

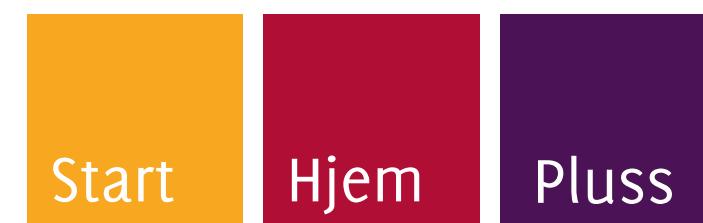
Q1 2017

Oslo 22 May 2017

Baard Schumann, CEO

Sverre Molvik, CFO

SELVAAG BOLIG

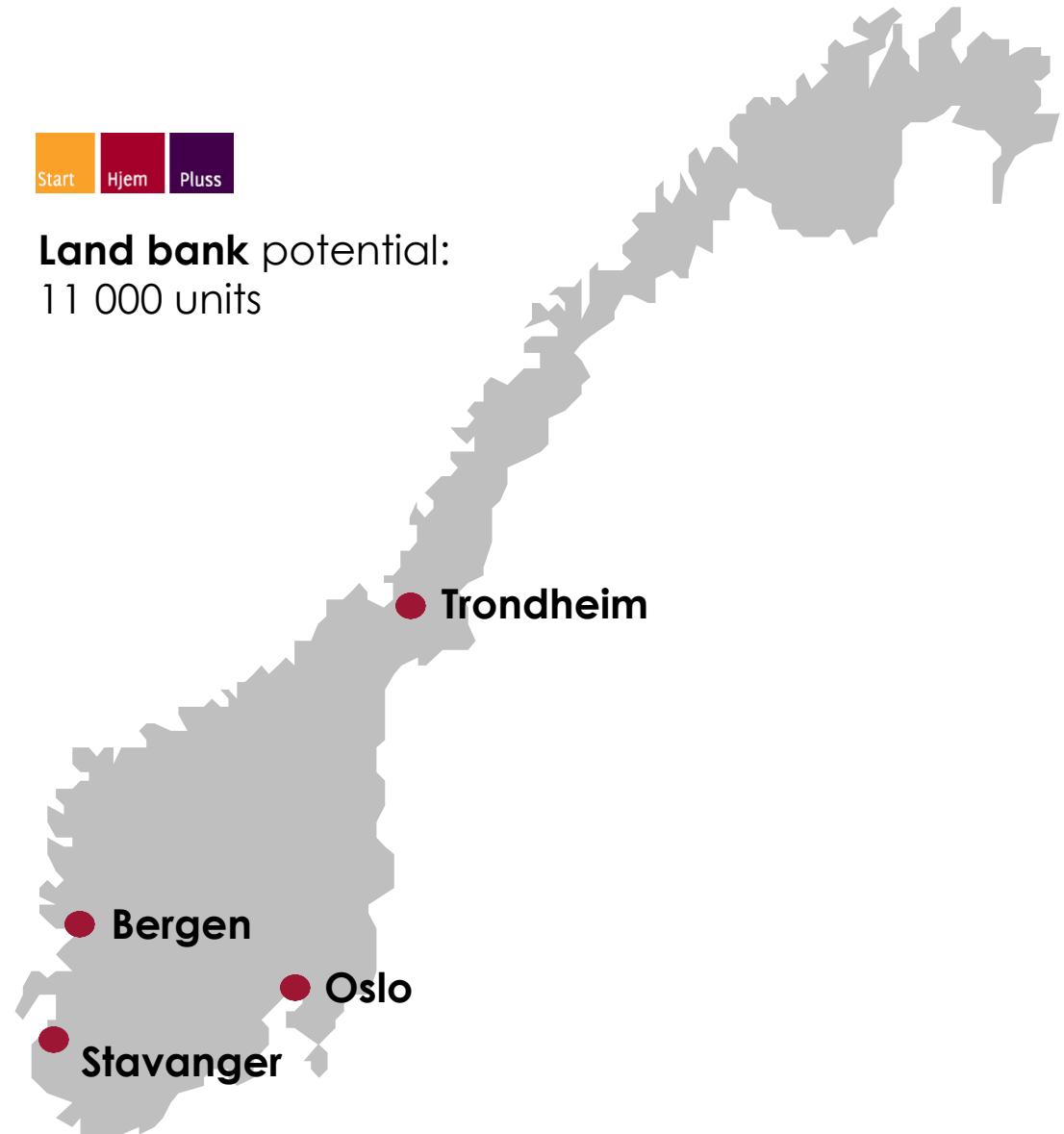


Agenda

- **Highlights**
- Operational update
- Financial update
- Market
- Summary

Highlights Q1 2017

- Strong margins and high sales value
- Record high value of units under construction
- 86% of units under construction sold at 31 March
- Record high Oslo market levelling out, pressure continues around Oslo, Stavanger recovering
- Acquisition of land in Trondheim and Greater Oslo with 750 units potential for Selvaag Bolig



Key financials Q1 2017

Operating revenues

456

NOK million

Adjusted EBITDA margin

20.5

per cent

Equity ratio

43.0

per cent

EBITDA margin (NGAAP)

24.8

per cent

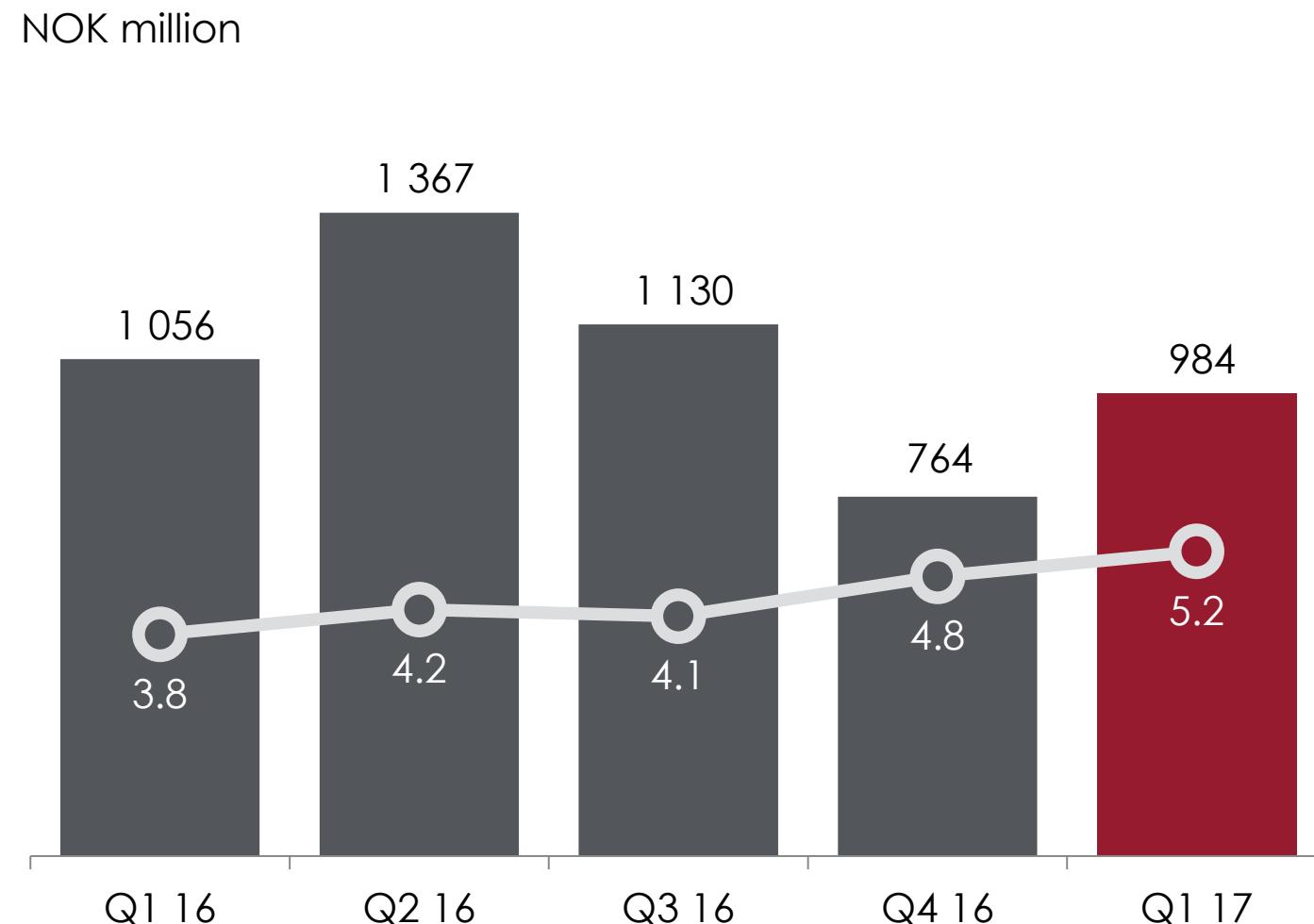
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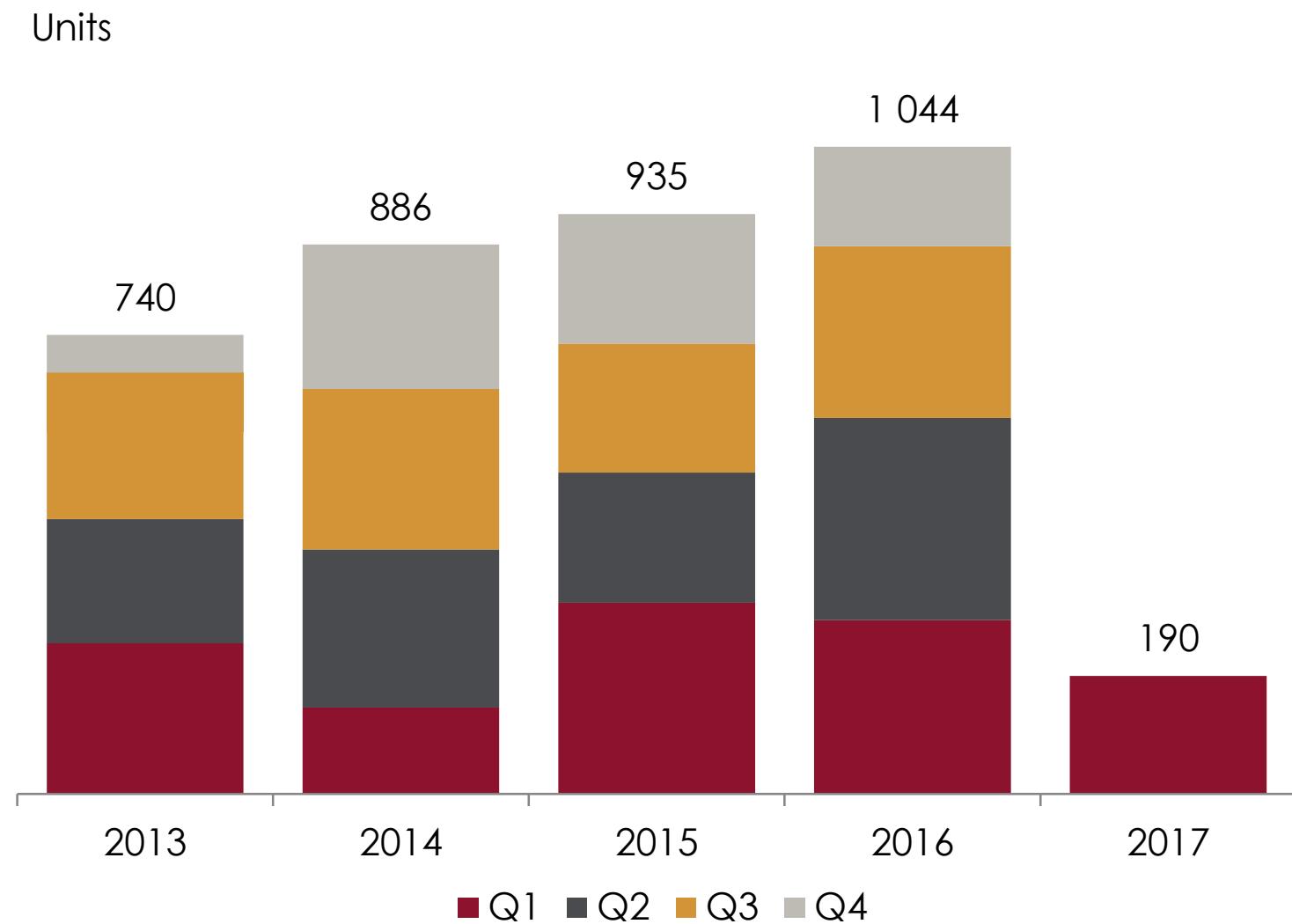


High sales values

Total sales value and value per unit sold



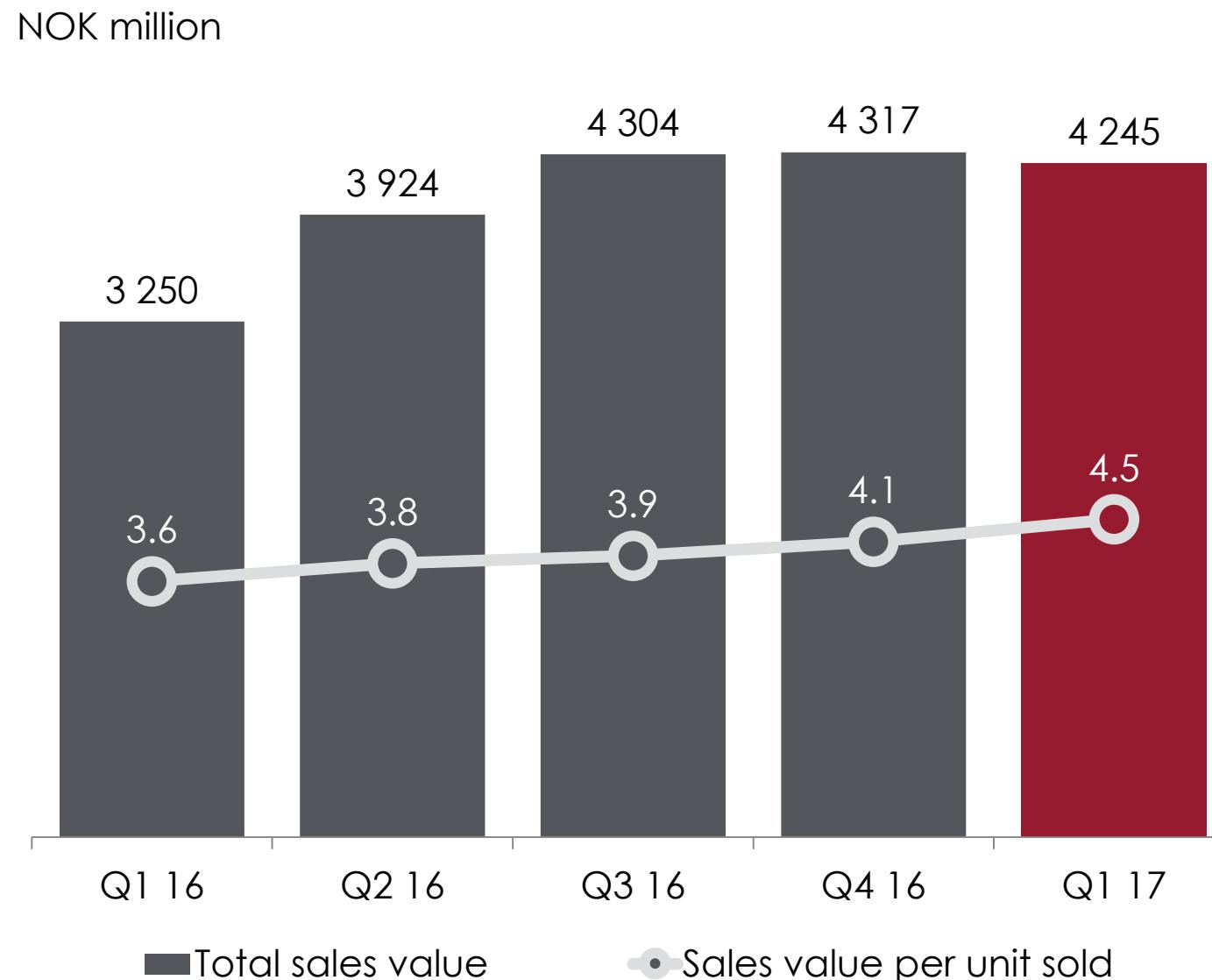
Residential units sold per quarter, per year



