

**Q1**  
**2015**

# First quarter results



**SELVAAG** BOLIG



## Highlights of the first quarter 2015

- Operating revenues of NOK 756 million (NOK 245 million)
- Adjusted EBITDA\* of NOK 121 million (NOK 17 million) and ordinary EBITDA of NOK 99 million (NOK 9 million)
- Best sales in the company's history, with 308 units sold (139) and sales started for 177 (154)
- Construction started on 284 units (77)
- 208 units completed (77) and 224 delivered (80)
- A total of 1 384 units (1 474) under construction at 31 March, with 81 per cent (76 per cent) of these sold at a combined sales value of NOK 4 968 million (NOK 5 547 million)

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

*\* Adjusted EBITDA is less financial expenses included in project costs.*

## Key figures

(figures in NOK 1 000)	Q1 2015	Q1 2014	2014
<b>IFRS main figures</b>			
Operating revenues	755 627	244 581	2 945 246
EBITDA	98 620	9 005	386 917
EBITDA adjusted*	120 739	16 662	488 593
Operating profit/(loss)	92 812	3 787	365 712
Profit/(loss) before taxes	84 852	(2 522)	348 706
Cash flow from operating activities	97 714	(413 703)	187 251
Net cash flow	97 332	(441)	(21 112)
Interest-bearing liabilities	2 761 009	3 217 722	2 711 919
Total assets	6 328 174	6 448 970	6 214 244
Equity	2 519 160	2 457 298	2 457 298
Equity ratio	39.8%	35.0%	39.5%
Earnings per share in NOK	0.66	(0.03)	2.70
<b>Segment reporting (NGAAP):</b>			
Operating revenues	827 063	688 204	3 113 210
EBITDA**	140 283	123 762	495 436
EBITDA margin	17.0%	18.0%	15.9%
<b>Key figures:</b>			
Number of units sold	308	139	886
Number of construction starts	284	77	757
Number of units delivered	224	80	861
Number of units completed	208	77	923

\* EBITDA adjusted is excluding financial expenses included in project costs, see note 6 for details.

\*\* 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 2015	Q1 2014	2014
Total operating revenues	755 627	244 581	2 945 246
Project expenses	(609 485)	(193 070)	(2 371 797)
Other operating expenses, salaries and personnel cost, depreciation and amortisation	(60 253)	(46 517)	(236 659)
Associated companies and joint ventures	6 923	(1 207)	28 922
Total operating expenses	(662 815)	(240 794)	(2 579 534)
Operating profit	92 812	3 787	365 712
Net financial expenses	(7 960)	(6 309)	(17 006)
Profit before taxes	84 852	(2 522)	348 706
Income taxes	(22 995)	651	(94 175)
Net income	61 857	(1 871)	254 531

## Results for the first quarter of 2015

*(Figures in brackets relate to the corresponding period of 2014. The figures are unaudited.)*

Selvaag Bolig had operating revenues of NOK 755.6 million (NOK 244.6 million) in the first quarter. Revenues from units delivered totalled NOK 729.5 million (NOK 224.5 million) for the period. Land sales came to NOK 11.3 million. Other revenues related to non-core activities, mainly rental of commercial premises.

A total of 224 units (80) were delivered in the quarter, including 194 (79) from consolidated project companies.

Project costs for the quarter totalled NOK 609.5 million (NOK 193.1 million), of which NOK 22.1 million (NOK 7.7 million) represented previously capitalised financial expenses. Overall project costs related primarily to construction costs for units delivered as well as costs in projects which do not qualify for capitalisation as inventories. The rise in project costs reflected more units delivered than in the same period of 2014.

Operating costs excluding project costs and the share of results from associated companies came to NOK 60.3 million (NOK 46.5 million) for the quarter. Payroll costs accounted for NOK 23.5 million (NOK 16.5 million) of this figure. NOK 9.5 million (NOK 10.5 million) in payroll costs related to housing under construction was capitalised during the period and will be expensed as project costs on future delivery. Furthermore, other operating costs came to NOK 31.0 million

(NOK 24.8 million) for the quarter, including NOK 11.9 million (NOK 8.1 million) for sales and marketing.

The share of profit from associates and joint ventures came to NOK 6.9 million (loss of NOK 1.2 million).

EBITDA adjusted for financial expenses included in project costs came to NOK 120.7 million (NOK 16.7 million). Ordinary EBITDA was NOK 98.6 million (NOK 9 million), corresponding to a margin of 13.1 per cent (3.7 per cent).

Consolidated depreciation and amortisation totalled NOK 5.8 million (NOK 5.2 million), so that consolidated operating profit for the quarter came to NOK 92.8 million (NOK 3.8 million).

