

**Q1
2018**

**First
quarter
results**



SELVAAG BOLIG

Highlights of the first quarter 2018

- Operating revenues of NOK 381 million (NOK 456 million)
- Adjusted EBITDA** of NOK 51 million (NOK 94 million) and ordinary EBITDA* of NOK 45 million (NOK 82 million)
- 185 units sold (190)
- Construction started on 102 units (186)
- 54 units completed (63) and 59 delivered (85)
- A total of 1 511 units (1 479) under construction at 31 March, with 73 per cent (86 per cent) of these sold at a combined sales value of NOK 7 032 million (NOK 6 340 million)
- 88 per cent of units to be completed in 2018 are sold

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

Key figures

(figures in NOK 1 000)	Q1 2018	Q1 2017	2017
IFRS main figures			
Operating revenues	380 569	456 060	3 228 832
EBITDA*	45 392	81 785	547 737
EBITDA adjusted**	50 730	93 639	625 736
Operating profit/(loss)	44 461	80 659	543 653
Profit/(loss) before taxes	40 901	71 421	503 802
Cash flow from operating activities	(311 717)	(579 189)	303 242
Net cash flow	(146 109)	(511 684)	(400 632)
Interest-bearing liabilities	2 358 556	2 641 609	2 217 431
Total assets	6 428 110	6 396 696	6 352 018
Equity	2 912 157	2 750 620	2 858 142
Equity ratio	45.3%	43.0%	45.0%
Earnings per share in NOK	0.34	0.82	4.35
Segment reporting (NGAAP):			
Operating revenues	571 863	817 515	2 970 854
EBITDA***	117 104	202 628	680 218
EBITDA margin	20.5%	24.8%	22.9%
Key figures:			
Number of units sold	185	190	1 044
Number of construction starts	102	186	902
Number of units delivered	59	85	869
Number of units completed	54	63	836
* EBITDA is profit before interest, taxes, depreciation and amortisation.			
** 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 2018	Q1 2017	2017
Total operating revenues	380 569	456 060	3 228 832
Project expenses	(275 920)	(312 030)	(2 432 818)
Other operating expenses, salaries and personnel cost, depreciation and amortisation	(58 285)	(59 149)	(238 751)
Associated companies and other gains (loss)	(1 903)	(4 222)	(13 610)
Total operating expenses	(336 108)	(375 401)	(2 685 179)
Operating profit	44 461	80 659	543 653
Net financial expenses	(3 560)	(9 238)	(39 851)
Profit before taxes	40 901	71 421	503 802
Income taxes	(9 622)	4 799	(102 653)
Net income	31 279	76 220	401 149

Results for the first quarter of 2018

(Figures in brackets relate to the corresponding period of 2017. The figures are unaudited.)

Selvaag Bolig had operating revenues of NOK 380.6 million (NOK 456.1 million) in the first quarter. Revenues from units delivered accounted for NOK 323.2 million (NOK 301.4 million) of this total. Commercial property worth NOK 42.5 million (NOK 140 million) was also sold. Other revenues derived from non-core activities, mainly rental of commercial premises.

A total of 59 units (85) were delivered in the quarter, all (84) from consolidated project companies.

Project costs for the quarter totalled NOK 275.9 million (NOK 312 million), of which NOK 5.3 million (NOK 11.9 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 58.3 million (NOK 59.1 million) for the period. Payroll costs accounted for NOK 26.8 million (NOK 28.7 million) of this figure. A further NOK 5.6 million (NOK 5.6 million) in payroll costs related to housing under construction was capitalised during the period and will be expensed as project costs on future delivery. Other operating costs came to NOK 30.5 million (NOK 29.4 million) for the quarter, including NOK 5.9 million (NOK 11.4 million) for sales and marketing.

The share of results from associates was negative at NOK 1.9 million (NOK 4.2 million).

EBITDA adjusted for financial expenses included in project costs came to NOK 50.7 million (NOK 93.6 million), corresponding to a margin of 13.3 per cent (20.5 per cent). Ordinary EBITDA was NOK 45.4 million (NOK 81.8 million), corresponding to a margin of 11.9 per cent (17.9 per cent). The decline in EBITDA must be viewed in relation to the relatively low number of units delivered during the quarter.

