

Q3
2015

Third quarter results



SELVAAG BOLIG



Start

Hjem

Pluss

Highlights of the third quarter 2015

- Operating revenues of NOK 778 million (NOK 765 million)
- Adjusted EBITDA* of NOK 134 million (NOK 125 million) and ordinary EBITDA of NOK 111 million (NOK 95 million)
- 208 units sold (259) and sales started for 205 (197)
- Construction started on 204 units (203)
- 172 units completed (274) and 202 delivered (279)
- A total of 1 426 units (1 347) under construction at 30 September, with 78 per cent (76 per cent) of these sold at a combined sales value of NOK 5 077 million (NOK 5 159 million)
- Carrying amount of equity corresponded to NOK 27.2 per share (24.7)
- Dividend of NOK 0.70 per share for the first half approved and paid after 30 September

(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)	Q3 2015	Q3 2014	9M 2015	9M 2014	2014
IFRS main figures					
Operating revenues	778 442	764 679	2 364 091	1 818 795	2 945 246
EBITDA	110 867	95 257	333 033	204 479	386 917
EBITDA adjusted*	134 122	124 829	405 686	266 803	488 593
Operating profit/(loss)	104 748	90 146	315 105	188 970	365 712
Profit/(loss) before taxes	95 364	84 292	290 590	172 305	348 706
Cash flow from operating activities	279 695	56 643	316 602	16 117	187 251
Net cash flow	334 385	22 995	238 663	189 934	(21 112)
Interest-bearing liabilities	2 810 536	3 023 149	2 810 536	3 023 149	2 711 919
Total assets	6 485 965	6 316 635	6 485 965	6 316 635	6 214 244
Equity	2 560 164	2 337 718	2 560 164	2 337 718	2 457 298
Equity ratio	39.5%	37.0%	39.5%	37.0%	39.5%
Earnings per share in NOK	0.76	0.65	2.28	1.33	2.70
Segment reporting (NGAAP):					
Operating revenues	825 622	723 518	2 510 868	2 242 191	3 113 210
EBITDA**	122 170	120 024	387 737	364 748	495 436
EBITDA margin	14.8%	16.6%	15.4%	16.3%	15.9%
Key figures:					
Number of units sold	208	259	726	653	886
Number of construction starts	204	203	687	477	757
Number of units delivered	202	279	658	595	861
Number of units completed	172	274	570	604	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)	Q3 2015	Q3 2014	9M 2015	9M 2014	2014
Total operating revenues	778 442	764 679	2 364 091	1 818 795	2 945 246
Project expenses	(623 850)	(628 348)	(1 892 506)	(1 507 189)	(2 371 797)
Other operating expenses, salaries and personnel cost, depreciation and amortisation	(59 194)	(46 687)	(176 197)	(150 594)	(236 659)
Associated companies and joint ventures	9 350	502	19 717	27 958	28 922
Total operating expenses	(673 694)	(674 533)	(2 048 986)	(1 629 825)	(2 579 534)
Operating profit	104 748	90 146	315 105	188 970	365 712
Net financial expenses	(9 384)	(5 854)	(24 515)	(16 665)	(17 006)
Profit before taxes	95 364	84 292	290 590	172 305	348 706
Income taxes	(25 860)	(23 439)	(78 766)	(46 713)	(94 175)
Net income	69 504	60 853	211 824	125 592	254 531

Results for the third quarter of 2015

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

Selvaag Bolig had operating revenues of NOK 778.4 million (NOK 764.7 million) in the third quarter. Revenues from units delivered accounted for NOK 762.8 million (NOK 751.7 million) of this total, while other revenues derived from non-core activities, mainly rental of commercial premises.

A total of 202 units (279) were delivered in the quarter, including 201 (278) from consolidated project companies.

Project costs for the quarter totalled NOK 623.9 million (NOK 628.3 million), of which NOK 23.3 million (NOK 29.6 million) represented previously capitalised financial expenses. Total project expenses primarily represented construction costs for units delivered as well as costs in projects which did not qualify for capitalisation as inventory.

Operating costs excluding project costs and the share of results from associated companies totalled NOK 59.2 million (NOK 46.7 million) for the period. Payroll costs accounted for NOK 23.1 million (NOK 14.7 million) of this figure, including NOK 3 million (NOK 2.8 million) in provision for bonuses. NOK 7.1 million (NOK 8.6 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 30 million

(NOK 26.8 million) for the quarter, including NOK 13.8 million (NOK 11.3 million) for sales and marketing.

The share of profit from associates and joint ventures came to NOK 9.4 million (NOK 0.5 million). This increase primarily reflected the sale of a part-owned project company.

EBITDA adjusted for financial expenses included in project costs came to NOK 134.1 million (NOK 124.8 million), corresponding to a margin of 17.2 per cent (16.3 per cent). Ordinary EBITDA was NOK 110.9 million (NOK 95.3 million), corresponding to a margin of 14.2 per cent (12.5 per cent).

Consolidated depreciation and amortisation totalled NOK 6.1 million (NOK 5.1 million), so that consolidated operating profit for the quarter came to NOK 104.8 million (NOK 90.1 million).