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

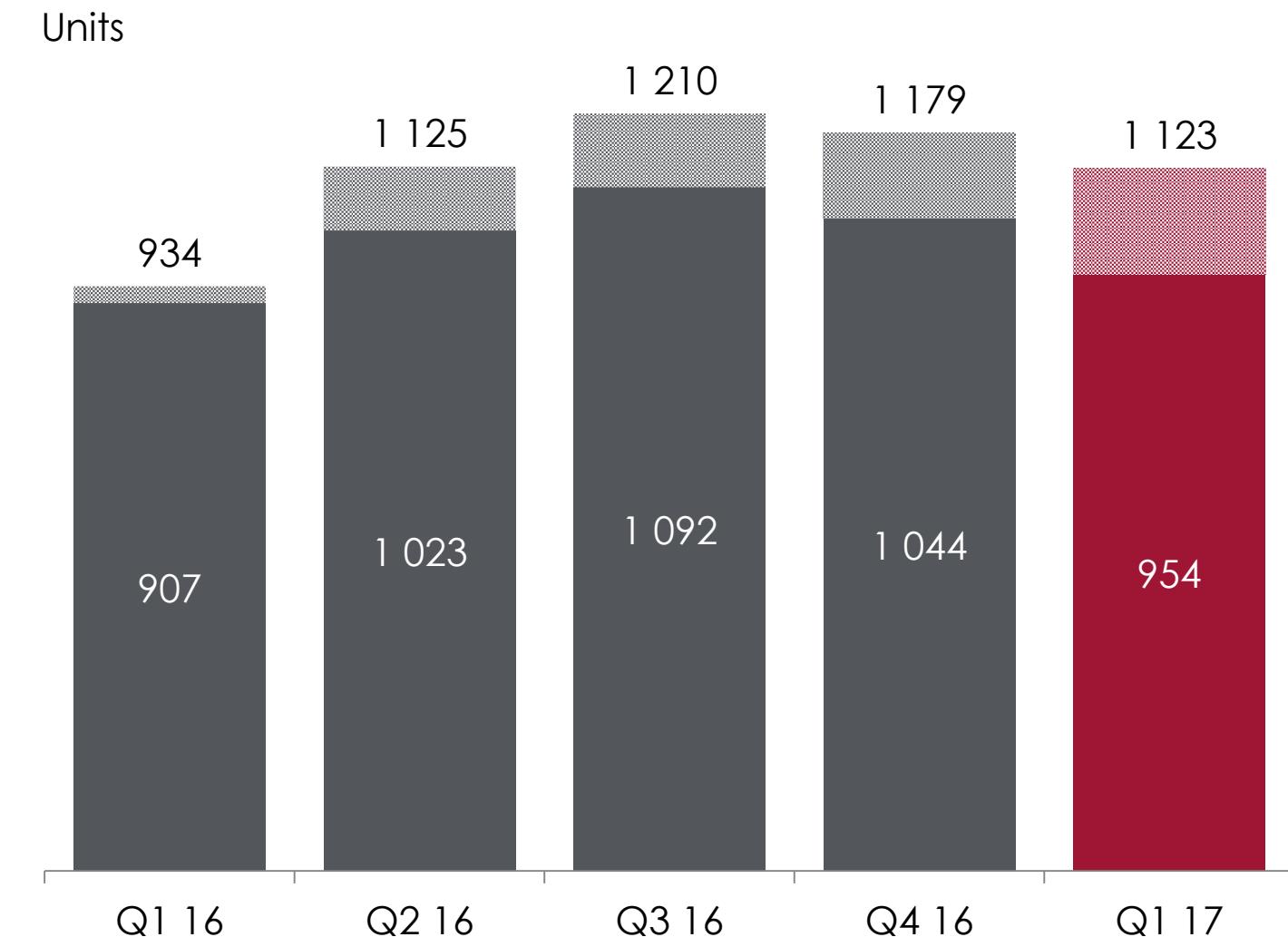
Increased average sales values

12 months rolling sales values



Note: Sales values are adjusted for Selvaag Bolig's ownership in joint ventures

12 months rolling units sold

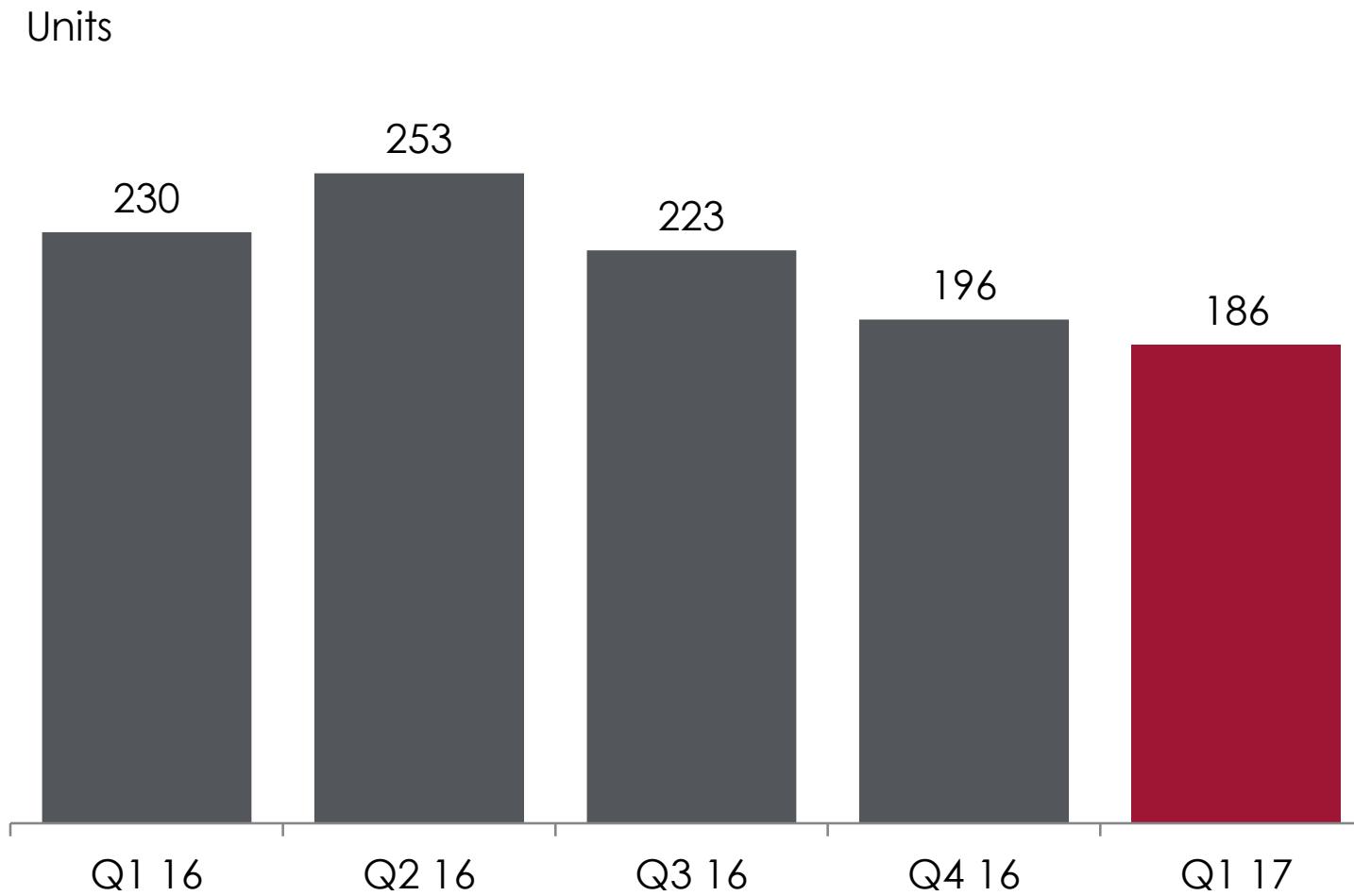


*Total columns include Selvaag Bolig's gross sales

**Total columns minus dotted areas includes Selvaag Bolig's net sales

Majority of construction starts in Greater Oslo

Construction starts per quarter

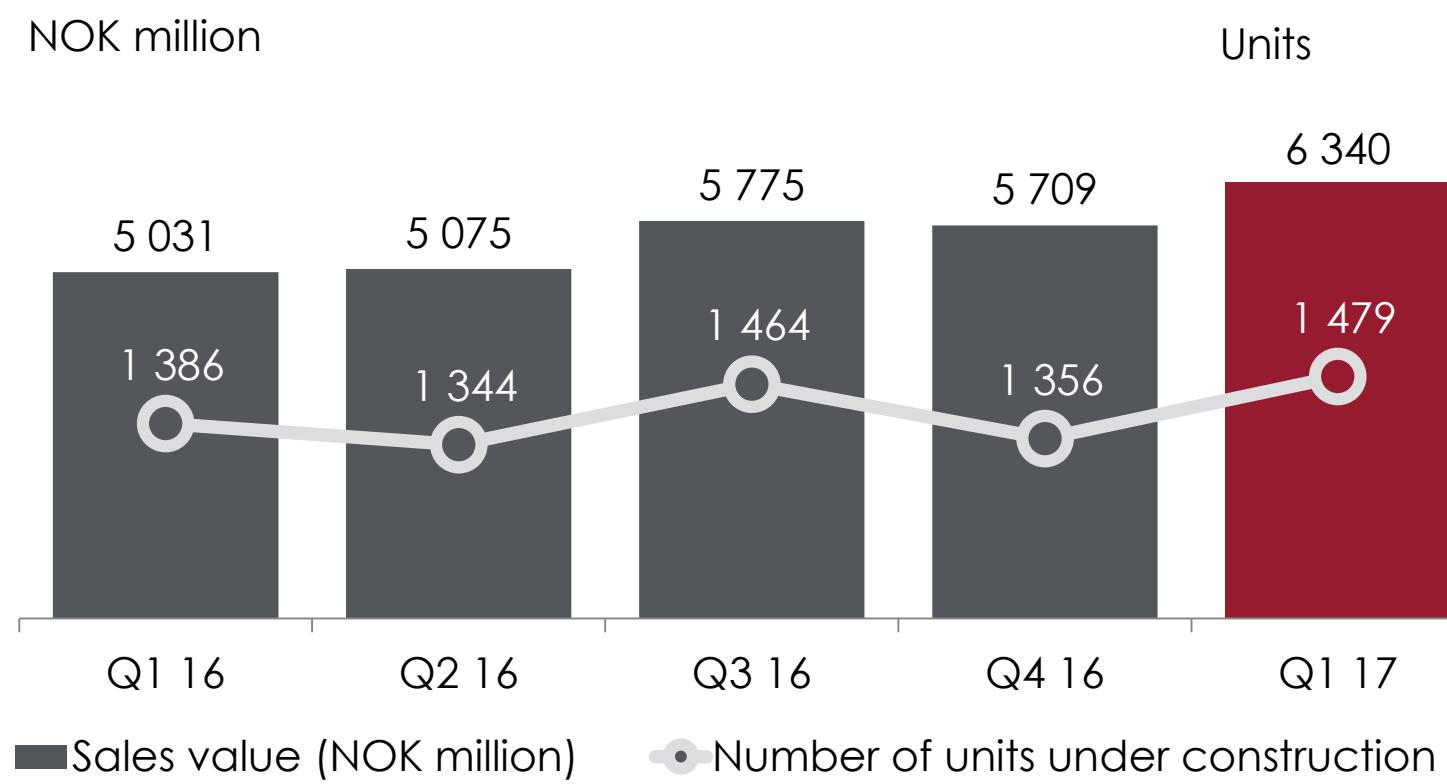


Tiedemannsfabrikken, Oslo

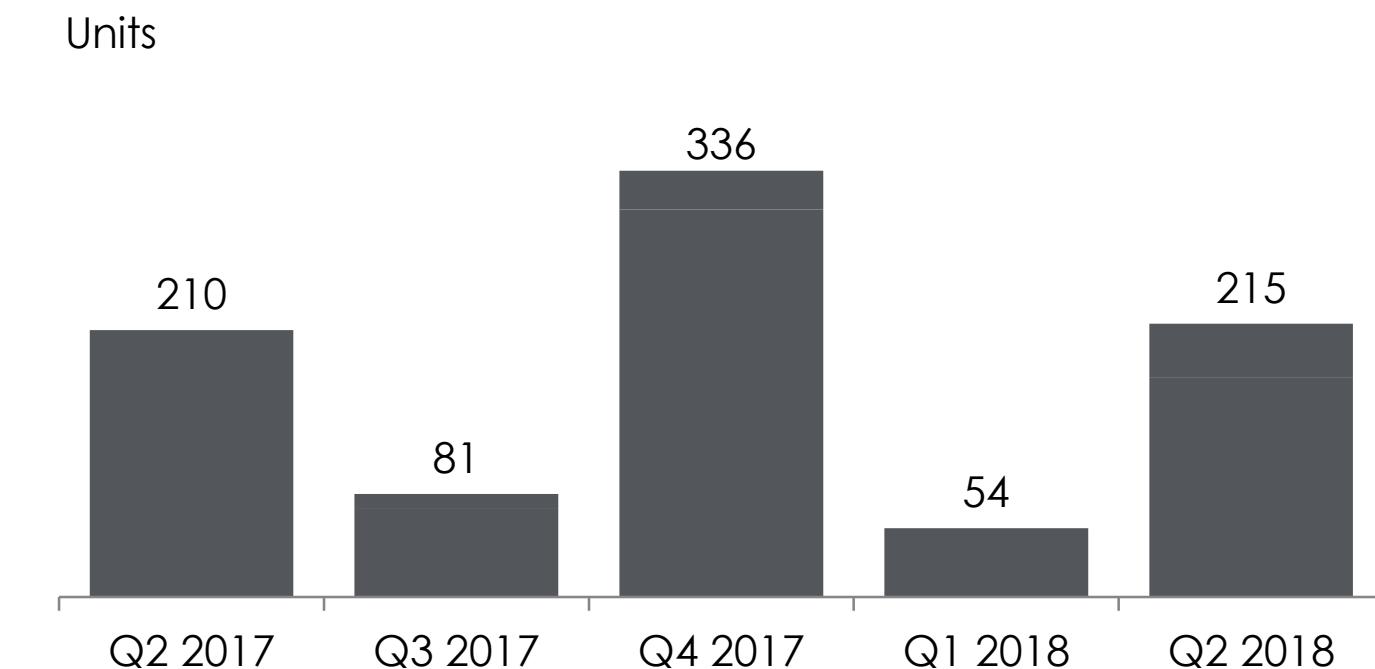
- 98 apartments in Lørenskog
- 79 apartments in Oslo
- 9 apartments in Bærum

High percentage of completions sold

Sales value, units under construction



Expected completions per quarter



- Q1 2017: 86% of units under construction sold by Q1 2017
- Q1 2017: 92% of construction volume in Greater Oslo

- Expected completions for 2017 as of Q1 17: 690 units
- 99% of 2017 completions sold by Q1 2017
- 87% of 2018 completions sold by Q1 2017

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

Agenda

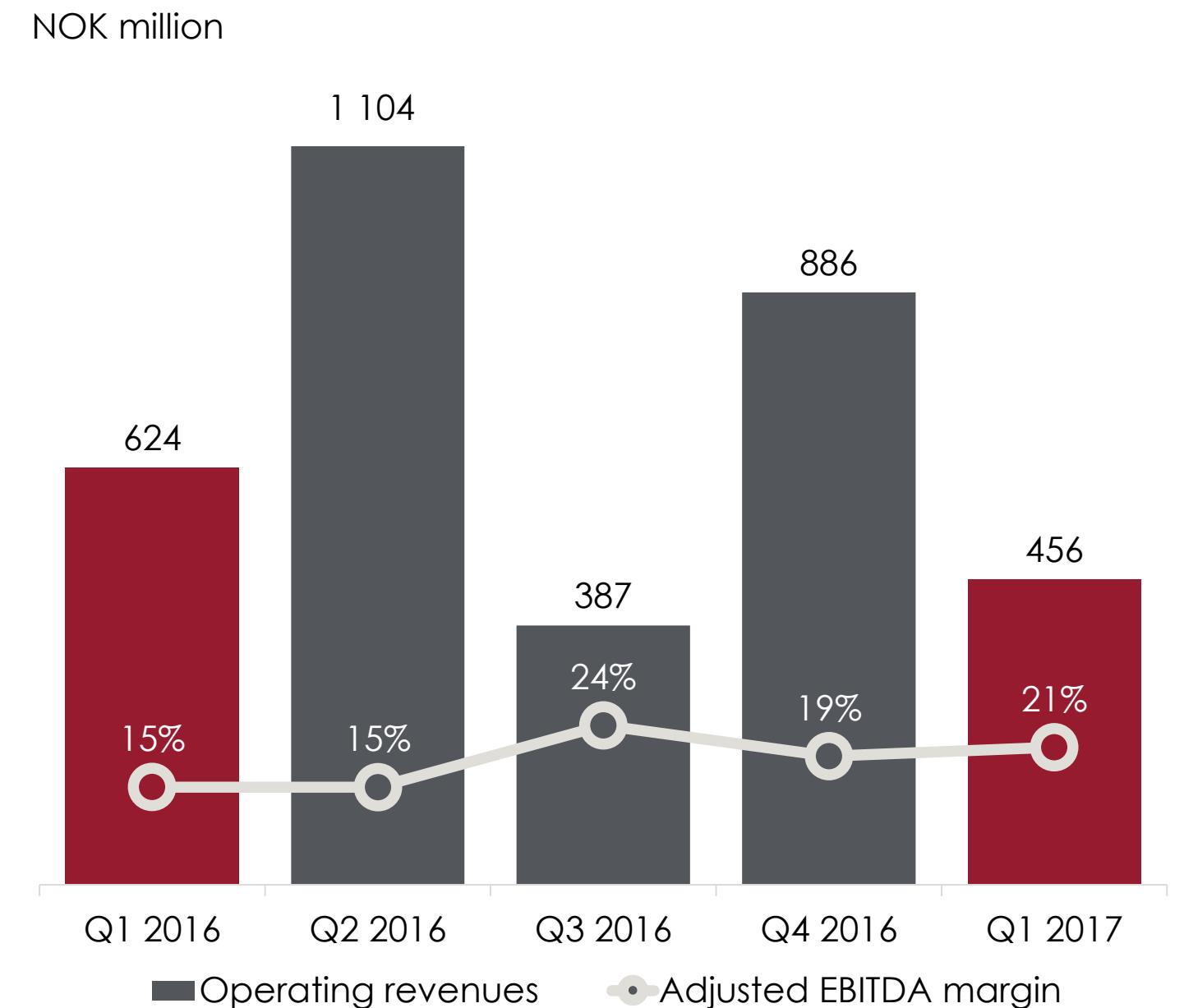
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Income statement highlights Q1 2017 (IFRS)

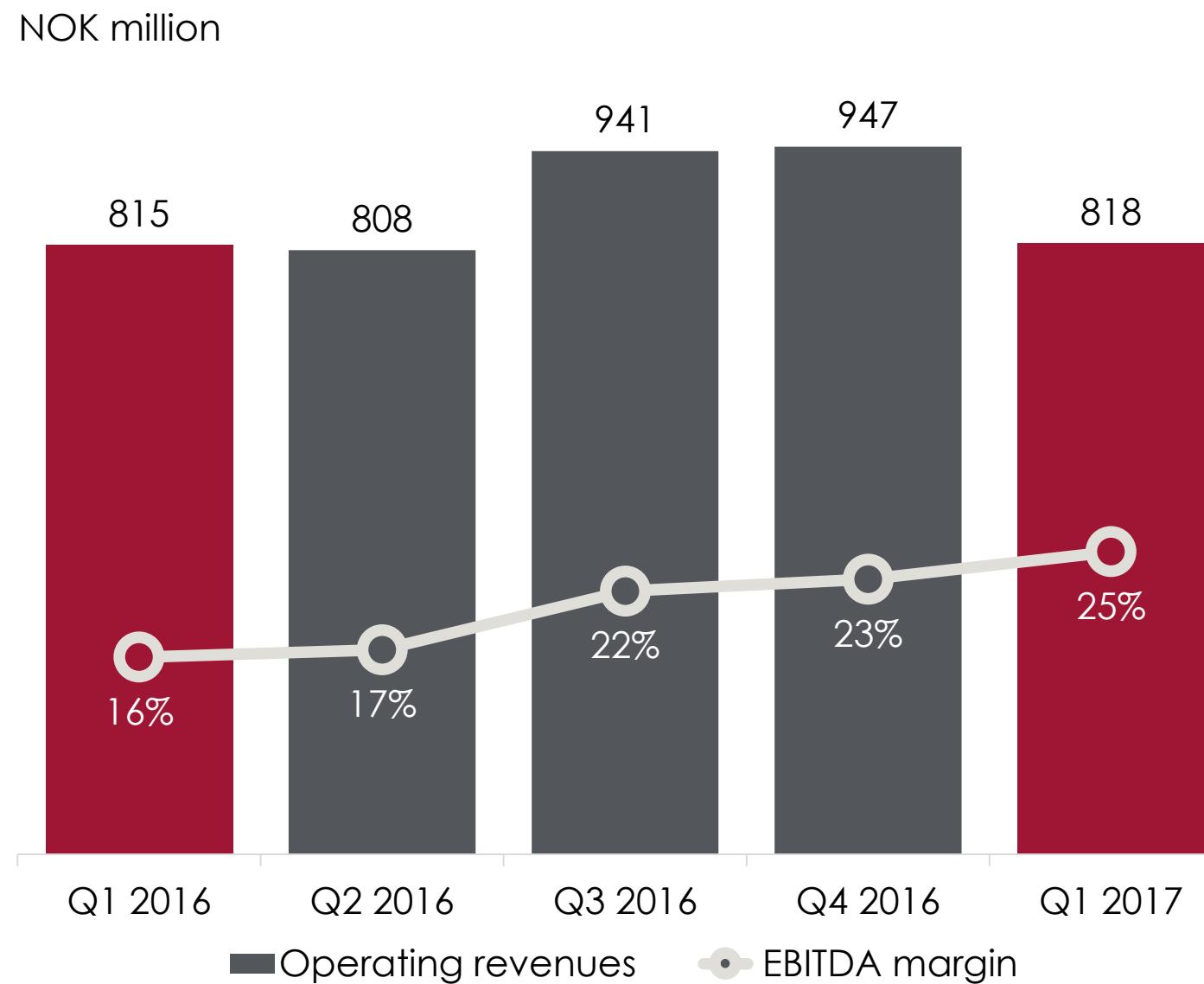
- 85 units delivered (179)
- Revenues NOK 456m (624)
 - Units delivered NOK 301m (608)
 - Sale of commercial property NOK 140m
 - Other revenues NOK 15m, mainly lease income
- Project costs NOK 312m (501)
 - Of which NOK 12m are interests (22)
- Other costs NOK 59m (58)
 - Salaries, sales and marketing key components
- Adjusted EBITDA NOK 94m (91)
 - Adjusted for financial expenses included in project costs
- EBITDA NOK 82m (69)
- EPS in the quarter NOK 0.82 (0.45)

Revenues and adjusted EBITDA margin (IFRS)

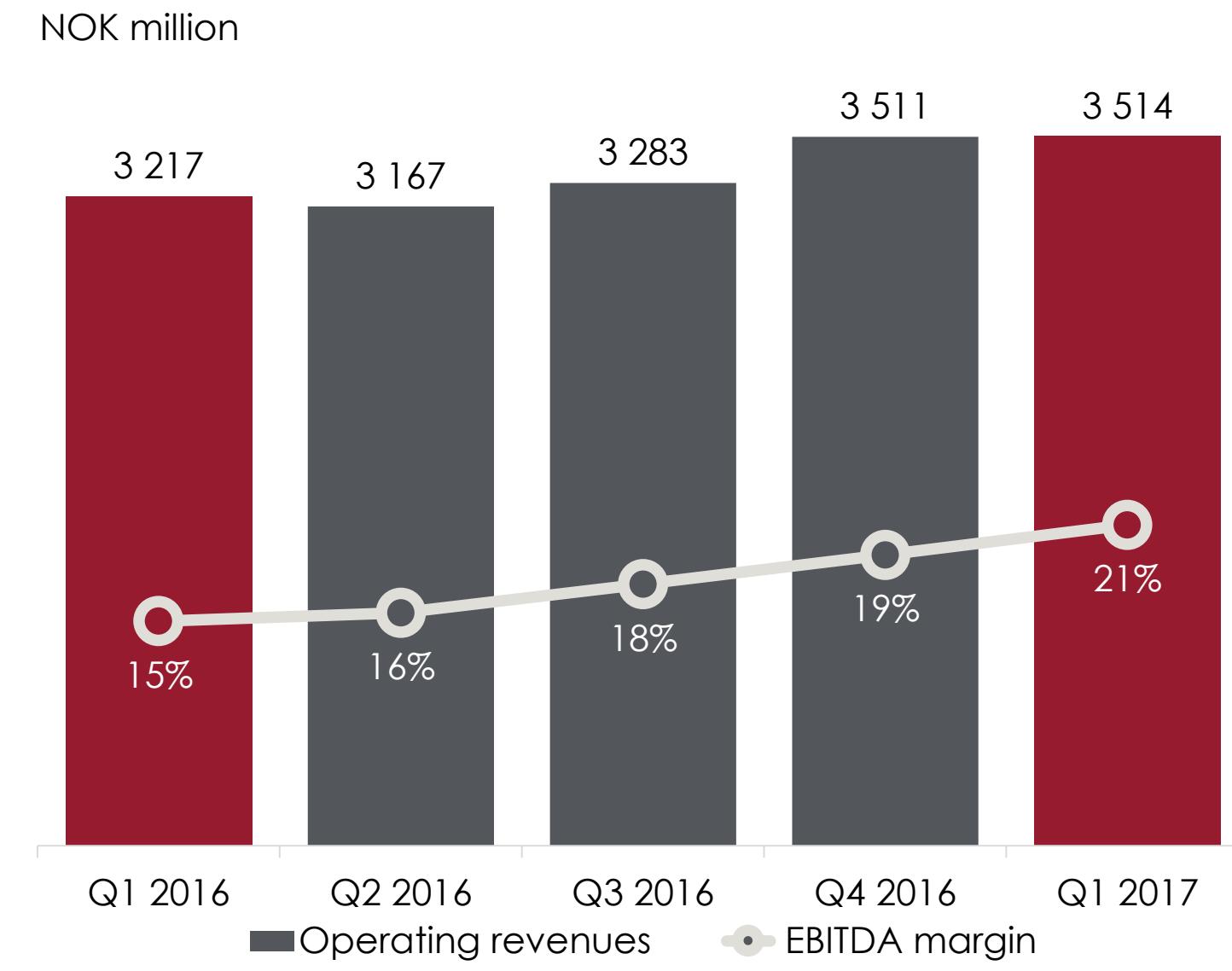


Income statement highlights Q1 2017 (NGAAP)

Revenues and EBITDA margin (NGAAP)*



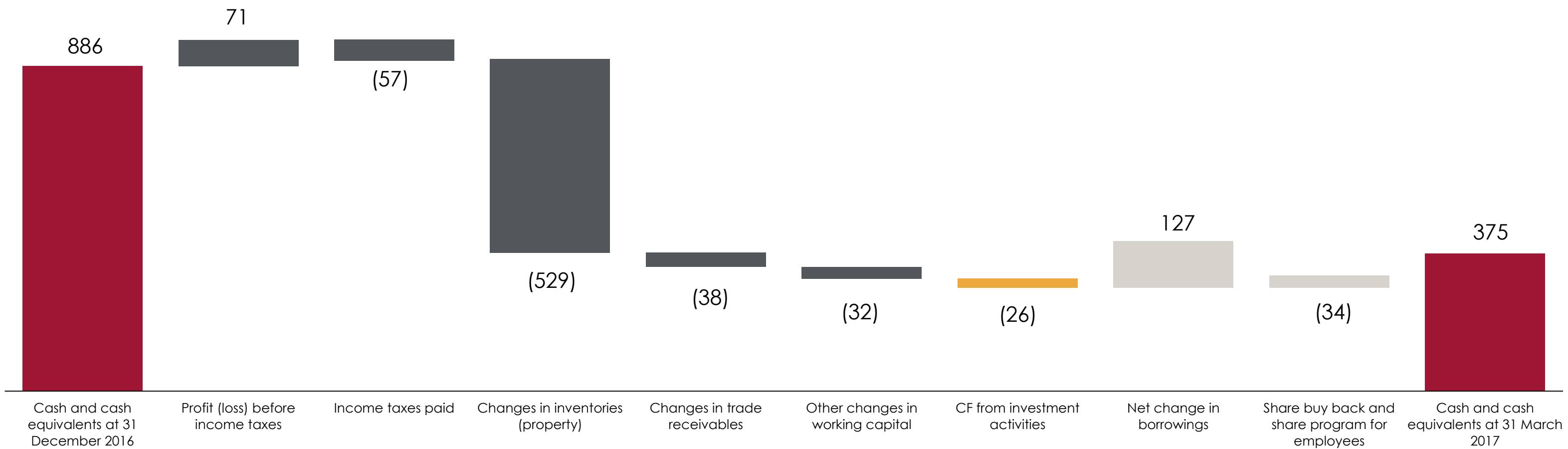
12 months rolling revenues (NGAAP)*



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

Cash flow development Q1 2017

NOK million



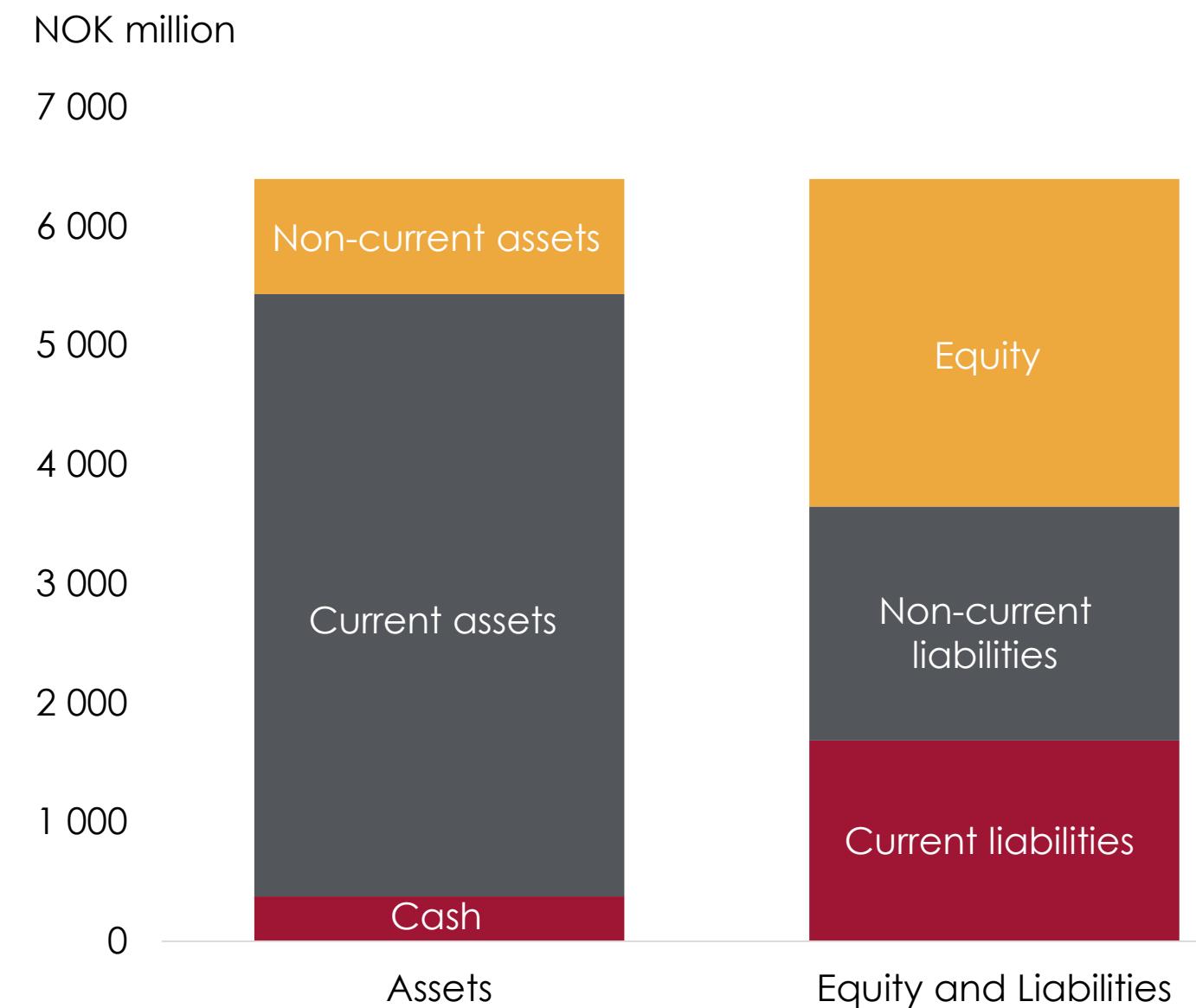
- Cash flow from operations mainly explained by land acquisitions, construction activity and taxes paid
- Cash flow from financing activities positive with NOK 93m
 - Net change in borrowings of NOK 127m, partially offset by share buy back and share programs for employees of NOK 34 million

