

Q1
2016

First quarter results



SELVAAG BOLIG



Start

Hjem

Pluss

Highlights of the first quarter 2016

- Operating revenues of NOK 624 million (NOK 756 million)
- Adjusted EBITDA* of NOK 91 million (NOK 121 million) and ordinary EBITDA of NOK 69 million (NOK 99 million)
- 280 units sold (308) and sales started for 384 (177)
- Construction started on 230 units (284)
- 183 units completed (208) and 179 delivered (224)
- A total of 1 386 units (1 384) under construction at 31 March, with 80 per cent (81 per cent) of these sold at a combined sales value of NOK 5 031 million (NOK 4 968 million)
- Carrying amount of equity corresponded to NOK 27.6 per share (NOK 26.7)

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

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

Key figures

(figures in NOK 1 000)	Q1 2016	Q1 2015	2015
IFRS main figures			
Operating revenues	623 541	755 627	3 246 042
EBITDA	69 105	98 620	428 421
EBITDA adjusted*	90 880	120 739	538 949
Operating profit/(loss)	62 947	92 812	404 336
Profit/(loss) before taxes	56 015	84 852	371 188
Cash flow from operating activities	118 572	97 714	465 907
Net cash flow	(64 538)	97 332	106 354
Interest-bearing liabilities	2 448 631	2 761 009	2 618 017
Total assets	6 103 655	6 328 174	6 251 065
Equity	2 594 177	2 519 160	2 549 192
Equity ratio	42.5%	39.8%	40.8%
Earnings per share in NOK	0.45	0.66	3.00
Segment reporting (NGAAP):			
Operating revenues	815 075	827 063	3 229 064
EBITDA**	131 591	140 283	492 385
EBITDA margin	16.1%	17.0%	15.2%
Key figures:			
Number of units sold	280	308	935
Number of construction starts	230	284	858
Number of units delivered	179	224	893
Number of units completed	183	208	828

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

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

Financial review

Summary of overall results

(figures in NOK 1 000)	Q1 2016	Q1 2015	2015
Total operating revenues	623 541	755 627	3 246 042
Project expenses	(501 091)	(609 485)	(2 608 499)
Other operating expenses, salaries and personnel cost, depreciation	(58 183)	(60 253)	(241 533)
Associated companies and other gains (loss)	(1 320)	6 923	8 326
Total operating expenses	(560 594)	(662 815)	(2 841 706)
Operating profit	62 947	92 812	404 336
Net financial expenses	(6 932)	(7 960)	(33 148)
Profit before taxes	56 015	84 852	371 188
Income taxes	(14 205)	(22 995)	(91 828)
Net income	41 810	61 857	279 360

Results for the first quarter of 2016

(Figures in brackets relate to the corresponding period of 2015. The figures are unaudited.)

Selvaag Bolig had operating revenues of NOK 623.5 million (NOK 755.6 million) in the first quarter. Revenues from units delivered accounted for NOK 608.4 million (NOK 729.5 million) of this total, while other revenues derived from non-core activities, mainly rental of commercial premises.

A total of 179 units (224) were delivered in the quarter, with 178 (194) from consolidated project companies.

Project costs for the quarter totalled NOK 501.1 million (NOK 609.5 million), of which NOK 21.8 million (NOK 22.1 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 58.2 million (NOK 60.3 million) for the period. Payroll costs accounted for NOK 25.4 million (NOK 23.5 million) of this figure. A further NOK 7.3 million (NOK 9.5 million) in payroll costs related to housing under construction was capitalised during the period and will be expensed as project costs on future delivery. Furthermore, other operating costs came to NOK 26.7 million (NOK 31 million) for the quarter, including NOK 9.4 million (NOK 11.9 million) for sales and marketing.

The share of results from associates and joint ventures was negative at NOK 1.3 million (positive at NOK 6.9 million). This decline primarily reflected fewer units delivered in part-owned projects.

EBITDA adjusted for financial expenses included in project costs came to NOK 90.9 million (NOK 120.7 million), corresponding to a margin of 14.6 per cent (16 per cent). Ordinary EBITDA was NOK 69.1 million (NOK 98.6 million), corresponding to a margin of 11.1 per cent (13.1 per cent).

Consolidated depreciation and amortisation totalled NOK 6.2 million (NOK 5.8 million), so that consolidated operating profit for the quarter came to NOK 62.9 million (NOK 92.8 million).