Net financial expenses came to NOK 9.4 million (NOK 5.9 million). Pre-tax profit for the quarter was NOK 95.4 million (NOK 84.3 million).

Net tax expense was NOK 25.9 million (NOK 23.4 million) for the quarter. Consolidated net profit came to NOK 69.5 million (NOK 60.9 million). NOK 70.9 million of the profit was

attributable to the shareholders of Selvaag Bolig ASA (NOK 60.8 million), while a loss of NOK 1.4 (profit of NOK 0.1 million) was attributable to non-controlling shareholders.

Results for the first nine months of 2015

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

Selvaag Bolig had operating revenues of NOK 2 364.1 million (NOK 1 818.8 million) in the first nine months. Of this, revenues from units delivered totalled NOK 2 307.4 million (NOK 1 697.5 million). Other revenues are related to non-core activities, mainly rental.

A total of 658 units (595) were delivered in the first nine months, including 625 (559) from consolidated project companies.

Project costs for the first nine months totalled NOK 1 892.5 million (NOK 1 507.2 million). These primarily represented construction costs for units delivered as well as costs in other projects which did not qualify for capitalisation as inventories.

Operating costs excluding project costs and associated companies came to NOK 176.2 million (NOK 150.6 million) for the first nine months. Payroll costs accounted for NOK 67.8 million (NOK 53 million) of this figure, including NOK 3 million (NOK 4.8 million) in provision for bonuses. NOK 24.5 million (NOK 28.2 million) in payroll costs related to housing under construction was also capitalised during the period and will be expensed as project costs on future delivery.

Cash flow

Consolidated net cash flow from operational activities was NOK 279.7 million (NOK 56.6 million) for the quarter. The increase from the same period of 2014 primarily reflected receipts from units delivered and a rise in expenses accrued but not due. The 2014 figure included the negative effect of a rise in accounts receivable from client accounts at settlement agents 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.

During the first nine months, consolidated cash flow from operational activities came to NOK 316.6 million (NOK 16.1 million). The increase from 2014 primarily reflected more units delivered and a positive contribution from the decline in accounts receivable.

Net cash flow from investing activities was NOK 28.7 million (NOK 23.1 million) for the quarter. Receipts derive from the sale of interests in and dividend paid by part-owned ventures.

Other operating costs came to NOK 90.5 million (NOK 82.1 million), including NOK 37.7 million (NOK 36 million) for sales and marketing.

The share of profit from associates and joint ventures came to NOK 19.7 million (NOK 28 million). This decline primarily reflected the delivery and recognition of a large part-owned project in Stockholm last year.

EBITDA came to NOK 333 million (NOK 204.5 million) for the first nine months, corresponding to a margin of 14.1 per cent (11.2 per cent).

Consolidated operating profit for the first nine months came to NOK 315.1 million (NOK 189 million). Net financial expenses came to NOK 24.5 million (NOK 16.7 million).

Pre-tax profit for the first nine months was NOK 290.6 million (NOK 172.3 million). Net tax expense was NOK 78.8 million (NOK 46.7 million), so that consolidated net profit for the first nine months came to NOK 211.8 million (NOK 125.6 million). NOK 213.5 million of the profit was attributable to the shareholders of Selvaag Bolig ASA (NOK 124.4 million), while a loss of NOK 1.7 (profit of NOK 1.2 million) was attributable to non-controlling shareholders.

In the first nine months, net cash flow from investing activities was negative at NOK 20.8 million (positive at NOK 30.2 million). Pay-outs related to investment in the Sinseneien 45-49 AS part-owned venture, increased investment in existing part-owned ventures, and the acquisition of fixtures, fittings and equipment. They were partly offset by the sale of interests in part-owned ventures.

Net cash flow from financing activities came to NOK 26 million (negative at NOK 56.7 million), which corresponds to the net draw-down of construction loans.

For the first nine months, net cash flow from financing activities was negative at NOK 57.1 million (positive at NOK 143.6 million). The change from the same period of last year reflected an increase in dividend for 2014 compared with 2013 and redemption of debt from projects delivered in 2015, as well as the repayment of an overdraft of NOK 55 million.

The group's holding of cash and cash equivalents at 30 September totalled NOK 804.6 million (NOK 777 million), an increase of NOK 334.4 million over the quarter.

Cash flow summary

(figures in NOK 1 000)	Q3 2015	Q3 2014	9M 2015	9M 2014	2014
Profit before taxes	95 364	84 292	290 590	172 305	348 706
Net cash flow from operating activities	279 695	56 643	316 602	16 117	187 251
Net cash flow from investment activities	28 704	23 055	(20 834)	30 243	(5 678)
Net cash flow from financing activities	25 986	(56 703)	(57 105)	143 574	(202 685)
Net change in cash and cash equivalents	334 385	22 995	238 663	189 934	(21 112)
Cash and cash equivalents at start of period	470 208	753 981	565 930	587 042	587 042
Cash and cash equivalents at end of period	804 593	776 976	804 593	776 975	565 930

Financial position

The carrying amount of Selvaag Bolig's total inventories (land, units under construction and completed units) at 30 September was NOK 4 663.3 million, compared with NOK 4 695.3 million at 30 June and NOK 4 550.1 million a year earlier. The decrease during the quarter primarily reflected delivered units. A high level of construction activity reduced the effect. The value of completed units declined from NOK 278.1 million at 30 June to NOK 207.4 million, reflecting delivered units. See note 5 for a further specification of inventories.

