Q4 2015

Fourth quarter results

SELVAAG BOLIG

Start Hjem Pluss

Highlights of the fourth quarter 2015

- Operating revenues of NOK 882 million (NOK 1 126 million)
- Adjusted EBITDA* of NOK 133 million (NOK 222 million) and ordinary EBITDA of NOK 95 million (NOK 182 million)
- 209 units sold (233) and sales started for 191 (187)
- Construction started on 171 units (280)
- 258 units completed (319) and 235 delivered (266)
- A total of 1 339 units (1 308) under construction at 31 December, with 79 per cent (77 per cent) of these sold at a combined sales value of NOK 4 740 million (NOK 4 689 million)
- Carrying amount of equity corresponded to NOK 27.1 per share (NOK 26)
- NOK 881 million (NOK 709 million) in added value on the land bank based on external valuation
- Dividend of NOK 0.80 per share for the second half of 2015 proposed by the board

(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)	Q4 2015	Q4 2014	2015	2014
IFRS main figures				
Operating revenues	881 951	1 126 451	3 246 042	2 945 246
EBITDA	95 388	182 438	428 421	386 917
EBITDA adjusted*	133 263	221 790	538 949	488 593
Operating profit/(loss)	89 231	176 742	404 336	365 712
Profit/(loss) before taxes	80 598	176 401	371 188	348 706
Cash flow from operating activities	149 305	171 134	465 907	187 251
Net cash flow	(132 309)	(211 046)	106 354	(21 112)
Interest-bearing liabilities	2 618 017	2 711 919	2 618 017	2 711 919
Total assets	6 251 065	6 214 244	6 251 065	6 214 244
Equity	2 551 135	2 457 298	2 551 135	2 457 298
Equity ratio	40.8%	39.5%	40.8%	39.5%
Earnings per share in NOK	0.73	1.38	3.01	2.70
Segment reporting (NGAAP):				
Operating revenues	718 196	871 019	3 229 064	3 113 210
EBITDA**	104 648	130 688	492 385	495 436
EBITDA margin	14.6%	15.0%	15.2%	15.9%
Key figures:				
Number of units sold	209	233	935	886
Number of construction starts	171	280	858	757
Number of units delivered	235	266	893	861
Number of units completed	258	319	828	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)	Q4 2015	Q4 2014	2015	2014
Total operating revenues	**881 951**	**1 126 451**	**3 246 042**	**2 945 246**
Project expenses	(715 993)	(864 608)	(2 608 499)	(2 371 797)
Other operating expenses, salaries and personnel cost, depreciation and	(65 336)	(86 065)	(241 533)	(236 659)
Associated companies and other gains (loss)	(11 391)	964	8 326	28 922
Total operating expenses	**(792 720)**	**(949 709)**	**(2 841 706)**	**(2 579 534)**
Operating profit	**89 231**	**176 742**	**404 336**	**365 712**
Net financial expenses	**(8 633)**	**(341)**	**(33 148)**	**(17 006)**
Profit before taxes	**80 598**	**176 401**	**371 188**	**348 706**
Income taxes	(12 301)	(47 462)	(91 067)	(94 175)
Net income	**68 297**	**128 939**	**280 121**	**254 531**

Results for the fourth quarter of 2015

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

Selvaag Bolig had operating revenues of NOK 882 million (NOK 1 126.5 million) in the fourth quarter. Revenues from units delivered accounted for NOK 870 million (NOK 1 092.6 million) of this total, while other revenues derived from non-core activities, mainly rental of commercial premises.

A total of 235 units (266) were delivered in the quarter, with all 235 (265) from consolidated project companies.

Project costs for the quarter totalled NOK 716 million (NOK 864.6 million), of which NOK 37.9 million (NOK 39.4 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 65.3 million (NOK 86.1 million) for the period. Payroll costs accounted for NOK 29.3 million (NOK 29.9 million) of this figure, including NOK 3.5 million (NOK 1.2 million) in provision for bonuses. NOK 6.8 million (NOK 7.7 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 29.9 million (NOK 50.5 million) for the quarter, including NOK 13.8 million (NOK 26.7 million) for sales and marketing.

The share of results from associates and joint ventures was negative at NOK 11.4 million (positive at NOK 4.4 million). This decline primarily reflected an impairment charge of NOK 10 million for a joint venture in western Norway. The 2014 figure also included other losses of NOK 3.5 million.

EBITDA adjusted for financial expenses included in project costs came to NOK 133.3 million (NOK 221.8 million), corresponding to a margin of 15.1 per cent (19.7 per cent). Ordinary EBITDA was NOK 95.4 million (NOK 182.4 million), corresponding to a margin of 10.8 per cent (16.2 per cent).

Consolidated depreciation and amortisation totalled NOK 6.2 million (NOK 5.7 million), so that consolidated operating profit for the quarter came to NOK 89.2 million (NOK 176.7 million).

Net financial expenses came to NOK 8.6 million (NOK 0.3 million). Pre-tax profit for the quarter was NOK 80.6 million (NOK 176.4 million).