Consolidated depreciation and amortisation totalled NOK 0.9 million (NOK 1.1 million). Consolidated operating profit thereby came to NOK 44.5 million (NOK 80.7 million).

Net financial expenses amounted to NOK 3.6 million (NOK 9.2 million). This reduction primarily reflected the redemption of the bond loan in the second quarter of 2017. Pre-tax profit for the quarter came to NOK 40.9 million (NOK 71.4 million).

Tax expense was NOK 9.6 million (income of NOK 4.8 million) for the quarter. Consolidated net profit for the first quarter consequently came to NOK 31.3 million (NOK 76.2 million). NOK 31.3 million (NOK 76 million) of the profit was attributable to the shareholders of Selvaag Bolig ASA, and NOK 0 (NOK 0.2 million) to non-controlling shareholders.

Cash flow

Consolidated net cash flow from operational activities was negative at NOK 311.7 million (NOK 579.2 million) for the first quarter. The change from the same period of last year primarily reflected acquisition of a site in the first quarter of 2017. See note 5 on inventory for more information.

Net cash flow from investing activities was NOK 34 million (negative at NOK 25.8 million) for the quarter. The change from the same period of 2017 primarily reflected repayment of loans by joint ventures and the fact that last year's figure included increased capital injection in joint ventures.

Net cash flow from financing activities was NOK 131.6 million (NOK 93.3 million) for the quarter. The change from the same period of 2017 primarily reflected the repurchase of own shares in Selvaag Bolig ASA in 2017.

The group's holding of cash and cash equivalents at 31 March totalled NOK 339.5 million (NOK 374.5 million), down by NOK 146.1 million from 31 December and by NOK 35.1 million from a year earlier.

Cash flow summary

(figures in NOK 1 000)	Q1 2018	Q1 2017	2017
Profit before taxes	40 901	71 421	503 802
Net cash flow from operating activities	(311 717)	(579 189)	303 242
Net cash flow from investment activities	33 990	(25 841)	(114 121)
Net cash flow from financing activities	131 618	93 346	(589 753)
Net change in cash and cash equivalents	(146 109)	(511 684)	(400 632)
Cash and cash equivalents at start of period	485 561	886 193	886 193
Cash and cash equivalents at end of period	339 452	374 509	485 561

Financial position

The carrying amount of Selvaag Bolig's total inventories (land, units under construction and completed units) at 31 March was NOK 4 912.8 million, compared with NOK 4 643.9 million at 31 December and NOK 4 751.5 million a year earlier. The increase during the first quarter primarily reflected fewer units delivered and a high level of construction activity. See note 5 for a further specification of inventories.

Equity was NOK 2 912.2 million (NOK 2 750.6 million) at 31 March, corresponding to an equity ratio of 45.3 per cent (43 per cent). Non-controlling interests amounted to NOK 9.4 million (NOK 9.5 million) of equity.

Other current non-interest-bearing liabilities for the group totalled NOK 833.3 million (NOK 747.1 million) at 31 March, of which NOK 393.8 million (NOK 528.3 million) represented advance payments from customers.

At 31 March, consolidated interest-bearing debt amounted to NOK 2 358.6 million (NOK 2 641.6 million), of which NOK 1 998.8 million (NOK 1 795.7 million) was non-current and NOK 359.7 million (NOK 845.9 million) was current. The reduction in current debt from last year primarily reflected the redemption of the NOK 500 million bond loan in the second quarter of 2017.

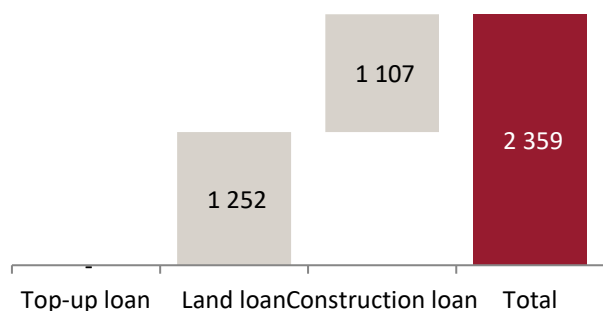
The group had land loans totalling NOK 1 252.3 million (NOK 844 million) at 31 March. These are normally converted to construction loans in line with the progress of the respective construction projects.