Equity was NOK 2 560.2 million (NOK 2 337.7 million) at 30 September, corresponding to an equity ratio of 39.5 per cent (37 per cent). Selvaag Bolig paid NOK 112.5 million (NOK 46.9 million) in dividend during the second quarter. Non-controlling interests amounted to NOK 13.1 million (NOK 23.9 million) of equity. The decline primarily reflected payments of NOK 9.2 million to non-controlling shareholders last year.

Other current non-interest-bearing liabilities totalled NOK 594.7 million (NOK 570.3 million) at 30 September, of which NOK 281.8 million (NOK 325.3 million) represented advance payments from customers.

At 30 September, consolidated interest-bearing debt amounted to NOK 2 810.5 million (NOK 3 023.1 million), of which NOK 2 470.1 million (NOK 2 295 million) was non-current and NOK 340.4 million (NOK 728.1 million) was

current. The reduction in the proportion of current liabilities during the quarter reflected the redemption of construction loans for completed projects.

The group had land loans of NOK 991.5 million (NOK 1 081.9 million) at 30 September. These are normally converted to construction loans in line with the progress of the respective construction projects.

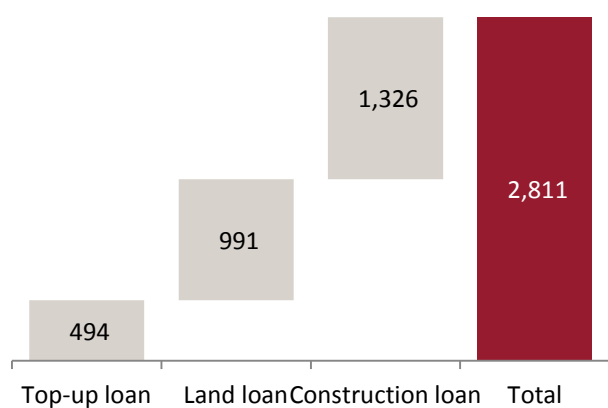
Two undrawn overdraft facilities of NOK 150 million each were held by the group at 30 September.

The group has an unsecured bond loan of NOK 500 million, listed on the Oslo Stock Exchange in the third quarter of 2013. This has 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 30 September 2015, with an equity ratio of 39.5 per cent and a sales ratio of 78 per cent. In September 2015, a bondholder meeting approved a change to the dividend provisions in the bond which gave Selvaag Bolig the opportunity to pay dividend more than once a year.

Net interest-bearing debt

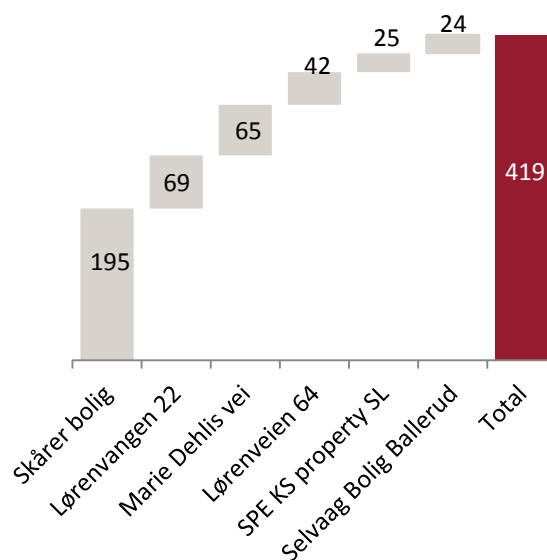
(figures in NOK 1 000)	Q3 2015	Q2 2015	Q3 2014	2014
Non-current interest-bearing debt	2 470 111	2 018 509	2 295 047	1 752 401
Current interest-bearing debt	340 425	748 905	728 102	959 518
Cash and cash equivalents	(804 593)	(470 208)	(776 975)	(565 930)
Net interest-bearing debt	2 005 943	2 297 206	2 246 174	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 30 September, the group had a top-up loan of NOK 493 million, land loans of NOK 992 million and construction loans of NOK 1 326 million. The top-up loan consisted of a bond carried at a net amortised cost of NOK 493 million.

Interest-bearing debt at 30 September 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 30 September, interest on NOK 573 million in land loans had been capitalised, while interest charges relating to NOK 419 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. 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 other segments. 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 third quarter 2015

(figures in NOK 1 000)	Operating revenues		EBITDA		Operating profit/loss	
	Q3 15	Q3 14	Q3 15	Q3 14	Q3 15	Q3 14
Property development	819 000	719 143	153 524	141 462	129 342	122 963
Other	6 622	4 375	(31 354)	(21 438)	(21 996)	(22 919)
IFRS adjustments	(47 180)	41 161	(11 303)	(24 766)	(2 598)	(9 898)
Total group	778 442	764 679	110 867	95 258	104 748	90 146

Segments first nine months 2015

(figures in NOK 1 000)	Operating revenues		EBITDA		Operating profit/loss	
	9M 15	9M 14	9M 15	9M 14	9M 15	9M 14
Property development	2 492 265	2 224 946	482 940	440 450	417 449	379 928
Other	18 603	17 245	(95 203)	(75 702)	(87 982)	(80 262)
IFRS adjustments	(146 777)	(423 396)	(54 704)	(160 269)	(14 362)	(110 696)
Total group	2 364 091	1 818 795	333 033	204 479	315 105	188 970

Housing development

This segment comprises all Selvaag Bolig's projects regardless of geographical location, since each project is followed up individually.