Net tax expense was NOK 12.3 million (NOK 47.5 million) for the quarter. The low effective tax rate for the quarter reflects a decline in deferred tax as result of a reduction in the tax rate for Selvaag Bolig in Norway from 27 to 25 per cent with effect from 2016.

Consolidated net profit came to NOK 68.3 million (NOK 128.9 million). NOK 68.4 million of the profit was attributable to the shareholders of Selvaag Bolig ASA (NOK 128.9 million), while a loss of NOK 0.1 million (0) was attributable to non-controlling shareholders.

Results for the full year 2015

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

Selvaag Bolig had operating revenues of NOK 3 246 million (NOK 2 945.3 million) for the full year. Of this, revenues from units delivered totalled NOK 3 177.4 million (NOK 2 790.1 million). Other revenues related to non-core activities, mainly rental.

A total of 893 units (861) were delivered in 2015, including 860 (824) from consolidated project companies.

Project costs for the full year totalled NOK 2 608.5 million (NOK 2 371.8 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 241.5 million (NOK 236.7 million) for the full year. Payroll costs accounted for NOK 97.1 million (NOK 82.9 million) of this figure, including NOK 6.5 million (NOK 6 million) in provision for bonuses. NOK 31.4 million (NOK 35.9 million) in payroll costs related to housing under construction was also capitalised during the year and will be expensed as project costs on future delivery.

Other operating costs came to NOK 120.4 million (NOK 132.6 million), including NOK 51.4 million (NOK 62.7 million) for sales and marketing.

The share of profit from associates and joint ventures came to NOK 8.3 million (NOK 32.4 million). This decline primarily reflected the delivery and recognition of a large part-owned project in Stockholm in 2014, and an impairment charge of NOK 10 million for a joint venture in western Norway during 2015.

EBITDA adjusted for financial expenses incorporated in project costs came to NOK 538.9 million (NOK 488.6 million), corresponding to a margin of 16.6 per cent (16.6 per cent). Ordinary EBITDA was NOK 428.4 million (NOK 386.9 million), corresponding to a margin of 13.2 per cent (13.1 per cent).

Consolidated operating profit came to NOK 404.3 million (NOK 365.7 million). Net financial expenses came to NOK 33.1 million (NOK 17 million).

Pre-tax profit was NOK 371.2 million (NOK 348.7 million). Tax expense came to NOK 91.1 million (NOK 94.2 million), so that consolidated net profit was NOK 280.1 million (NOK 254.5 million). NOK 281.9 million of the profit (NOK 253.4 million) was attributable to the shareholders of Selvaag Bolig ASA, while a loss of NOK 1.8 (profit of NOK 1.2 million) was attributable to non-controlling shareholders.

Cash flow

Consolidated net cash flow from operational activities was NOK 149.3 million (NOK 171.1 million) for the fourth quarter. The decline from the same period of 2014 primarily reflected tax paid, acquisition of additional land and some reduction in units delivered. 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.

For the full year consolidated cash flow from operational activities came to NOK 465.9 million (NOK 187.3 million). The increase from 2014 primarily reflected more units delivered and a positive contribution from a decline in accounts receivable corresponding to settlements for units delivered.

Net cash flow from investing activities was NOK 5.4 million (negative at NOK 35.9 million) for the quarter. Proceeds derive primarily from loans redeemed by part-owned ventures. The increase mainly reflects new investment in part-owned ventures during the fourth quarter of 2014.

For the full year net cash flow from investing activities was negative at NOK 15.5 million (NOK 5.7 million). Pay-outs related to investment in the Sinsenveien 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 was negative at NOK 287 million (NOK 346.3 million) for the quarter. Payment of a dividend of NOK 0.70 per share for the first half of 2015 totalled NOK 65.6 million. Repurchase of the company's own shares in connection with the share programme for employees was NOK 10.9 million in total. NOK 3.4 million in dividend was paid to non-controlling shareholders. Other cash flows correspond to net redemption of construction loans.

For the full year, net cash flow from financing activities was negative at NOK 344.1 million (NOK 202.7 million). The change from 2014 reflected an increase in dividend (pay-outs in 2015 covered dividend both for the first half of the year and the whole of 2014, when dividend was higher than for

2013), redemption of debt from projects delivered in 2015, and the repayment of an overdraft of NOK 55 million.

The group's holding of cash and cash equivalents at 31 December totalled NOK 672.3 million (NOK 565.9 million), a decline of NOK 132.3 million for the quarter.

Cash flow summary

(figures in NOK 1 000)	Q4 2015	Q4 2014	2015	2014
Profit before taxes	80 598	176 401	371 188	348 706
Net cash flow from operating activities	**149 305**	**171 134**	**465 907**	**187 251**
Net cash flow from investment activities	**5 356**	**(35 921)**	**(15 478)**	**(5 678)**
Net cash flow from financing activities	**(286 970)**	**(346 259)**	**(344 075)**	**(202 685)**
Net change in cash and cash equivalents	(132 309)	(211 046)	106 354	(21 112)
Cash and cash equivalents at start of	**804 593**	**776 975**	**565 930**	**587 042**
Cash and cash equivalents at end of period	**672 284**	**565 930**	**672 284**	**565 930**

Financial position

The carrying amount of Selvaag Bolig's total inventories (land, units under construction and completed units) at 31 December was NOK 4 715.4 million, compared with NOK 4 663.3 million at 30 September and NOK 4 348.8 million a year earlier. The increase during the quarter primarily reflected the purchase of additional land and a high level of construction activity. Units delivered reduced the effect. The value of completed units rose from NOK 207.4 million at 30 September to NOK 378.1 million, primarily as a result of unsold units for a project in Stavanger. See note 5 for a further specification of inventories.