Note: Numbers under NOK 5m are excluded from the cash flow overview

Balance sheet highlights Q1 2017

- Book value increased by NOK 0.5 to NOK 29.2 per share
 - Equity ratio 43.0%
- Changes from Q4 2016:
 - Inventories increased by NOK 468m and cash decreased by NOK 512m mainly due to land acquisitions and construction activity
 - Current liabilities increased mainly due to exercise of call option for early redemption of NOK 500m bond
 - Prepayments from customers accounts for NOK 528m of other current non interest-bearing liabilities

Balance sheet composition

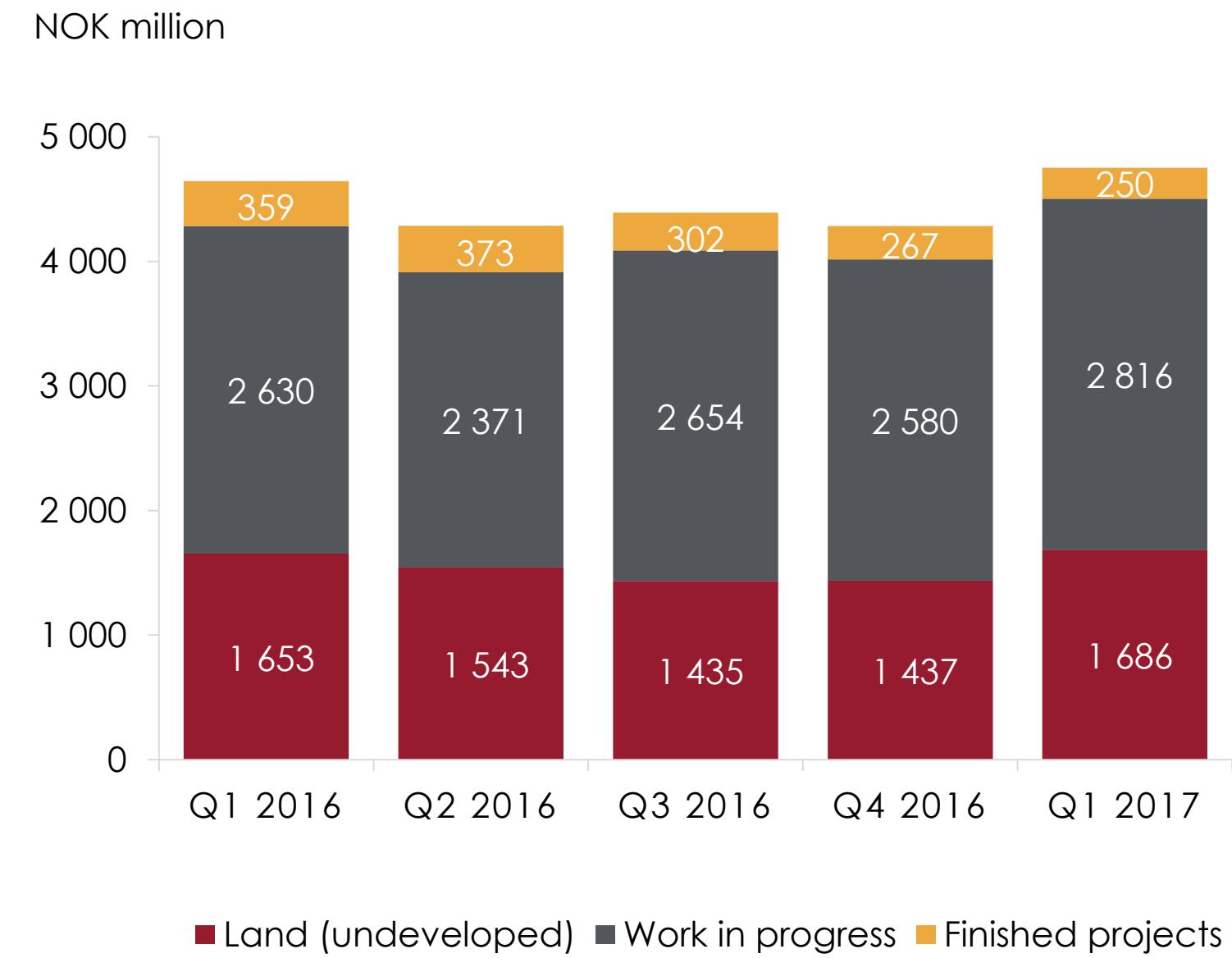


Inventories (property) Q1 2017

Q1'17 vs Q4'16

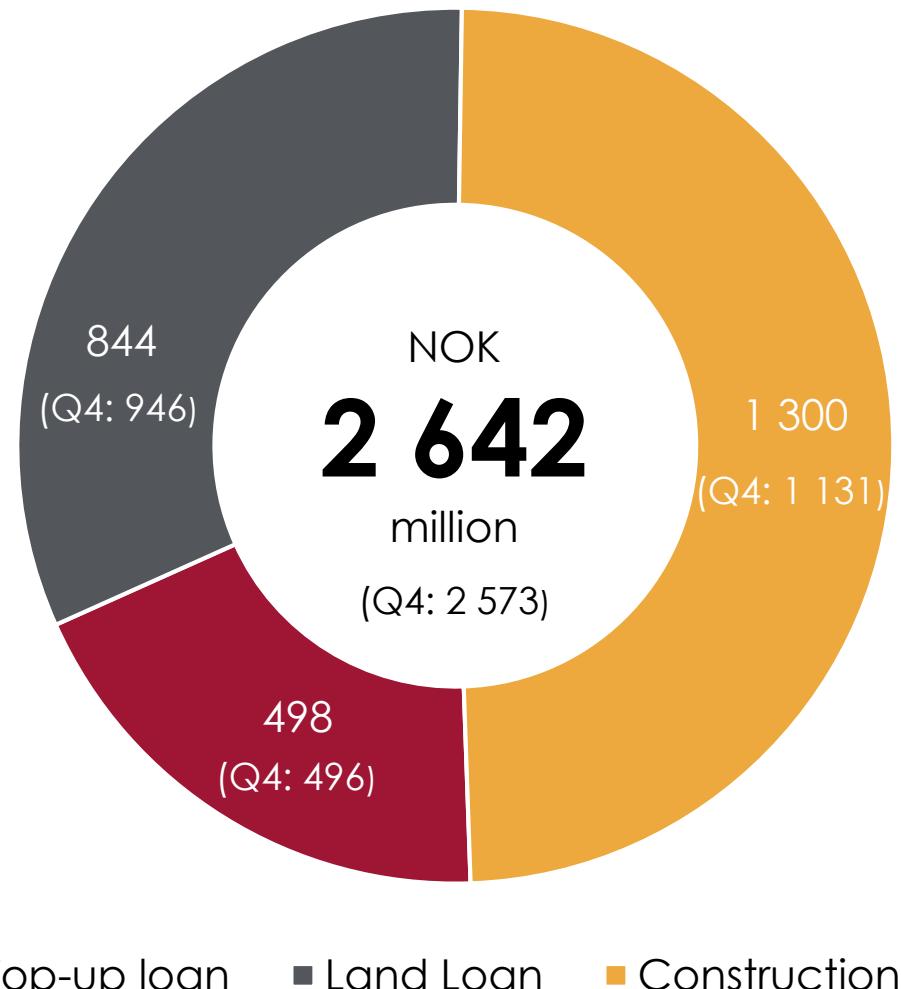
- Land value up NOK 248m
 - Mainly due to land acquisitions
- Work in progress up NOK 237m
 - Due to high construction activity
- Finished goods down NOK 18m

Inventory value development



Sound debt structure

Interest bearing debt as at 31 March 2017



Loan facility	Drawn per 31 Mar. (NOKm)	Interest rate margin
1 NOK 500 million senior unsecured bond loan maturing in 2018 ¹	500	4.75%
2 NOK 150 million revolving credit facility from DNB maturing in 2016	0	2.00%
3 NOK 150 million working capital facility from DNB maturing in 2016	0	2.00%
4 Land loan facilities from a range of Nordic credit institutions	844	2.00% - 2.50%
5 Construction loan facilities from a range of Nordic credit institutions	1 300	1.75% - 2.70%

Total Q1 2017 net interesting bearing debt NOK 2 267 million

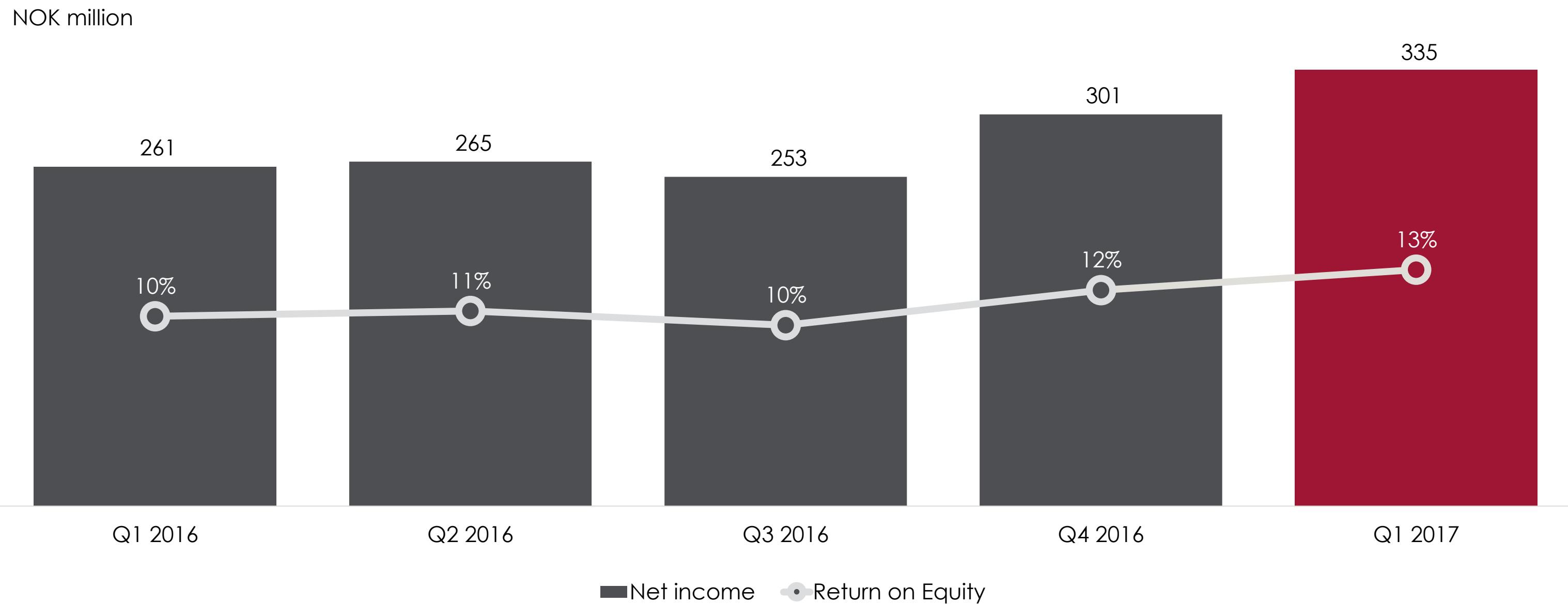
Total Q4 2016 net interesting bearing debt NOK 1 687 million

Note: Top-up loan of NOK 500m in the table differs from the summed up top up loan in the pie chart (NOK 498m). The difference is due to NOK -2m in amortized cost which is not actual debt.

¹ Selvaag Bolig has elected to exercise its call option for early redemption in full of its NOK 500 million senior unsecured callable bond, maturing on 27 June 2018, at 102% of par value. The early redemption of the bond will occur on 27 June 2017.

Return on Equity (IFRS)

12 months rolling net income (IFRS)* and Return on Equity**



* Net income attributable to shareholders in Selvaag Bolig ASA

** Based on equity attributed to shareholders in Selvaag Bolig ASA

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Regulation for residential mortgage loans

Old regulation

1. Loan-to-value ratio on secondary homes in Oslo at 85 per cent
2. Flexibility regarding gross annual income/collected debt
3. Instalment required for loans exceeding 70% of housing value

New regulation

1. Loan cap at 5x annual income
2. Loan cap at 60% for secondary homes in Oslo
3. Instalment required for loans exceeding 60% of housing value

Effects

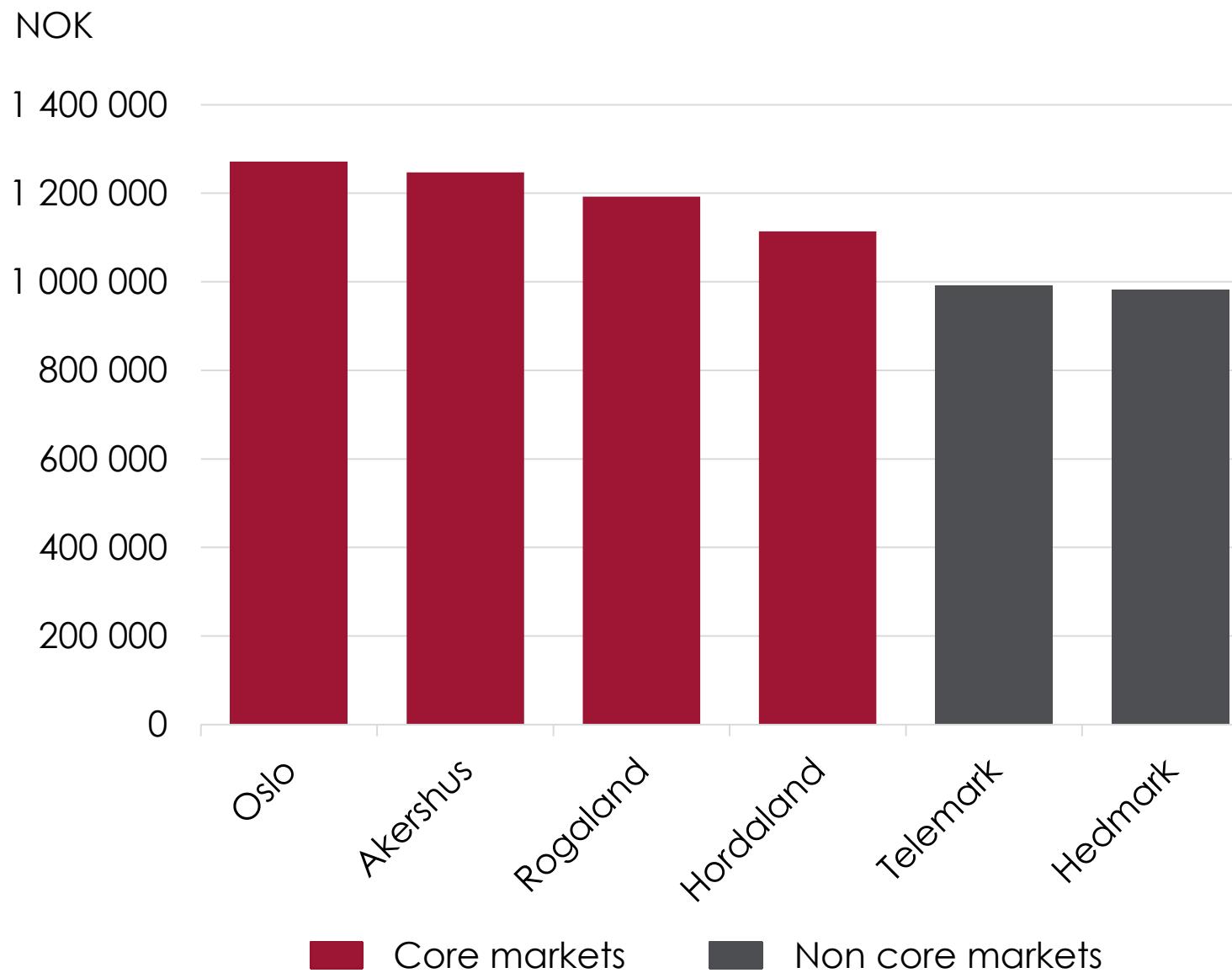
1. Challenging in Oslo due to high housing prices
2. Continued price pressure in regions around Oslo where house prices are lower and purchase power is high
3. 60% loan cap has had little or no effect in Oslo

The new regulation applies until 30 June 2018

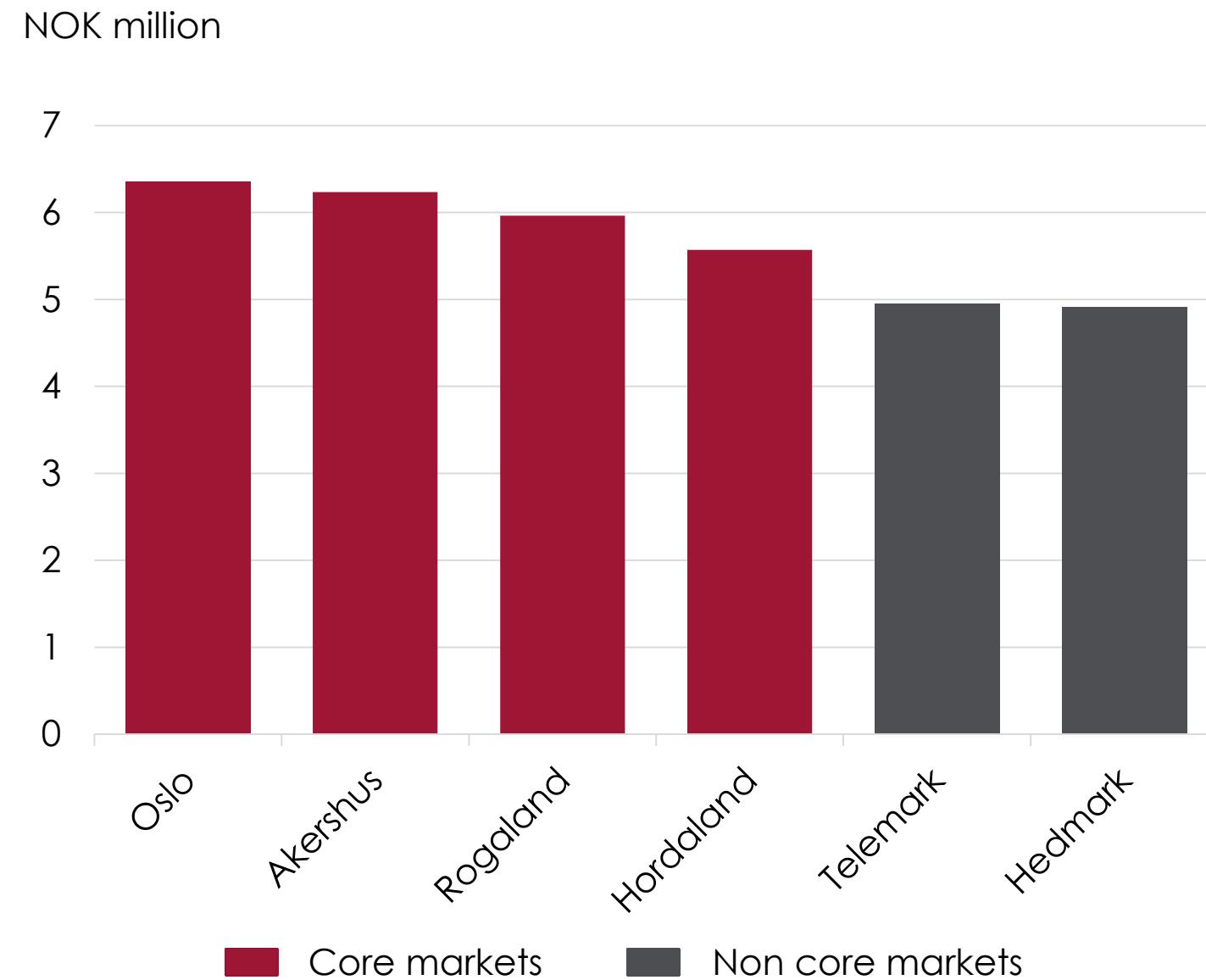
Source: Ministry of Finance, Norway

Strong purchasing power in core markets

Average gross annual income (household)