Operating revenues for the third quarter were NOK 819 million (NOK 719.1 million). They derived from 38 projects currently in production, and from land sales totalling NOK 42.6 million.

Operating costs, primarily for construction and sales, directly related to the projects amounted to NOK 665.5 million (NOK

577.7 million) for the third 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 153.5 million (NOK 141.5 million) for the quarter, corresponding to a profit margin of 18.7 per cent (19.7 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 third quarter came to NOK 6.6 million (NOK 4.4 million), while operating costs amounted to NOK 38 million (NOK 25.8 million). Costs are largely driven by management and administration as well as by marketing. EBITDA was thereby negative at NOK 31.4 million (NOK 21.4 million).

Review of operations

Operations

A total of 208 units with a combined value of NOK 750 million were sold during the quarter. The housing market was particularly strong in Greater Oslo, where the group currently has the bulk of its projects.

Activity in the group was at a high level, and construction started on 204 units during the third 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, Oppegård, Stavanger, Sandnes, Sola, Tønsberg, Trondheim,

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

Quarterly development of the project portfolio

	Q3 14	Q4 14	Q1 15	Q2 15	Q3 15
Number of units sold	259	233	308	210	208
Number of construction starts	203	280	284	199	204
Number of units completed	274	319	208	190	172
Number of units delivered	279	266	224	232	202
Number of units under construction	1 347	1 308	1 384	1 394	1 426
Proportion of sold units under construction	76%	77%	81%	80%	78%
Number of completed unsold units	18	39	40	31	25
Sales value of units under construction (NOK million)	5 159	4 689	4 968	4 909	5 077

Purchase and sale of land

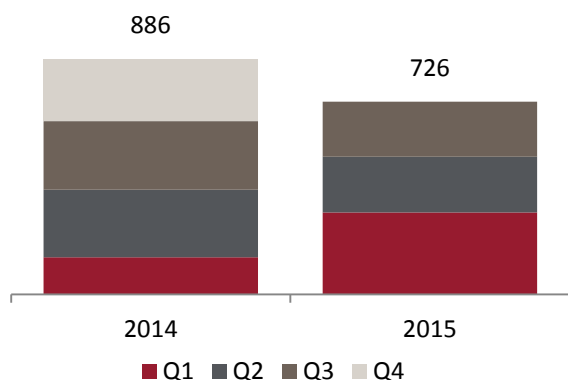
The company sold a part-owned site at Fredensborg in Oslo during the quarter. This land had a potential for about 25 units (Selvaag Bolig's share). The group management

resolved to sell its interest because the company gives priority to sites which provide a higher volume of units.

Market trends

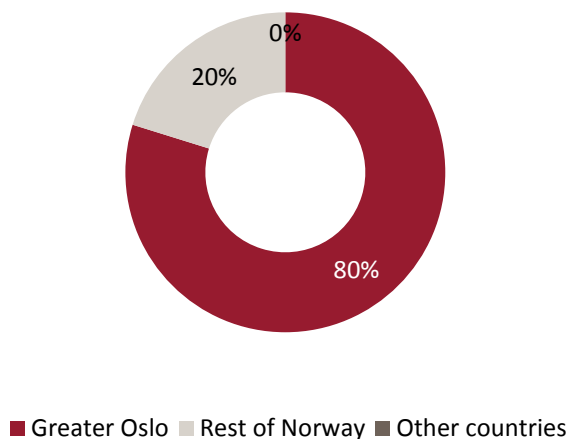
Selvaag Bolig sold 208 residential units (259) during the third quarter. These sales comprise Selvaag Bolig's consolidated project companies as well as its relative share of homes sold in part-owned projects.

Units sold



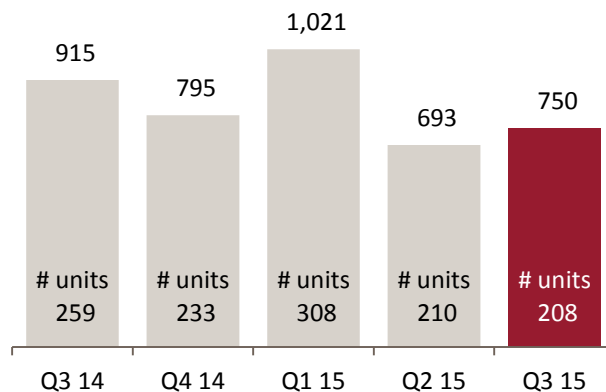
The 208 units sold during the third quarter broke down into 166 in Greater Oslo and 42 in the rest of Norway.