Net financial expenses came to NOK 8 million (NOK 6.3 million). Pre-tax profit for the quarter was NOK 84.9 million (loss of NOK 2.5 million).

Net tax expense was NOK 23 million (income of NOK 0.7 million) for the quarter. Consolidated net profit came to NOK 61.9 million (loss of NOK 1.9 million). The whole profit of NOK 61.9 million was attributable to the shareholders of Selvaag Bolig ASA (loss of NOK 3 million), with NOK 0 (NOK 1.1 million) for non-controlling shareholders.



## Cash flow

Consolidated net cash flow from operational activities was NOK 97.7 million (negative at NOK 413.7 million) for the quarter. The increase from 2014 primarily reflected more units delivered and a reduction in accounts receivable from settlement provider client accounts for units delivered. Payment for such deliveries will often take place in the following quarter, since the money is held in the estate agent's client account until the sale has been legally registered.

Net cash flow from investing activities was negative at NOK 37.7 million (NOK 2.6 million) for the quarter. Pay-outs primarily reflected NOK 36.6 million for investment in the

Sinsenveien 45-49 joint venture, as well as the acquisition of fixtures, fittings and equipment.

Net cash flow from financing activities came to NOK 37.4 million (NOK 415.8 million) in the quarter. The change from the corresponding period of 2014 primarily reflected increased redemption of debt related to projects delivered this year plus an overdraft repayment of NOK 55 million.

The holding of cash and cash equivalents increased by NOK 97.3 million during the first quarter. The group's total holding at 31 March thereby came to NOK 663.3 million (NOK 586.6 million).

### Cash flow summary

(figures in NOK 1 000)	Q1 2015	Q1 2014	2014
Profit before taxes	84 852	(2 522)	348 706
Net cash flow from operating activities	97 714	(413 703)	187 251
Net cash flow from investment activities	(37 745)	(2 575)	(5 678)
Net cash flow from financing activities	37 363	415 837	(202 685)
Net change in cash and cash equivalents	97 332	(441)	(21 112)
Cash and cash equivalents at start of period	565 930	587 042	587 042
Cash and cash equivalents at end of period	663 262	586 601	565 930

## Financial position

The carrying amount of Selvaag Bolig's total inventories (land, units under construction and completed units) at 31 March was NOK 4 563.1 million, compared with NOK 4 348.8 million at 31 December and NOK 4 661.3 million a year earlier. The increase from the end of 2014 primarily reflected new land acquisitions and a high level of construction activity. Delivered units reduced the effect. The value of completed units declined from NOK 374.1 million at 31 December to NOK 359.2 million, reflecting delivered units. See note 5 for a further specification of inventories.

Equity was NOK 2 519.2 million (NOK 2 257.1 million) at 31 March, corresponding to an equity ratio of 39.8 per cent (35 per cent). Non-controlling interests amounted to NOK 14.7 million (NOK 23.8 million) of equity. The decline reflected payments of NOK 9.2 million to non-controlling shareholders last year.

Other current non-interest-bearing liabilities totalled NOK 542.6 million (NOK 641.6 million) at 31 March, of which NOK

290 million (NOK 328.1 million) represented advance payments from customers.

At 31 March, consolidated interest-bearing debt amounted to NOK 2 761 million (NOK 3 217.7 million), of which NOK 1 685.6 million (NOK 2 330.7 million) was non-current and NOK 1 075.4 million (NOK 887 million) was current. The change from 2014 primarily resulted from the redemption of construction loans for completed projects. The increased share of current liabilities reflected a rise in the proportion of projects approaching completion.

The group had land loans of NOK 1 124.2 million (NOK 1 175.3 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.

The group has an unsecured bond loan of NOK 500 million, with a five-year term and quarterly interest payments from

27 September 2013. Interest on the loan is three months Nibor plus 475 basis points. The bond incorporates covenants which require the company to maintain 1) a minimum equity ratio of 25 per cent until 30 June 2017 and then 27.5 per cent until maturity in June 2018 and 2) a sales ratio of at least 60

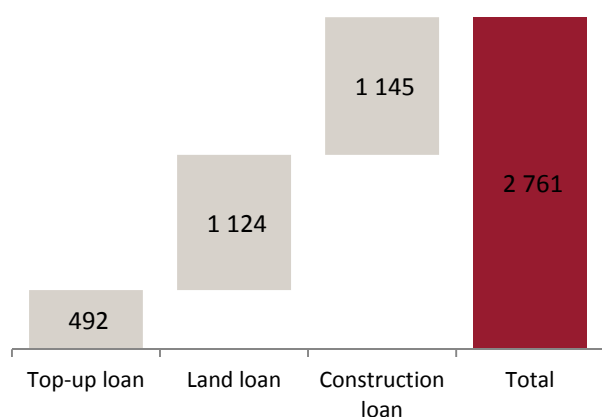
per cent for units under construction. Both covenants were fulfilled at 31 March 2015, with an equity ratio of 39.8 per cent and a sales ratio of 81 per cent. The bond was listed on the Oslo Stock Exchange in the third quarter of 2013.

