearing debt as at 30 Sep 2014



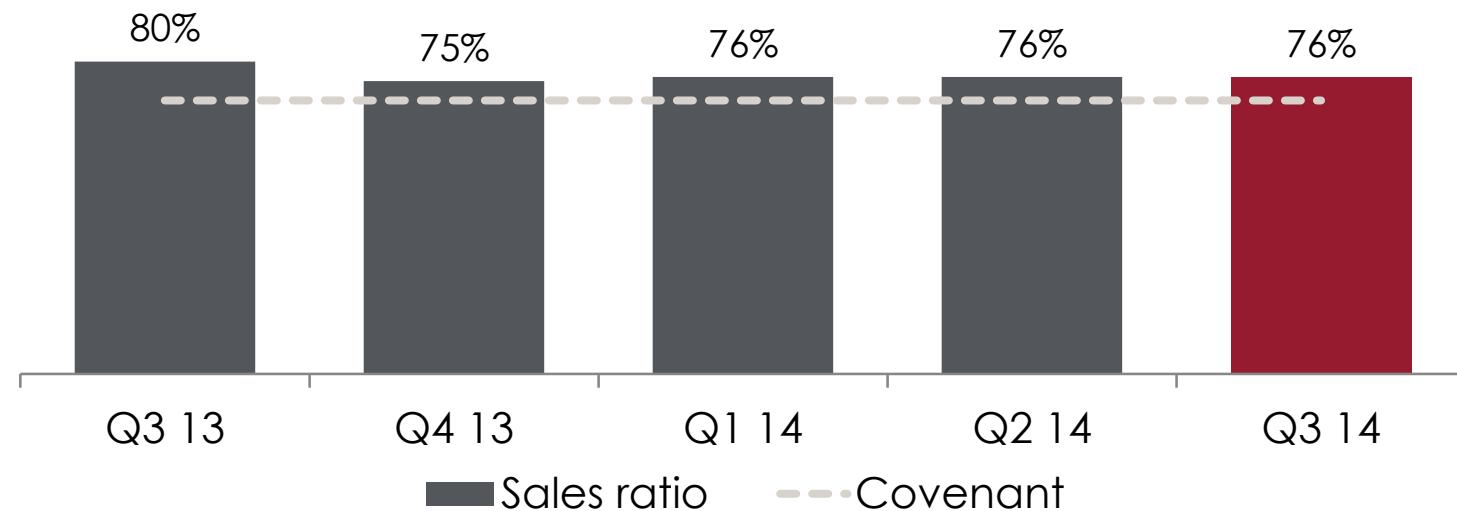
Loan facility	Drawn per 30 Sep (NOKm)	Interest rate margin
1 NOK 500 million senior unsecured bond loan maturing in 2018	500	4.75%
2 NOK 150 million revolving credit facility from DNB maturing in 2015	0	2.50%
3 NOK 150 million working capital facility from DNB maturing in 2015	0	2.00%
4 Land loan facilities from a range of Nordic credit institutions	1 082	2.20% - 2.50%
5 Construction loan facilities from a range of Nordic credit institutions	1 450	2.00% - 2.50%

Note: Bond loan of NOK 500m differs from the summed up top up loan in the pie chart (NOK 491m). The difference is due to NOK -9m in amortized cost which is not actual debt.