Breakdown of sales



The combined value of the 208 units sold during the quarter was NOK 750 million. Sales during the same period of 2014 totalled 259 units with a value of NOK 915 million.

Value of units sold (NOK mill)



Selvaag Bolig started sales during the quarter in five projects comprising a total of 205 residential units (197).

Sales starts in the quarter

Project	# of units	Category	Region
Nyhaven	70	Flat	Bergen
Løren 5	52	Flat	Greater Oslo
Moss	33	Flat	Greater Oslo
Ormerudveien	22	Terraced	Greater Oslo
Lørenskog Stasjonsby	28	Flat	Greater Oslo
Total	205		

Construction began on 204 (203) units during the third 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
Lade Alle - bygg G	40	Flat	Trondheim
Lade Alle - bygg F	27	Flat	Trondheim
Økern Torgvei 30 - bygg C	104	Flat	Greater Oslo
Nyhaven - B2	33	Flat	Bergen
Total	204		

At 30 September, Selvaag Bolig had 1 426 (1 347) units under construction. They included 814 units in Greater Oslo and 612 in the rest of Norway.

The order backlog at 30 September - in other words, the sales value of the 1 426 (1 347) units under construction - was NOK 5 077 million (NOK 5 159 million).

A total of 172 (274) units were completed in the third quarter, and 202 (279) - including ones completed earlier -

were delivered. The completed units were divided between four projects - Jaasund, Kornmoenga, Lillohøyden and Lørenskog Stasjonsby. A total of 25 (18) completed units were unsold at 30 September. Consolidated project companies accounted for 201 (278) of the units delivered and a part-owned project company for one (one).

Units completed by project

Project	# units	Category	Region
Jaasund Bolig I	4	Terraced	Rogaland
Kornmoenga	11	Terraced	Greater Oslo
Lillohøyden	89	Flat	Greater Oslo
Lørenskog Stasjonsby	68	Flat	Greater Oslo
Total	172		

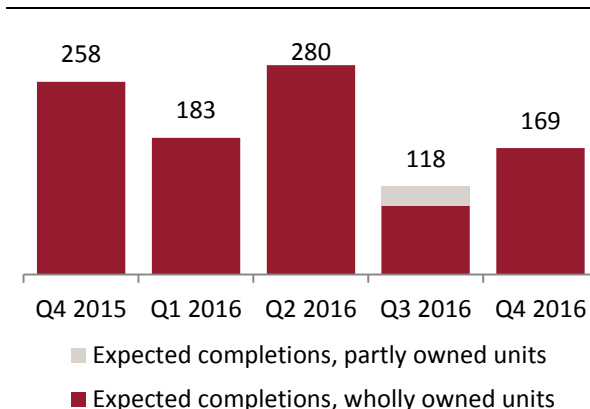
Based on expected progress for the projects, 828 units are expected to be completed in 2015.

Share information

The company had 93.77 million issued shares at 30 September, divided between 1 958 shareholders.

The 20 largest shareholders controlled 84.7 per cent of the total number of issued shares. The largest shareholder was Selvaag Gruppen, with a 53.5 per cent holding.

Expected number of completions



20 largest shareholders at 30 September 2015

Shareholder	# of shares	% share
SELVAAG GRUPPEN AS	50 180 087	53.5%
SKANDINAVISKA ENSKILDA BANKEN AB	5 546 260	5.9%
MP PENSJON PK	2 477 321	2.6%
TAIGA INVESTMENT FUN	2 243 819	2.4%
PARETO AS	2 065 624	2.2%
MORGAN STANLEY & CO. INTERNATIONAL	1 949 691	2.1%
US BK EVERMORE GLO VAL FUND	1 489 383	1.6%
J.P. MORGAN CHASE BANK N.A. LONDON	1 442 874	1.5%
STOREBRAND NORGE I	1 332 351	1.4%
THE BANK OF NEW YORK MELLON	1 240 611	1.3%
VERDIPAPIRFONDET DELPHI NORDEN	1 227 172	1.3%
DELPHI KOMBINASJON	1 213 502	1.3%
HOLTA INVEST AS	1 200 000	1.3%
STATE STREET BANK AND TRUST CO.	1 071 202	1.1%
VERDIPAPIRFONDET PARETO INVESTMENT	939 000	1.0%
UTHALDEN A/S	839 512	0.9%
STOREBRAND VERDI	799 523	0.9%
FIDELITY SELECT PORTFOLIOS: FIDELI	779 592	0.8%
HOLBERG NORDEN	770 000	0.8%
ANAXO CAPITAL AS	613 368	0.7%
Total 20 largest shareholders	79 420 892	84.7%
Other shareholders	14 344 796	15.3%
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 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 third quarter. According to Statistics Norway (SSB), Norwegian house prices at 30 September were 1.2 per cent higher on average than at 30 June 2015 and up by 6.1 per cent from 30 September 2014. Price developments were positive in all Selvaag Bolig's core areas, apart from Rogaland county. Prices rose by 2.1 per cent in Oslo and Bærum during the quarter, and were 10.3 per cent higher than at 30 September 2014. In Akershus county excluding Bærum, prices were up by 1.6 per cent and were 8.9 per cent higher than in 30 September 2014. Prices in Stavanger declined by 1.9 per cent and were down by 5.3 per cent from 30 September 2014. They increased by 0.7 per

cent in Bergen and 1.6 per cent in Trondheim during the quarter, and were 7.4 and 7.1 per cent higher respectively than the year before.