Equity was NOK 2 551.1 million (NOK 2 457.3 million) at 31 December, corresponding to an equity ratio of 40.8 per cent (39.5 per cent). Selvaag Bolig ASA has established a policy of semi-annual dividend payments with effect from 2015. The company thereby paid NOK 112.5 million (NOK 46.9 million) in dividend for 2014 during the second quarter, and NOK 65.6 million for the first half of 2015 in the fourth quarter. The board has also proposed a dividend of NOK 0.80 per share for the second half of 2015, to be paid in 2016. Non-controlling interests amounted to NOK 9.6 million (NOK 14.7 million) of equity. The decline primarily reflected payments of NOK 9.2 million to non-controlling shareholders in 2014 and NOK 3.4 million in 2015.

Other current non-interest-bearing liabilities totalled NOK 582.8 million (NOK 507.5 million) at 31 December, of which NOK 297.6 million (NOK 262.7 million) represented advance payments from customers.

At 31 December, consolidated interest-bearing debt amounted to NOK 2 618 million (NOK 2 711.9 million), of which NOK 1 846.7 million (NOK 1 752.4 million) was non-current and NOK 771.3 million (NOK 959.5 million) was current. The reduction in the proportion of current liabilities during the quarter reflected the redemption of debt for completed projects.

The group had land loans of NOK 1 094.2 million (NOK 931.1 million) at 31 December. 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 December.

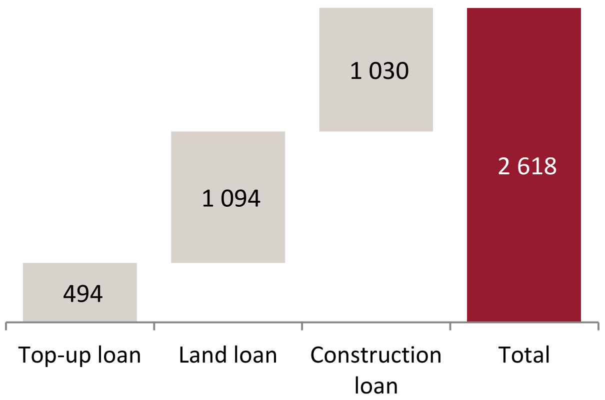
The group has an unsecured bond loan of NOK 500 million, listed on the Oslo Stock Exchange in the third quarter of 2013. This has a five-year term and quarterly interest payments from 27 September 2013. Interest on the loan is three months Nibor plus 475 basis points. The bond incorporates covenants 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 31 December 2015, with an equity ratio of 40.8 per cent and a sales ratio of 79 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)	Q4 2015	Q3 2015	2014
Non-current interest-bearing debt	1 846 715	2 470 111	1 752 401
Current interest-bearing debt	771 302	340 425	959 518
Cash and cash equivalents	(672 284)	(804 593)	(565 930)
Net interest-bearing debt	**1 945 733**	**2 005 943**	**2 145 989**

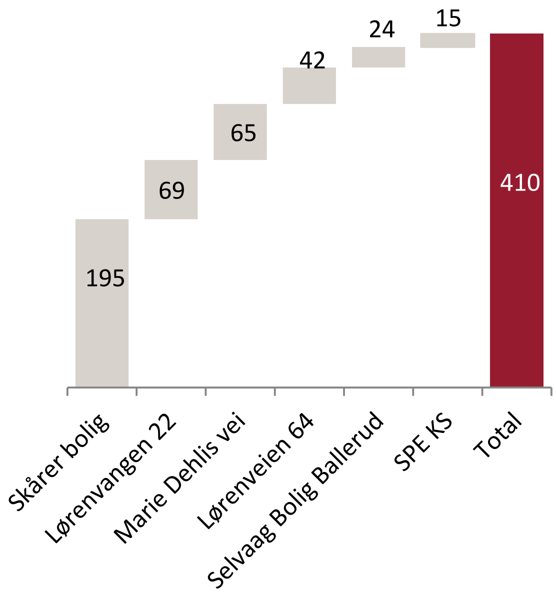
The group's interest-bearing debt falls primarily into three categories: 1) liabilities in parent company Selvaag Bolig ASA (top-up loans), 2) land loans and 3) construction loans. At 31 December, the group had a top-up loan of NOK 494 million, land loans of NOK 1 094 million and construction loans of NOK 1 030 million. The top-up loan consisted of a bond carried at a net amortised cost of NOK 494 million.