### Net interest-bearing debt

(figures in NOK 1 000)	Q1 2015	Q1 2014	2014
Non-current interest-bearing debt	1 685 564	2 330 703	1 752 401
Current interest-bearing debt	1 075 445	887 019	959 518
Cash and cash equivalents	(663 262)	(586 601)	(565 930)
Net interest-bearing debt	2 097 747	2 631 121	2 145 989

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 492 million, land loans of NOK 1 124 million and construction loans of NOK 1 145 million. The top-up loan consisted of a bond carried at a net amortised cost of NOK 492 million.

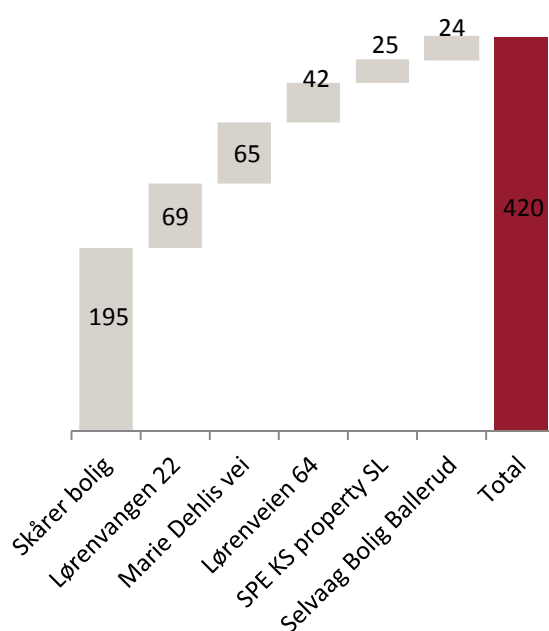
### Interest-bearing debt at 31 March 2015 (NOK mill)



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 units are delivered. Interest

charges on construction loans are capitalised during the construction period and recognised under cost of sales in the same way. At 31 March, interest on NOK 704 million in land loans had been capitalised, while interest charges relating to NOK 420 million in loans were recognised in profit and loss.

### Loans with interest charges recognised in profit and loss (NOK mill)



## Operational reporting

Each project is followed up individually in daily operations, and operational reporting accordingly comprises one main segment - housing development. Previously, up to the first quarter of 2015, the company reported the housing development segment broken down geographically between Greater Oslo, the rest of Norway and other countries. Reporting also comprises the "other business" segment. The latter primarily includes service deliveries in completed Pluss projects as well as group administration not allocated to the main segment. Operational reporting utilises the percentage of completion method for recognising revenues and profit, which differs from the IFRS where profit is recognised on delivery. Note 4 to the financial statements presents segment information reconciled with the financial reporting figures (IFRS).

### Segments first quarter 2015

(figures in NOK 1 000)	Operating revenues		EBITDA		Operating profit/loss	
	Q1 15	Q1 14	Q1 15	Q1 14	Q1 15	Q1 14
Property development	819 935	678 637	171 605	146 242	150 561	123 404
Other	7 128	9 567	(31 322)	(22 480)	(32 355)	(24 039)
IFRS adjustments	(71 436)	(443 623)	(41 663)	(114 757)	(25 394)	(95 578)
Total group	755 627	244 581	98 620	9 005	92 812	3 787

## Housing development

This segment comprises all Selvaag Bolig's projects regardless of geographical location. The company previously differentiated between projects in Greater Oslo, the rest of Norway and other countries. Each project is followed up individually.

Operating revenues for the first quarter were NOK 819.9 million (NOK 678.6 million). They derived from 42 projects currently in production, and land sales totalling NOK 11.3 million.

Operating costs, primarily for construction and sales, directly related to the projects amounted to NOK 648.3 million (NOK

532.4 million) for 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 are included in project costs on delivery.

EBITDA presents operating profit (loss) before depreciation, gain (loss), and share of profit (loss) from associates. It came to NOK 171.6 million (NOK 146.2 million) for the quarter, corresponding to a profit margin of 20.9 per cent (21.5 per cent).

## Other business - unallocated

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

Operating revenues for the first quarter came to NOK 7.1 million (NOK 9.6 million).

Total operating costs for the segment amounted to NOK 38.5 million (NOK 32 million) for the first quarter. These are largely attributable to management and administration as well as to marketing.

EBITDA was negative at NOK 31.3 million (NOK 22.5 million) for the segment.