Net financial expenses came to NOK 6.9 million (NOK 8 million). Pre-tax profit for the quarter was thereby NOK 56 million (NOK 84.9 million).

Net tax expense was NOK 14.2 million (NOK 23 million) for the quarter. Consolidated net profit consequently came to NOK 41.8 million (NOK 61.9 million). NOK 41.8 million of the profit was attributable to the shareholders of Selvaag Bolig ASA (NOK 61.9 million), and NOK 0 million (NOK 0 million) was attributable to non-controlling shareholders.

Cash flow

Consolidated net cash flow from operational activities was NOK 118.6 million (NOK 97.7 million) for the first quarter. The increase from the same period of 2015 primarily reflected the substantial land acquisitions made last year. This was partly offset by a positive effect in 2015 because of a reduction 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.

Net cash flow from investing activities was negative at NOK 3 million (NOK 37.7 million) for the quarter. The change partly reflected dividends received during the period from

part-owned ventures, while a number of investments were made in such ventures during the first quarter of 2015.

Net cash flow from financing activities was negative at NOK 180.2 million (positive at NOK 37.4 million) for the quarter. Repurchase of the company's own shares in connection with the share programme for employees came to NOK 5.8 million during the period. The decline in cash flow from 2015 reflected an increase in net redemption of construction loans and NOK 70.4 million in redemption of land loans.

The group's holding of cash and cash equivalents at 31 March totalled NOK 607.7 million (NOK 663.3 million), a decline of NOK 64.5 million from 31 December 2015.

Cash flow summary

(figures in NOK 1 000)	Q1 2016	Q1 2015	2015
Profit before taxes	56 015	84 852	371 188
Net cash flow from operating activities	118 572	97 714	465 907
Net cash flow from investment activities	(2 956)	(37 745)	(15 478)
Net cash flow from financing activities	(180 154)	37 363	(344 075)
Net change in cash and cash equivalents	(64 538)	97 332	106 354
Cash and cash equivalents at start of period	672 284	565 930	565 930
Cash and cash equivalents at end of period	607 746	663 262	672 284

Financial position

The carrying amount of Selvaag Bolig's total inventories (land, units under construction and completed units) at 31 March was NOK 4 642.8 million, compared with NOK 4 715.4 million at 31 December 2015 and NOK 4 563.1 million a year earlier. The decrease during the quarter reflected the effect of units delivered combined with the fact that no land acquisitions were made. A high level of construction activity partly offset this effect. See note 5 for a further specification of inventories.

Equity was NOK 2 594.2 million (NOK 2 519.2 million) at 31 March, corresponding to an equity ratio of 42.5 per cent (39.8 per cent). Non-controlling interests amounted to NOK 9.6 million (NOK 14.7 million) of equity. The decline primarily reflected payments of NOK 3.4 million to non-controlling shareholders in 2015.

Other current non-interest-bearing liabilities totalled NOK 587.2 million (NOK 542.6 million) at 31 March, of which NOK

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

At 31 March, consolidated interest-bearing debt amounted to NOK 2 448.6 million (NOK 2 761 million), of which NOK 1 478.3 million (NOK 1 685.6 million) was non-current and NOK 970.3 million (NOK 1 075.4 million) was current. The reduction in current liabilities during the quarter reflected the redemption of debt for completed projects.

The group had land loans of NOK 1 027.3 million (NOK 1 124.2 million) at 31 March. These are normally converted to construction loans in line with the progress of the respective construction projects.

Two undrawn overdraft facilities of NOK 150 million each were held by the group at 31 March.

The group has an unsecured bond loan of NOK 500 million, 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

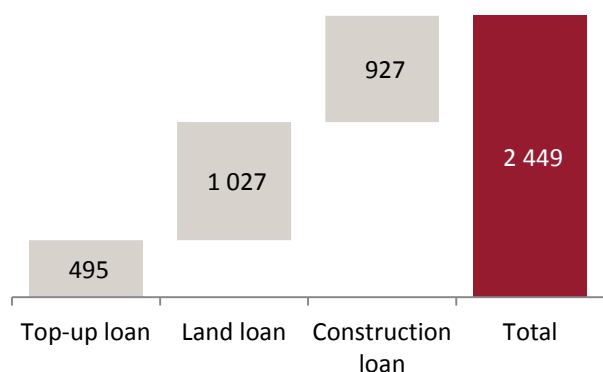
construction. Both covenants were fulfilled at 31 March 2016, with an equity ratio of 42.5 per cent and a sales ratio of 80 per cent. In September 2015, a bondholder meeting approved a change to the dividend provisions in the bond which gave Selvaag Bolig the opportunity to pay dividend more than once a year.