Selvaag Bolig ASA has a credit facility in DNB. This has been expanded from NOK 400 million to NOK 500 million in 2018, with maturity in April 2022. In addition the company has a credit facility of NOK 150 million, which is renewed annually. No drawings had been made against any of these facilities at 31 March.

Net interest-bearing debt

(figures in NOK 1 000)	Q1 2018	Q1 2017	2017
Non-current interest-bearing debt	1 998 824	1 795 703	1 836 823
Current interest-bearing debt	359 732	845 906	380 608
Cash and cash equivalents	-339 452	-374 509	-485 561
Net interest-bearing debt	2 019 104	2 267 100	1 731 870

The group's interest-bearing debt falls primarily into three categories: 1) top-up loans, which are liabilities in parent company Selvaag Bolig ASA, 2) land loans and 3) construction loans. At 31 March, the group had no top-up loans, land loans of NOK 1 252.3 million and construction loans of NOK 1 106.3 million.

Interest-bearing debt at 31 March 2018 (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 888 million in land loans had been capitalised, while interest charges relating to NOK 365 million in land loans spread over three projects were recognised in profit and loss.

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 2018

(figures in NOK 1 000)	Operating revenues		EBITDA		Operating profit/loss	
	Q1 18	Q1 17	Q1 18	Q1 17	Q1 18	Q1 17
Property development	561 808	809 683	151 275	240 110	165 624	260 759
Other	10 055	7 832	(34 171)	(37 482)	(35 092)	(38 599)
IFRS adjustments	(191 294)	(361 455)	(71 712)	(120 843)	(86 071)	(141 501)
Total group	380 569	456 060	45 392	81 785	44 461	80 659

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 561.8 million (NOK 809.7 million). They derived from 21 projects currently in production. Their decline reflected fewer projects under construction compared with last year, and the group's sale of a commercial property in Oslo for NOK 140 million in the first quarter of last year.

Operating costs, primarily for construction and sales, are directly related to the projects and amounted to NOK 410.5

million (NOK 569.6 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 151.3 million (NOK 240.1 million) for the quarter, corresponding to a profit margin of 26.9 per cent (29.7 per cent).

Other business - unallocated

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

Operating revenues for the segment in the first quarter came to NOK 10.1 million (NOK 7.8 million), while operating costs amounted to NOK 44.2 million (NOK 45.3 million). Costs relate largely to remuneration for the administration and management, as well as to central marketing. EBITDA was thereby negative at NOK 34.2 million (NOK 37.5 million).

Review of operations

Operations

A total of 216 units with a combined value of NOK 788 million were sold during the quarter. Selvaag Bolig's share amounted to 185 units sold with a combined value of NOK 693 million.

Activity in the group was at a high level with 1 511 units under construction. Construction started on 102 units and 54 units were completed during the first quarter.

To manifest value creation in the group, segment reporting shows revenue and costs in the various projects using the percentage of completion method as its accounting principle.

Projects

The company has projects in Oslo, Bærum, Asker, Lørenskog, Moss, Ski, Stavanger, Sandnes, Sola, Tønsberg, Trondheim,

Bergen and Stockholm. However, no projects were under construction in Asker, Ski or Sandnes during the first quarter.

Quarterly development of the project portfolio

	Q1 17	Q2 17	Q3 17	Q4 17	Q1 18
Number of units sold	190	165	178	168	185
Number of construction starts	186	318	77	217	102
Number of units completed	63	210	81	336	54
Number of units delivered	85	222	75	355	59
Number of units under construction	1 479	1 586	1 582	1 463	1 511
Proportion of sold units under construction	86 %	78 %	78 %	73 %	73 %
Number of completed unsold units	32	24	30	23	19
Sales value of units under construction (NOK million)	6 340	7 074	7 047	6 994	7 032