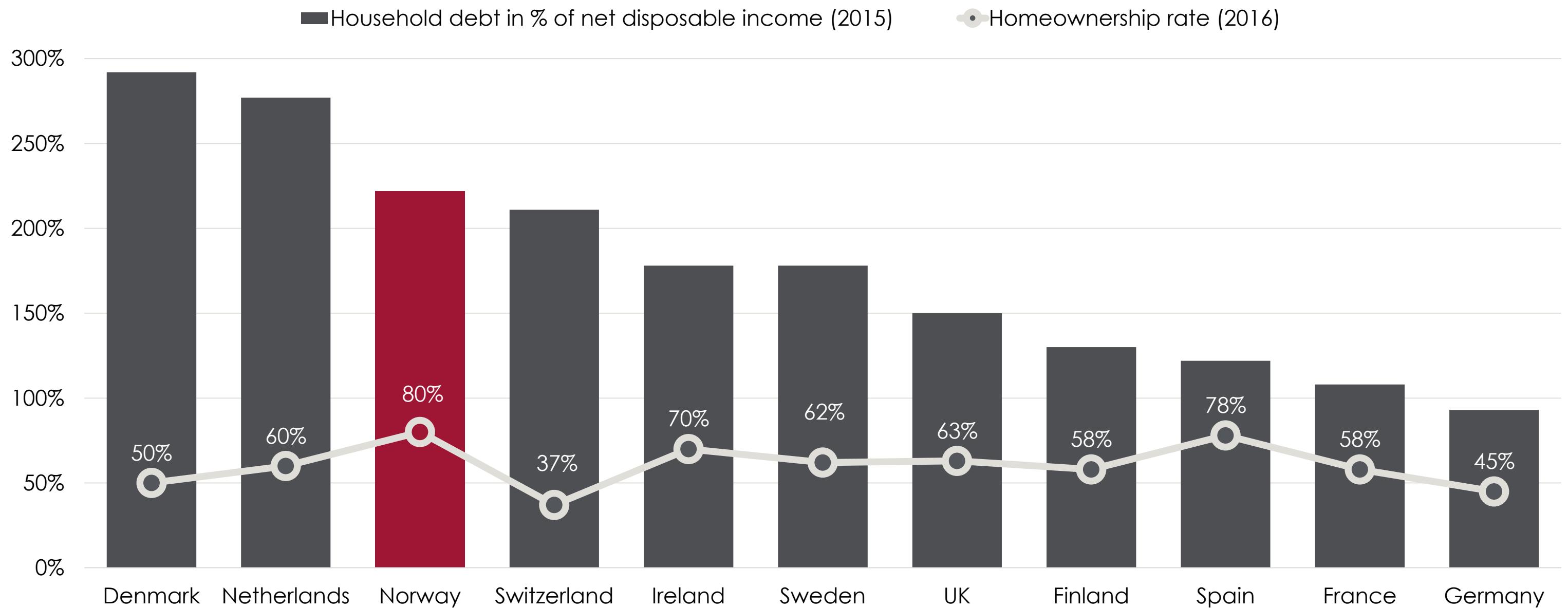
Debt limit based on 5x gross income



Households: couple with children under 18 years, tax rate: 28%, 2015 numbers

Source: Statistics Norway, NRK

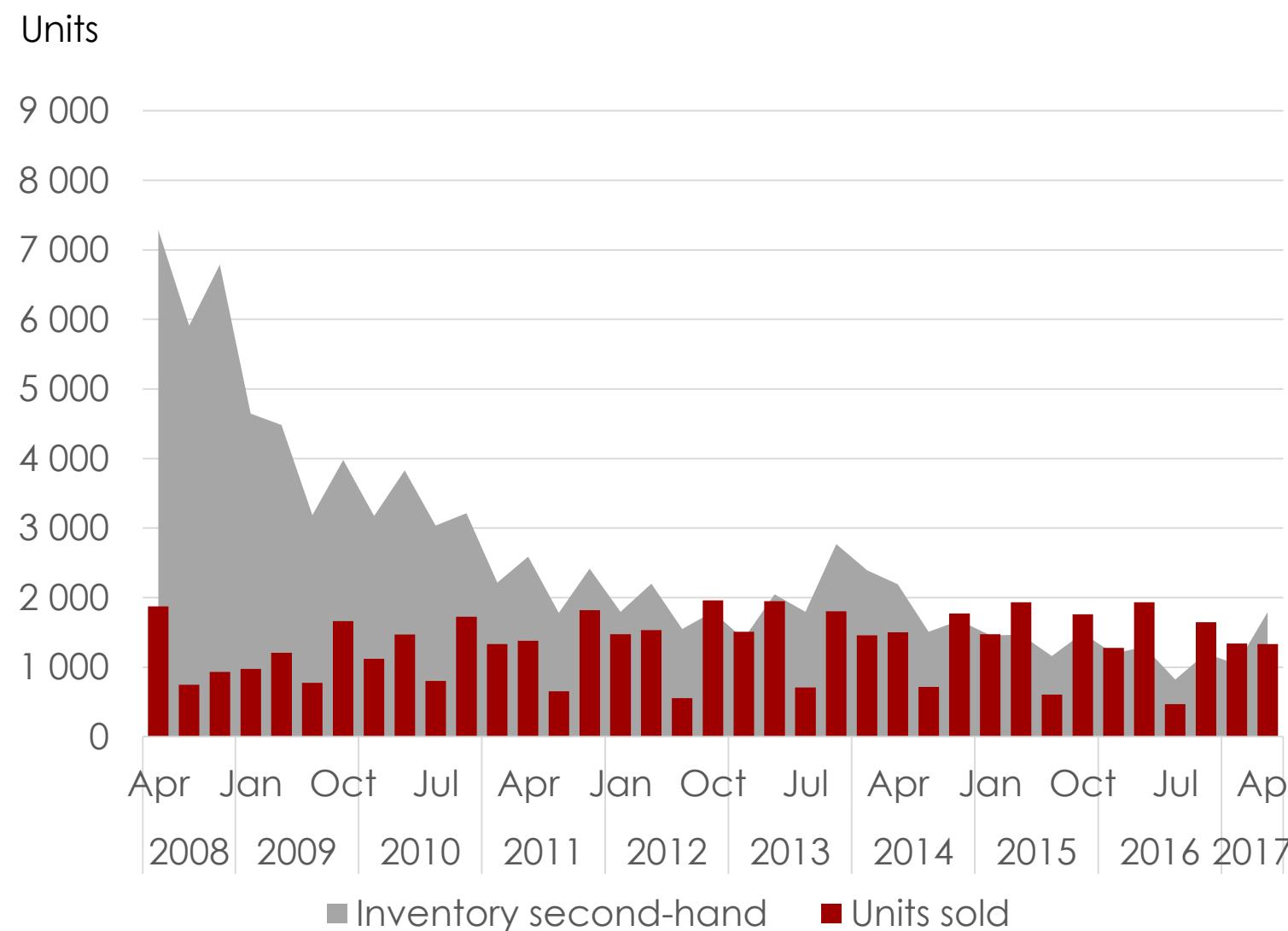
Total household debt and homeownership



Source: OECD, Prognosenteret

Record high Oslo market levelling out

Oslo, April 2008-2017



Oslo, April 2017* sum-up

Second hand – average

- Sales price: NOK 71 539 per m²
- Turnover time: 14 days
- Price increase April: 0.6%
- Price increase last 12 months: 20.7%
- Units available for sale (30.04): ~1 800

New homes (not built)

- Units available for sale (30.04): ~1 200

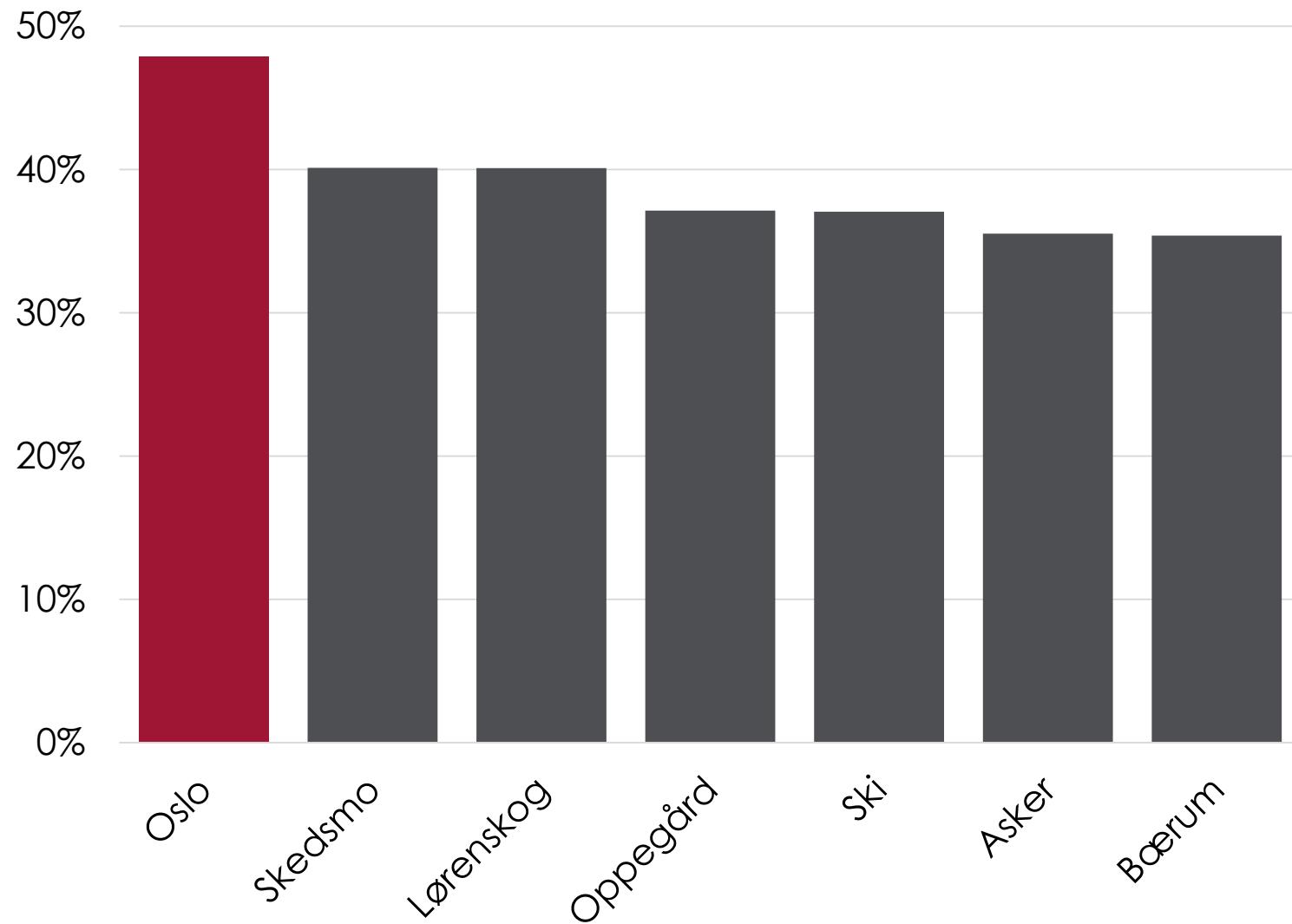
Source: Eiendomsverdi, Eiendom Norge and Selvaag Bolig

*April 2017 numbers include Easter (Easter 2016 in March)

Continued pressure around Oslo

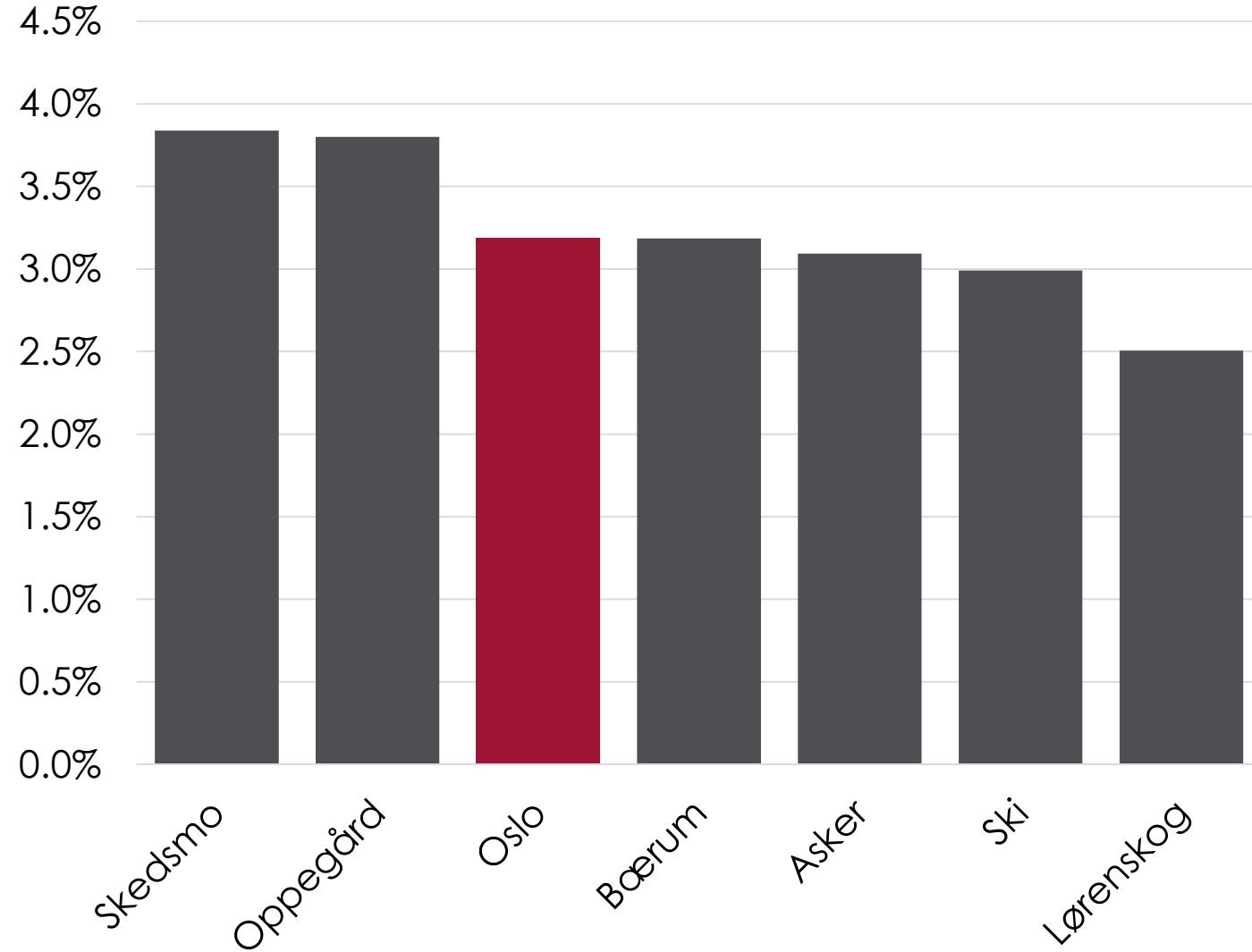
January 2013-April 2017

Price growth



January 2017-April 2017 (post regulation)

Price growth



Source: Eiendomsverdi

14-month price growth 89 m², 3 bedroom apartment

Lørenporten, Oslo



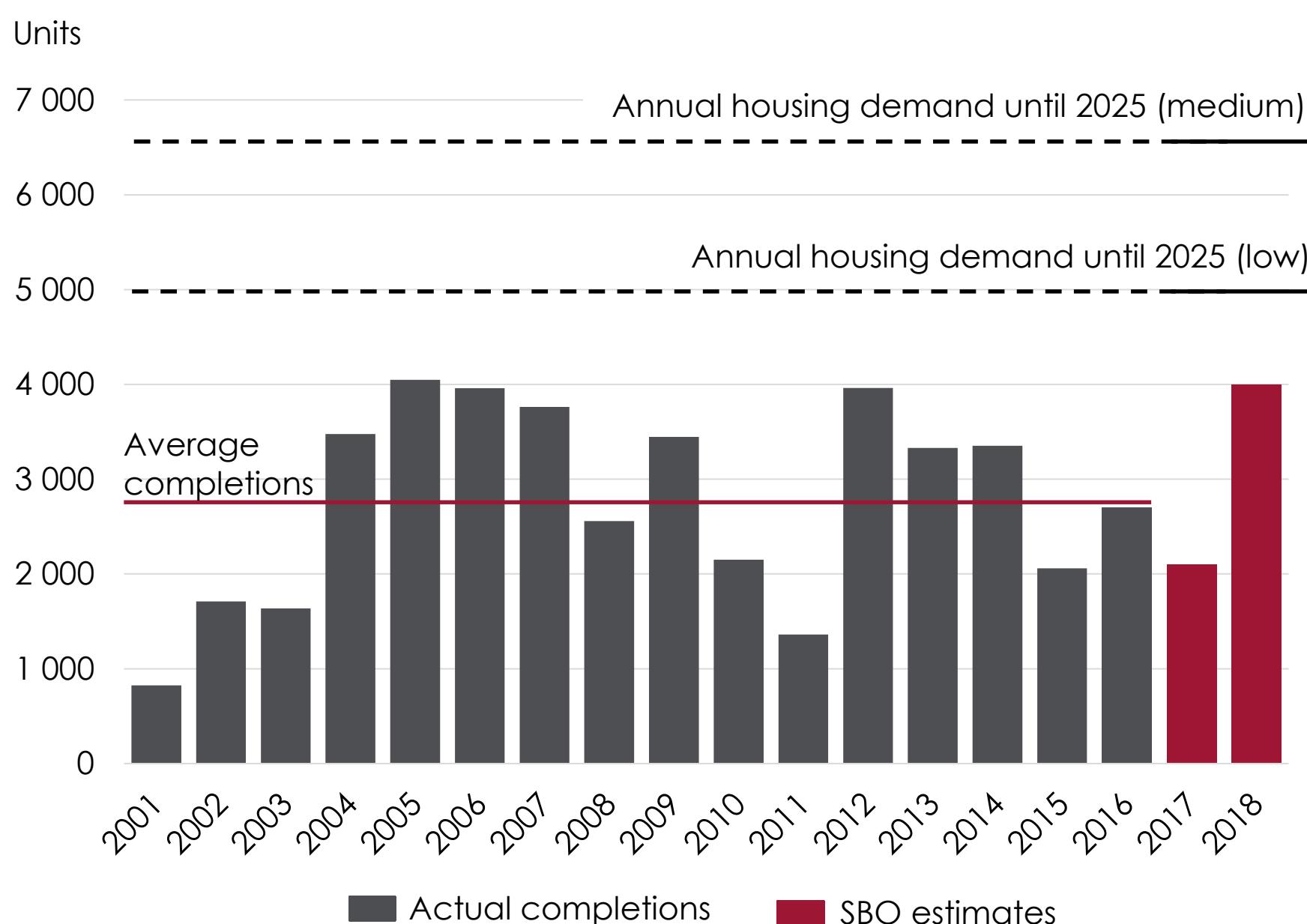
Total: 430-500 units | 1-4 rooms | 35-119 m²

Time from acquisition to sales start: 11 months

Sales start May '16

Mind the gap

Number of units completed in Oslo, 2001-2016

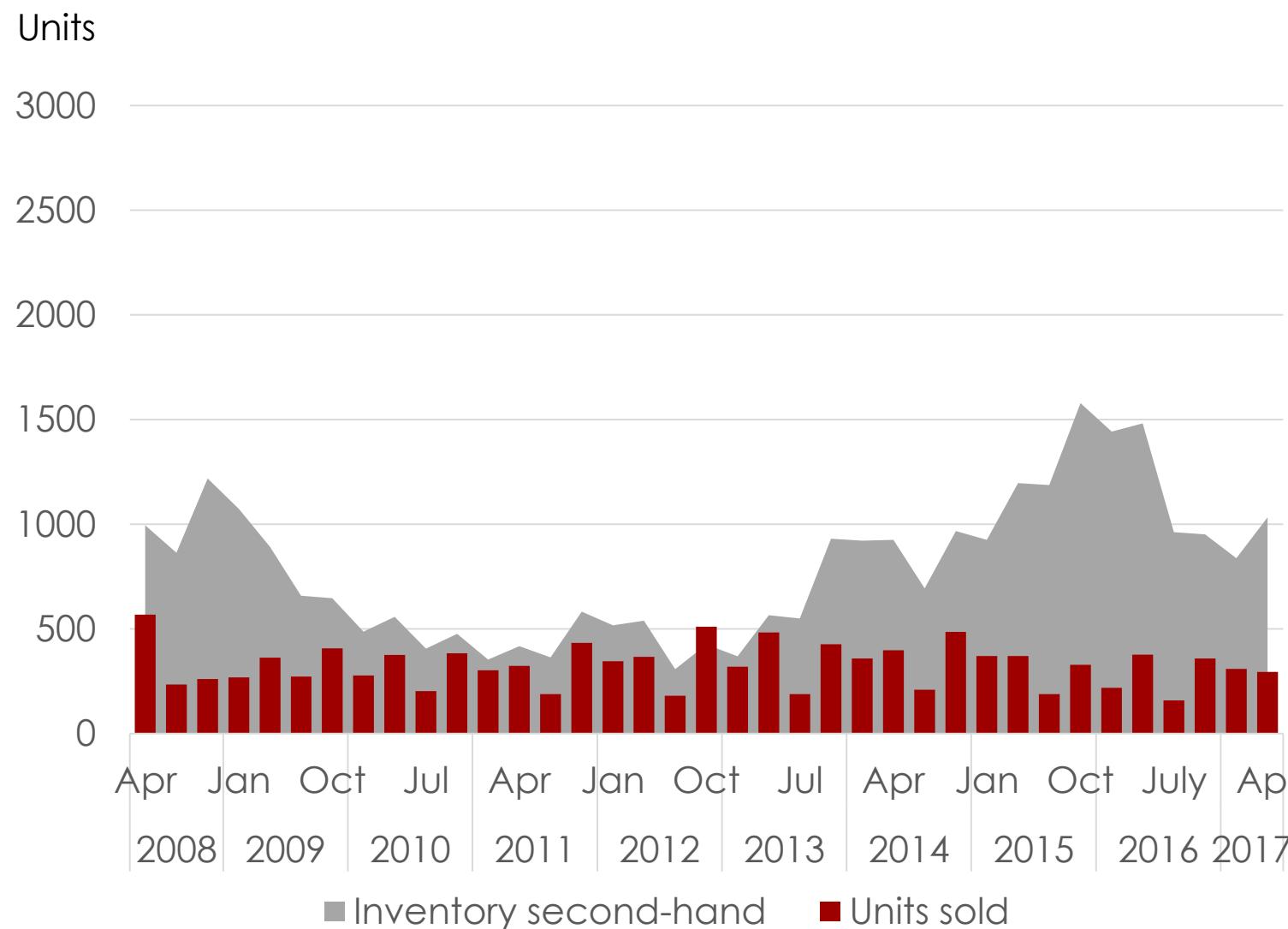


Source: Oslo kommune, Statistics Norway (SSB)

- Average of ~2 800 units completed from 2001-2016
- Annual housing demand of >5 000 units until 2025 (Statistics Norway estimate)
 - Low demand alternative: 5 000 units
 - Medium demand alternative: 6 600 units
- 2016 population in Oslo: 658 400
 - In 1999 Statistics Norway forecasted a 2016 population of 542 000

Stavanger market recovering

Stavanger area, April 2008-2017



*April 2017 numbers include Easter (Easter 2016 in March)

Second hand market: Stavanger, Sola, Randaberg and Sandnes

New homes market: Stavanger

Source: Eiendomsverdi, Eiendom Norge and Selvaag Bolig

Stavanger, April 2017* sum-up

Second hand (Stavanger only) – average

- Sales price: NOK 38 661 per m²
 - Apr. 16: NOK 35 839 per m²
- Turnover time: 40 days
- Price increase April: 0.1%
- Price decrease last 12 months: 1.2%
- Units available for sale (30.04): ~550
 - 30.04.16: ~1 500
- Second hand sales April: 170 units (Apr. 16: 222 units)

New homes (not built)