Interest-bearing debt at 31 December 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 December, interest on NOK 684 million in land loans had been capitalised, while interest charges relating to NOK 410 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 fourth quarter 2015

	Operating revenues		EBITDA		Operating profit/loss	
(figures in NOK 1 000)	**Q4 15**	**Q4 14**	**Q4 15**	**Q4 14**	**Q4 15**	**Q4 14**
Property development	713 625	864 679	140 871	172 165	106 865	153 818
Other	4 571	6 340	(36 223)	(41 477)	(37 361)	(45 302)
IFRS adjustments	163 755	255 432	(9 260)	51 750	19 727	68 226
Total group	**881 951**	**1 126 451**	**95 388**	**182 438**	**89 231**	**176 742**

Segments 2015

	Operating revenues		EBITDA		Operating profit/loss	
(figures in NOK 1 000)	**12M 15**	**12M 14**	**12M 15**	**12M 14**	**12M 15**	**12M 14**
Property development	3 205 890	3 089 625	623 811	612 615	524 314	533 746
Other	23 174	23 585	(131 426)	(117 179)	(125 343)	(125 564)
IFRS adjustments	16 978	(167 964)	(63 964)	(108 519)	5 365	(42 470)
Total group	**3 246 042**	**2 945 246**	**428 421**	**386 917**	**404 336**	**365 712**

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 fourth quarter were NOK 713.6 million (NOK 864.7 million). They derived from 34 projects currently in production, and from land sales totalling NOK 16 million.

Operating costs, primarily for construction and sales, directly related to the projects amounted to NOK 572.8 million (NOK 692.5 million) for the fourth 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 140.9 million (NOK 172.2 million) for the quarter, corresponding to a profit margin of 19.7 per cent (19.9 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 fourth quarter came to NOK 4.6 million (NOK 6.3 million), while operating costs amounted to NOK 40.8 million (NOK 47.8 million). Costs are largely driven by management and administration as well as by marketing. EBITDA was thereby negative at NOK 36.2 million (NOK 41.5 million).

Review of operations

Operations

A total of 209 units with a combined value of NOK 751 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 171 units during the fourth 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 fourth quarter.

Quarterly development of the project portfolio

	Q4 14	Q1 15	Q2 15	Q3 15	Q4 15
Number of units sold	233	308	210	208	209
Number of construction starts	280	284	199	204	171
Number of units completed	319	208	190	172	258
Number of units delivered	266	224	232	202	235
Number of units under construction	1 308	1 384	1 394	1 426	1 339
Proportion of sold units under construction	77 %	81 %	80 %	78 %	79 %
Number of completed unsold units	39	40	31	25	65
Sales value of units under construction (NOK million)	4 689	4 968	4 909	5 077	4 740

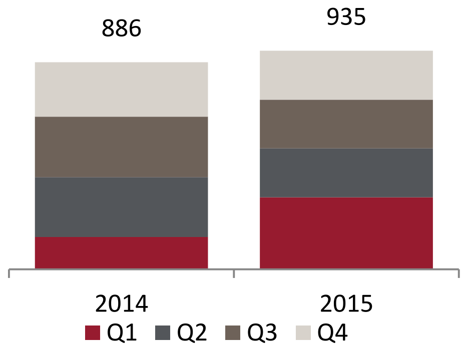
Purchase and sale of land

The company acquired a site at Torvmyra in Bergen during the quarter. This land has a potential for just over 70 units.

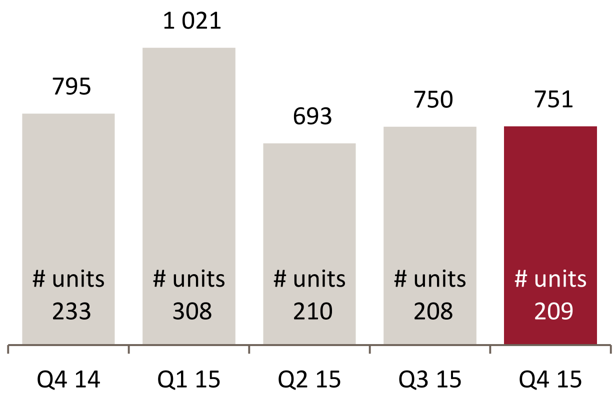
Market trends

Selvaag Bolig sold 209 residential units (233) during the fourth 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

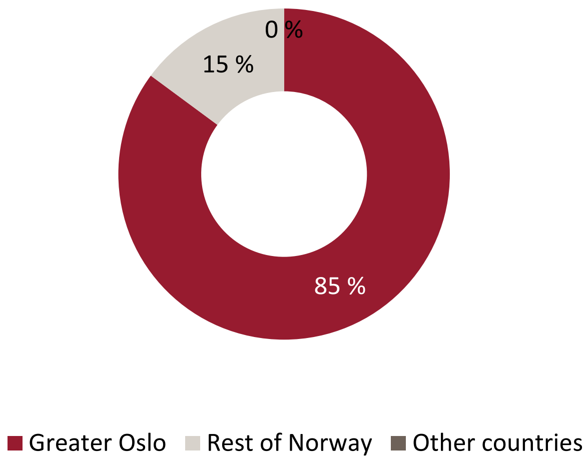


Value of units sold (NOK mill)



The 209 units sold during the fourth quarter broke down into 178 in Greater Oslo and 31 in the rest of Norway.