Figures from Eiendomsverdi show that the housing market is characterised by a high level of demand and a low level of supply, particularly in Selvaag Bolig's core areas with the exception of Rogaland.

Selvaag Bolig sold 208 units at a combined value of NOK 750 million during the third quarter.

Interim financial statements (IFRS)

Statement of comprehensive income

(figures in NOK 1 000, except earnings per share)	Q3 2015	Q3 2014	9M 2015	9M 2014	2014
Revenues	762 810	751 680	2 321 616	1 776 246	2 887 604
Other revenues	15 632	12 999	42 475	42 549	57 642
Total operating revenues	778 442	764 679	2 364 091	1 818 795	2 945 246
Project expenses	(623 850)	(628 348)	(1 892 506)	(1 507 189)	(2 371 797)
Salaries and personnel costs	(23 109)	(14 732)	(67 806)	(52 966)	(82 868)
Depreciation and amortisation	(6 119)	(5 112)	(17 928)	(15 509)	(21 205)
Other operating expenses	(29 966)	(26 844)	(90 463)	(82 120)	(132 586)
Other gains (losses), net	-	-	-	-	(3 482)
Associated companies and joint ventures	9 350	502	19 717	27 958	32 404
Total operating expenses	(673 694)	(674 533)	(2 048 986)	(1 629 825)	(2 579 534)
Operating profit	104 748	90 146	315 105	188 970	365 712
Financial income	3 882	4 730	6 533	11 242	21 215
Financial expenses	(13 266)	(10 584)	(31 048)	(27 907)	(38 221)
Net financial expenses	(9 384)	(5 854)	(24 515)	(16 665)	(17 006)
Profit/(loss) before taxes	95 364	84 292	290 590	172 305	348 706
Income taxes	(25 860)	(23 439)	(78 766)	(46 713)	(94 175)
Net income	69 504	60 853	211 824	125 592	254 531
Other comprehensive income/expenses					
Translation differences	3 602	35	3 561	18	(182)
Total comprehensive income/(loss) for the	73 106	60 888	215 385	125 610	254 349
Net income for the period attributable to:					
Non-controlling interests	(1 427)	89	(1 676)	1 200	1 169
Shareholders in Selvaag Bolig ASA	70 931	60 764	213 500	124 392	253 362
Total comprehensive income/(loss) for the period attributable to:					
Non-controlling interests	(1 427)	89	(1 676)	1 200	1 169
Shareholders in Selvaag Bolig ASA	74 533	60 799	217 061	124 410	253 180
Earnings per share for net income/(loss) attributed to shareholders in Selvaag Bolig					
Earnings per share (basic and diluted) in NOK	0.76	0.65	2.28	1.33	2.70

The consolidated financial information has not been audited

Statement of financial position

(figures in NOK 1 000)	Note	Q3 2015	Q2 2015	Q3 2014	2014
ASSETS					
Non-current assets					
Goodwill		383 376	383 376	383 376	383 376
Other intangible assets		18 399	22 999	36 926	32 199
Property, plant and equipment		21 420	22 644	7 904	17 395
Investments in associated companies and joint ventures		192 321	208 971	144 017	156 723
Loans to associated companies and joint ventures		16 103	18 327	17 320	17 679
Other non-current assets		106 144	105 170	108 204	104 116
Total non-current assets		737 763	761 487	697 747	711 488
Current assets					
Inventories (property)	5	4 663 349	4 695 331	4 550 052	4 348 805
Trade receivables		181 576	237 807	162 879	440 283
Other current receivables		98 684	112 296	128 983	147 738
Cash and cash equivalents		804 593	470 208	776 975	565 930
Total current assets		5 748 202	5 515 642	5 618 888	5 502 756
TOTAL ASSETS		6 485 965	6 277 129	6 316 635	6 214 244
EQUITY AND LIABILITIES					
Equity attributed to shareholders in Selvaag Bolig ASA		2 547 112	2 472 579	2 313 800	2 442 570
Non-controlling interests		13 052	14 479	23 918	14 728
Total equity		2 560 164	2 487 058	2 337 718	2 457 298
LIABILITIES					
Non-current liabilities					
Pension liabilities		2 187	2 187	1 184	2 187
Deferred tax liabilities		205 032	205 416	200 873	190 246
Provisions		92 578	92 578	92 581	92 578
Other non-current non interest-bearing liabilities		9 314	8 250	8 290	8 627
Non-current interest-bearing liabilities		2 470 111	2 018 509	2 295 047	1 752 401
Total non-current liabilities		2 779 222	2 326 940	2 597 974	2 046 039
Current liabilities					
Current interest-bearing liabilities		340 425	748 905	728 102	959 518
Trade payables		91 350	154 783	81 240	187 348
Current tax payables		120 139	94 285	1 285	56 500
Other current non interest-bearing liabilities		594 665	465 158	570 315	507 541
Total current liabilities		1 146 579	1 463 131	1 380 943	1 710 907
Total liabilities		3 925 801	3 790 071	3 978 917	3 756 946
TOTAL EQUITY AND LIABILITIES		6 485 965	6 277 129	6 316 635	6 214 244