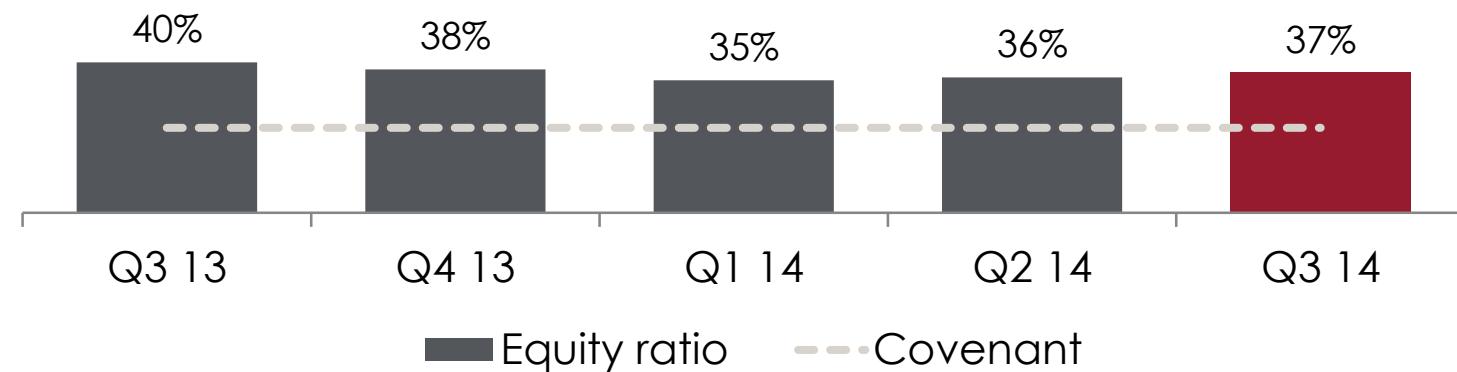
In compliance with financial covenants

- Proposed amended terms of bond loan
 - Intended to increase operational flexibility and profitability in projects
 - Proposed adjustments:
 - Sales ratio covenant reduced to 60.0%
 - Equity ratio covenant increased to 25.0% until end of June 2017 and then to 27.5% until maturity in June 2018
- Subject to approval of bondholders' meeting on 21 November 2014

Sales ratio covenant (minimum 70.0%)



Equity ratio covenant (minimum 22.5%)