Breakdown of sales



The combined value of the 209 units sold during the quarter was NOK 751 million. Sales during the same period of 2014 totalled 233 units with a value of NOK 795 million.

Selvaag Bolig started sales during the quarter in four projects comprising a total of 191 residential units (187).

Sales starts in the quarter

Project	# of units	Category	Region
Lade Alle	27	Flat	Trondheim
Kilenkollen	87	Flat	Greater Oslo
Lørenskog Stasjonsby	28	Flat	Greater Oslo
Valle Hovin	49	Flat	Greater Oslo
Total	**191**		

Construction began on 171 (280) units during the fourth 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
Nyhavn	37	Flat	Bergen
Kilenkollen	54	Flat	Greater Oslo
Løren 5	52	Flat	Greater Oslo
Lørenskog Stasjonsby	28	Flat	Greater Oslo
Total	**171**		

At 31 December, Selvaag Bolig had 1 339 (1 308) units under construction. They included 922 units in Greater Oslo and 417 in the rest of Norway.

The order backlog at 31 December – in other words, the sales value of the 1 339 (1 308) units under construction – was NOK 4 740 million (NOK 4 689 million).

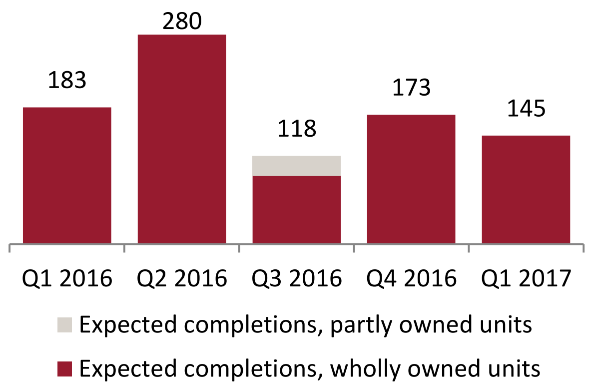
A total of 258 (319) units were completed in the fourth quarter, and 235 (266) – including ones completed earlier – were delivered. The completed units were divided between five projects – Aase Gård, Lade Alle, Strandkanten, Øya Lervig Brygge and Kaldnes. A total of 65 (39) completed units were unsold at 31 December. Consolidated project companies accounted for 235 (265) of the units delivered, while none (one) were in a part-owned project company.

Units completed by project

Project	# units	Category	Region
Aase Gård	9	Terraced	Rogaland
Lade Alle	40	Flat	Trondheim
Strandkanten II	75	Flat	Tromsø
Øya Lervig Brygge	108	Flat	Rogaland
Kaldnes	26	Flat	Greater Oslo
Total	**258**		

Based on expected progress for the projects the forecast is 754 completions in 2016.

Expected number of completions



Share information

The company had 93.77 million issued shares at 31 December, divided between 1 840 shareholders.

The 20 largest shareholders controlled 83.9 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 December 2015

Shareholder	# of shares	% share
SELVAAG GRUPPEN AS	50 180 087	53.5%
SKANDINAVISKA ENSKILDA BANKEN AB	5 657 160	6.0%
MORGAN STANLEY & CO. INTERNATIONAL	2 648 779	2.8%
MP PENSJON PK	2 477 321	2.6%
J.P. MORGAN CHASE BANK N.A. LONDON	2 190 874	2.3%
PARETO AS	2 065 624	2.2%
US BK EVERMORE GLO VAL FUND	1 489 383	1.6%
VERDIPAPIRFONDET PARETO INVESTMENT	1 465 000	1.6%
STOREBRAND NORGE I	1 300 800	1.4%
THE BANK OF NEW YORK MELLON	1 251 136	1.3%
HOLTA INVEST AS	1 200 000	1.3%
STATE STREET BANK AND TRUST CO.	1 114 573	1.2%
HOLBERG NORDEN	910 217	1.0%
UTHALDEN A/S	861 581	0.9%
VERDIPAPIRFONDET DELPHI NORDEN	819 213	0.9%
STOREBRAND VERDI	750 473	0.8%
FIDELITY SELECT PORTFOLIOS: FIDELI	717 592	0.8%
DELPHI KOMBINASJON	554 269	0.6%
MUSTAD INDUSTRIER AS	515 000	0.5%
BANAN II AS	455 190	0.5%
Total 20 largest shareholders	**78 624 272**	**83.9%**
Other shareholders	15 141 416	16.1%
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 annual reports, available on its website, for a more detailed explanation of the risk and uncertainty factors it faces.

Transaction 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 fourth quarter. According to Statistics Norway, Norwegian house prices at 31 December were 0.6 per cent higher on average than at 30 September 2015 and up by 4.6 per cent from 31 December 2014.

Price developments were positive in all Selvaag Bolig's core areas, apart from Rogaland county. Prices rose by two per cent in Oslo and Bærum during the quarter, and were 9.2 per cent higher than at 31 December 2014. In Akershus county excluding Bærum, prices were up by 1.5 per cent and were 8.8 per cent higher than at 31 December 2014. Prices in Stavanger declined by 2.3 per cent and were down by 8.1 per cent from 31 December 2014. They increased by 0.1 per cent in Bergen and Trondheim, and were 4.5 and 3.5 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 935 units at a combined value of NOK 3.2 billion in 2015, and 209 worth NOK 751 million during the fourth quarter.