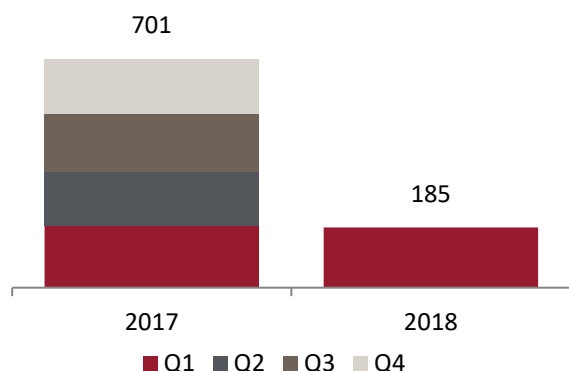
Purchase and sale of land

The group entered into an agreement during the quarter to purchase a site in Ås local authority which is expected to yield about 400 units.

Sales developments and progress

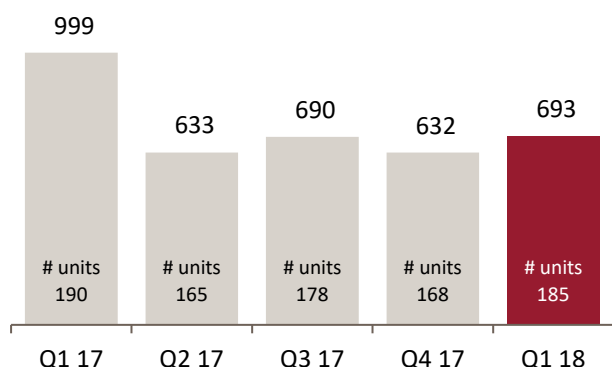
Selvaag Bolig sold 185 residential units (190) during the first quarter. These sales comprise Selvaag Bolig's consolidated project companies as well as its relative share of homes sold in joint-venture projects.

Units sold



Total sales during the first quarter, including Selvaag Bolig's relative share of joint ventures, amounted to 185 units with a combined sales value of NOK 693 million. Sales in the corresponding period of 2017 totalled 190 units with a combined value of NOK 999 million..

Value of units sold (NOK mill)



Selvaag Bolig started sales during the quarter in three projects comprising a total of 60 residential units (345).

Sales starts in the quarter

Project	# of units	Category	Region
Lervig Brygge	20	Flat	Stavanger
Lervig Brygge	15	Terraced	Stavanger
Saga Park, Heimdal	16	Flat	Trondheim
Lørenporten	9	Flat	Greater Oslo
Total	60		

Construction began on 102 (186) units during the quarter. Construction starts can vary substantially from quarter to quarter, since construction normally only begins when 60 per cent of the value in a project has been sold.

Construction starts (no of units)

Project	# units	Category	Region
Saga Park, Heimdal	32	Flat	Trondheim
Lørenporten	9	Flat	Greater Oslo
Lervig Brygge	57	Flat	Stavanger
Lervig Brygge	4	Terraced	Stavanger
Total	102		

At 31 March, Selvaag Bolig had 1 511 (1 479) units under construction. They included 1 202 units in Greater Oslo, 244 in the rest of Norway and 65 abroad.

The order backlog at 31 March - in other words, the sales value of the 1 511 (1 479) units then under construction - was NOK 7 032 million (NOK 6 340 million).

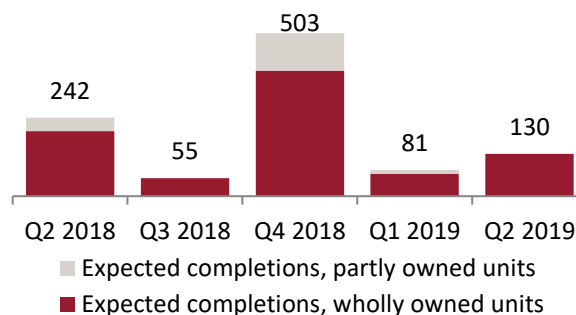
A total of 54 (63) units were completed in the first quarter, and 59 (85) - including ones completed earlier - were delivered. The completed units were divided between the Nybyen Økern and Lørenskog Stasjonsby projects. A total of 19 (32) completed units were unsold at 31 March. Consolidated project companies accounted for 59 (84) of the units delivered, while zero (one) were in a part-owned project company.