Net interest-bearing debt

(figures in NOK 1 000)	Q1 2016	Q1 2015	2015
Non-current interest-bearing debt	1 478 341	1 685 564	1 846 715
Current interest-bearing debt	970 290	1 075 445	771 302
Cash and cash equivalents	(607 746)	(663 262)	(672 284)
Net interest-bearing debt	1 840 885	2 097 747	1 945 733

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 March, the group had a top-up loan of NOK 495 million, land loans of NOK 1 027 million and construction loans of NOK 927 million. The top-up loan consisted of a bond carried at a net amortised cost of NOK 495 million.

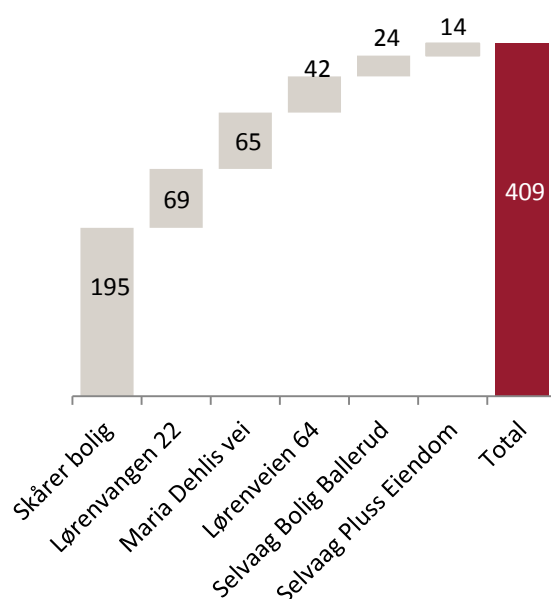
Interest-bearing debt at 31 March 2016 (NOK mill)



Interest costs on land loans are normally recognised in profit and loss until the site secures planning permission. They are capitalised against the site from the day the project secures planning permission, and recognised in profit and loss as part of the cost of sales when the units are delivered. Interest charges on construction loans are capitalised during the

construction period and recognised under cost of sales in the same way. At 31 March, interest on NOK 618 million in land loans had been capitalised, while interest charges relating to NOK 409 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 first quarter 2016

(figures in NOK 1 000)	Operating revenues		EBITDA		Operating profit/loss	
	Q1 16	Q1 15	Q1 16	Q1 15	Q1 16	Q1 15
Property development	809 051	819 935	164 276	171 605	139 419	150 561
Other	6 024	7 128	(32 685)	(31 322)	(33 714)	(32 355)
IFRS adjustments	(191 534)	(71 436)	(62 486)	(41 663)	(42 758)	(25 394)
Total group	623 541	755 627	69 105	98 620	62 947	92 812

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 first quarter were NOK 809.1 million (NOK 819.9 million). They derived from 33 projects currently in production, and from a land sale totalling NOK 2.2 million.

Operating costs, primarily for construction and sales, directly related to the projects amounted to NOK 644.8 million (NOK

648.3 million) for the first quarter. Construction costs in the segment reporting are exclusive of directly-related financial expenses (interest on construction loans). This differs from the IFRS accounts, where financial expenses are included in project costs on delivery.

EBITDA presents operating profit (loss) before depreciation, gain (loss), and share of profit (loss) from associates. It came to NOK 164.3 million (NOK 171.6 million) for the quarter, corresponding to a profit margin of 20.3 per cent (20.9 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 first quarter came to NOK 6 million (NOK 7.1 million), while operating costs amounted to NOK 38.7 million (NOK 38.5 million). Costs are largely driven by management and administration as well as by marketing. EBITDA was thereby negative at NOK 32.7 million (NOK 31.3 million).

Review of operations

Operations

A total of 280 units with a combined value of NOK 1 056 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.

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.

Activity in the group was at a high level, and construction started on 230 units during the first quarter.