Outlook

The Bank of Norway expects GDP for mainland Norway to rise by 1.1 per cent in 2016. Statistics Norway estimates a GDP growth of two per cent for the same period. In addition, the Bank of Norway has lowered the interest rate trajectory and opened for a base rate of 0.4 per cent towards the end of 2016. Statistics Norway has earlier indicated that weaker growth in incomes and rather more restrictive mortgage lending could lead to a flattening out in house prices during 2016. Due to urbanisation and a high level of population growth, the Statistics Norway nevertheless sees a substantial need for new homes in Selvaag Bolig's core areas over coming years. However, figures from Eiendom Norge showed that house prices in Norway rose by 3.1 per cent in January 2016.

Selvaag Bolig has no unsold units under construction in Rogaland and focuses only on the sale of units which have already been completed. New projects in Rogaland will not be put on sale until the market improves. At 31 December 2016, 85 per cent of Selvaag Bolig's construction volume will be in Greater Oslo.

According to Eiendomsverdi, the inventory of second-hand homes is low in all Selvaag Bolig's core areas with the exception of Rogaland. The number of new homes for sale is also small, particularly in Selvaag Bolig's Greater Oslo core area. This pressure has resulted in good sales of new units for the company. Providing the inventory of homes does not grow substantially or the macroeconomic conditions worsen considerably, the market for new homes is set to be good in Selvaag Bolig's core areas over the coming year.

Interim financial statements (IFRS)

Statement of comprehensive income

(figures in NOK 1 000, except earnings per share)	Q4 2015	Q4 2014	2015	2014
Revenues	869 969	1 111 358	3 191 585	2 887 604
Other revenues	11 982	15 093	54 457	57 642
Total operating revenues	**881 951**	**1 126 451**	**3 246 042**	**2 945 246**
Project expenses	(715 993)	(864 608)	(2 608 499)	(2 371 797)
Salaries and personnel costs	(29 253)	(29 902)	(97 059)	(82 868)
Depreciation and amortisation	(6 157)	(5 696)	(24 085)	(21 205)
Other operating expenses	(29 926)	(50 466)	(120 389)	(132 586)
Other gains (losses), net	-	(3 482)	-	(3 482)
Associated companies and joint ventures	(11 391)	4 446	8 326	32 404
Total operating expenses	**(792 720)**	**(949 709)**	**(2 841 706)**	**(2 579 534)**
Operating profit	**89 231**	**176 742**	**404 336**	**365 712**
Financial income	4 880	9 973	11 413	21 215
Financial expenses	(13 513)	(10 314)	(44 561)	(38 221)
Net financial expenses	**(8 633)**	**(341)**	**(33 148)**	**(17 006)**
Profit/(loss) before taxes	**80 598**	**176 401**	**371 188**	**348 706**
Income taxes	(12 301)	(47 462)	(91 067)	(94 175)
Net income	**68 297**	**128 939**	**280 121**	**254 531**
Other comprehensive income/expenses				
Translation differences	661	(200)	4 222	(182)
Total comprehensive income/(loss) for the period	**68 958**	**128 739**	**284 343**	**254 349**
Net income for the period attributable to:				
Non-controlling interests	(95)	(31)	(1 771)	1 169
Shareholders in Selvaag Bolig ASA	68 392	128 970	281 892	253 362
Total comprehensive income/(loss) for the period attributable to:				
Non-controlling interests	(95)	(31)	(1 771)	1 169
Shareholders in Selvaag Bolig ASA	69 053	128 770	286 114	253 180
Earnings per share for net income/(loss) attributed to shareholders in Selvaag Bolig ASA:				
Earnings per share (basic and diluted) in NOK	0.73	1.38	3.01	2.70