Units completed by projects

Project	# units	Category	Region
Lørenskog Stasjonsby	17	Terraced	Greater Oslo
Nybyen Økern	37	Flat	Greater Oslo
Total	54		

Based on expected progress for the projects, 242 units are expected to be completed in the second quarter of 2018. Estimated completions amount to 854 units for 2018 as a whole.

Expected number of completions



Share information

The company had 93.77 million issued shares at 31 March, divided between 2 543 shareholders.

The 20 largest shareholders controlled 81.5 per cent of the total number of issued shares. The largest shareholder was Selvaag Gruppen, with a 53.5 per cent holding.

During the quarter, the Selvaag Bolig share varied in price from NOK 32.05 to NOK 39.95. The closing price at 31 March was NOK 37.95, compared with NOK 33.90 at 31 December. The share price accordingly rose by 11.9 per cent over the quarter. A total of seven million shares, or 7.5 per cent of the overall number outstanding, were traded during the period. Share turnover totalled NOK 253.7 million during the quarter, corresponding to an average daily figure of roughly NOK 4.1 million.

20 largest shareholders at 31 March 2018

Shareholder	# of shares	% share
SELVAAG GRUPPEN AS	50 180 087	53.5%
LANDSFORSÅKRINGAR FASTIGHETSFOND	5 323 017	5.7%
MORGAN STANLEY & CO. INT. PLC. *)	2 752 386	2.9%
PARETO AS	2 065 624	2.2%
SEB PRIME SOLUTIONS SISSENER CANOP	2 000 000	2.1%
HOLBERG NORGE	1 693 763	1.8%
VERDIPAPIRFONDET PARETO INVESTMENT	1 596 366	1.7%
SELVAAG BOLIG ASA **)	1 307 577	1.4%
FLPS - GL S-M SUB	1 172 900	1.3%
JPMORGAN CHASE BANK, N.A., LONDON *)	1 163 564	1.2%
HOLTA INVEST AS	1 000 000	1.1%
JPMORGAN CHASE BANK, N.A., LONDON *)	860 569	0.9%
STATE STREET BANK AND TRUST COMP *)	845 196	0.9%
Baard Schumann	777 127	0.8%
FIDELITY INT REAL ESTATE FUND	686 900	0.7%
REGENTS OF THE UNIVERSITY OF MICHIGAN	657 218	0.7%
HOLBERG NORDEN	608 279	0.6%
STOREBRAND NORGE I VERDIPAPIRFOND	603 364	0.6%
STATE STREET BANK AND TRUST COMP *)	584 637	0.6%
BANAN II AS	555 190	0.6%
Total 20 largest shareholders	76 433 764	81.5%
Other shareholders	17 331 924	18.5%
Total number of shares	93 765 688	100.0%

*) Further information regarding shareholders is presented at:
<http://sboasa.no/en>

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

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.

Macroeconomic conditions, particularly unemployment and interest rates, as well as demographic changes are factors which affect the group's progress. 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 in the quarter. See note 23 to the group's annual

reports for detailed information on transactions with related parties in earlier years.

Housing market

According to Statistics Norway (SSB), seasonally adjusted Norwegian house prices at 31 March were on average 0.3 per cent lower than at 31 December and down by 1.1 per cent from 31 March 2017. Price developments differed between Selvaag Bolig's core areas during the quarter. Overall prices rose by 0.4 per cent in Oslo including Bærum, and were 4.9 per cent lower than at 31 March 2017. In Akershus county

excluding Bærum, prices fell by 0.6 per cent and were down by 1.5 per cent from 31 March 2017. Prices in Stavanger fell by 1.1 per cent and were up by 0.3 per cent from 31 March 2017. They rose by 0.4 per cent in Bergen and were down by 1.9 per cent over the year. In Trondheim, prices rose by 0.6 per cent for the quarter and were 1.5 per cent lower than at 31 March 2017.