- Units available for sale (30.04): ~290
 - 30.04.16: ~700

MARKET – STAVANGER RECOVERING

Successful sales start in Stavanger



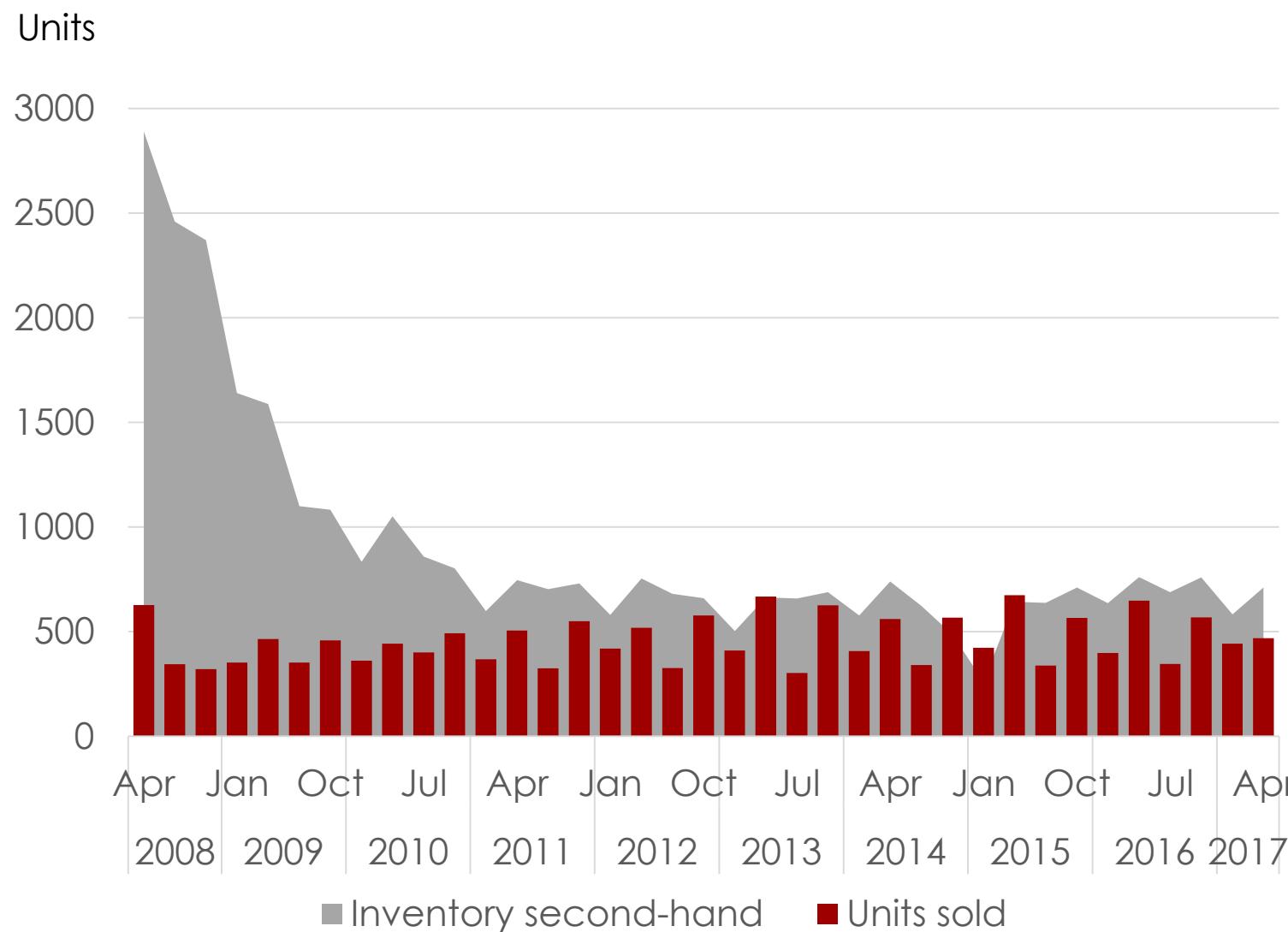
Total: 61 units | 1-3 bedrooms | 50-120 m²

15 of 61 units sold per 19 May 2017

Lervig Brygge vest
Sales start 10 May 2017

Sound supply/demand in Bergen

Bergen, April 2008-2017



Bergen, April 2017* sum-up

Second hand – average

- Sales price: NOK 43 459 per m²
- Turnover time: 21 days
- Price decrease April: 0.3%
- Price increase last 12 months: 2.4%
- Units available for sale (30.04): ~700

New homes (not built)

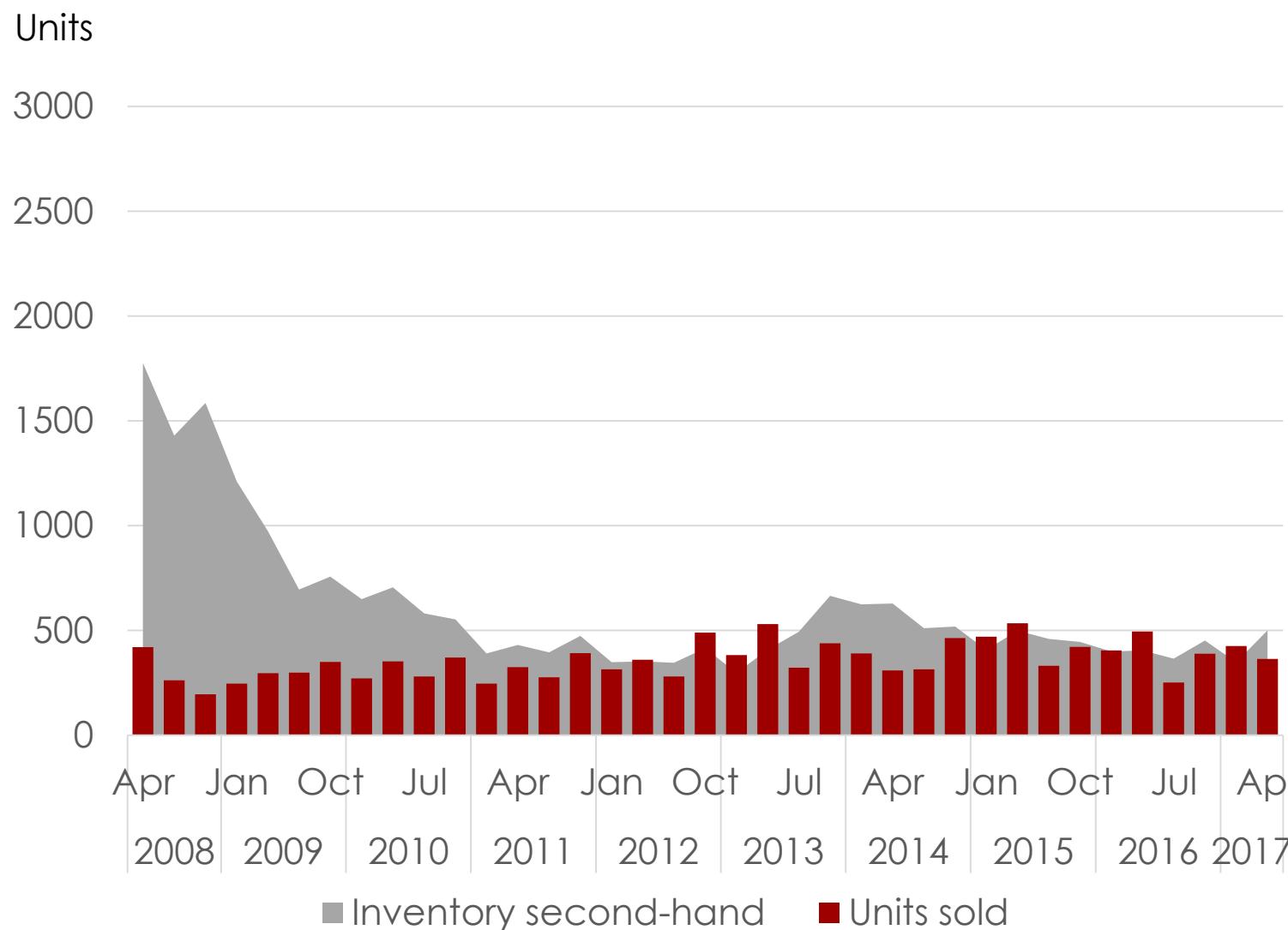
- Units available for sale (30.04): ~825

Source: Eiendomsverdi, Eiendom Norge and Selvaag Bolig

*April 2017 numbers include Easter (Easter 2016 in March)

Balanced market in Trondheim

Trondheim, April 2008-2017



Source: Eiendomsverdi, Eiendom Norge and Selvaag Bolig

Trondheim, April 2017* sum-up

Second hand – average

- Sales price: NOK 46 104 per m²
- Turnover time: 17 days
- Price decrease April: 0.2%
- Price increase last 12 months: 6.7%
- Units available for sale (30.04): ~500

New homes (not built)

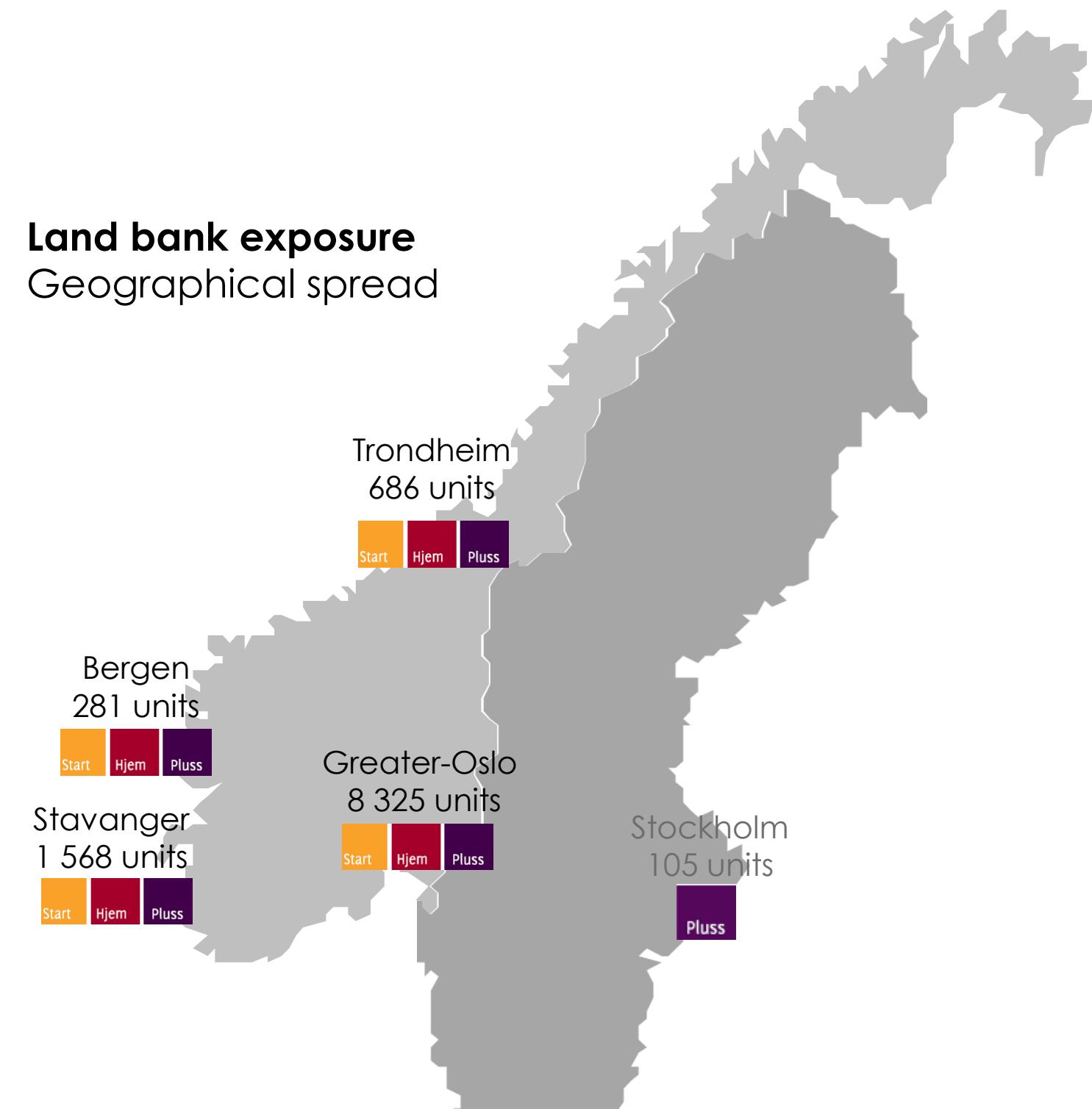
- Units available for sale (30.04): ~625

*April 2017 numbers include Easter (Easter 2016 in March)

Adding 4 acquisitions to land bank

2 in Trondheim, 2 in Greater Oslo area

- Haakon VIIIs gate 4, Trondheim
 - ~400 units, sales start expected in H1 2019
 - 50/50 joint venture with NHP Eiendom
- Travbanevegen 6, Trondheim
 - ~150 units, sales start expected in H2 2019
 - 100% owned by Selvaag Bolig
- Pottemakerveien 10-14, Kalbakken Oslo
 - ~300 units, sales start expected in H2 2019
 - 50/50 joint venture with Ragde Eiendom
- Langhuscenteret 3B, Ski, Akershus
 - ~250 units, sales start expected in H1 2019
 - 100% owned by Selvaag Bolig



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Summary

- Strong margins and high sales value
- Record high value of units under construction
- 86% of units under construction sold at 31 March
- Record high Oslo market levelling out, pressure continues around Oslo, Stavanger recovering
- Acquisition of land in Trondheim and Greater Oslo with 750 units potential for Selvaag Bolig



Kaldnes Brygge, Tønsberg

Thank you for your attention – follow us online!

Next event:
2nd quarter 17, 17 August 2017



@SelvaagAksjen



SHARE INFORMATION

Share performance since IPO in June 2012

NOK



Source: Oslo Børs

Largest shareholders at 31 March 2017

Shareholder	# of shares	% share
SELVAAG GRUPPEN AS	50 180 087	53.5%
SKANDINAVISKA ENSKILDA BANKEN AB *)	5 268 003	5.6%
MORGAN STANLEY & CO. INT. PLC. *)	2 774 433	3.0%
FLPS - ALL SECTOR SUB	2 577 000	2.7%
PARETO AS	2 065 624	2.2%
VERDIPAPIRFONDET PARETO INVESTMENT	1 596 000	1.7%
HOLBERG NORGE	1 243 439	1.3%
SELVAAG BOLIG ASA **)	1 232 989	1.3%
HOLTA INVEST AS	1 200 000	1.3%
VERDIPAPIRFONDET ALFRED BERG GAMBA	1 061 201	1.1%
REGENTS OF THE UNIVERSITY OF MICHIGAN	1 045 000	1.1%
EVERMORE GLOBAL VALUE FUND	892 805	1.0%
JPMORGAN CHASE BANK, N.A., LONDON *)	862 364	0.9%
MP PENSJON PK	762 872	0.8%
SEB PRIME SOLUTIONS SISSENER CANOP	760 000	0.8%
STATE STREET BANK AND TRUST COMP *)	681 053	0.7%
STOREBRAND NORGE I VERDIPAPIRFOND	638 778	0.7%
BANAN II AS	555 190	0.6%
JPMORGAN CHASE BANK, N.A., LONDON *)	534 073	0.6%
J.P. MORGAN SECURITIES LLC *)	502 403	0.5%
Total 20 largest shareholders	76 433 314	81.5%
Other shareholders	17 332 374	18.5%
Total number of shares	93 765 688	100.0%

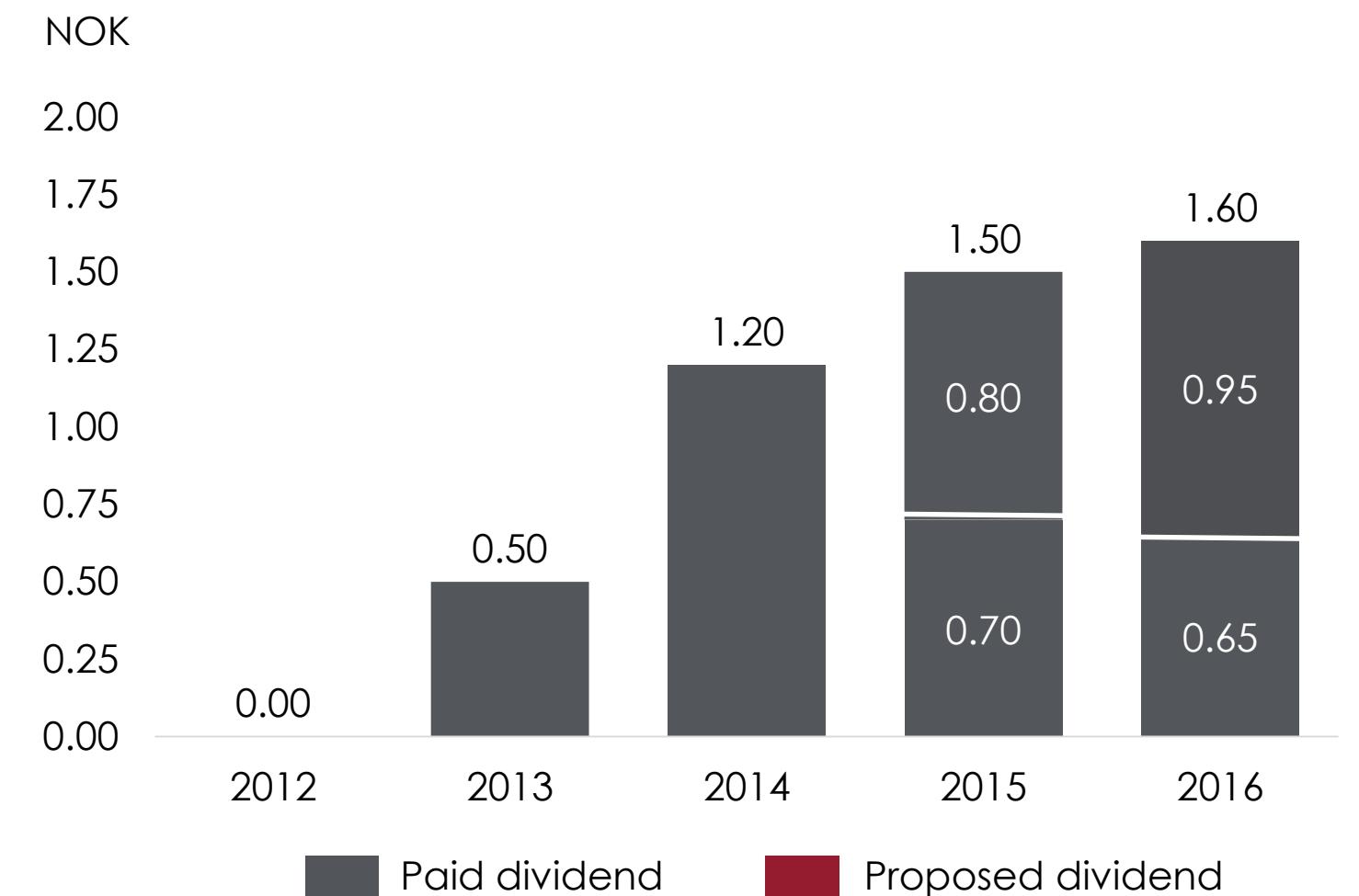
*) Updated shareholder list and further information regarding nominee accounts is presented at: <http://sboasa.no/en/Aksjeinformasjon/Aksjonarer.aspx>

**) The shares were purchased for the company's share programmes for employees

Dividend

- Dividend policy
 - Up to 50 percent of net profit
 - Dividend pay-out twice a year from H1 2015
- FY'16 EPS NOK 3.21
- FY'16 dividend of NOK 1.60 per share
 - 50% of EPS
 - 1H'16 dividend of NOK 0.65 per share distributed
 - 2H'16 dividend of NOK 0.95 per share distributed

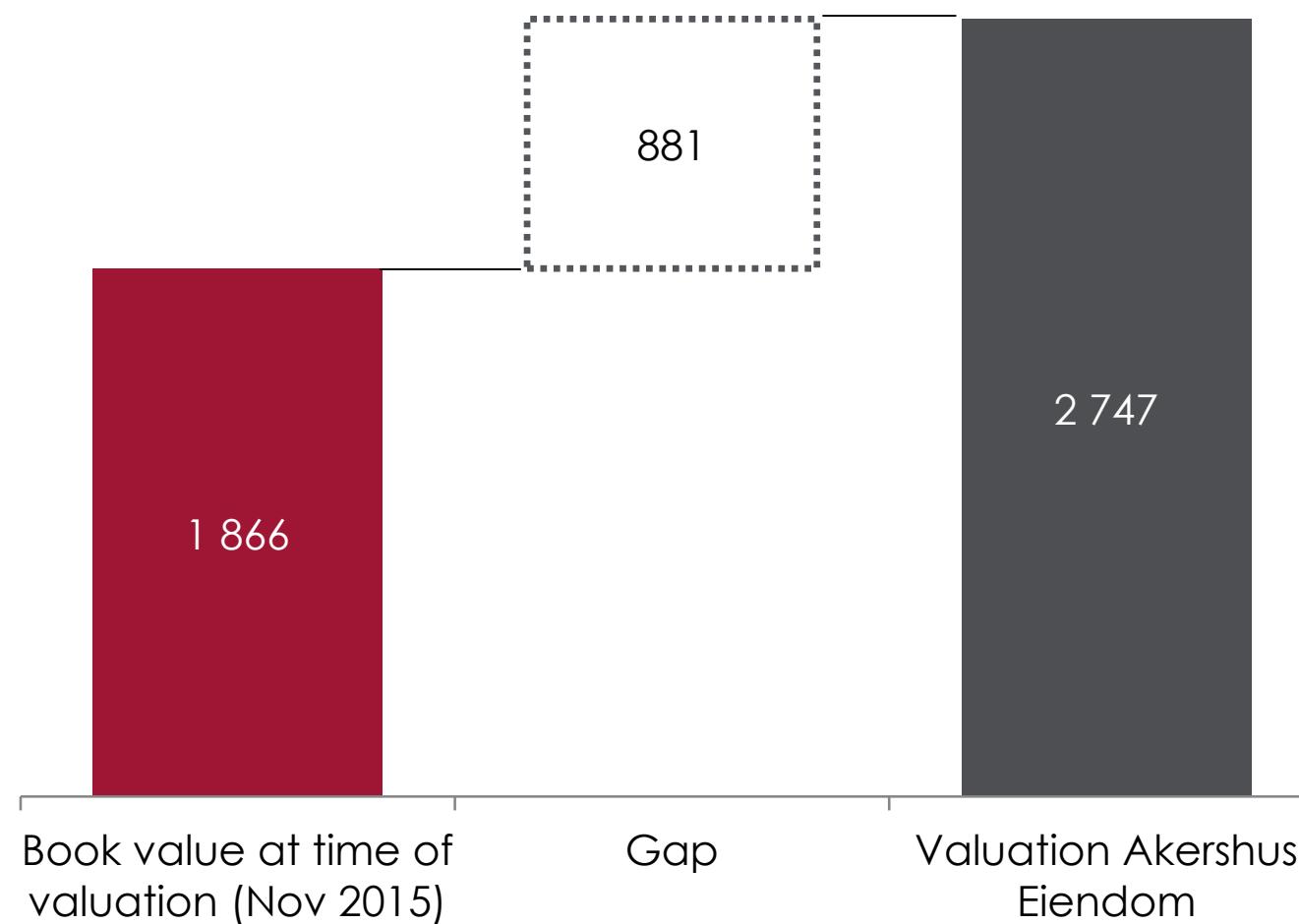
Dividend per share



Book value and valuation - increased gap

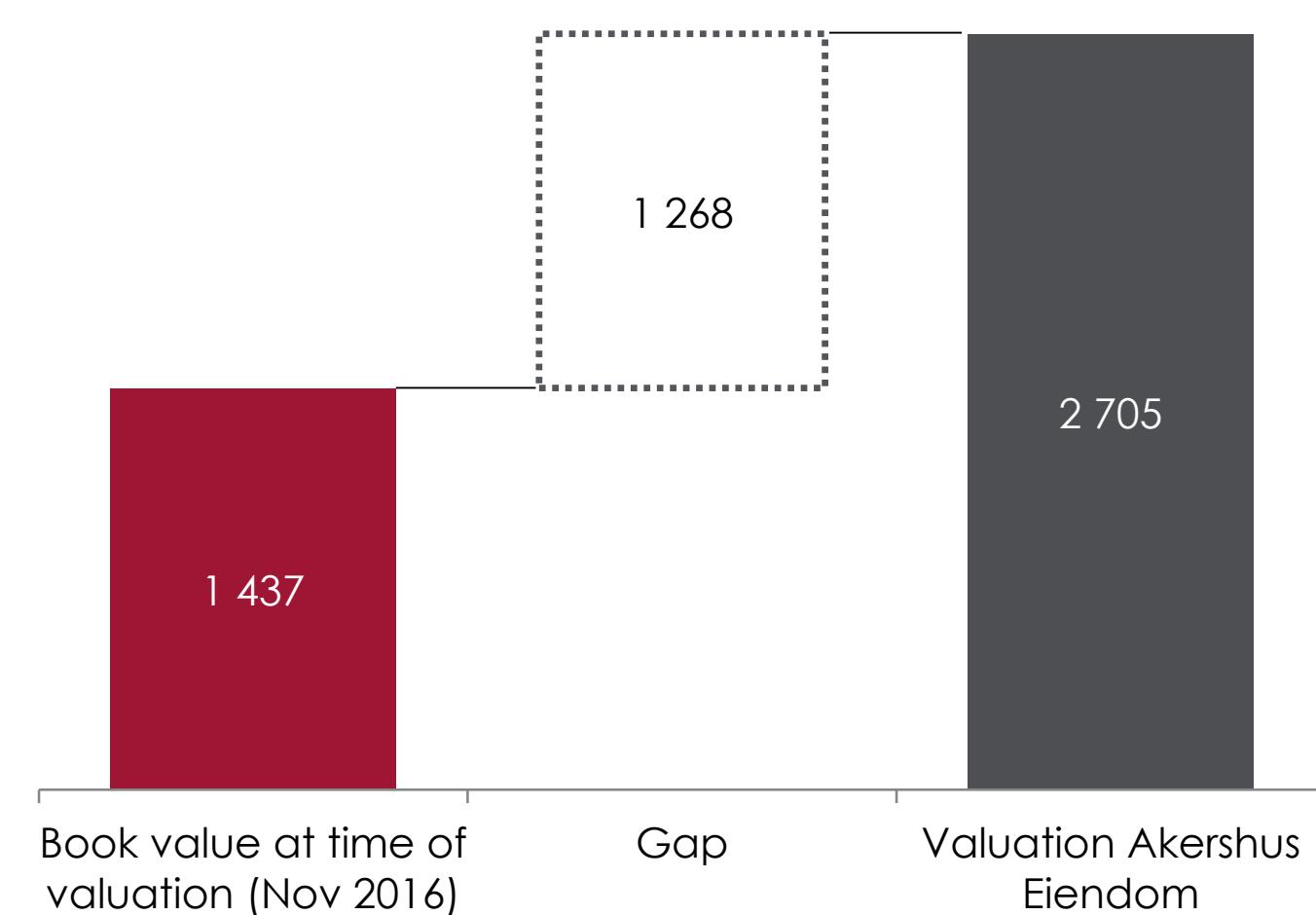
Q4 15: Book value vs. external valuation