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, Stavanger or Sola during the first quarter.

Quarterly development of the project portfolio

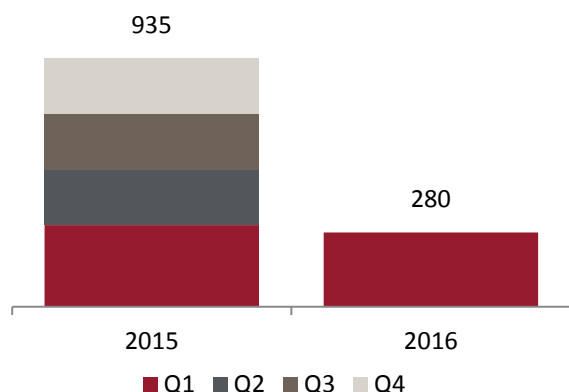
	Q1 15	Q2 15	Q3 15	Q4 15	Q1 16
Number of units sold	308	210	208	209	280
Number of construction starts	284	199	204	171	230
Number of units completed	208	190	172	258	183
Number of units delivered	224	232	202	235	179
Number of units under construction	1 384	1 394	1 426	1 339	1 386
Proportion of sold units under construction	81 %	80 %	78 %	79 %	80 %
Number of completed unsold units	40	31	25	65	58
Sales value of units under construction (NOK m)	4 968	4 909	5 077	4 740	5 031

Purchase and sale of land

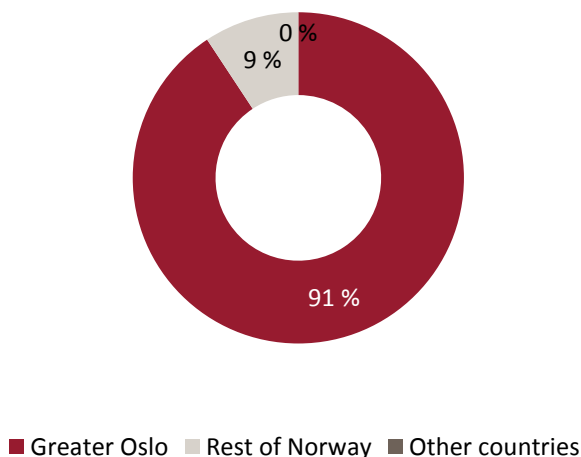
No new land was acquired during the quarter. A small site was sold for NOK 2.2 million

Market trends

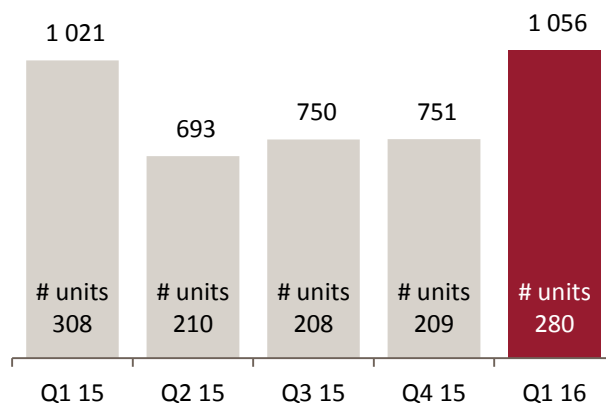
Selvaag Bolig sold 280 residential units (308) during the first quarter. These sales comprise Selvaag Bolig's consolidated project companies as well as its relative share of homes sold in part-owned projects.

Units sold

The 280 units sold during the first quarter broke down into 254 in Greater Oslo and 26 in the rest of Norway.

Breakdown of sales

The combined value of the 280 units sold during the quarter was NOK 1 056 million. Sales during the same period of 2015 totalled 308 units with a value of NOK 1 021 million.

Value of units sold (NOK mill)

Selvaag Bolig started sales during the quarter in five projects comprising a total of 384 residential units (177).

Sales starts in the quarter

Project	# of units	Category	Region
Kaldnes Dockside	23	Flat	Greater Oslo
Kilenkollen	66	Flat	Greater Oslo
Løren 5	48	Flat	Greater Oslo
Lørenporten	148	Flat	Greater Oslo
Nybyen Økern	99	Flat	Greater Oslo
Total	384		

Construction started on 230 (284) units during the first quarter. Construction starts can vary substantially from quarter to quarter, since construction normally begins when 60 per cent of a project, measured by sales value, has been sold.