Interim financial statements

Statement of comprehensive income

(figures in NOK 1 000, except earnings per share)	Q1 2018	Q1 2017	2017
Revenues	365 687	441 376	3 165 042
Other revenues	14 882	14 684	63 790
Total operating revenues	380 569	456 060	3 228 832
Project expenses	(275 920)	(312 030)	(2 432 818)
Salaries and personnel costs	(26 849)	(28 673)	(120 354)
Depreciation and amortisation	(931)	(1 126)	(4 084)
Other operating expenses	(30 505)	(29 350)	(114 313)
Other gains (losses), net	-	-	-
Associated companies and joint ventures	(1 903)	(4 222)	(13 610)
Total operating expenses	(336 108)	(375 401)	(2 685 179)
Operating profit	44 461	80 659	543 653
Financial income	1 769	2 819	12 749
Financial expenses	(5 329)	(12 057)	(52 600)
Net financial expenses	(3 560)	(9 238)	(39 851)
Profit/(loss) before taxes	40 901	71 421	503 802
Income taxes	(9 622)	4 799	(102 653)
Net income	31 279	76 220	401 149
Other comprehensive income/expenses			
Translation differences	(1 641)	210	4 633
Total comprehensive income/(loss) for the period	29 638	76 430	405 782
Net income for the period attributable to:			
Non-controlling interests	(3)	164	104
Shareholders in Selvaag Bolig ASA	31 282	76 056	401 045
Total comprehensive income/(loss) for the period attributable to:			
Non-controlling interests	(3)	164	104
Shareholders in Selvaag Bolig ASA	29 641	76 266	405 678
Earnings per share for net income/(loss) attributed to shareholders in Selvaag Bolig ASA:			
Earnings per share (basic and diluted) in NOK	0.34	0.82	4.35

The consolidated financial information has not been audited

Statement of financial position

(figures in NOK 1 000)	Note	Q1 2018	Q1 2017	2017
ASSETS				
Non-current assets				
Goodwill		383 376	383 376	383 376
Other intangible assets		-	-	-
Property, plant and equipment		10 501	9 920	11 428
Investments in associated companies and joint ventures		300 338	285 616	316 241
Loans to associated companies and joint ventures		117 675	91 378	122 982
Other non-current assets		200 310	197 393	214 039
Total non-current assets		1 012 200	967 683	1 048 066
Current assets				
Inventories (property)	5	4 912 782	4 751 520	4 643 938
Trade receivables		93 918	141 636	133 832
Other current receivables		69 758	161 348	40 621
Cash and cash equivalents		339 452	374 509	485 561
Total current assets		5 415 910	5 429 013	5 303 952
TOTAL ASSETS		6 428 110	6 396 696	6 352 018
EQUITY AND LIABILITIES				
Equity attributed to shareholders in Selvaag Bolig ASA		2 902 741	2 741 141	2 848 723
Non-controlling interests		9 416	9 479	9 419
Total equity		2 912 157	2 750 620	2 858 142
LIABILITIES				
Non-current liabilities				
Pension liabilities		643	594	643
Deferred tax liabilities		83 537	84 490	83 537
Provisions		60 373	75 073	60 373
Other non-current non interest-bearing liabilities		2 729	7 055	8 349
Non-current interest-bearing liabilities		1 998 824	1 795 703	1 836 823
Total non-current liabilities		2 146 106	1 962 915	1 989 725
Current liabilities				
Current interest-bearing liabilities		359 732	845 906	380 608
Trade payables		114 400	69 062	166 479
Current tax payables		62 408	21 068	103 782
Other current non interest-bearing liabilities		833 307	747 125	853 282
Total current liabilities		1 369 847	1 683 161	1 504 151
Total liabilities		3 515 953	3 646 076	3 493 876
TOTAL EQUITY AND LIABILITIES		6 428 110	6 396 696	6 352 018