NOK million

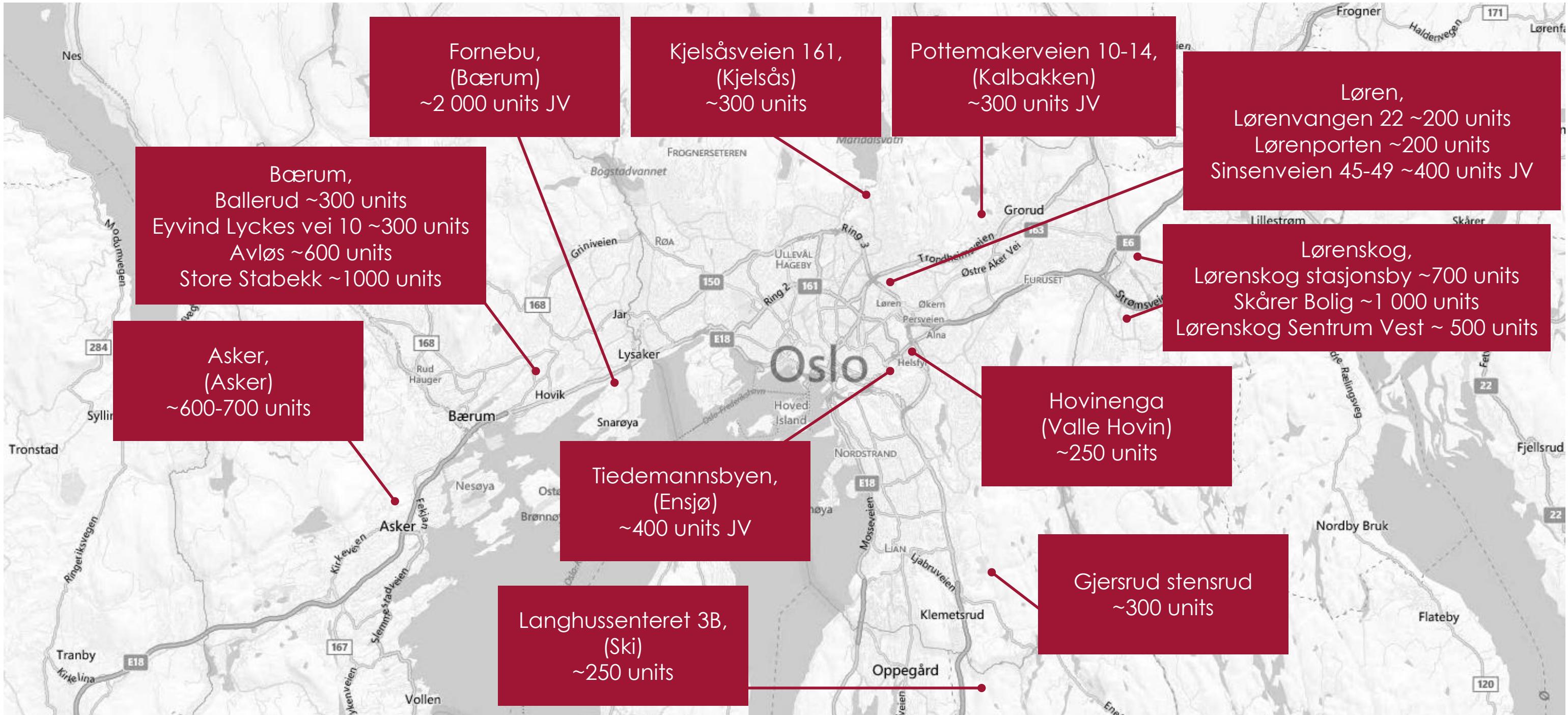


Q4 16: Book value vs. external valuation

NOK million

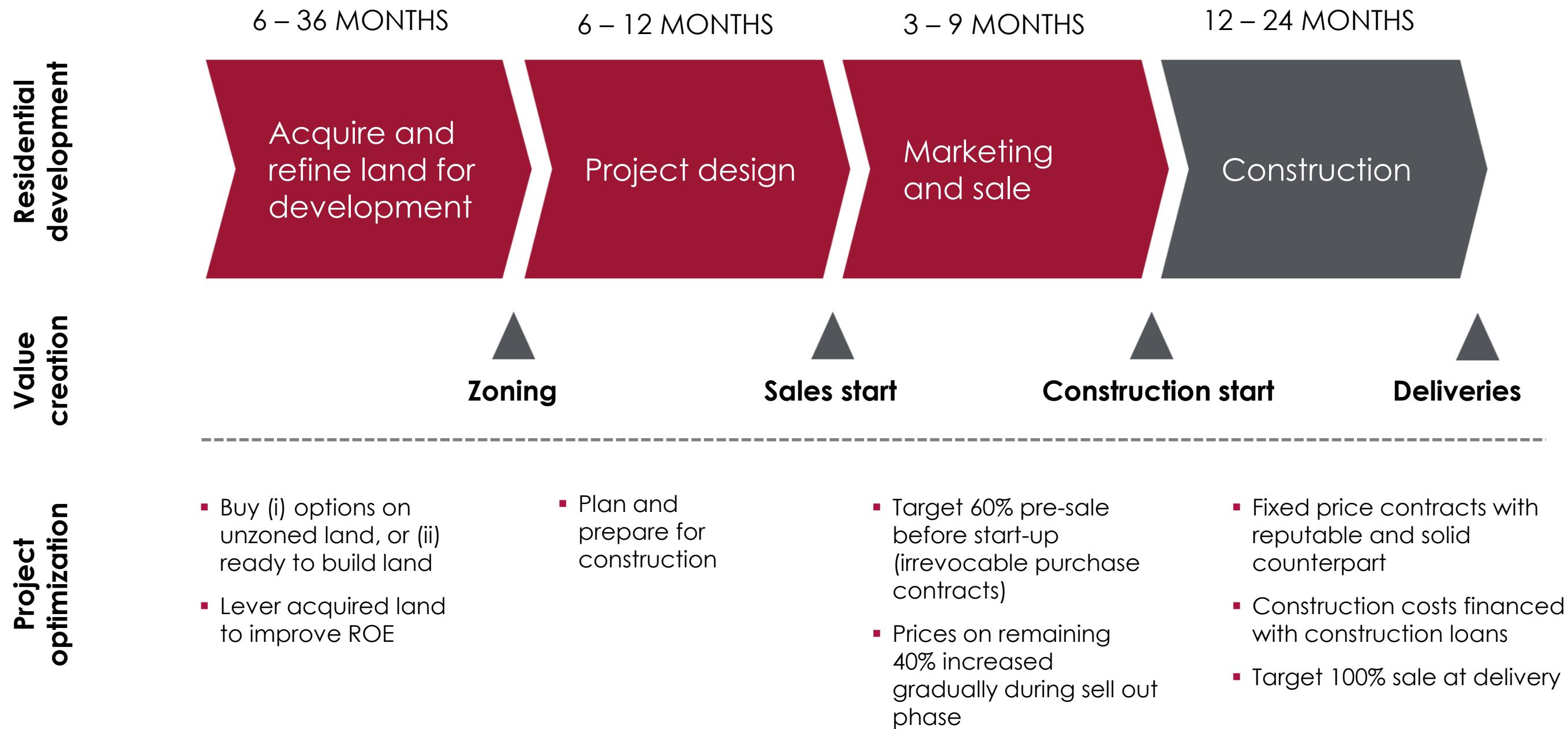


Selected projects in Oslo 2017 →

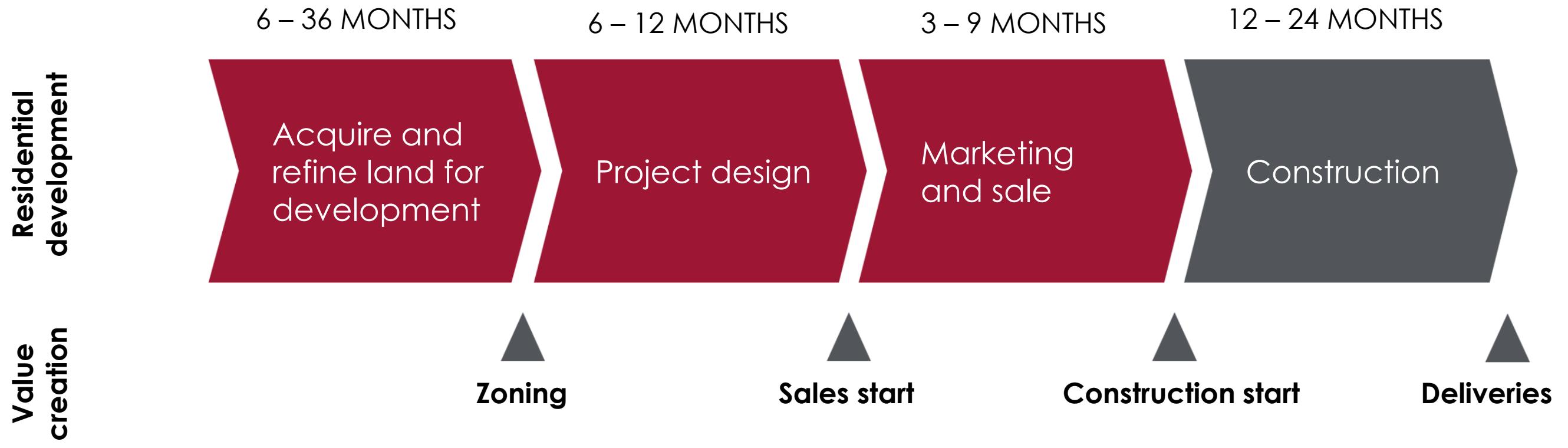


*The numbers are not adjusted for Selvaag Bolig's share in joint ventures

Value creation in Selvaag Bolig



Value creation and project cash flow



- E.g., total land cost: MNOK 100 (50% equity + 50% loans)
- E.g., total revenues: MNOK 550
- App. 1% of total cost
- Development cost: MNOK 5
- 50% of land loan converted to construction loan
- Total equity: MNOK 55
- NGAAP: Profit in P&L through percentage of completion method commences
- No more equity required
- Profit: MNOK 77 (14% of project turnover)
- IFRS: Average profit at delivery: 14% of project turnover
- NGAAP: Average accumulated profit: 14% of project turnover

Norwegian housing market

- Low risk for housebuilders
 - Advance sales: banks require that 50-70% of homes are sold before construction starts
 - Binding offers: offer to purchase is a binding sales contract, and requires a 10% minimum cash deposit
- High level of home ownership
 - 85% (one of the world's highest)
- Economic benefits for home owners
 - 25% of mortgage loan interest payments are tax-deductible
 - Transfer stamp duty for new houses is lower than for second-hand homes
- Strong population growth
 - Norway's urban areas are among the fastest growing in Europe
 - Good demand for new homes

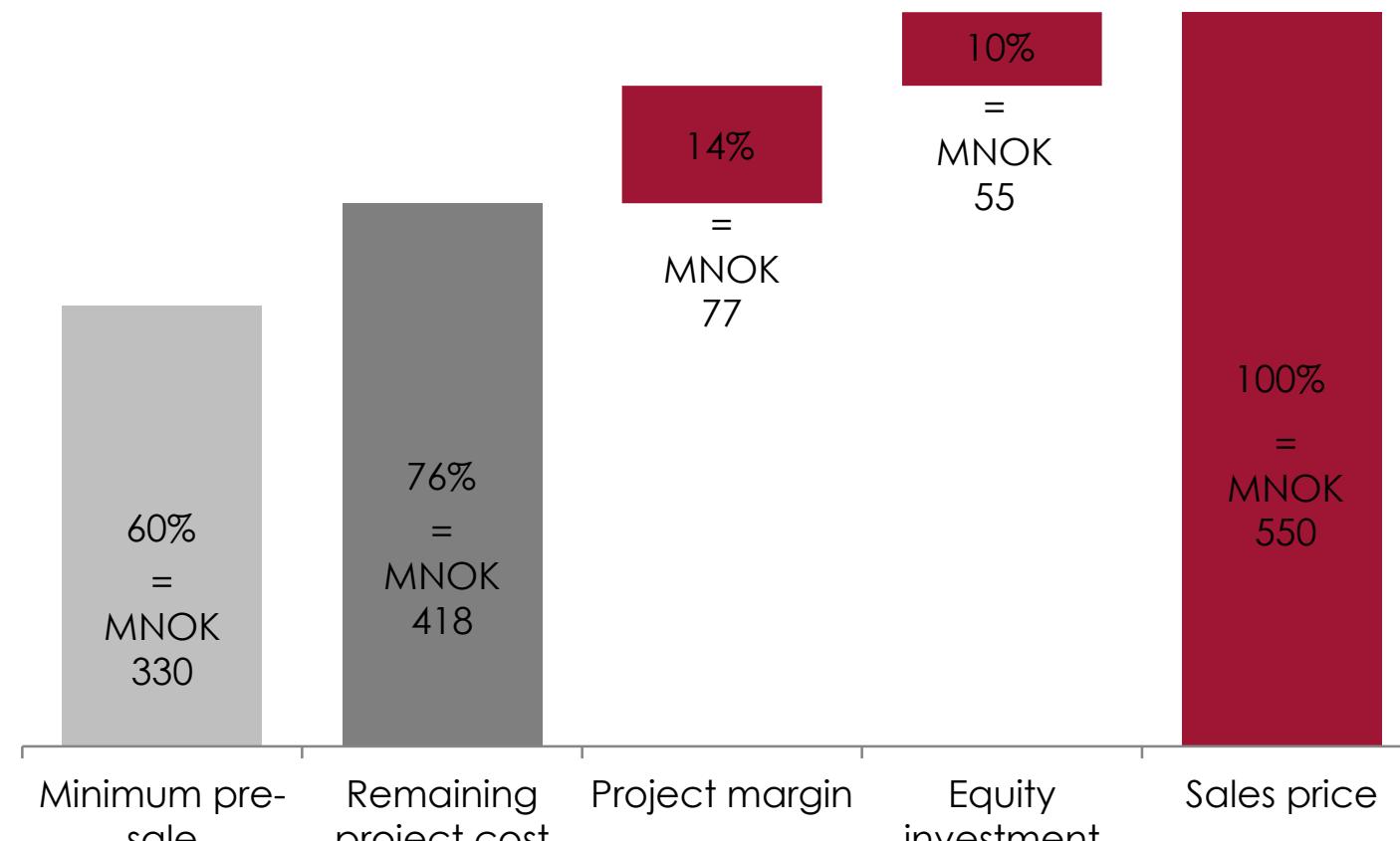
Selvaag Bolig – value proposition

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

- Low risk business model
 - 60 per cent presale before construction starts
 - Only present in fast growing urban regions with high demand and large market depth
 - Very competitive prices ensure a broad customer base
- No in-house construction arm
 - All construction activity put out to competitive tender
 - Lower building costs
 - Fixed construction price
 - Reduced risk
 - Smaller exposure to market fluctuations
- Defined housing concepts
 - Aimed at broad consumer categories
 - Profit maximisation in all projects
 - Large projects with more than 150 apartments
- Large land bank
 - Several thousand homes under development in Norway's four fastest growing urban regions

Low-risk business model

Risk profile at start of a MNOK 550 project



- Selvaag's equity investment in a project and project margin bring the remaining project cost down to 74%-78%
- With minimum 60% pre-sale there is limited remaining project risk. For the remaining 40% a price reduction of 35% would recover equity
- 86% of units in production are sold at end Q1'17

De-risking in key stages of projects

1 Land purchase conditional on zoning approval

- Purchase and payment of land takes place after zoning plan approval. If this is not obtained, the purchase is cancelled
- SBO is in charge of the zoning process

2 Land purchase price based on market value at time of zoning approval

- Purchase price is decided by a land appraisal made by three external consultants at the time of zoning approval
- The median valuation is used as purchase price

3 Minimum sales rate of 60% before construction

- Pre-sales of minimum 60% secures the majority of revenue before construction
- 10% of purchase price paid by the buyer at point of sale, and proof of financing for the remaining amount is required

4 Fixed price construction contract

- Construction contracts with solid counterparties are made with fixed price
- Project costs are secured before construction starts

Income statement IFRS

(figures in NOK million)	Q1 2017	Q1 2016	2016
Total operating revenues	456.1	623.5	3 000.3
Project expenses	(312.0)	(501.1)	(2 379.7)
Other operating expenses	(58.0)	(52.0)	(231.2)
Other gains (loss)	-	-	31.7
Associated companies and joint ventures	(4.2)	(1.3)	(7.1)
EBITDA	81.8	69.1	414.0
Depreciation and amortisation	(1.1)	(6.2)	(20.1)
EBIT	80.7	62.9	393.9
Net financial expenses	(9.2)	(6.9)	(29.3)
Profit/(loss) before taxes	71.4	56.0	364.6
Income taxes	4.8	(14.2)	(63.7)
Net income	76.2	41.8	300.9
Net income for the period attributable to:			
Non-controlling interests	0.2	0.0	(0.3)
Shareholders in Selvaag Bolig ASA	76.1	41.8	301.2

Cash Flow statement

(figures in NOK million)	Q1 2017	Q1 2016	2016
Net cash flow from operating activities	(579.2)	118.6	440.3
Net cash flow from investment activities	(25.8)	(3.0)	(14.8)
Net cash flow from financing activities	93.3	(180.2)	(211.5)
Net change in cash and cash equivalents	(511.7)	(64.5)	213.9
Cash and cash equivalents at start of period	886.2	672.3	672.3
Cash and cash equivalents at end of period	374.5	607.7	886.2

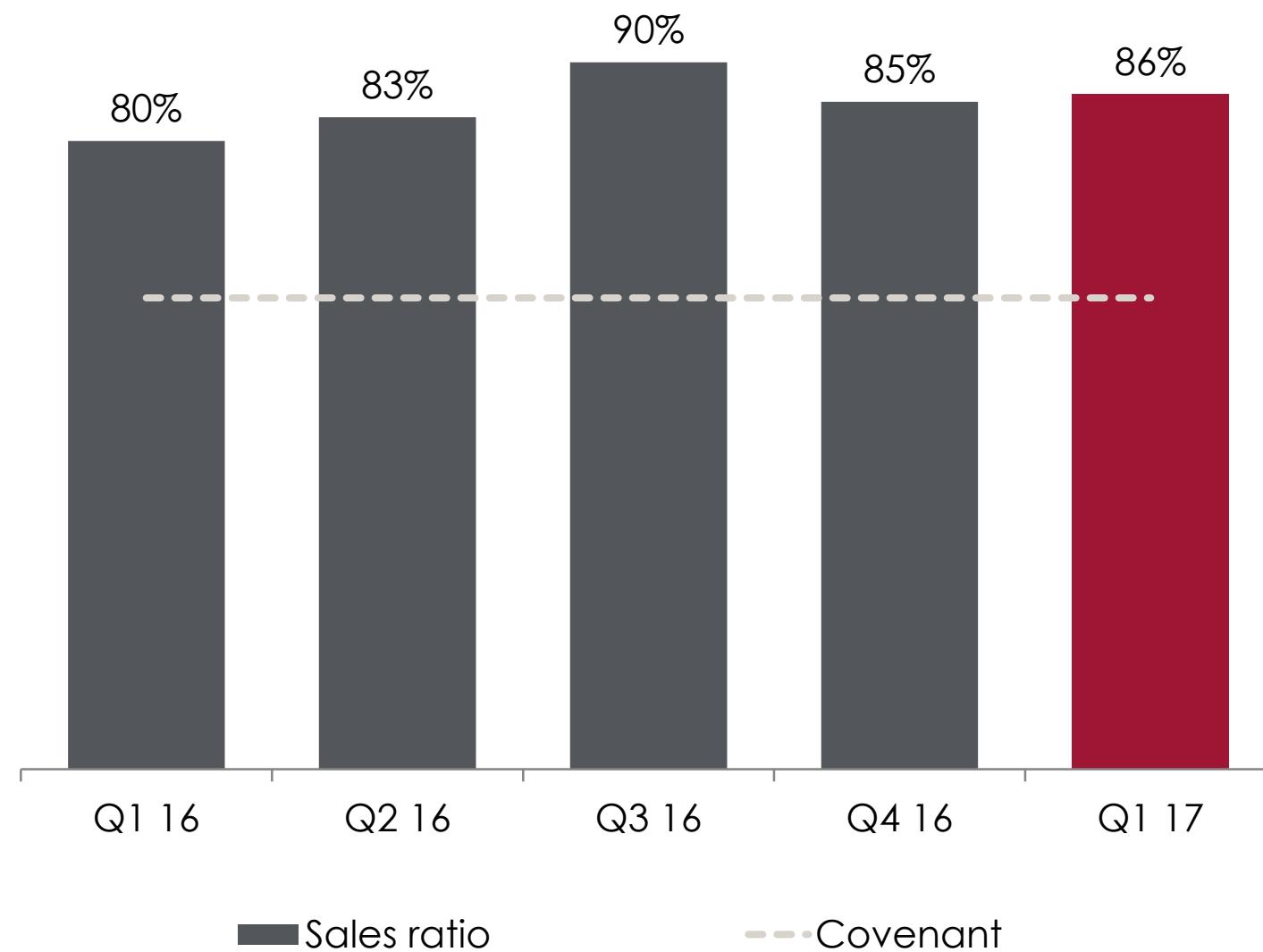
Balance sheet

(figures in NOK million)