The consolidated financial information has not been audited

Statement of financial position

(figures in NOK 1 000)	Note	Q4 2015	Q3 2015	2014
ASSETS				
Non-current assets				
Goodwill		383 376	383 376	383 376
Other intangible assets		13 799	18 399	32 199
Property, plant and equipment		20 314	21 420	17 395
Investments in associated companies and joint ventures		183 443	192 321	156 723
Loans to associated companies and joint ventures		9 046	16 103	17 679
Other non-current assets		105 545	106 144	104 116
Total non-current assets		**715 523**	**737 763**	**711 488**
Current assets				
Inventories (property)	5	4 715 399	4 663 349	4 348 805
Trade receivables		110 288	181 576	440 283
Other current receivables		37 571	98 684	147 738
Cash and cash equivalents		672 284	804 593	565 930
Total current assets		**5 535 542**	**5 748 202**	**5 502 756**
TOTAL ASSETS		**6 251 065**	**6 485 965**	**6 214 244**
EQUITY AND LIABILITIES				
Equity attributed to shareholders in Selvaag Bolig ASA		2 541 553	2 547 112	2 442 570
Non-controlling interests		9 582	13 052	14 728
Total equity		**2 551 135**	**2 560 164**	**2 457 298**
LIABILITIES				
Non-current liabilities				
Pension liabilities		913	2 187	2 187
Deferred tax liabilities		204 641	205 032	190 246
Provisions		92 578	92 578	92 578
Other non-current non interest-bearing liabilities		9 869	9 314	8 627
Non-current interest-bearing liabilities		1 846 715	2 470 111	1 752 401
Total non-current liabilities		**2 154 716**	**2 779 222**	**2 046 039**
Current liabilities				
Current interest-bearing liabilities		771 302	340 425	959 518
Trade payables		100 120	91 350	187 348
Current tax payables		90 975	120 139	56 500
Other current non interest-bearing liabilities		582 817	594 665	507 541
Total current liabilities		**1 545 214**	**1 146 579**	**1 710 907**
Total liabilities		**3 699 930**	**3 925 801**	**3 756 946**
TOTAL EQUITY AND LIABILITIES		**6 251 065**	**6 485 965**	**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	-	-	-	-	-	(178 155)	(178 155)	-	(178 155)
Share buy back	-	-	-	-	-	(10 863)	(10 863)	-	(10 863)
Employee share program	-	-	-	-	-	1 887	1 887	-	1 887
Dividend to non-controlling interests	-	-	-	-	-	-	-	(3 375)	(3 375)
Total comprehensive income/(loss) for the period:									
Net income/(loss) for the period	-	-	-	-	-	281 892	281 892	(1 771)	280 121
Other comprehensive income/(loss) for the period	-	-	-	4 222	-	-	4 222	-	4 222
EQUITY AS OF 31 DECEMBER 2015	**187 511**	**1 394 857**	**700 629**	**5 119**	**3 528**	**249 908**	**2 541 552**	**9 582 *)**	**2 551 135**
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)
Profit sharing to external guarantor	-	-	-	-	-	-	-	(159)	(159)
Dividend to non-controlling interests	-	-	-	-	-	-	-	(9 000)	(9 000)
Total comprehensive income/(loss) for the period:									
Net income/(loss) for the period	-	-	-	-	-	253 362	253 362	1 169	254 531
Other comprehensive income/(loss) for the period	-	-	-	(182)	-	-	(182)	-	(182)
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)	Q4 2015	Q4 2014	2015	2014
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(loss) before taxes	80 598	176 401	371 188	348 706
Income taxes paid	(41 384)	-	(41 384)	(970)
Depreciation and amortisation	6 157	5 696	24 085	21 205
Other gains (losses), net	-	3 482	-	3 482
Share of profits/(losses) from associated companies and joint ventures	11 391	(4 446)	(8 326)	(32 404)
Changes in inventories (property)	(32 405)	240 153	(305 876)	27 670
Changes in trade receivables	71 402	(276 590)	330 109	(332 454)
Changes in trade payables	8 607	105 249	(87 391)	71 332
Changes in other operating working capital assets	59 988	(26 734)	105 420	120 637
Changes in other operating working capital liabilities	(15 049)	(52 076)	78 082	(39 953)
Net cash flow from operating activities	**149 305**	**171 134**	**465 907**	**187 251**
CASH FLOW FROM INVESTMENT ACTIVITIES				
Purchases of PPE and intangible assets	(375)	(10 201)	(8 577)	(14 557)
Proceeds from disposal of businesses and subsidiaries, net of cash disposed	(114)	-	(114)	-
Purchases of businesses and subsidiaries, net of cash acquired	691	2 232	691	2 184
Proceeds from sale of associated companies	-	-	24 180	-
Purchases of associated companies and joint ventures	(2 513)	(28 158)	(44 394)	(38 928)
Proceeds from sale of other investments and repayment of loans	7 667	-	10 886	-
Dividends and disbursements from associated companies and joint ventures	-	206	1 850	45 623
Net cash flow from investment activities	**5 356**	**(35 921)**	**(15 478)**	**(5 678)**
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from borrowings	403 521	228 944	1 497 557	1 358 726
Repayments of borrowings	(611 048)	(621 061)	(1 594 653)	(1 560 391)
Net change in bank overdrafts	-	55 017	(55 017)	55 017
Dividends paid to equity holders of Selvaag Bolig ASA	(65 636)	-	(178 155)	(46 878)
Payment of profit sharing and dividends to non-controlling interests in subsidiaries	(3 375)	(9 159)	(3 375)	(9 159)
Share buy back Selvaag Bolig ASA	(10 870)	-	(10 870)	-
Proceeds from disposal of shares Selvaag Bolig ASA	438	-	438	-
Net cash flow from financing activities	**(286 970)**	**(346 259)**	**(344 075)**	**(202 685)**
Net change in cash and cash equivalents	(132 309)	(211 046)	106 354	(21 112)
Cash and cash equivalents at start of period	**804 593**	**776 975**	**565 930**	**587 042**
Cash and cash equivalents at end of period	**672 284**	**565 930**	**672 284**	**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.