The consolidated financial information has not been audited

Statement of changes in equity

(figures in NOK 1 000)	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 2018	183 523	1 394 857	700 629	5 475	3 528	560 710	2 848 724	9 419 *)	2 858 142
Transactions with owners:									
Dividend	-	-	-	-	-	-	-	-	-
Share buy back	-	-	-	-	-	-	-	-	-
Employee share programme	1 393	-	-	-	-	22 984	24 377	-	24 377
<i>Total comprehensive income/(loss) for the period:</i>									
Net income/(loss) for the period	-	-	-	-	-	31 282	31 282	(3)	31 279
Other comprehensive income/(loss) for the period	-	-	-	(1 641)	-	-	(1 641)	-	(1 641)
Equity as of 31 March 2018	184 916	1 394 857	700 629	3 834	3 528	614 976	2 902 743	9 416 *)	2 912 157
Equity as of 1 January 2017	186 298	1 394 857	700 629	842	3 528	403 702	2 689 857	9 315 *)	2 699 172
Transactions with owners:									
Dividend	-	-	-	-	-	-	-	-	-
Share buy back	(2 454)	-	-	-	-	(46 035)	(48 489)	-	(48 489)
Employee share programme	1 172	-	-	-	-	22 335	23 507	-	23 507
<i>Total comprehensive income/(loss) for the period:</i>									
Net income/(loss) for the period	-	-	-	-	-	76 056	76 056	164	76 220
Other comprehensive income/(loss) for the period	-	-	-	210	-	-	210	-	210
Equity as of 31 March 2017	185 016	1 394 857	700 629	1 052	3 528	456 058	2 741 142	9 479 *)	2 750 620
Transactions with owners:									
Dividend	-	-	-	-	-	(197 820)	(197 820)	-	(197 820)
Share buy back	(1 786)	-	-	-	-	(26 617)	(28 403)	-	(28 403)
Employee share programme	293	-	-	-	-	4 100	4 393	-	4 393
<i>Total comprehensive income/(loss) for the period:</i>									
Net income/(loss) for the period	-	-	-	-	-	324 989	324 989	(60)	324 929
Other comprehensive income/(loss) for the period	-	-	-	4 423	-	-	4 423	-	4 423
Equity as of 31 December 2017	183 523	1 394 857	700 629	5 475	3 528	560 710	2 848 724	9 419	2 858 142

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 2018	Q1 2017	2017
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(loss) before taxes	40 901	71 421	503 802
Income taxes paid	(50 996)	(57 472)	(82 886)
Depreciation and amortisation	931	1 126	4 084
Other gains (losses), net	-	-	-
Share of profits/(losses) from associated companies and joint ventures	1 903	4 222	13 610
Changes in inventories (property)	(259 087)	(528 711)	(389 230)
Changes in trade receivables	39 914	(38 147)	(30 343)
Changes in trade payables	(52 079)	(150 500)	(53 083)
Changes in other operating working capital assets	(8 460)	38 205	154 629
Changes in other operating working capital liabilities	(24 743)	80 668	182 659
Net cash flow from operating activities	(311 717)	(579 189)	303 242
CASH FLOW FROM INVESTMENT ACTIVITIES			
Proceeds from sale of property, plant and equipment and intangible assets	-	-	-
Purchases of PPE and intangible assets	(10)	(176)	(4 614)
Proceeds from disposal of businesses and subsidiaries, net of cash disposed	-	-	-
Purchases of businesses and subsidiaries, net of cash acquired	-	-	(1 800)
Proceeds from sale of associated companies	-	-	-
Purchases of associated companies and joint ventures	-	(20)	(40 033)
Proceeds from sale of other investments and repayment of loans	27 200	18 597	63 661
Purchases of other investments and loans	(7 200)	(44 242)	(131 335)
Dividends and disbursements from associated companies and joint ventures	14 000	-	-
Net cash flow from investment activities	33 990	(25 841)	(114 121)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings	282 421	348 650	1 526 383
Repayments of borrowings	(151 121)	(221 308)	(1 859 207)
Net change in bank overdrafts	-	-	-
Dividends paid to equity holders of Selvaag Bolig ASA	-	-	(197 820)
Share buy back Selvaag Bolig ASA	-	(48 489)	(76 892)
Proceeds from disposal of shares Selvaag Bolig ASA	318	14 493	17 783
Net cash flow from financing activities	131 618	93 346	(589 753)
Net change in cash and cash equivalents	(146 109)	(511 684)	(400 632)
Cash and cash equivalents at start of period	485 561	886 193	886 193
Cash and cash equivalents at end of period	339 452	374 509	485 561

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 2017.