## Review of operations

### Operations

The pace of sales was high during the quarter, and substantially stronger than in the corresponding period of 2014. Positive progress seen for sales during the third and fourth quarters of last year was maintained in the first quarter. The housing market was particularly strong in Greater Oslo, where the group has 65 per cent of its

residential building projects. Activity in the group was at a high level, and construction started on 284 units during the period. 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, Oppegård, Stavanger, Sandnes, Sola, Tønsberg, Trondheim,

Bergen, Tromsø and Stockholm. However, no projects were under construction in Stockholm during the first quarter.

#### Quarterly development of the project portfolio

	Q1 14	Q2 14	Q3 14	Q4 14	Q1 15
Number of units sold	139	255	259	233	308
Number of construction starts	77	197	203	280	284
Number of units completed	77	253	274	319	208
Number of units delivered	80	236	279	266	224
Number of units under construction	1 474	1 418	1 347	1 308	1 384
Proportion of sold units under construction	76%	76%	76%	77%	81%
Number of completed unsold units	8	17	18	39	40
Sales value of units under construction (NOK million)	5 547	5 238	5 159	4 689	4 968

### Purchase and sale of land

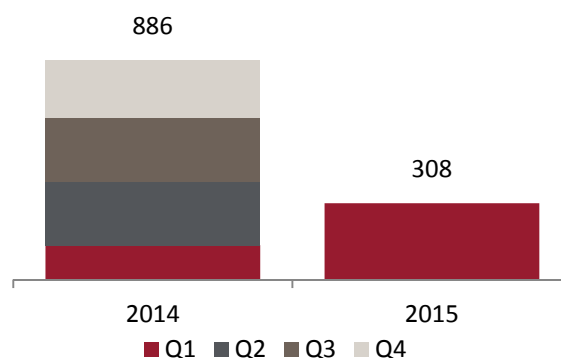
Three sites were purchased during the quarter. One of these is located at Fornebu/Lysaker, while the other two are in Oslo - at Løren and Sinsen respectively. The purchase at Sinsen is a joint venture with Veidekke with 50 per cent ownership share each. In the fourth quarter last year the

company announced the purchase of site central in Oslo. This is located at Valle Hovin. The purchase is subject to ESA (EFTA Surveillance Agency) approval of the transfer of ownership from the City of Oslo to Vålerenga Fotball.

### Market trends

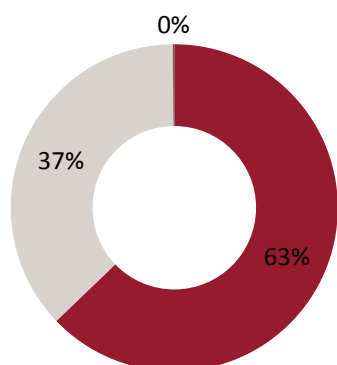
Selvaag Bolig sold 308 residential units (139) during the first quarter. These sales comprise Selvaag Bolig's consolidated project companies as well as its relative share of units sold in part-owned projects. Sales of new units rose throughout 2014, and the first quarter of 2015 was the best in the company's history in terms of units sold.

#### Units sold



The 308 units sold during the first quarter broke down into 194 in Greater Oslo and 114 in the rest of Norway.

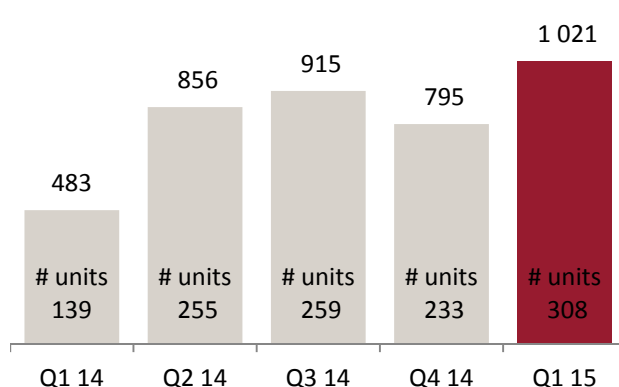
#### Breakdown of sales



■ Greater Oslo ■ Rest of Norway ■ Other countries

The combined value of the 308 units sold during the quarter was NOK 1 021 million. Sales during the same period of 2014 totalled 139 units with a value of NOK 483 million.

#### Value of units sold (NOK mill)



Selvaag Bolig started sales during the quarter in seven projects comprising a total of 177 residential units (154).