Construction starts (no of units)

Project	# units	Category	Region
Kilenkollen	99	Flat	Greater Oslo
Løren Stasjon	48	Flat	Greater Oslo
Lørenskog Stasjonsby	28	Flat	Greater Oslo
Moss Glassverk	33	Flat	Greater Oslo
Frøyatun	22	Terraced	Greater Oslo
Total	230		

At 31 March, Selvaag Bolig had 1 386 (1 384) units under construction. They included 1 065 units in Greater Oslo and 321 in the rest of Norway.

The order backlog at 31 March - in other words, the sales value of the 1 386 (1 384) units under construction - was NOK 5 031 million (NOK 4 968 million).

A total of 183 (208) units were completed in the first quarter, and 179 (224) - including ones completed earlier - were delivered. The completed units were divided between five

projects - Jaasund, Lade Alle, Nyhavn, Bjørnåsen Nord and Lørenskog Stasjonsby. A total of 58 (40) completed units were unsold at 31 March. Consolidated project companies accounted for 178 (194) of the units delivered, while one (30) was in a part-owned project company.

Units completed by project

Project	# units	Category	Region
Jaasund	7	Terraced	Rogaland
Lade Alle	40	Flat	Trondheim
Nyhavn	49	Flat	Bergen
Bjørnåsen Nord	24	Terraced	Greater Oslo
Lørenskog Stasjonsby	63	Flat	Greater Oslo
Total	183		

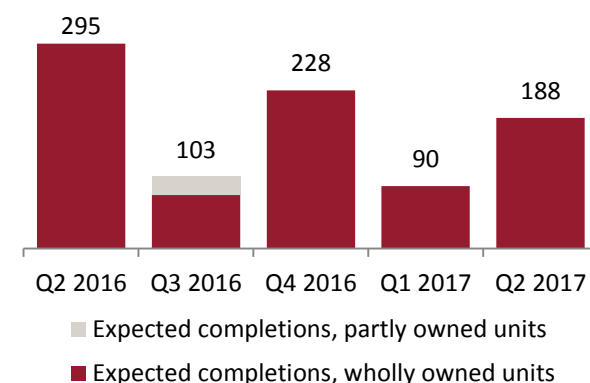
Based on expected progress for the projects, 809 units are forecast to be completed in 2016.

Share information

The company had 93.77 million issued shares at 31 March, divided between 1 850 shareholders.

The 20 largest shareholders controlled 82.4 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 31 March 2016

Shareholder	# of shares	% share
SELVAAG GRUPPEN AS	50 180 087	53.5%
SKANDINAVISKA ENSKILDA BANKEN AB	5 857 160	6.2%
MORGAN STANLEY & CO. INTERNATIONAL	2 652 726	2.8%
MP PENSJON PK	2 477 321	2.6%
PARETO AS	2 065 624	2.2%
VERDIPAPIRFONDET PARETO INVESTMENT	1 615 000	1.7%
J.P. MORGAN CHASE BANK N.A. LONDON	1 442 874	1.5%
US BK EVERMORE GLO VAL FUND	1 292 805	1.4%
THE BANK OF NEW YORK MELLON	1 267 369	1.4%
HOLTA INVEST AS	1 200 000	1.3%
STATE STREET BANK AND TRUST CO.	1 148 983	1.2%
STOREBRAND NORGE I	1 138 077	1.2%
HOLBERG NORDEN	910 217	1.0%
JPMORGAN CHASE BANK NA, LONDON	850 500	0.9%
FIDELITY SELECT PORTFOLIOS: FIDELI	759 800	0.8%
MUSTAD INDUSTRIER AS	515 000	0.5%
BANAN II AS	505 190	0.5%
STOREBRAND VERDI	490 578	0.5%
DELPHI KOMBINASJON	452 056	0.5%
VERDIPAPIRFONDET DELPHI NORDEN	442 890	0.5%
Total 20 largest shareholders	77 264 257	82.4%
Other shareholders	16 501 431	17.6%
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 report, 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 2015 for detailed information on transactions with related parties in earlier years.

Housing market

House prices continued to rise during the first quarter. According to Statistics Norway (SSB), Norwegian house prices at 31 March were 1.7 per cent higher on average than at 31 December 2015 and up by 4.6 per cent from 31 March 2015.