Agenda

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

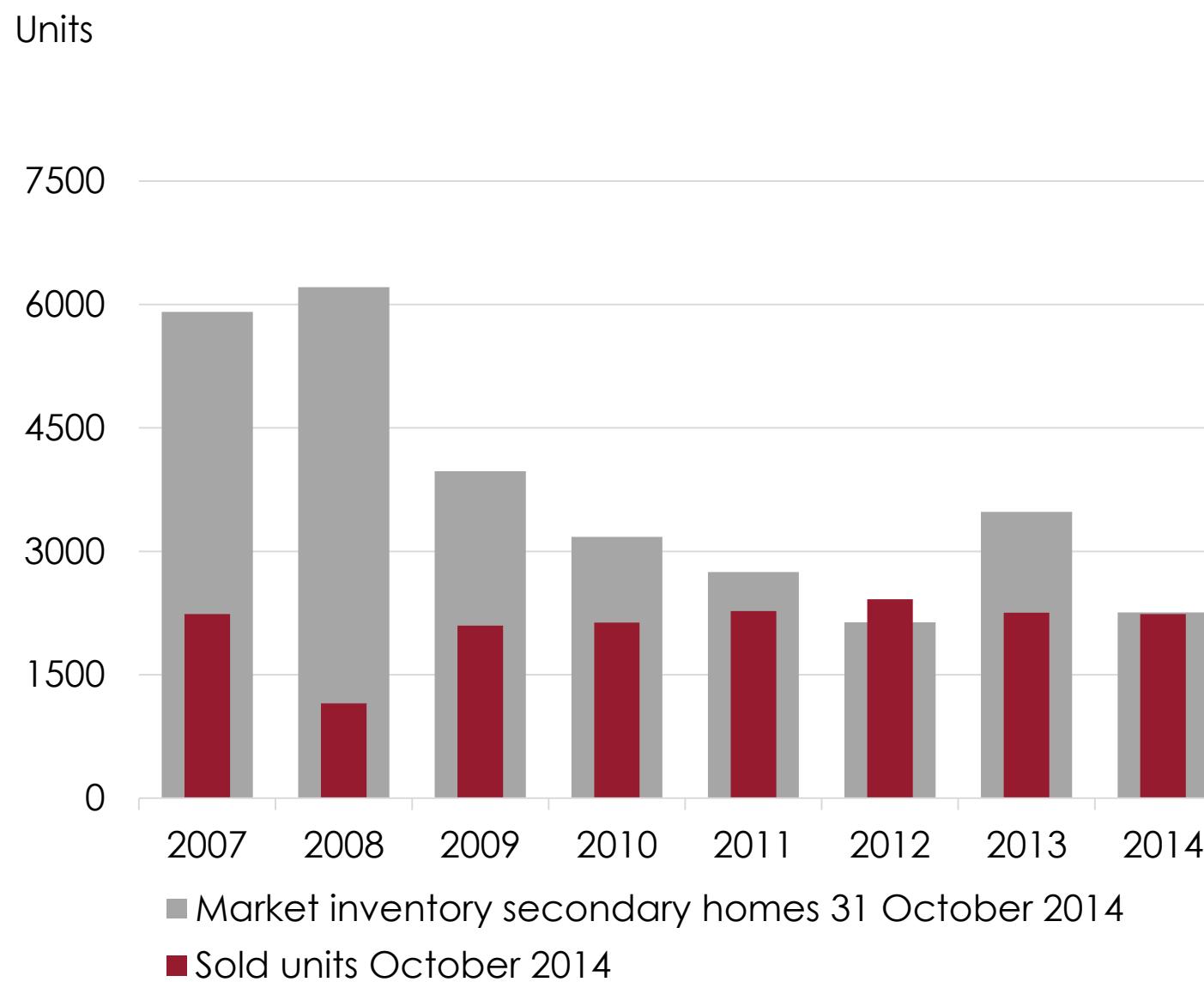