#### Sales starts in the quarter

Project	# of units	Category	Region
Aase Gård	12	Terraced	Rogaland
Jaasund	7	Terraced	Rogaland
Strandkanten II	32	Flat	Tromsø
Kornmoenga	27	Flat	Greater Oslo
Løren 5	48	Flat	Greater Oslo
Skaarerødegården	16	Flat	Greater Oslo
Økern Torgvei 30	35	Flat	Greater Oslo
<b>Total</b>	<b>177</b>		

Construction began on 284 (77) units during the first quarter. Construction starts can vary substantially from quarter to quarter, since construction only begins when 60 per cent of a project, measured by sales value, has been sold.

#### Construction starts (no of units)

Project	# units	Category	Region
Jaasund	7	Terraced	Rogaland
Strandkanten II	32	Flat	Tromsø
Moss	15	Flat	Greater Oslo
Skaarerødegården	51	Flat	Greater Oslo
Vestparken	66	Flat	Greater Oslo
Økern Torgvei 30	113	Flat	Greater Oslo
<b>Total</b>	<b>284</b>		

At 31 March, Selvaag Bolig had 1 384 (1 474) units under construction, up by 76 from 31 December and down by 90 from the same date in 2014. They included 901 units in Greater Oslo and 483 in the rest of Norway.

The order backlog at 31 March - in other words, the sales value of the 1 384 units under construction - was NOK 4 968 million (NOK 5 547 million).

A total of 208 (77) units were completed in the first quarter, and 224 (80) - including ones completed earlier - were delivered. The completed units were divided between eight projects - Aase Gård, Bo Emmaus, Bjørnåsen Nord, Kaldnes Boligutvikling, Kornmoenga, Løren 5, Skårerødegården and Vestparken. A total of 40 (eight) completed units were unsold at 31 March. Consolidated project companies accounted for 194 (79) of the units delivered and a joint venture project company for 30 (one).

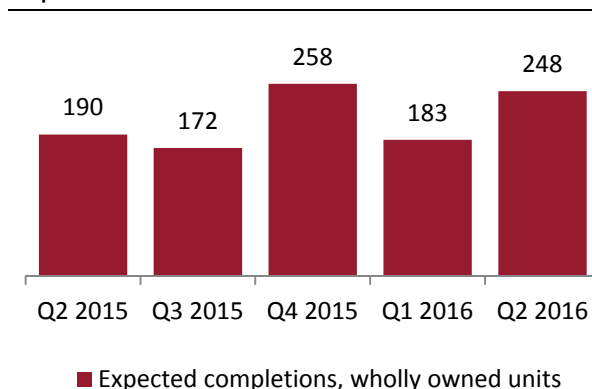


**Units completed by project**

Project	# units	Category	Region
Aase Gård	12	Flat	Rogaland
Aase Gård	8	Terraced	Rogaland
Bo emmaus	9	Terraced	Rogaland
Bjørnåsen Nord	38	Terraced	Greater Oslo
Kaldnes Boligutvikling	32	Flat	Greater Oslo
Kornmoenga	9	Terraced	Greater Oslo
Løren 5	34	Flat	Greater Oslo
Skaarerødegaarden	18	Terraced	Greater Oslo
Vestparken	48	Flat	Greater Oslo
<b>Total</b>	<b>208</b>		

Based on deliveries in the first quarter and estimated completions for the rest of the year, deliveries for 2015 are

expected to total about 850 units. Only wholly-owned projects are expected to be completed up to 30 June 2016.

**Expected number of deliveries****Share information**

The company had 93.76 million issued shares at 31 March, divided between 1 914 shareholders.

The 20 largest shareholders controlled 83.7 per cent of the total number of issued shares. The largest shareholder was Selvaag Gruppen, with a 53.5 per cent holding.

**20 largest shareholders at 31 March 2015**

Shareholder	# of shares	% share
SELVAAG GRUPPEN AS	50 180 087	53.5%
SKANDINAVISKA ENSKILDA BANKEN AB	5 545 194	5.9%
MP PENSJON PK	2 538 889	2.7%
PARETO AS	2 065 624	2.2%
MORGAN STANLEY & CO. INTERNATIONAL	1 635 042	1.7%
US BK EVERMORE GLO VAL FUND	1 520 000	1.6%
J.P. MORGAN CHASE BANK N.A. LONDON	1 442 874	1.5%
STOREBRAND NORGE I	1 353 079	1.4%
UTHALDEN A/S	1 289 613	1.4%
DELPHI KOMBINASJON	1 263 502	1.3%
THE BANK OF NEW YORK MELLON	1 230 001	1.3%
HOLTA INVEST AS	1 200 000	1.3%
VERDIPAPIRFONDET DELPHI NORDEN	1 092 134	1.2%
J.P. MORGAN CHASE BANK N.A. LONDON	1 049 431	1.1%
STOREBRAND VERDI	1 011 389	1.1%
HOLBERG NORDEN	1 000 000	1.1%
HOLBERG NORGE	896 569	1.0%
DELPHI NORGE	754 336	0.8%
VERDIPAPIRFONDET OMEGA INVESTMENT	729 000	0.8%
FIDELITY SELECT PORTFOLIOS: FIDELI	724 200	0.8%
<b>Total 20 largest shareholders</b>	<b>78 520 964</b>	<b>83.7%</b>
<b>Other shareholders</b>	<b>15 244 724</b>	<b>16.3%</b>
<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 the group's business and financial position. Risk factors relate to land development, sales, and the execution of housing projects, and can be divided 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 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 2014 for detailed information on transactions with related parties in earlier years.