Fourth quarter 2015

(figures in NOK 1 000)	Property development	Other	Total
Operating revenues	713 625	4 571	718 196
Project expenses	(555 341)	972	(554 369)
Other operating expenses	(17 413)	(41 766)	(59 179)
EBITDA (percentage of completion)	**140 871**	**(36 223)**	**104 648**
Reconciliation EBITDA to operating profit (loss):			
EBITDA (percentage of completion)	140 871	(36 223)	104 648
Sales revenues (adjustment effect of percentage of completion)	(689 256)	-	(689 256)
Sales revenues (completed contract)	853 041	-	853 041
Project expenses (adjustment effect of percentage of completion)	554 998	-	554 998
Project expenses (completed contract)	(716 652)	-	(716 652)
Depreciation and amortisation	-	(6 157)	(6 157)
Share of income (losses) from associated companies and joint ventures	(11 391)	-	(11 391)
Other gain (loss), net	-	-	-
Operating profit (loss)	**131 611**	**(42 380)**	**89 231**
Units under construction	1 339	I/A	I/A
Units delivered	235	I/A	I/A

Fourth quarter 2014

(figures in NOK 1 000)	Property development	Other	Total
Operating revenues	864 679	6 340	871 019
Project expenses	(660 072)	230	(659 842)
Other operating expenses	(32 442)	(48 047)	(80 489)
EBITDA (percentage of completion)	**172 165**	**(41 477)**	**130 688**
Reconciliation EBITDA to operating profit (loss):	-	-	-
EBITDA (percentage of completion)	172 165	(41 477)	130 688
Sales revenues (adjustment effect of percentage of completion)	(815 768)	-	(815 768)
Sales revenues (completed contract)	1 070 993	-	1 070 993
Project expenses (adjustment effect of percentage of completion)	656 045	-	656 045
Project expenses (completed contract)	(863 968)	-	(863 968)
Depreciation and amortisation	-	(5 696)	(5 696)
Share of income (losses) from associated companies and joint ventures	4 446	-	4 446
Other gain (loss), net	-	-	-
Operating profit (loss)	**223 913**	**(47 173)**	**176 742**
Units under construction	1 308	N/A	N/A
Units delivered	266	N/A	N/A

At 31 Dec 2015

(figures in NOK 1 000)	Property development	Other	Total
Operating revenues	3 205 890	23 174	3 229 064
Project expenses	(2 518 225)	(1 005)	(2 519 230)
Other operating expenses	(63 853)	(153 595)	(217 448)
EBITDA (percentage of completion)	**623 811**	**(131 426)**	**492 385**
Reconciliation EBITDA to Operating profit (loss):	-		
EBITDA (percentage of completion)	623 811	(131 426)	492 385
Sales revenues (adjustment effect of percentage of completion)	(3 075 641)	-	(3 075 641)
Sales revenues (completed contract)	3 094 974	-	3 094 974
Project expenses (adjustment effect of percentage of completion)	2 432 341	-	2 432 341
Project expenses (completed contract)	(2 523 964)	-	(2 523 964)
Depreciation and amortisation	-	(24 085)	(24 085)
Share of income (losses) from associated companies and joint ventures	8 328	-	8 328
Other gain (loss), net	-	-	-
Operating profit (loss)	**559 849**	**(155 511)**	**404 336**
Units under construction	1 339	N/A	N/A
Units delivered	893	N/A	N/A

At 31 Dec 2014

(figures in NOK 1 000)	Property development	Other	Total
Operating revenues	3 089 625	23 585	3 113 210
Project expenses	(2 400 501)	(1 376)	(2 401 877)
Other operating expenses	(76 509)	(139 388)	(215 897)
EBITDA (percentage of completion)	**612 615**	**(117 179)**	**495 436**
Reconciliation EBITDA to operating profit (loss):	-		
EBITDA (percentage of completion)	612 615	(117 179)	495 436
Sales revenues (adjustment effect of percentage of completion)	(2 942 115)	-	(2 942 115)
Sales revenues (completed contract)	2 772 328	-	2 772 328
Project expenses (adjustment effect of percentage of completion)	2 329 255	-	2 329 255
Project expenses (completed contract)	(2 300 396)	-	(2 300 396)
Depreciation and amortisation	-	(21 205)	(21 205)
Share of income (losses) from associated companies and joint ventures	32 404	-	32 404
Other gain (loss), net	-	-	-
Operating profit (loss)	**504 091**	**(138 384)**	**365 712**
Units under construction	1 308	N/A	N/A
Units delivered	861	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)	Q4 2015	Q3 2015	2014
Land (undeveloped)	1 968 795	1 814 067	1 614 382
Work in progress	2 368 510	2 641 930	2 360 274
Completed units	378 094	207 352	374 149
Carrying amount	**4 715 399**	**4 663 349**	**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)	Q4 2015	Q4 2014	2015	2014
Project expenses	**(715 993)**	**(864 608)**	**(2 608 499)**	**(2 371 797)**
Finance expenses	(37 875)	(39 352)	(110 528)	(101 676)
Other project expenses	(678 118)	(825 256)	(2 497 971)	(2 270 121)

(figures in NOK 1 000)	Q4 2015	Q4 2014	2015	2014
EBITDA	95 388	182 438	428 421	386 917
EBITDA-margin	10.8%	16.2%	13.2%	13.1%
EBITDA excl. financial expenses	133 263	221 790	538 949	488 593
EBITDA-margin excl. financial expenses	15.1%	19.7%	16.6%	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