MARKET OUTLOOK

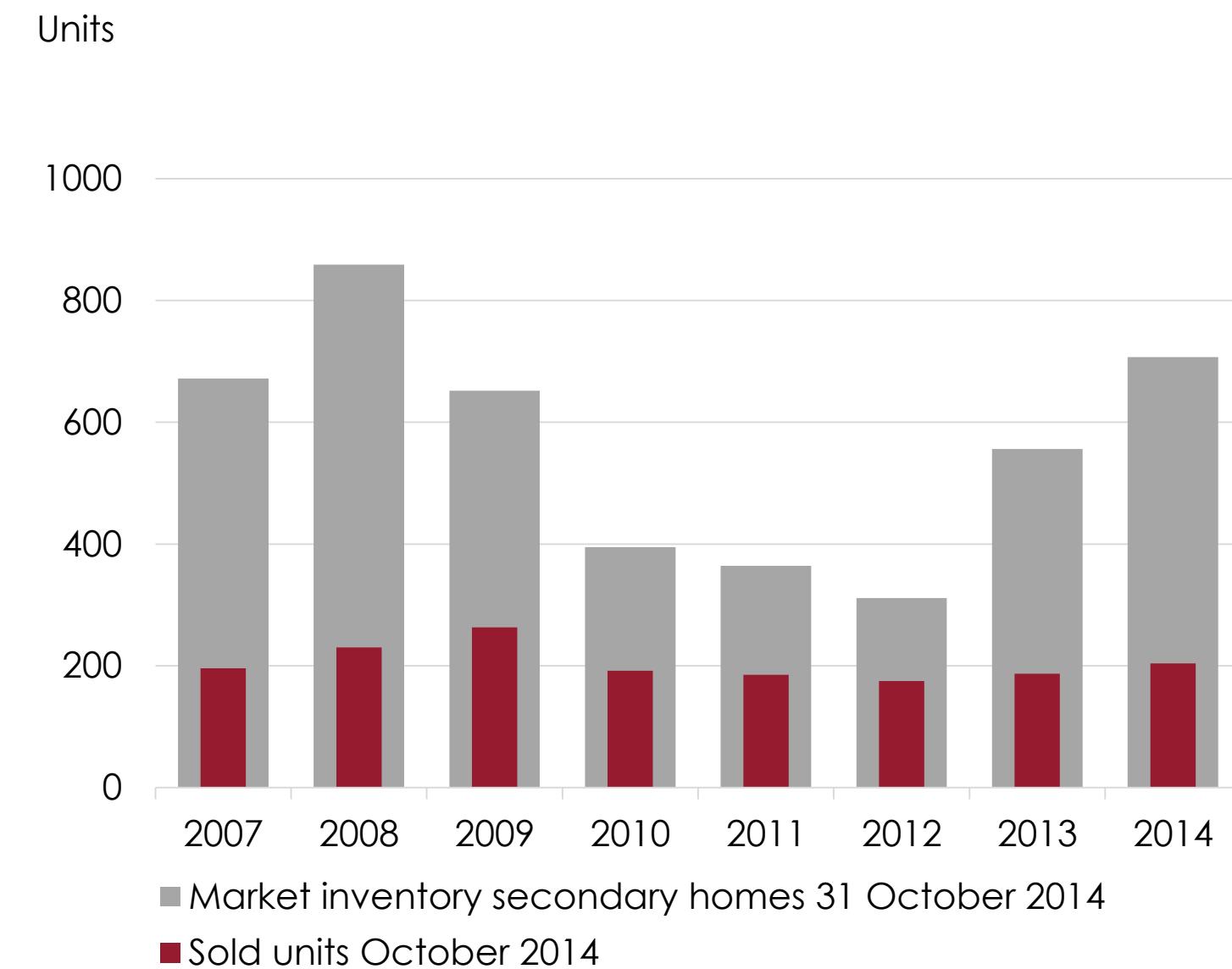
Second-hand market:

Sound market in Oslo, challenging in Rogaland

Oslo and Akershus, October 2007-2014



Rogaland, October 2007-2014



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

Source: Eiendomsverdi

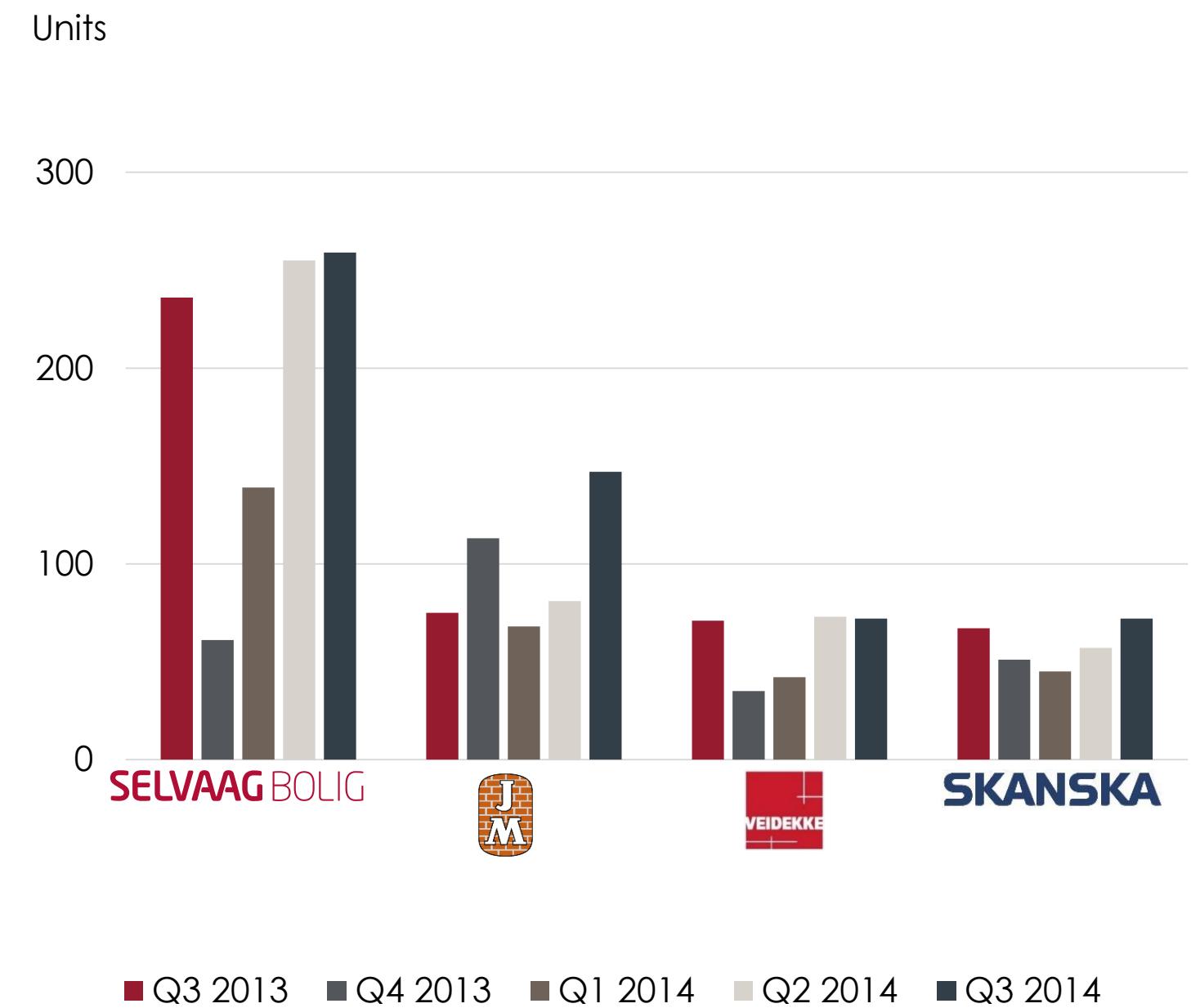
Strong number one position

- Good sales development for all players this quarter
- Particularly strong sales for Selvaag Bolig
- Company strategy support market position:
 - Low-cost strategy:
 - Selvaag Bolig average price 9M 2014*:
NOK 3.5m
 - Total market average price 9M 2014*:
flats NOK 3.6m, terraced NOK 4.1m, semi-detached NOK 4.3m
 - No in-house construction arm
 - Defined housing concepts
 - Large land bank

* Selected markets: Oslo, Akershus, Hordaland, Rogaland, Troms and Sør-Trønderlag
Housing types Selvaag Bolig: flats, semi-detached and terraced homes

Source: Selvaag Bolig and Eiendomsverdi

Sales activity vs. peers



Strong position in improving markets

- Good outlook for Selvaag Bolig, given unchanged (or improved) market inventory levels and macro economic conditions
- Rigged with a land bank allowing for future growth
- Well positioned through low cost production and competitive products targeting broad consumer groups



Nybyen Økern,
Oslo

Summary

- Strong sales and improving markets
- High construction activity
- Maintained market position
- Company strategy supports a strong position in a growing market going forward
- Expected dividend of minimum NOK 1.0 per share for fiscal 2014



Nydelen,
Oslo

Thank you for your attention – follow us online!



@SelvaagAksjen



Norwegian housing market

- Good demand for new homes and persistent population growth in urban areas
- Low risk for housebuilders
 - Advance sales: banks require that 50-70% of homes are sold before construction starts
 - Binding offers: offer to purchase is a binding sales contract, and requires a 10% minimum cash deposit
- High level of home ownership
 - 85% (one of the world's highest)
- Economic benefits for home owners
 - 27% of mortgage loan interest payments are tax-deductible
 - Transfer stamp duty for new houses is lower than for second hand homes
- Attractive market outlook
 - Strong population growth
 - High level of purchasing power
 - Favourable macro-economic climate and low interest rates