## Housing market

House prices continued to rise during the first quarter. According to Statistics Norway (SSB), Norwegian house prices at 31 March were 1.6 per cent higher on average than in 31 December 2014 and up by 7.2 per cent from 31 March 2014.

Price developments were positive in all Selvaag Bolig's core areas, apart from Rogaland county. Prices rose by 3.1 per cent in Oslo and Bærum during the quarter, and were 11.9 per cent higher than at 31 March 2014. In Akershus not including Bærum, prices were up by 3.4 per cent and 8.6 per cent higher than in 31 March 2014. Prices in Stavanger declined by 0.9 per cent and were up two per cent from the

end of 2014. They increased by 1.2 per cent in Bergen and were unchanged in Trondheim during the quarter, and were 8.5 and 6.5 per cent higher respectively than the year before. According to Eiendomsverdi, the housing market is characterised by a high level of demand. The volume of sales was high during the quarter, while the stock of unsold second-hand homes was very low in all Selvaag Bolig's markets with the exception of Rogaland.

Selvaag Bolig' sales of new homes during the quarter were the best ever for the company, with 308 units sold compared with 139 in the corresponding period of 2014.

## Interim financial statements (IFRS)

### Statement of comprehensive income

(figures in NOK 1 000, except earnings per share)	Q1 2015	Q1 2014	2014
Revenues	740 751	226 696	2 887 604
Other revenues	14 876	17 885	57 642
<b>Total operating revenues</b>	<b>755 627</b>	<b>244 581</b>	<b>2 945 246</b>
Project expenses	(609 485)	(193 070)	(2 371 797)
Salaries and personnel costs	(23 455)	(16 503)	(82 868)
Depreciation and amortisation	(5 808)	(5 218)	(21 205)
Other operating expenses	(30 990)	(24 796)	(132 586)
Other gains (losses), net	-	-	(3 482)
Associated companies and joint ventures	6 923	(1 207)	32 404
<b>Total operating expenses</b>	<b>(662 815)</b>	<b>(240 794)</b>	<b>(2 579 534)</b>
<b>Operating profit</b>	<b>92 812</b>	<b>3 787</b>	<b>365 712</b>
Financial income	452	2 208	21 215
Financial expenses	(8 412)	(8 517)	(38 221)
<b>Net financial expenses</b>	<b>(7 960)</b>	<b>(6 309)</b>	<b>(17 006)</b>
<b>Profit/(loss) before taxes</b>	<b>84 852</b>	<b>(2 522)</b>	<b>348 706</b>
Income taxes	(22 995)	651	(94 175)
<b>Net income</b>	<b>61 857</b>	<b>(1 871)</b>	<b>254 531</b>
Other comprehensive income/expenses			
Translation differences	5	(3)	(182)
<b>Total comprehensive income/(loss) for the period</b>	<b>61 862</b>	<b>-1 874</b>	<b>254 349</b>
<b>Net income for the period attributable to:</b>			
Non-controlling interests	(36)	1 117	1 169
Shareholders in Selvaag Bolig ASA	61 893	(2 988)	253 362
<b>Total comprehensive income/(loss) for the period attributable to:</b>			
Non-controlling interests	(36)	1 117	1 169
Shareholders in Selvaag Bolig ASA	61 898	(2 991)	253 180
<b>Earnings per share for net income/(loss) attributed to shareholders in Selvaag Bolig ASA:</b>			
Earnings per share (basic and diluted) in NOK	0.66	(0.03)	2.70