Price developments were positive in all Selvaag Bolig's core areas, apart from Rogaland county. Prices rose by 2.9 per cent in Oslo and Bærum during the quarter, and were 9.4 per cent higher than at 31 March 2015. In Akershus county excluding Bærum, prices were up by 2.6 per cent and 8.2 per cent higher than at 31 March 2015. Prices in Stavanger declined by 3.1 per cent and were down by 10.2 per cent from 31 March 2015. They declined by 1.4 per cent in Bergen

and were one per cent higher there than a year earlier, while they rose by 2.7 per cent in Trondheim and were up by 6.5 per cent from the year before.

Figures from Eiendomsverdi show that the housing market is characterised by big regional variations. Demand is at a record high in the Oslo area, with supply low, while the balance is better in Trondheim and Bergen. In Rogaland, on the other hand, supply is significantly higher than demand.

Selvaag Bolig sold 280 new units at a combined value of NOK 1.1 billion during the first quarter.

Interim financial statements (IFRS)

Statement of comprehensive income

(figures in NOK 1 000, except earnings per share)	Q1 2016	Q1 2015	2015
Revenues	608 365	740 751	3 191 585
Other revenues	15 176	14 876	54 457
Total operating revenues	623 541	755 627	3 246 042
Project expenses	(501 091)	(609 485)	(2 608 499)
Salaries and personnel costs	(25 352)	(23 455)	(97 059)
Depreciation and amortisation	(6 158)	(5 808)	(24 085)
Other operating expenses	(26 673)	(30 990)	(120 389)
Other gains (losses), net	-	-	-
Associated companies and joint ventures	(1 320)	6 923	8 326
Total operating expenses	(560 594)	(662 815)	(2 841 706)
Operating profit	62 947	92 812	404 336
Financial income	2 095	452	11 413
Financial expenses	(9 027)	(8 412)	(44 561)
Net financial expenses	(6 932)	(7 960)	(33 148)
Profit/(loss) before taxes	56 015	84 852	371 188
Income taxes	(14 205)	(22 995)	(91 828)
Net income	41 810	61 857	279 360
Other comprehensive income/expenses			
Translation differences	(1 187)	5	3 040
Total comprehensive income/(loss) for the period	40 623	61 862	282 400
Net income for the period attributable to:			
Non-controlling interests	43	(36)	(1 771)
Shareholders in Selvaag Bolig ASA	41 767	61 893	281 131
Total comprehensive income/(loss) for the period attributable to:			
Non-controlling interests	43	(36)	(1 771)
Shareholders in Selvaag Bolig ASA	40 580	61 898	284 171
Earnings per share for net income/(loss) attributed to shareholders in Selvaag Bolig ASA:			
Earnings per share (basic and diluted) in NOK	0.45	0.66	3.00

The consolidated financial information has not been audited

Statement of financial position

(figures in NOK 1 000)	Note	Q1 2016	Q1 2015	2015
ASSETS				
Non-current assets				
Goodwill		383 376	383 376	383 376
Other intangible assets		9 199	27 599	13 799
Property, plant and equipment		19 062	17 330	20 314
Investments in associated companies and joint ventures		180 373	200 191	183 443
Loans to associated companies and joint ventures		12 640	17 812	9 046
Other non-current assets		107 699	105 142	105 545
Total non-current assets		712 349	751 450	715 523
Current assets				
Inventories (property)	5	4 642 787	4 563 146	4 715 399
Trade receivables		94 035	245 673	110 288
Other current receivables		46 738	104 643	37 571
Cash and cash equivalents		607 746	663 262	672 284
Total current assets		5 391 306	5 576 724	5 535 542
TOTAL ASSETS		6 103 655	6 328 174	6 251 065
EQUITY AND LIABILITIES				
Equity attributed to shareholders in Selvaag Bolig ASA		2 584 552	2 504 468	2 539 610
Non-controlling interests		9 625	14 692	9 582
Total equity		2 594 177	2 519 160	2 549 192
LIABILITIES				
Non-current liabilities				
Pension liabilities		913	2 187	913
Deferred tax liabilities		158 404	205 457	158 837
Provisions		92 578	92 578	92 578
Other non-current non interest-bearing liabilities		8 401	8 117	9 869
Non-current interest-bearing liabilities		1 478 341	1 685 564	1 846 715
Total non-current liabilities		1 738 637	1 993 903	2 108 912
Current liabilities				
Current interest-bearing liabilities		970 290	1 075 445	771 302
Trade payables		59 993	132 645	100 120
Current tax payables		153 360	64 380	138 722
Other current non interest-bearing liabilities		587 198	542 641	582 817
Total current liabilities		1 770 841	1 815 111	1 592 961
Total liabilities		3 509 478	3 809 014	3 701 873
TOTAL EQUITY AND LIABILITIES		6 103 655	6 328 174	6 251 065