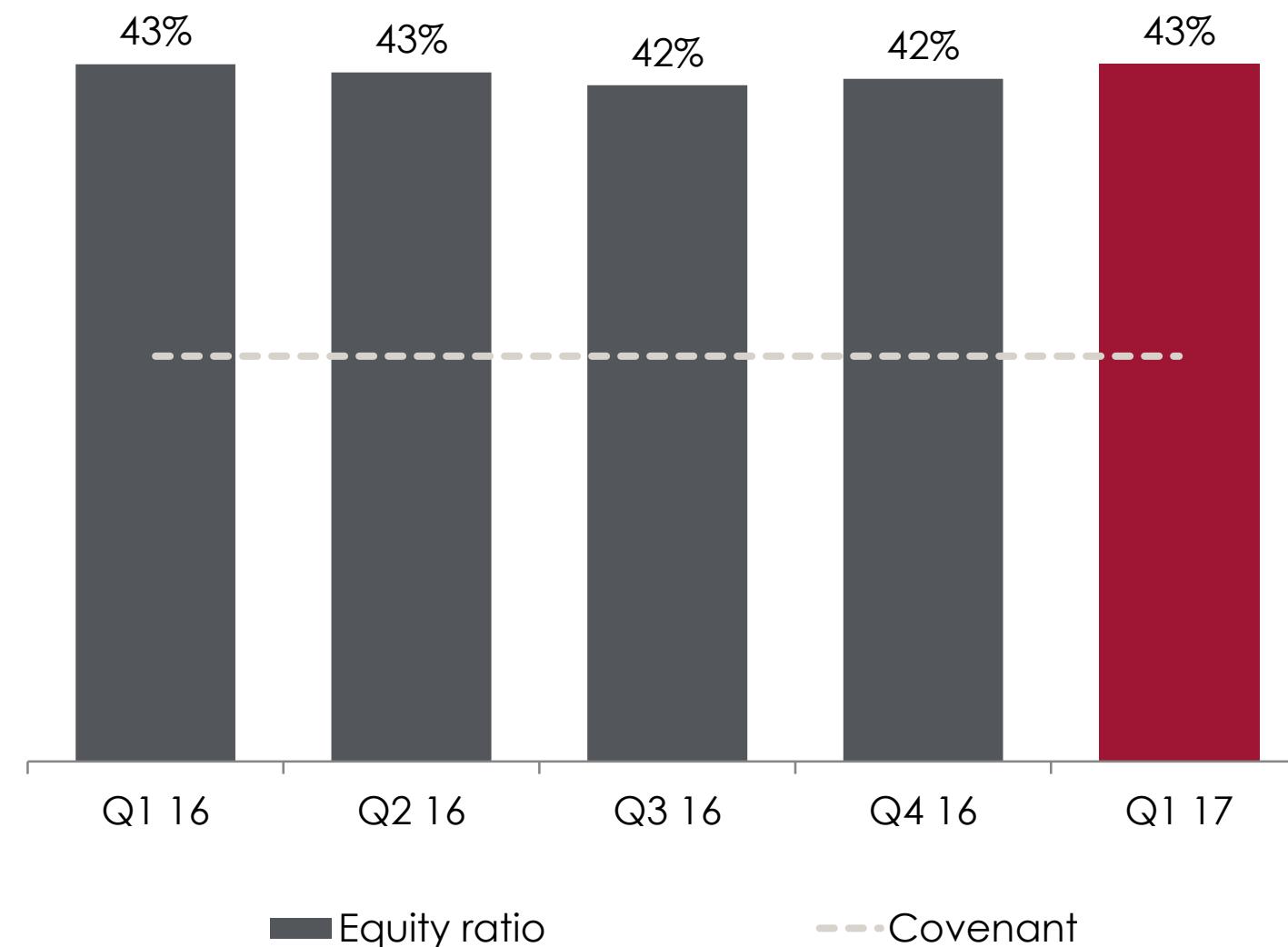
	Q1 2017	Q1 2016	2016
Intangible assets	383.4	392.6	383.4
Property, plant and equipment	9.9	19.1	10.9
Investments in associated companies and joint ventures	285.6	180.4	289.8
Other non-current assets	288.8	120.3	261.1
Total non-current assets	967.7	712.3	945.1
Inventories (property)	4 751.5	4 642.8	4 284.0
- Land	1 685.7	1 653.3	1 437.3
- Work in progress	2 816.3	2 630.3	2 579.7
- Finished goods	249.5	359.3	267.1
Other current receivables	303.0	140.8	293.3
Cash and cash equivalents	374.5	607.7	886.2
Total current assets	5 429.0	5 391.3	5 463.5
TOTAL ASSETS	6 396.7	6 103.7	6 408.7
Equity attributed to shareholders in Selvaag Bolig ASA	2 741.1	2 584.6	2 689.9
Non-controlling interests	9.5	9.6	9.3
Total equity	2 750.6	2 594.2	2 699.2
Non-current interest-bearing liabilities	1 795.7	1 478.3	2 038.7
Other non-current non interest-bearing liabilities	167.2	260.3	167.1
Total non-current liabilities	1 962.9	1 738.6	2 205.8
Current interest-bearing liabilities	845.9	970.3	534.7
Other current non interest-bearing liabilities	837.3	800.6	969.1
Total current liabilities	1 683.2	1 770.8	1 503.7
TOTAL EQUITY AND LIABILITIES	6 396.7	6 103.7	6 408.7

In compliance with financial covenants

Sales ratio covenant (minimum 60.0%)

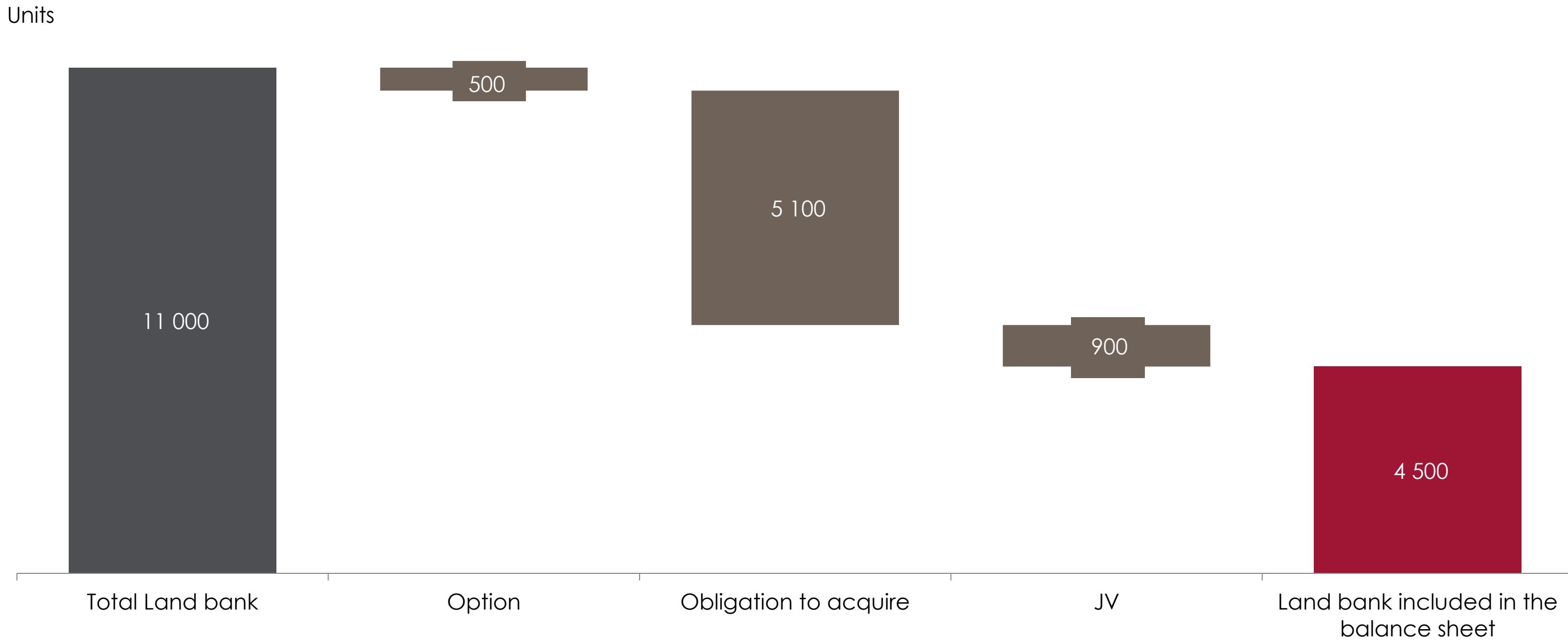


Equity ratio covenant (minimum 25.0%)



Substantial portfolio for development

Total land bank portfolio at 31 March 2017



Construction starts in the quarter

Construction starts, scheduled completion and expected revenue

Quarterly, expected revenues (IFRS) in NOK million

	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Lørenskog Stasjonsby (Onsite)	48 apartments					NOK 172m		
Kilenkollen (Onsite)	9 apartments					NOK 39m		
Lørenskog Stasjonsby (Onsite)	50 apartments						NOK 285m	
Tiedemannsfabrikken (Onsite)	79 apartments							NOK 335m

Operational highlights – key operating figures

	Q1 16	Q2 16	Q3 16	Q4 16	Q1 17
Number of units sold	280	326	277	161	190
Number of construction starts	230	253	223	196	186
Number of units completed	183	295	103	255	63
Number of units delivered	179	307	129	254	85
Number of units under construction	1 386	1 344	1 464	1 356	1 479
Proportion of sold units under construction	80%	83%	90%	85%	86%
Number of completed unsold units	58	54	48	43	32
Sales value of units under construction (NOK million)	5 031	5 075	5 775	5 709	6 340
Number of employees	100	100	100	100	100

IFRS EBITDA Q1 2017

(figures in NOK million)	Property development	Other	Total
IFRS EBITDA for the quarter, per segment			
Operating revenues	448.2	7.8	456.1
Project expenses	(311.6)	(0.4)	(312.0)
Other operating expenses	(13.1)	(44.9)	(58.0)
Share of income (losses) from associated companies and joint ventures	(4.2)	-	(4.2)
Other gain (loss), net	-	-	-
EBITDA	119.3	(37.5)	81.8

Operational reporting Q1 2017

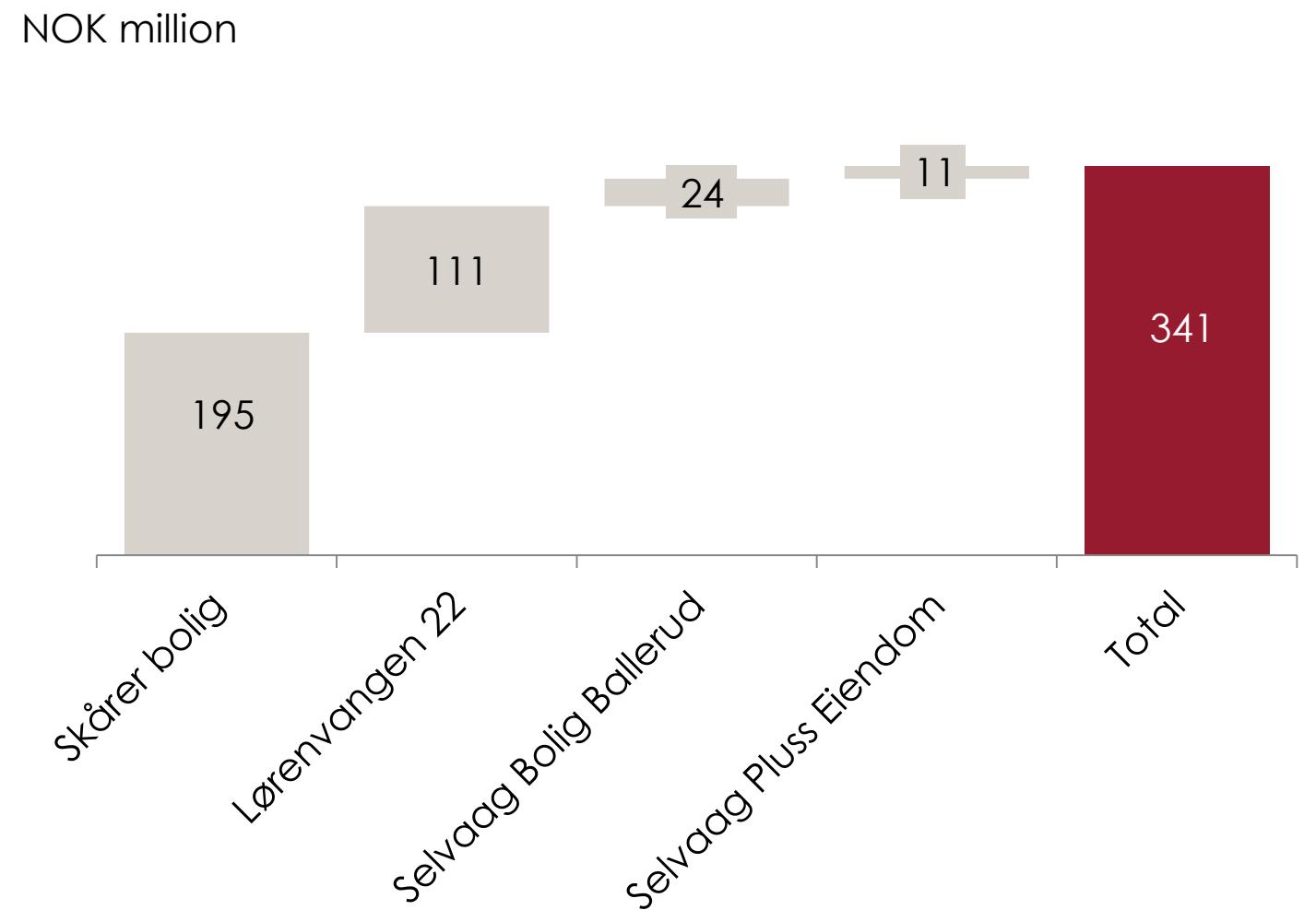
(figures in NOK million)	Property development	Other	Total
Operating revenues	809.7	7.8	817.5
Project expenses	(556.5)	(0.4)	(556.9)
Other operating expenses	(13.1)	(44.9)	(58.0)
EBITDA (percentage of completion)	240.1	(37.5)	202.6

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

Land loan interests on the P&L

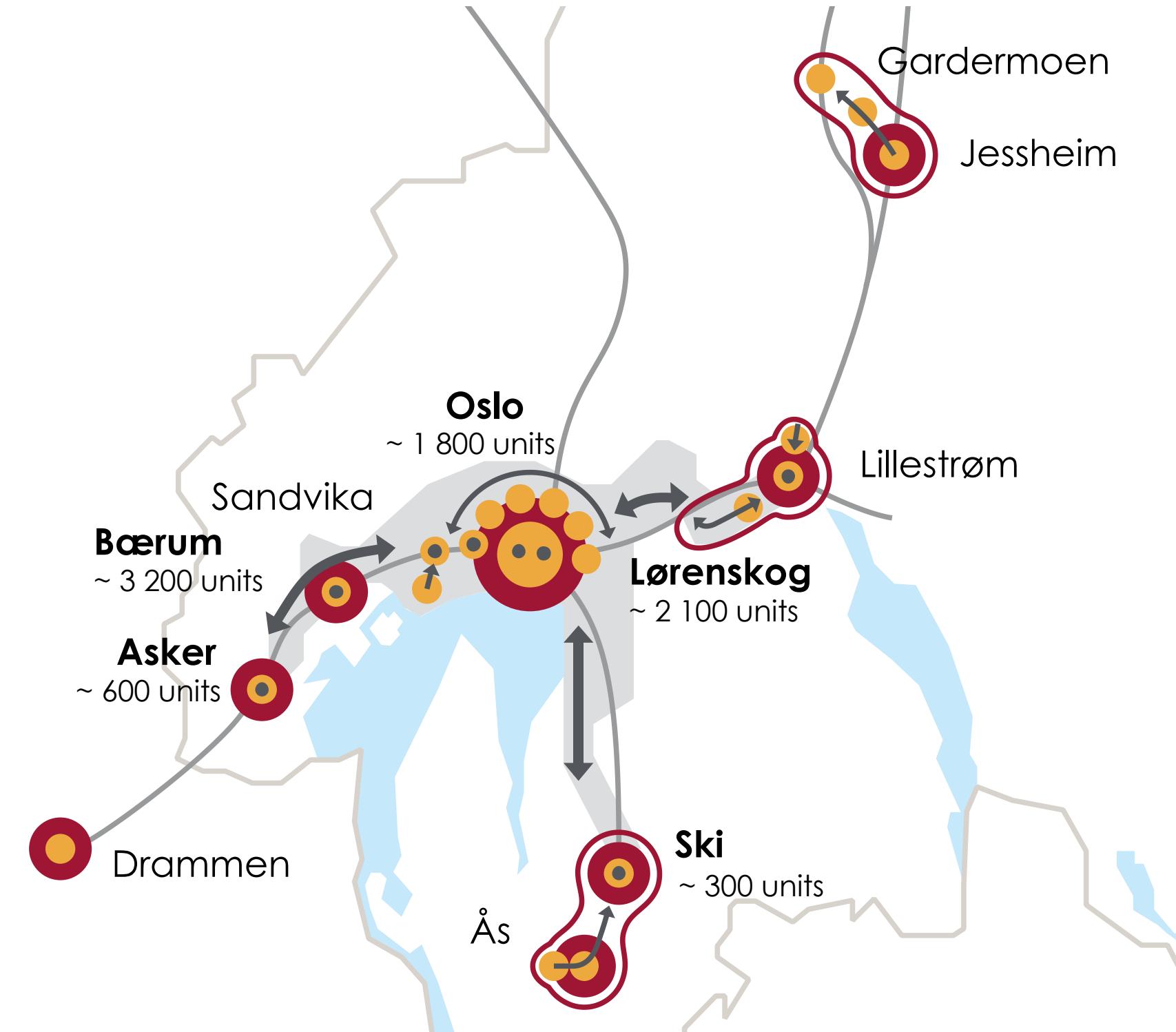
- Total land loans are NOK 844 million of which NOK 503 million are loans where interest cost are activated
- Land loan interests activated at regulation
- At 31 March interests connected to land loans of NOK 341 million was charged on the P&L

Loans recognised in profit and loss at 31.03.2017



Growth areas in Greater Oslo

- Oslo and regional cities
- Regional areas for labour intensive activities
- Priority areas for commercial and urban development
- Regional public transport hubs
- Public transport connecting regional cities and office locations

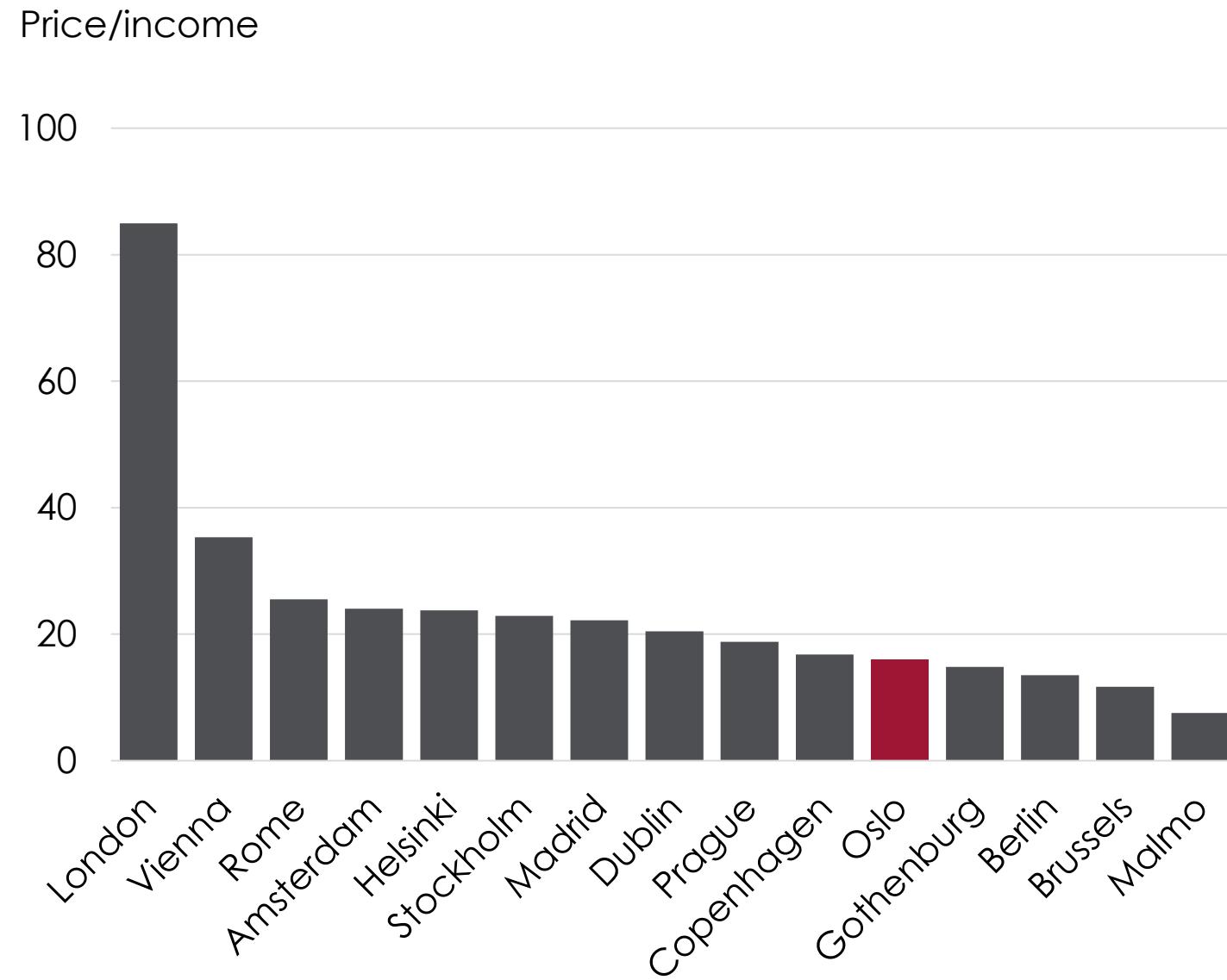


Note: The numbers are not adjusted for Selvaag Bolig's share in joint ventures

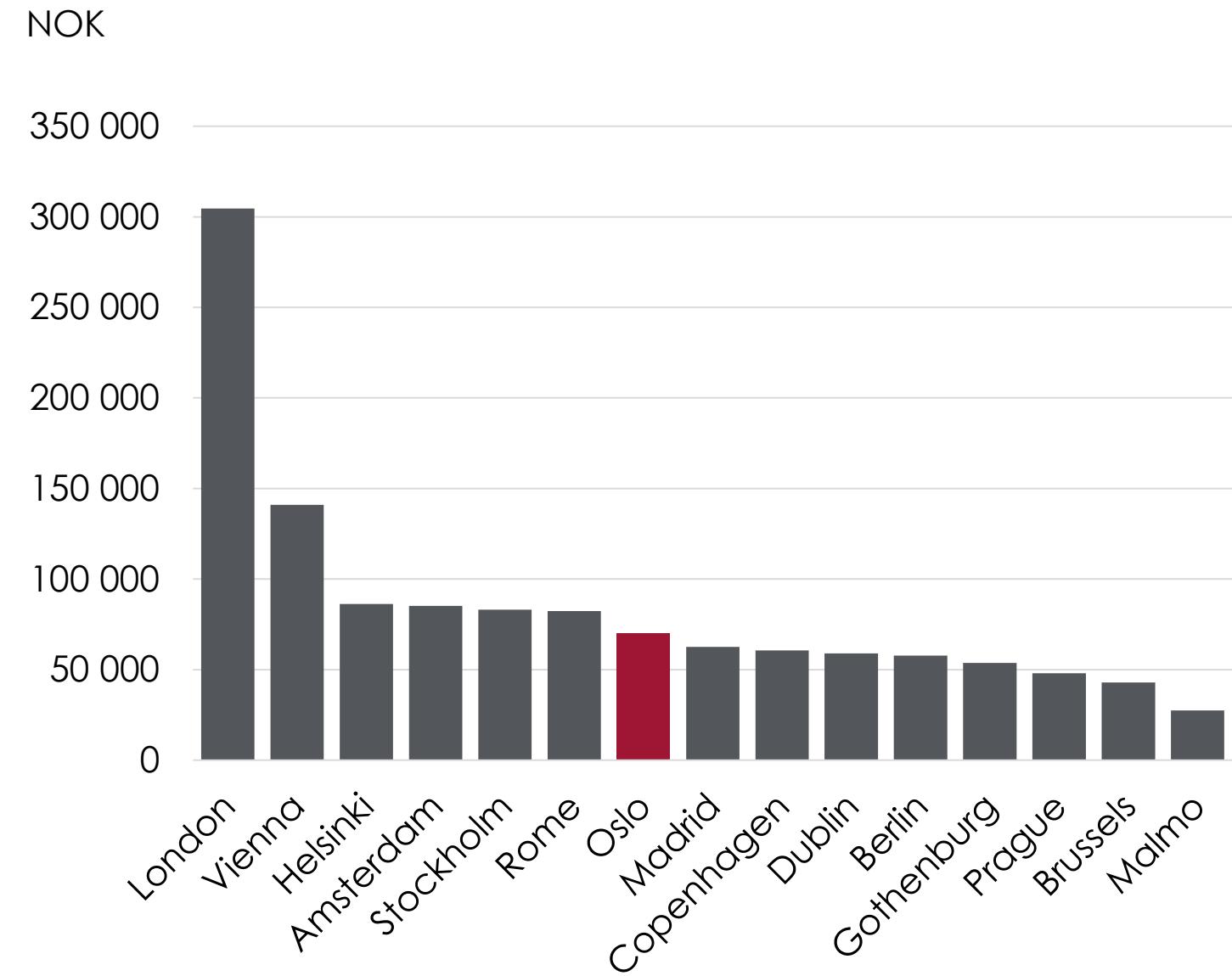
Source: Plansamarbeidet Oslo-Akershus, Selvaag Bolig