*The consolidated financial information has not been audited*

## Statement of financial position

(figures in NOK 1 000)	Note	Q1 2015	Q1 2014	2014
<b>ASSETS</b>				
Non-current assets				
Goodwill		383 376	383 376	383 376
Other intangible assets		27 599	46 379	32 199
Property, plant and equipment		17 330	4 411	17 395
Investments in associated companies and joint ventures		200 191	152 073	156 723
Loans to associated companies and joint ventures		17 812	13 869	17 679
Other non-current assets		105 142	156 810	104 116
<b>Total non-current assets</b>		<b>751 450</b>	<b>756 918</b>	<b>711 488</b>
Current assets				
Inventories (property)	5	4 563 146	4 661 349	4 348 805
Trade receivables		245 673	196 744	440 283
Other current receivables		104 643	247 358	147 738
Cash and cash equivalents		663 262	586 601	565 930
<b>Total current assets</b>		<b>5 576 724</b>	<b>5 692 052</b>	<b>5 502 756</b>
<b>TOTAL ASSETS</b>		<b>6 328 174</b>	<b>6 448 970</b>	<b>6 214 244</b>
<b>EQUITY AND LIABILITIES</b>				
Equity attributed to shareholders in Selvaag Bolig ASA		2 504 468	2 233 276	2 442 570
Non-controlling interests		14 692	23 835	14 728
<b>Total equity</b>		<b>2 519 160</b>	<b>2 257 111</b>	<b>2 457 298</b>
<b>LIABILITIES</b>				
Non-current liabilities				
Pension liabilities		2 187	1 183	2 187
Deferred tax liabilities		205 457	153 446	190 246
Provisions		92 578	92 578	92 578
Other non-current non interest-bearing liabilities		8 117	17 892	8 627
Non-current interest-bearing liabilities		1 685 564	2 330 703	1 752 401
<b>Total non-current liabilities</b>		<b>1 993 903</b>	<b>2 595 802</b>	<b>2 046 039</b>
Current liabilities				
Current interest-bearing liabilities		1 075 445	887 019	959 518
Trade payables		132 645	65 639	187 348
Current tax payables		64 380	1 793	56 500
Other current non interest-bearing liabilities		542 641	641 606	507 541
<b>Total current liabilities</b>		<b>1 815 111</b>	<b>1 596 057</b>	<b>1 710 907</b>
<b>Total liabilities</b>		<b>3 809 014</b>	<b>4 191 859</b>	<b>3 756 946</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6 328 174</b>	<b>6 448 970</b>	<b>6 214 244</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
EQUITY AS OF 1 JANUARY 2015	187 511	1 394 857	700 629	897	3 528	155 147	2 442 569	14 728 *)	2 457 298

*Total comprehensive income/(loss) for the period:*

Net income/(loss) for the period	-	-	-	-	-	61 893	61 893	(36)	61 857
Other comprehensive income/(loss) for the period	-	-	-	5	-	-	5	-	5
EQUITY AS OF 31 MARCH 2015	187 511	1 394 857	700 629	902	3 528	217 040	2 504 467	14 692 *)	2 519 160

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
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*Total comprehensive income/(loss) for the period:*

Net income/(loss) for the period	-	-	-	-	-	(2 988)	(2 988)	1 117	(1 871)
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*Other comprehensive income/(loss) for the period*

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
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*Transaction with the owners:*

Dividend	-	-	-	-	-	(46 878)	(46 878)	-	(46 878)
Profit sharing to external guarantor	-	-	-	-	-	-	-	(159)	(159)
Dividend to non-controlling interests	-	-	-	-	-	-	-	(9 000)	(9 000)

*Total comprehensive income/(loss) for the rest of the year:*

Net income/(loss) for the period	-	-	-	-	-	-	-	-	-
Other comprehensive income/(loss) for the period	-	-	-	-	-	256 350	256 350	52	256 402
EQUITY AS OF 31 DECEMBER 2014	187 511	1 394 857	700 629	897	3 528	155 147	2 442 569	14 728	2 457 298

*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 2015	Q1 2014	2014
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before taxes	84 852	(2 522)	348 706
Income taxes paid	-	(462)	(970)
Depreciation and amortisation	5 808	5 218	21 205
Other gains (losses), net	-	-	3 482
Share of profits/(losses) from associated companies and joint ventures	(6 923)	1 207	(32 404)
Changes in inventories (property)	(201 648)	(361 329)	27 670
Changes in trade receivables	194 610	(89 729)	(332 454)
Changes in trade payables	(54 703)	(49 518)	71 332
Changes in other operating working capital assets	41 993	(13 134)	120 637
Changes in other operating working capital liabilities	33 725	96 566	(39 953)
<b>Net cash flow from operating activities</b>	<b>97 714</b>	<b>(413 703)</b>	<b>187 251</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>			
Purchases of PPE and intangible assets	(1 200)	-	(14 557)
Purchases of businesses and subsidiaries, net of cash acquired	-	-	2 184
Purchases of associated companies and joint ventures	(36 545)	(8 250)	(38 928)
Dividends and disbursements from associated companies and joint ventures	-	5 675	45 623
<b>Net cash flow from investment activities</b>	<b>(37 745)</b>	<b>(2 575)</b>	<b>(5 678)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings	425 016	433 945	1 358 726
Repayments of borrowings	(332 635)	(18 108)	(1 560 391)
Net change in bank overdrafts	(55 017)	-	55 017
Dividends paid to equity holders of Selvaag Bolig ASA	-	-	(46 878)
Payment of profit sharing and dividends to non-controlling interests in subsidiaries	-	-	(9 159)
<b>Net cash flow from financing activities</b>	<b>37 363</b>	<b>415 837</b>	<b>(202 685)</b>
Net change in cash and cash equivalents	97 332	(441)	(21 112)
Cash and cash equivalents at start of period	565 930	587 042	587 042
Cash and cash equivalents at end of period	663 262	586 601	565 930

*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 2014.