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
Dividend	-	-	-	-	-	(112 519)	(112 519)	-	(112 519)
<i>Total comprehensive income/(loss) for the period:</i>									
Net income/(loss) for the period	-	-	-	-	-	213 500	213 500	(1 676)	211 824
Other comprehensive income/(loss) for the period	-	-	-	3 561	-	-	3 561	-	3 561
EQUITY AS OF 30 SEPTEMBER 2015	187 511	1 394 857	700 629	4 458	3 528	256 128	2 547 111	13 052 *)	2 560 164

EQUITY AS OF 1 JANUARY 2014	187 511	1 394 857	700 629	1 079	3 528	(51 337)	2 236 267	22 718 *)	2 258 986
Dividend	-	-	-	-	-	(46 878)	(46 878)	-	(46 878)
<i>Total comprehensive income/(loss) for the period:</i>									
Net income/(loss) for the period	-	-	-	-	-	124 392	124 392	1 200	125 592
Other comprehensive income/(loss) for the period	-	-	-	18	-	-	18	-	18
EQUITY AS OF 30 SEPTEMBER 2014	187 511	1 394 857	700 629	1 097	3 528	26 177	2 313 799	23 918	2 337 718

Profit sharing to external guarantor	-	-	-	-	-	-	-	(159)	(159)
Dividend to non-controlling interests	-	-	-	-	-	-	-	(9 000)	(9 000)
<i>Total comprehensive income/(loss) for the rest of the year:</i>									
Net income/(loss) for the period	-	-	-	-	-	128 970	128 970	-31	128 939
Other comprehensive income/(loss) for the period	-	-	-	(200)	-	-	(200)	-	(200)
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)	Q3 2015	Q3 2014	9M 2015	9M 2014	2014
CASH FLOW FROM OPERATING ACTIVITIES					
Profit/(loss) before taxes	95 364	84 292	290 590	172 305	348 706
Income taxes paid	-	-	-	(970)	(970)
Depreciation and amortisation	6 119	5 112	17 928	15 509	21 205
Other gains (losses), net	-	-	-	-	3 482
Share of profits/(losses) from associated companies and joint ventures	(9 350)	(502)	(19 717)	(27 958)	(32 404)
Changes in inventories (property)	46 219	51 028	(273 471)	(212 483)	27 670
Changes in trade receivables	56 231	(47 648)	258 707	(55 864)	(332 454)
Changes in trade payables	(63 433)	(75 932)	(95 998)	(33 917)	71 332
Changes in other operating working capital assets	12 995	60 968	45 432	147 371	120 637
Changes in other operating working capital liabilities	135 550	(20 676)	93 131	12 123	(39 953)
Net cash flow from operating activities	279 695	56 643	316 602	16 117	187 251
CASH FLOW FROM INVESTMENT ACTIVITIES					
Proceeds from sale of property, plant and equipment and intangible assets	-	-	-	-	-
Purchases of PPE and intangible assets	(295)	(4 356)	(8 202)	(4 356)	(14 557)
Proceeds from disposal of businesses and subsidiaries, net of cash disposed	-	-	-	-	-
Purchases of businesses and subsidiaries, net of cash acquired	-	-	-	(48)	2 184
Proceeds from sale of associated companies	24 180	-	24 180	-	-
Purchases of associated companies and joint ventures	-	-	(41 881)	(10 770)	(38 928)
Proceeds from sale of other investments and repayment of loans	2 969	-	3 219	-	-
Purchases of other investments and accounts receivable	-	-	-	-	-
Dividends and disbursements from associated companies and joint ventures	1 850	27 411	1 850	45 417	45 623
Net cash flow from investment activities	28 704	23 055	(20 834)	30 243	(5 678)
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from borrowings	221 256	289 111	1 094 036	1 129 782	1 358 726
Repayments of borrowings	(195 270)	(345 814)	(983 605)	(939 330)	(1 560 391)
Net change in bank overdrafts	-	-	(55 017)	-	55 017
Dividends paid to equity holders of Selvaag Bolig ASA	-	-	(112 519)	(46 878)	(46 878)
Payment of profit sharing and dividends to non-controlling interests in subsidiaries	-	-	-	-	(9 159)
Net cash flow from financing activities	25 986	(56 703)	(57 105)	143 574	(202 685)
Net change in cash and cash equivalents	334 385	22 995	238 663	189 934	(21 112)
Cash and cash equivalents at start of period	470 208	753 981	565 930	587 042	587 042
Cash and cash equivalents at end of period	804 593	776 976	804 593	776 975	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.