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 2016	186 799	1 394 857	700 629	3 937	3 528	249 859	2 539 609	9 582 *)	2 549 192
Transactions with owners:									
Dividend	-	-	-	-	-	-	-	-	-
Share buy back	(453)	-	-	-	-	(5 374)	(5 827)	-	(5 827)
Employee share program	832	-	-	-	-	9 357	10 189	-	10 189
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-
<i>Total comprehensive income/(loss) for the period:</i>									
Net income/(loss) for the period	-	-	-	-	-	41 767	41 767	43	41 810
Other comprehensive income/(loss) for the period	-	-	-	(1 187)	-	-	(1 187)	-	(1 187)
EQUITY AS OF 31 MARCH 2016	187 178	1 394 857	700 629	2 750	3 528	295 609	2 584 552	9 625 *)	2 594 177
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
<i>Total comprehensive income/(loss) for the period:</i>									
Net income/(loss) for the period	-	-	-	-	-	61 893	61 893	(36)	61 857
Other comprehensive income/(loss) for the period	-	-	-	5	-	-	5	-	5
EQUITY AS OF 31 MARCH 2015	187 511	1 394 857	700 629	902	3 528	217 040	2 504 467	14 692 *)	2 519 160
Transactions with owners:									
Dividend	-	-	-	-	-	(178 155)	(178 155)	-	(178 155)
Share buy back	(863)	-	-	-	-	(10 000)	(10 863)	-	(10 863)
Employee share program	151	-	-	-	-	1 736	1 887	-	1 887
Dividend to non-controlling interests	-	-	-	-	-	-	-	(3 375)	(3 375)
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<i>Total comprehensive income/(loss) for the period:</i>									
Net income/(loss) for the period	-	-	-	-	-	219 238	219 238	(1 735)	217 503
Other comprehensive income/(loss) for the period	-	-	-	3 035	-	-	3 035	-	3 035
EQUITY AS OF 31 DECEMBER 2015	186 799	1 394 857	700 629	3 937	3 528	249 859	2 539 609	9 582	2 549 192

The consolidated financial information has not been audited

*) Non-controlling interests includes tax from profits in companies subject to partnership taxation. Income taxes in the Group does not include taxes from tax subjects outside the Selvaag Bolig Group.

Statement of cash flow

(figures in NOK 1 000)	Q1 2016	Q1 2015	2015
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(loss) before taxes	56 015	84 852	371 188
Income taxes paid	-	-	(41 384)
Depreciation and amortisation	6 158	5 808	24 085
Other gains (losses), net	-	-	-
Share of profits/(losses) from associated companies and joint ventures	1 320	(6 923)	(8 326)
Changes in inventories (property)	77 019	(201 648)	(305 876)
Changes in trade receivables	16 253	194 610	330 109
Changes in trade payables	(40 127)	(54 703)	(87 391)
Changes in other operating working capital assets	(3 129)	41 993	105 420
Changes in other operating working capital liabilities	5 063	33 725	78 082
Net cash flow from operating activities	118 572	97 714	465 907
CASH FLOW FROM INVESTMENT ACTIVITIES			
Purchases of PPE and intangible assets	(324)	(1 200)	(8 577)
Proceeds from disposal of businesses and subsidiaries, net of cash disposed	-	-	(114)
Purchases of businesses and subsidiaries, net of cash acquired	-	-	691
Proceeds from sale of associated companies	-	-	24 180
Purchases of associated companies and joint ventures	-	(36 545)	(44 394)
Proceeds from sale of other investments and repayment of loans	-	-	10 886
Purchases of other investments and loans	(8 882)	-	-
Dividends and disbursements from associated companies and joint ventures	6 250	-	1 850
Net cash flow from investment activities	(2 956)	(37 745)	(15 478)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings	290 346	425 016	1 497 557
Repayments of borrowings	(464 889)	(332 635)	(1 594 653)
Net change in bank overdrafts	-	(55 017)	(55 017)
Dividends paid to equity holders of Selvaag Bolig ASA	-	-	(178 155)
Payment of profit sharing and dividends to non-controlling interests in subsidiaries	-	-	(3 375)
Share buy back Selvaag Bolig ASA	(5 827)	-	(10 870)
Proceeds from disposal of shares Selvaag Bolig ASA	216	-	438
Net cash flow from financing activities	(180 154)	37 363	(344 075)
Net change in cash and cash equivalents	(64 538)	97 332	106 354
Cash and cash equivalents at start of period	672 284	565 930	565 930
Cash and cash equivalents at end of period	607 746	663 262	672 284