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 2014.

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 2014.

### 3. Transactions with related parties

See note 23 in the Group's Consolidated Financial Statements for 2014 for detailed information on related party transactions in previous years.

### 4. Segment information

The main segment is defined as Property development. 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.

## First quarter 2015

(figures in NOK 1 000)	Property development	Other	Total
Operating revenues	819 935	7 128	827 063
Project expenses	(631 046)	(1 289)	(632 335)
Other operating expenses	(17 284)	(37 161)	(54 445)
EBITDA (percentage of completion)	171 605	(31 322)	140 283
Reconciliation EBITDA to operating profit (loss):			
EBITDA (percentage of completion)	171 605	(31 322)	140 283
Sales revenues (adjustment effect of percentage of completion)	(792 960)	-	(792 960)
Sales revenues (completed contract)	723 200	-	723 200
Project expenses (adjustment effect of percentage of completion)	616 497	-	616 497
Project expenses (completed contract)	(595 323)	-	(595 323)
Depreciation and amortisation	-	(5 808)	(5 808)
Share of income (losses) from associated companies and joint ventures	6 923	-	6 923
Other gain (loss), net	-	-	-
Operating profit (loss)	129 942	(37 130)	92 812
Units under construction	1 384	N/A	N/A
Units delivered	224	N/A	N/A

## First quarter 2014

(figures in NOK 1 000)	Property development	Other	Total
Operating revenues	678 637	9 567	688 204
Project expenses	(522 391)	(643)	(523 034)
Other operating expenses	(10 004)	(31 404)	(41 408)
EBITDA (percentage of completion)	146 242	(22 480)	123 762
Reconciliation EBITDA to operating profit (loss):	-	-	-
EBITDA (percentage of completion)	146 242	(22 480)	123 762
Sales revenues (adjustment effect of percentage of completion)	(668 167)	-	(668 167)
Sales revenues (completed contract)	224 544	-	224 544
Project expenses (adjustment effect of percentage of completion)	520 992	-	520 992
Project expenses (completed contract)	(190 920)	-	(190 920)
Depreciation and amortisation	-	(5 218)	(5 218)
Share of income (losses) from associated companies and joint ventures	(1 207)	-	(1 207)
Other gain (loss), net	-	-	-
Operating profit (loss)	31 485	(27 698)	3 787
Units under construction	1 474	N/A	N/A
Units delivered	80	N/A	N/A

**5. Inventory - property**

The Group has property that 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 2015	Q1 2014	2014
Land (undeveloped)	1 845 117	1 720 721	1 614 382
Work in progress	2 358 827	2 841 241	2 360 274
Finished projects	359 202	99 387	374 149
Carrying amount	4 563 146	4 661 349	4 348 805

**6. Project expenses and EBITDA**

The Group expenses all directly attributable costs in construction projects as project expenses. This includes financial expenses. Below is a specification showing the

project cost and EBITDA including and excluding financial expenses.

(figures in NOK 1 000)	Q1 2015	Q1 2014	2014
Project expenses	(609 485)	(193 070)	(2 371 797)
Finance expenses	(22 119)	(7 657)	(101 676)
Other project expenses	(587 366)	(185 413)	(2 270 121)

(figures in NOK 1 000)	Q1 2015	Q1 2014	2014
EBITDA	98 620	9 005	386 917
EBITDA-margin	13.1%	3.7%	13.1%
EBITDA excl. financial expenses	120 739	16 662	488 593
EBITDA-margin excl. financial expenses	16.0%	6.8%	16.6%

# SELVAAG BOLIG



**For further information, please contact:**

Baard Schumann, CEO Selvaag Bolig ASA

Telephone: +47 940 80 000, e-mail: [bs@selvaagbolig.no](mailto:bs@selvaagbolig.no)

Sverre Molvik, CFO Selvaag Bolig ASA

Telephone: +47 401 00 585, e-mail: [smo@selvaagbolig.no](mailto:smo@selvaagbolig.no)

**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 Ullern in Oslo.

[www.selvaagboligasa.no/en](http://www.selvaagboligasa.no/en)