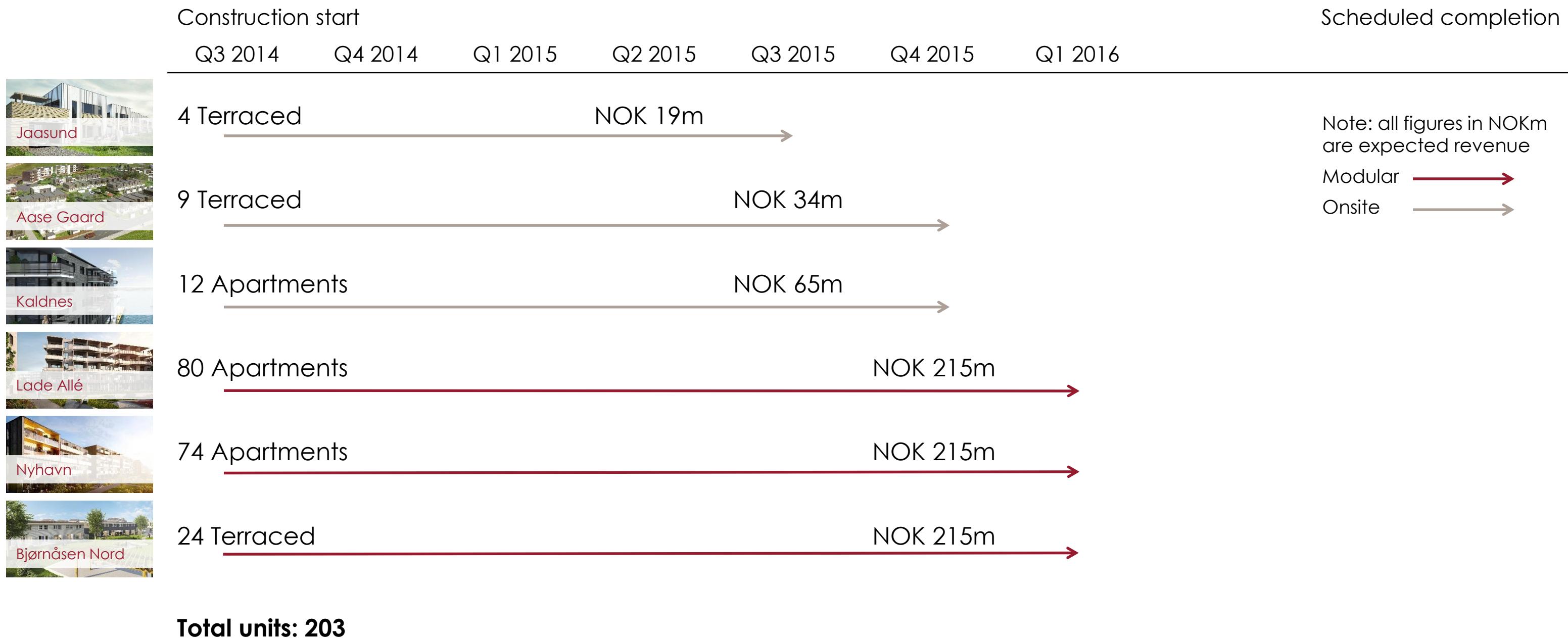
Source: Source Selvaag Bolig and Eurostat

Selvaag Bolig – value proposition

Selvaag Bolig ASA is a Norwegian residential property developer with no in-house construction arm, which controls the entire value chain from the acquisition of land to the sale of homes.

- Proven low-cost strategy
 - Very competitive prices ensure a broad customer base
- No in-house construction arm
 - low building costs
 - fixed construction price
 - reduced risk
 - smaller exposure to market fluctuations
- Defined housing concepts
 - Aimed at broad consumer categories
 - Profit maximisation in all projects
- Large land bank
 - Several thousand homes under development in Norway's four fastest growing urban regions

Construction start on existing projects



Income statement IFRS

(figures in NOK million)	Q3 2014	Q3 2013	9M 2014	9M 2013	2013
Total operating revenues	764.7	676.7	1 818.8	1 821.4	2 197.0
Project expenses	(628.3)	(535.7)	(1 507.2)	(1 393.5)	(1 709.6)
Other operating expenses	(41.6)	(50.6)	(135.1)	(151.0)	(208.8)
Other gains (loss)	0.0	0.1	0.0	0.1	(0.4)
Associated companies and joint ventures	0.5	0.5	28.0	10.5	10.9
EBITDA	95.3	91.0	204.5	287.5	289.1
Depreciation and amortisation	(5.1)	(5.5)	(15.5)	(16.7)	(22.1)
EBIT	90.1	85.5	189.0	270.7	267.0
Net financial expenses	(5.9)	(6.1)	(16.7)	(27.1)	(30.0)
Profit/(loss) before taxes	84.3	79.4	172.3	243.6	237.0
Income taxes	(23.4)	(20.3)	(46.7)	(64.3)	(51.4)
Net income	60.9	59.1	125.6	179.3	185.6

Net income for the period attributable to:

Non-controlling interests	0.1	9.0	1.2	16.7	21.4
Shareholders in Selvaag Bolig ASA	60.8	50.0	124.4	162.5	164.1

Cash Flow statement

(figures in NOK million)	Q3 2014	Q3 2013	9M 2014	9M 2013	2013
Net cash flow from operating activities	56.6	(215.1)	16.1	256.8	104.0
Net cash flow from investment activities	23.1	13.3	30.2	51.3	48.8
Net cash flow from financing activities	(56.7)	47.8	143.6	(313.2)	(123.7)
Net change in cash and cash equivalents	23.0	(154.1)	189.9	(5.1)	29.1
Cash and cash equivalents at start of period	754.0	707.0	587.0	558.0	558.0
Cash and cash equivalents at end of period	777.0	552.9	777.0	552.9	587.0