Oslo price level vs. other European cities

Current price to income ratios (Feb. 2017)



Prices per square metre in NOK (Feb. 2017)



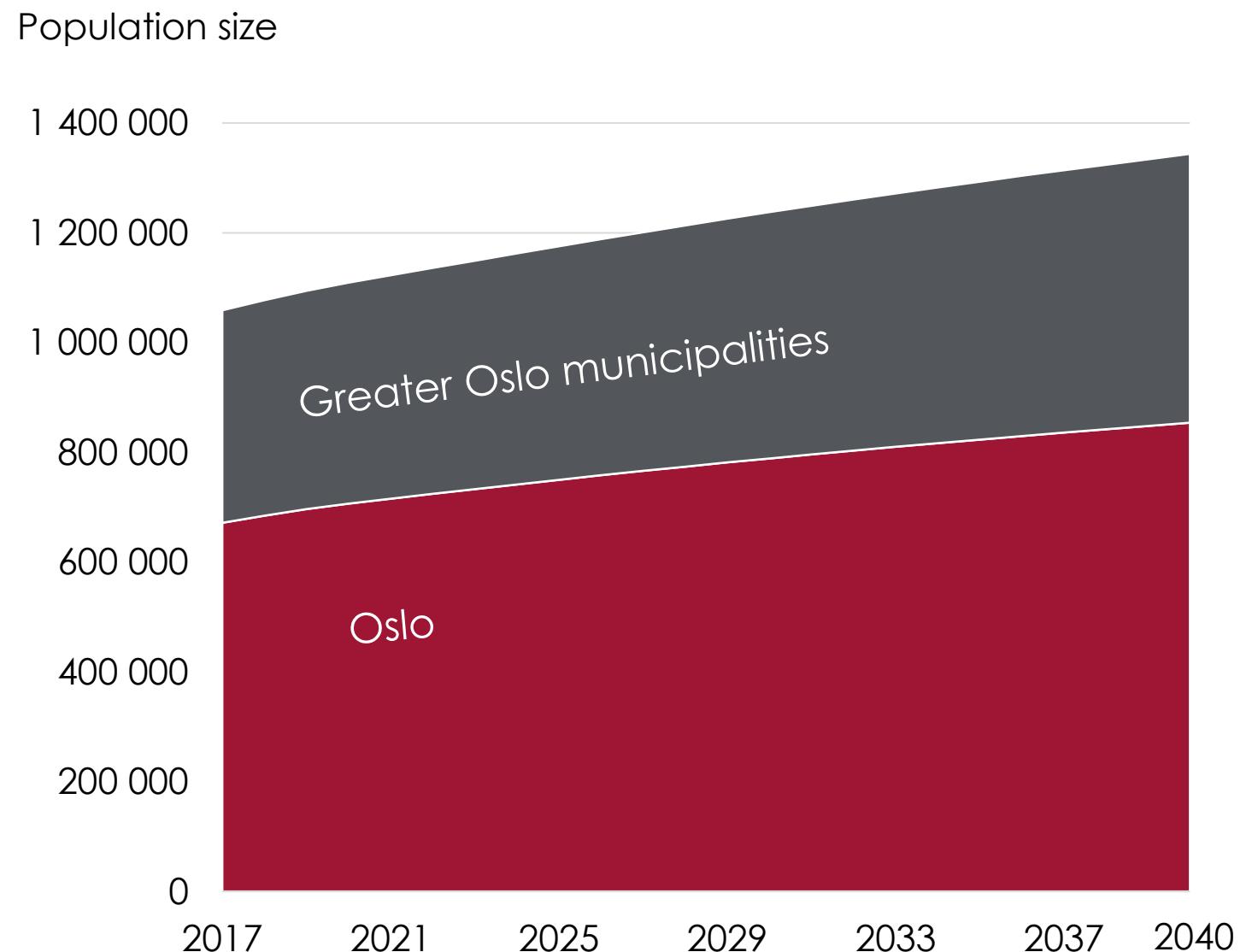
Selected European cities

Source: Ny Analyse, Global Property Guide, Eiendom Norge, Svensk Mäklarstatistik, OECD

Urbanisation in Greater Oslo towards 2040

- Rapid population growth in Oslo followed by stable development
 - 30% population growth expected from 2017 to 2040
- Stable population growth to municipalities surrounding Oslo
 - 28% population growth expected from 2017 to 2040

> 80 000 next five years

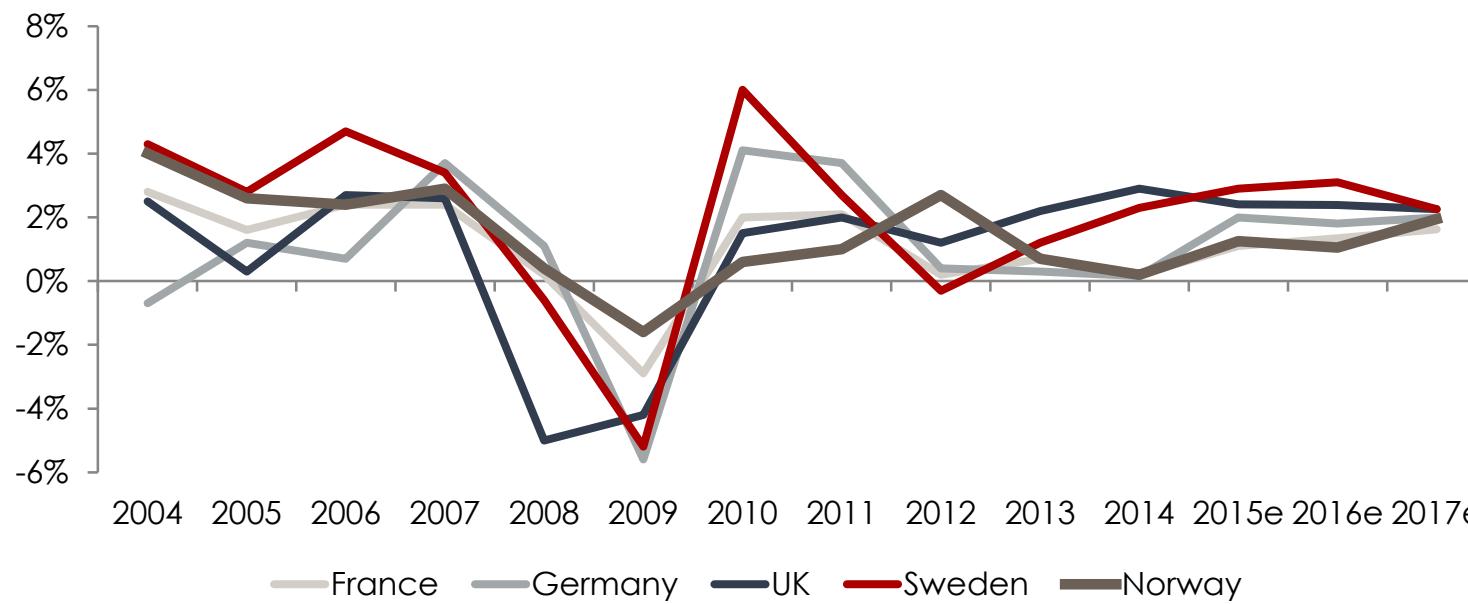


Greater Oslo municipalities include: Ski, Ås, Oppegård, Bærum, Asker, Lørenskog, Skedsmo, Ullensaker

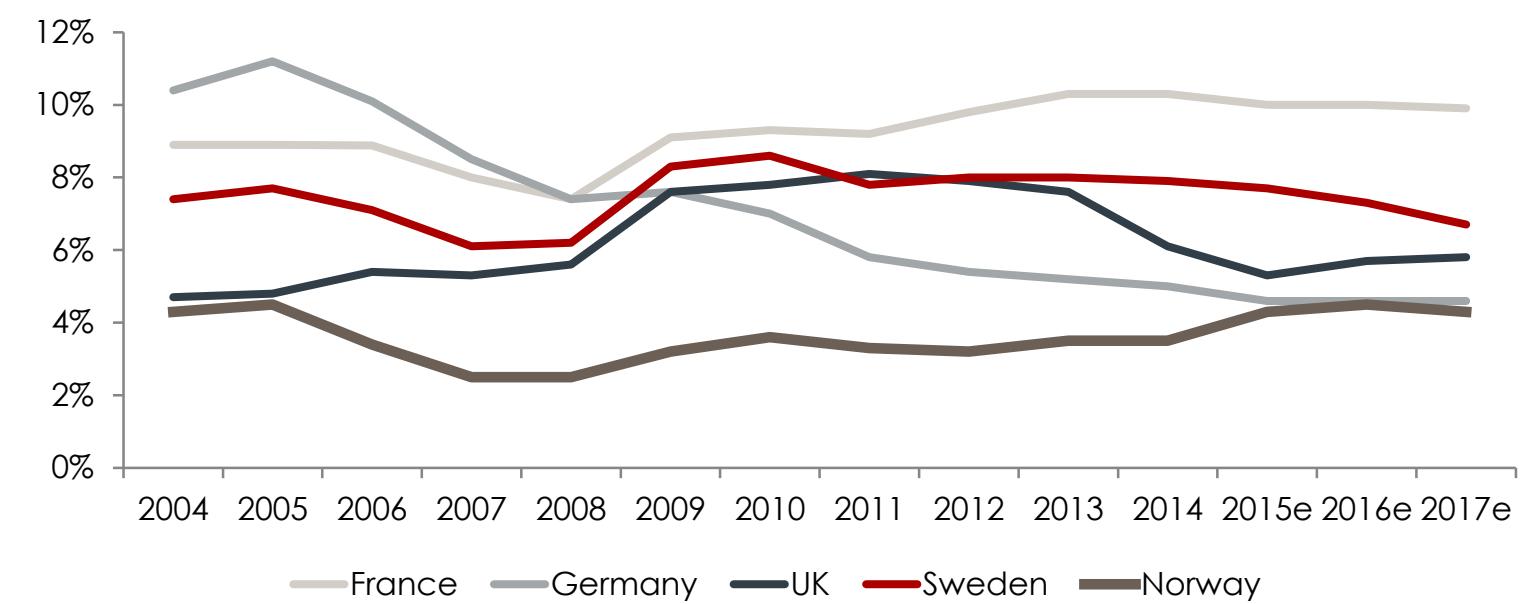
Source: Statistics Norway

Norway: A robust economy

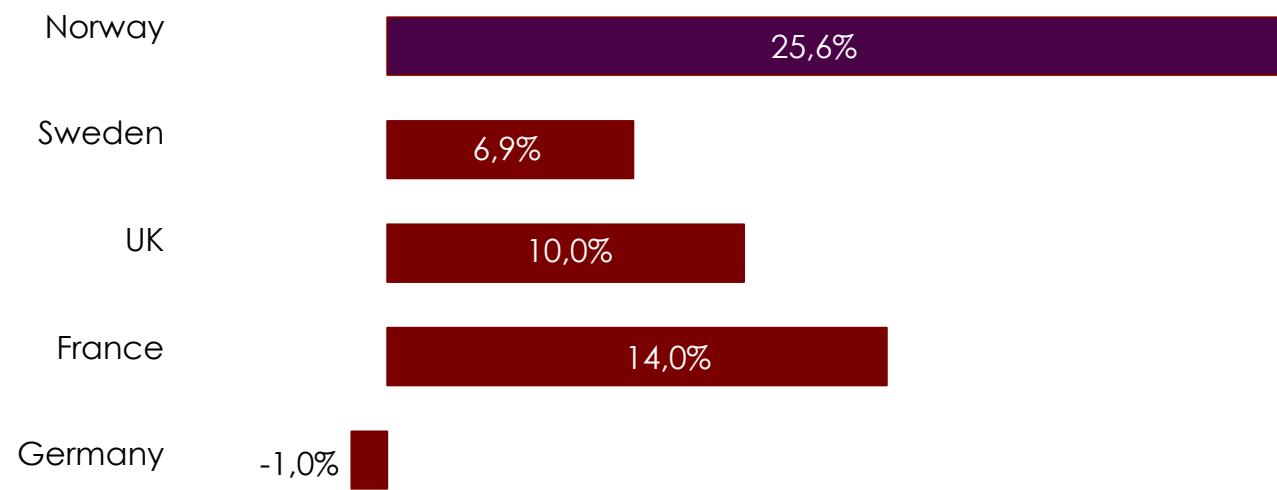
GDP growth 2004 - 2017e



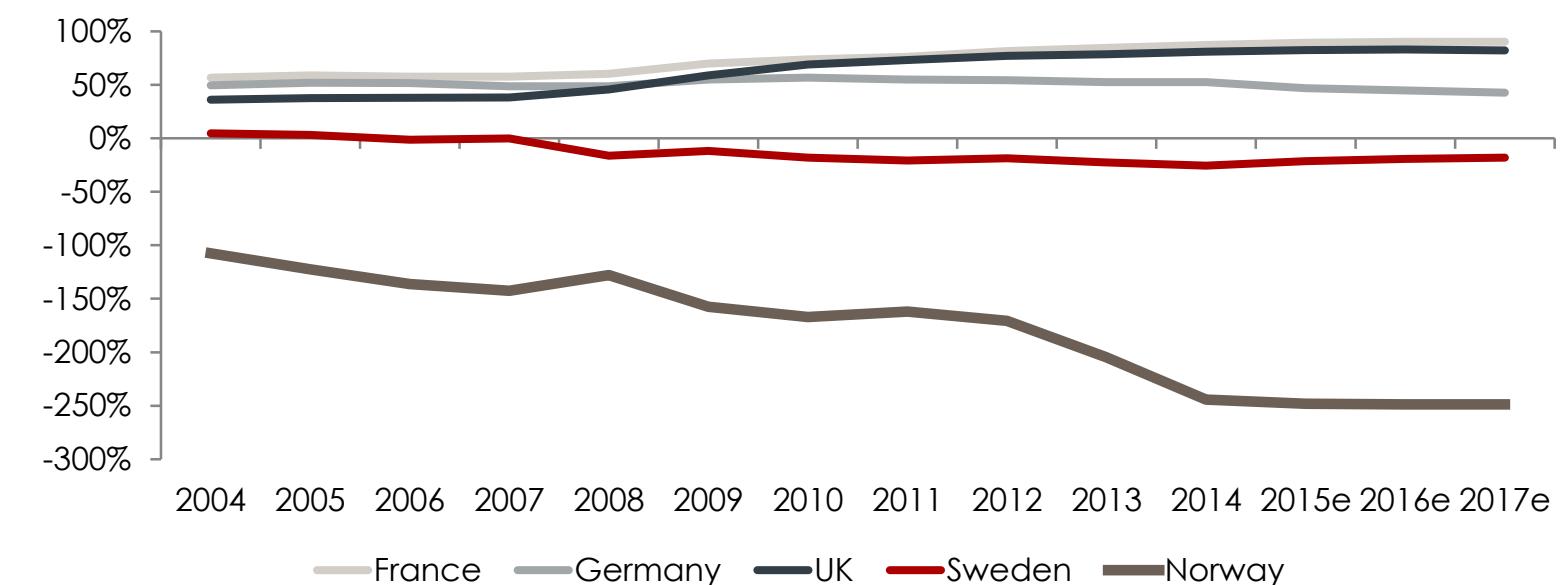
Unemployment 2004 - 2017e



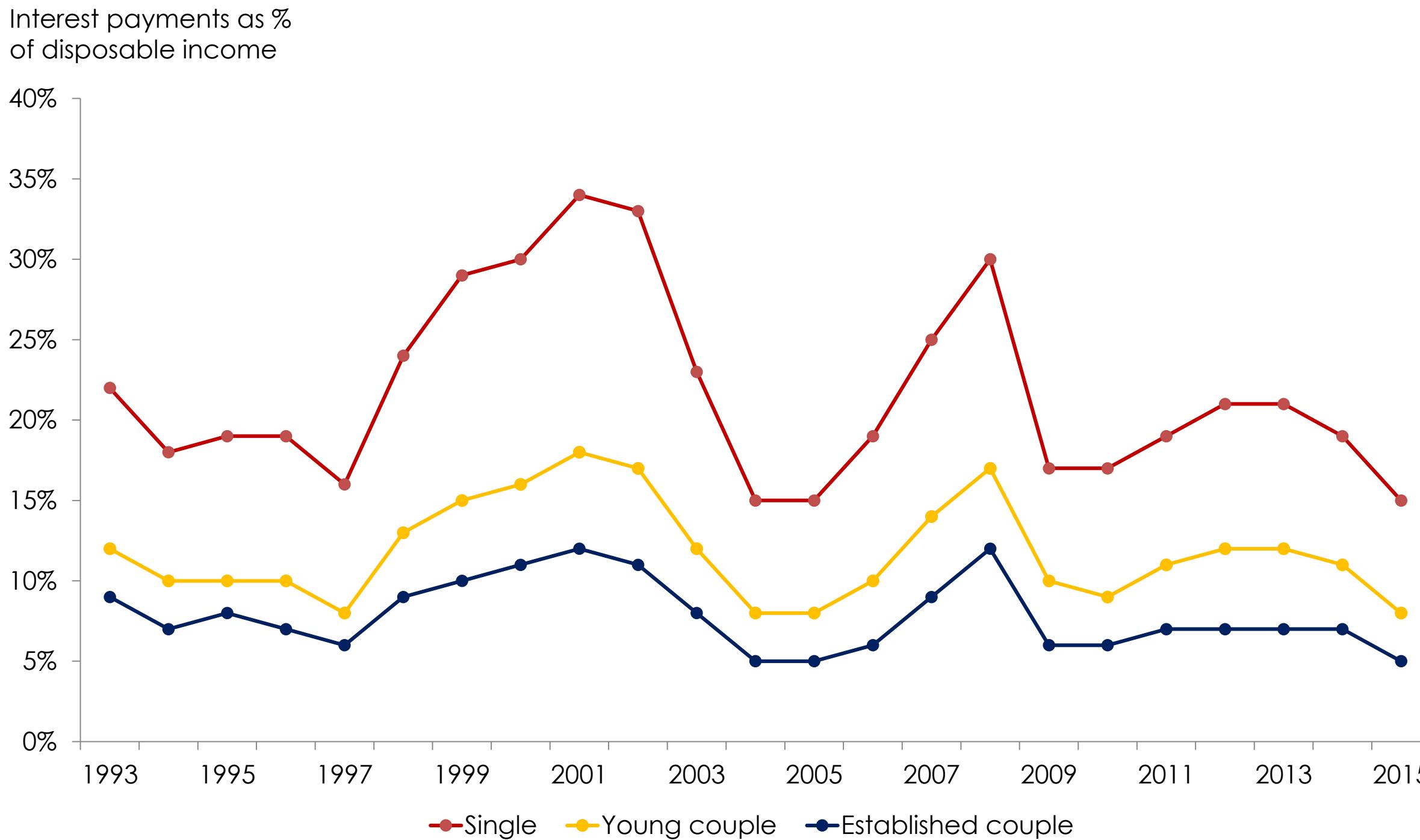
Population growth 2011 - 2030e



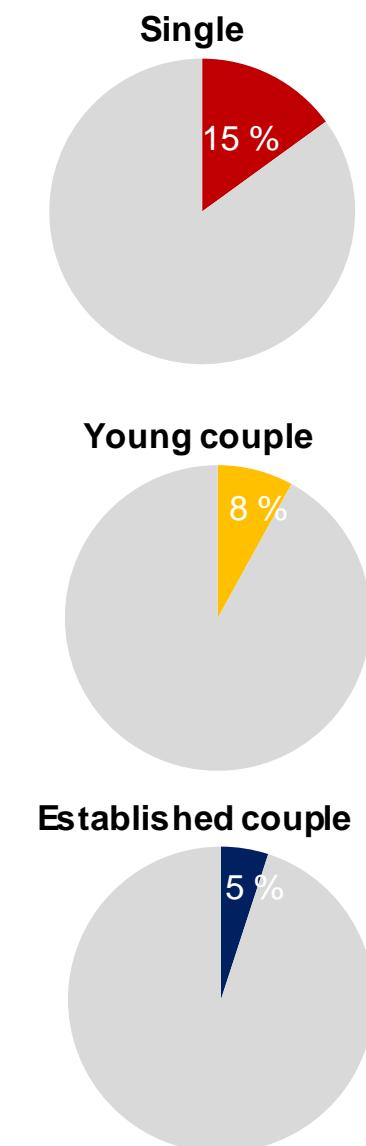
Public net debt/GDP 2004 - 2017e



Increased disposable income



2015



Source: 1993- 2013 Eff, Pöyry. 2014-2015 NyAnalyse. Interest payments on new home loans with the home as collateral is considered