Third quarter 2015

(figures in NOK 1 000)	Property development	Other	Total
Operating revenues	819 000	6 622	825 622
Project expenses	(649 377)	(1 000)	(650 377)
Other operating expenses	(16 099)	(36 976)	(53 075)
EBITDA (percentage of completion)	153 524	(31 354)	122 170
Reconciliation EBITDA to operating profit (loss):			
EBITDA (percentage of completion)	153 524	(31 354)	122 170
Sales revenues (adjustment effect of percentage of completion)	(767 498)	-	(767 498)
Sales revenues (completed contract)	720 094	-	720 094
Project expenses (adjustment effect of percentage of completion)	589 898	-	589 898
Project expenses (completed contract)	(563 147)	-	(563 147)
Depreciation and amortisation	-	(6 119)	(6 119)
Share of income (losses) from associated companies and joint ventures	9 350	-	9 350
Other gain (loss), net	-	-	-
Operating profit (loss)	142 221	(37 473)	104 748
Units under construction	1 426	I/A	I/A
Units delivered	202	I/A	I/A

Third quarter 2014

(figures in NOK 1 000)	Property development	Other	Total
Operating revenues	719 143	4 375	723 518
Project expenses	(561 616)	(186)	(561 802)
Other operating expenses	(16 065)	(25 627)	(41 692)
EBITDA (percentage of completion)	141 462	(21 438)	120 024
Reconciliation EBITDA to operating profit (loss):			
EBITDA (percentage of completion)	141 462	(21 438)	120 024
Sales revenues (adjustment effect of percentage of completion)	(715 848)	-	(715 848)
Sales revenues (completed contract)	755 394	-	755 394
Project expenses (adjustment effect of percentage of completion)	568 186	-	568 186
Project expenses (completed contract)	(633 002)	-	(633 002)
Depreciation and amortisation	-	(5 112)	(5 112)
Share of income (losses) from associated companies and joint ventures	502	-	502
Other gain (loss), net	-	-	-
Operating profit (loss)	116 694	(26 550)	90 146
Units under construction	1 347	N/A	N/A
Units delivered	279	N/A	N/A

At 30 Sep 2015

(figures in NOK 1000)	Property development	Other	Total
Operating revenues	2 492 265	18 603	2 510 868
Project expenses	(1 962 885)	(1 977)	(1 964 862)
Other operating expenses	(46 440)	(111 829)	(158 269)
EBITDA (percentage of completion)	482 940	(95 203)	387 737
Reconciliation EBITDA to Operating profit (loss):	-		
EBITDA (percentage of completion)	482 940	(95 203)	387 737
Sales revenues (adjustment effect of percentage of completion)	(2 386 385)	-	(2 386 385)
Sales revenues (completed contract)	2 241 933	-	2 241 933
Project expenses (adjustment effect of percentage of completion)	1 877 343	-	1 877 343
Project expenses (completed contract)	(1 807 312)	-	(1 807 312)
Depreciation and amortisation	-	(17 928)	(17 928)
Share of income (losses) from associated companies and joint ventures	19 718	-	19 718
Other gain (loss), net	-	-	-
Operating profit (loss)	428 237	(113 131)	315 105
Units under construction	1 426	N/A	N/A
Units delivered	658	N/A	N/A

At 30 Sep 2014

(figures in NOK 1 000)	Property development	Other	Total
Operating revenues	2 224 946	17 245	2 242 191
Project expenses	(1 740 429)	(1 606)	(1 742 035)
Other operating expenses	(44 067)	(91 341)	(135 408)
EBITDA (percentage of completion)	440 450	(75 702)	364 748
Reconciliation EBITDA to operating profit (loss):	-		
EBITDA (percentage of completion)	440 450	(75 702)	364 748
Sales revenues (adjustment effect of percentage of completion)	(2 126 347)	-	(2 126 347)
Sales revenues (completed contract)	1 701 335	-	1 701 335
Project expenses (adjustment effect of percentage of completion)	1 673 210	-	1 673 210
Project expenses (completed contract)	(1 436 428)	-	(1 436 428)
Depreciation and amortisation	-	(15 509)	(15 509)
Share of income (losses) from associated companies and joint ventures	27 958	-	27 958
Other gain (loss), net	-	-	-
Operating profit (loss)	280 178	(91 211)	188 970
Units under construction	1 347	N/A	N/A
Units delivered	595	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)	Q3 2015	Q2 2015	Q3 2014	2014
Land (undeveloped)	1 814 067	1 871 218	1 673 396	1 614 382
Work in progress	2 641 930	2 546 007	2 740 647	2 360 274
Completed units	207 352	278 106	136 009	374 149
Carrying amount	4 663 349	4 695 331	4 550 052	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)	Q3 2015	Q3 2014	9M 2015	9M 2014	2014
Project expenses	(623 850)	(628 348)	(1 892 506)	(1 507 189)	(2 371 797)
Finance expenses	(23 255)	(29 571)	(72 653)	(62 324)	(101 676)
Other project expenses	(600 595)	(598 777)	(1 819 853)	(1 444 865)	(2 270 121)

(figures in NOK 1 000)	Q3 2015	Q3 2014	9M 2015	9M 2014	2014
EBITDA	110 867	95 257	333 033	204 479	386 917
EBITDA-margin	14.2%	12.5%	14.1%	11.2%	13.1%
EBITDA excl. financial expenses	134 122	124 829	405 686	266 803	488 593
EBITDA-margin excl. financial expenses	17.2%	16.3%	17.2%	14.7%	16.6%

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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 Ullern in Oslo.

www.selvaagboligasa.no/en