Balance sheet

(figures in NOK million)	Q3 2014	Q2 2014	Q3 2013	2013
Intangible assets	420.3	425.0	439.3	434.5
Property, plant and equipment	7.9	4.0	5.3	4.9
Investments in associated companies and joint ventures	144.0	170.9	143.5	150.7
Other non-current assets	125.5	172.5	166.1	166.6
Total non-current assets	697.7	772.4	754.3	756.7
Inventories (property)	4 550.1	4 582.0	3 865.2	4 283.9
- Land	1 673.4	1 653.7	1 778.4	1 753.4
- Work in progress	2 740.6	2 790.8	1 881.6	2 398.8
- Finished goods	136.0	137.5	205.2	131.6
Other current receivables	291.9	257.1	531.0	342.3
Cash and cash equivalents	777.0	754.0	552.9	587.0
Total current assets	5 618.9	5 593.1	4 949.1	5 213.2
TOTAL ASSETS	6 316.6	6 365.5	5 703.4	5 969.8
Equity attributed to shareholders in Selvaag Bolig ASA*	2 313.8	2 253.0	2 234.7	2 236.3
Non-controlling interests	23.9	23.8	27.0	22.7
Total equity	2 337.7	2 276.8	2 261.7	2 259.0
Non-current interest-bearing liabilities	2 295.0	2 470.0	1 831.2	2 116.2
Other non-current non interest-bearing liabilities	302.9	279.3	283.3	258.1
Total non-current liabilities	2 598.0	2 749.4	2 114.5	2 374.3
Current interest-bearing liabilities	728.1	595.8	755.5	669.0
Other current non interest-bearing liabilities	652.8	743.5	571.7	667.5
Total current liabilities	1 380.9	1 339.3	1 327.2	1 336.6
TOTAL EQUITY AND LIABILITIES	6 316.6	6 365.5	5 703.4	5 969.8

* Corresponding to a book value of NOK 24.7 per share

Operational highlights – key operating figures

(number of residential units, unless otherwise stated)	Q3 13	Q4 13	Q1 14	Q2 14	Q3 14
Number of units sold	236	61	139	255	259
Number of construction starts	335	296	77	197	203
Number of units completed	188	101	77	253	274
Number of units delivered	187	118	80	236	279
Number of units under construction	1 279	1 474	1 474	1 418	1 347
Proportion of sold units under construction	80%	75%	76%	76%	76%
Number of completed unsold units	22	8	8	17	18
Sales value of units under construction (NOK million)	4 657	5 421	5 547	5 238	5 159
Number of employees	97	98	99	100	100

IFRS EBITDA Q3 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	686.6	71.2	0.9	4.4	763.1	
Project expenses	(574.1)	(52.3)	-	(0.2)	(626.6)	
Other operating expenses	(8.7)	(6.4)	(1.0)	(25.6)	(41.7)	
Share of income (losses) from associated companies and joint ventures	(0.1)	0.8	(0.2)	-	0.5	
Other gain (loss), net	-	-	-	-	-	
EBITDA	103.7	13.4	(0.3)	(21.4)		95.3

Operational reporting Q3 2014

(figures in NOK million)	Property development				Other	Total
	Greater Oslo	Rest of Norway	Other countries			
Operating revenues	1 569.5	653.6	1.8	17.2	2 242.2	
Project expenses	(1 209.8)	(530.6)	-	(1.6)	(1 742.0)	
Other operating expenses	(25.6)	(16.2)	(2.2)	(91.3)	(135.4)	
EBITDA (percentage of completion)	334.0	106.8	(0.4)	(75.7)	364.7	

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

Land loan interests on the P&L

- Total land loans are NOK 1 082 million of which NOK 719 million are loans where interest cost are activated
- Land loan interests activated at regulation
- As at 30 September interests connected to land loans of NOK 363 million was charged on the P&L

Loans recognised in profit and loss at 30.09.2014