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 2015.

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 2015.

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 2015.

3. Transactions with related parties

See note 23 in the group's Consolidated Financial Statements for 2015 for detailed information on related party transactions in previous years.

4. Segment information

The main segment is defined as Property development. In addition the Other segment consists of Services and Estate Agent, as well as unallocated revenues and costs.

The group utilises the percentage of completion method in its internal reporting for which the degree of completion is estimated based on expenses incurred relative to total estimated costs and sales rate. Operating profit (loss) under the percentage of completion method also includes an estimated profit element. The group consolidated income statement is based on the completed contract method, in which revenue is recognised at the time of transfer of risk and control, being the point of delivery of the property. A reconciliation of this effect (from stage of completion to completed contract) can be found in the segment reporting under "Reconciliation EBITDA to operating profit (loss)".

Group management considers segment results based on the percentage of completion method for determining EBITDA. The method of measurement is defined as operating profit (loss) before "Depreciation and amortisation", "Other gain (loss), net", and "Share of income (losses) from disposals from associated companies and joint ventures". Financial income and expenses are not allocated to operating segments since this type of activity is managed by a central finance function focused on managing the group's liquidity.

First quarter 2016

(figures in NOK 1 000)	Property development	Other	Total
Operating revenues	809 051	6 024	815 075
Project expenses	(630 401)	(1 058)	(631 459)
Other operating expenses	(14 374)	(37 651)	(52 025)
EBITDA (percentage of completion)	164 276	(32 685)	131 591
Reconciliation EBITDA to operating profit (loss):			
EBITDA (percentage of completion)	164 276	(32 685)	131 591
Sales revenues (adjustment effect of percentage of completion)	(797 780)	-	(797 780)
Sales revenues (completed contract)	606 246	-	606 246
Project expenses (adjustment effect of percentage of completion)	630 658	-	630 658
Project expenses (completed contract)	(500 290)	-	(500 290)
Depreciation and amortisation	-	(6 158)	(6 158)
Share of income (losses) from associated companies and joint ventures	(1 320)	-	(1 320)
Other gain (loss), net	-	-	-
Operating profit (loss)	101 790	(38 843)	62 947
Units under construction	1 386	I/A	I/A
Units delivered	179	I/A	I/A

First quarter 2015

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

5. Inventory - property

The group has property that is land and buildings intended for sale in the ordinary course of business or which is in the process of construction or development for such sale. Inventories thus comprise land, property held for resale,

and property under development and construction. Inventories are measured at the lower of cost and net realisable value.

(figures in NOK 1 000)	Q1 2016	Q1 2015	2015
Land (undeveloped)	1 653 250	1 845 117	1 968 795
Work in progress	2 630 277	2 358 827	2 368 510
Completed units	359 260	359 202	378 094
Carrying amount	4 642 787	4 563 146	4 715 399

6. Project expenses and EBITDA

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

project cost and EBITDA including and excluding financial expenses.

(figures in NOK 1 000)	Q1 2016	Q1 2015	2015
Project expenses	(501 091)	(609 485)	(2 608 499)
Finance expenses	(21 775)	(22 119)	(110 528)
Other project expenses	(479 316)	(587 366)	(2 497 971)

(figures in NOK 1 000)	Q1 2016	Q1 2015	2015
EBITDA	69 105	98 620	428 421
EBITDA-margin	11.1%	13.1%	13.2%
EBITDA excl. financial expenses	90 880	120 739	538 949
EBITDA-margin excl. financial expenses	14.6%	16.0%	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