IFRS 15 Revenue from Contracts with Customers is a new standard for income recognition introduced on 1 January 2018. It replaces IAS 18, which applies in part to sales of goods and services, and IAS 11 on construction contracts, as well as IFRIC 15, which has been the prevailing interpretation of the income recognition rules for residential property sales. Current practice on income recognition related to property development projects for own account in Norway will not change with the implementation of IFRS 15. The matter has been under consideration by the International Financial Reporting Interpretations Committee (IFRIC), and a final decision was issued in March 2018.

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 2017.

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 2017.

3. Transactions with related parties

See note 23 in the group's Consolidated Financial Statements for 2017 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 2018

(figures in NOK 1 000)	Property development	Other	Total
Operating revenues	561 808	10 055	571 863
Project expenses	(397 271)	(134)	(397 405)
Other operating expenses	(13 262)	(44 092)	(57 354)
EBITDA (percentage of completion)	151 275	(34 171)	117 104
Reconciliation EBITDA to operating profit (loss):			
EBITDA (percentage of completion)	151 275	(34 171)	117 104
Sales revenues (adjustment effect of percentage of completion)	(511 263)	-	(511 263)
Sales revenues (completed contract)	319 969	-	319 969
Project expenses (adjustment effect of percentage of completion)	360 819	-	360 819
Project expenses (completed contract)	(239 334)	-	(239 334)
Depreciation and amortisation	-	(931)	(931)
Share of income (losses) from associated companies and joint ventures	(1 903)	-	(1 903)
Other gain (loss), net	-	-	-
Operating profit (loss)	79 563	(35 102)	44 461
Units under construction	1 511	N/A	N/A
Units delivered	59	N/A	N/A

First quarter 2017

(figures in NOK 1 000)	Property development	Other	Total
Operating revenues	809 683	7 832	817 515
Project expenses	(556 452)	(412)	(556 864)
Other operating expenses	(13 121)	(44 902)	(58 023)
EBITDA (percentage of completion)	240 110	(37 482)	202 628
Reconciliation EBITDA to operating profit (loss):			
EBITDA (percentage of completion)	240 110	(37 482)	202 628
Sales revenues (adjustment effect of percentage of completion)	(648 944)	-	(648 944)
Sales revenues (completed contract)	287 489	-	287 489
Project expenses (adjustment effect of percentage of completion)	481 828	-	481 828
Project expenses (completed contract)	(236 994)	-	(236 994)
Depreciation and amortisation	-	(1 126)	(1 126)
Share of income (losses) from associated companies and joint ventures	(4 222)	-	(4 222)
Other gain (loss), net	-	-	-
Operating profit (loss)	119 267	(38 608)	80 659
Units under construction	1 479	N/A	N/A
Units delivered	85	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 2018	Q1 2017	2017
Land (undeveloped)	1 892 386	1 685 730	1 938 098
Work in progress	2 843 102	2 816 289	2 501 652
Completed units	177 294	249 501	204 188
Carrying amount	4 912 782	4 751 520	4 643 938

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 2018	Q1 2017	2017
Project expenses	(275 920)	(312 030)	(2 432 818)
Finance expenses	(5 338)	(11 854)	(77 999)
Other project expenses	(270 582)	(300 176)	(2 354 819)

(figures in NOK 1 000)	Q1 2018	Q1 2017	2017
EBITDA*	45 392	81 785	547 737
EBITDA-margin	11.9%	17.9%	17.0%
EBITDA adjusted**	50 730	93 639	625 736
EBITDA-margin adjusted	13.3%	20.5%	19.4%

* EBITDA is profit before interest, taxes, depreciation and amortisation.

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

SELVAAG BOLIG

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About Selvaag Bolig

Selvaag Bolig ASA is a residential property developer controlling 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 70-year history and experience, and offers a broad variety of property types. The company is headquartered at Ullern in Oslo.

www.selvaagboligasa.no