

Q3
2018

Third
quarter
results



SELVAAG BOLIG

Highlights of the third quarter 2018

- Operating revenues of NOK 473 million (NOK 379 million)
- Adjusted EBITDA** of NOK 85 million (NOK 45 million) and ordinary EBITDA* of NOK 75 million (NOK 26 million)
- 182 units sold (178)
- Construction started on 102 units (77)
- 117 units completed (81) and 126 delivered (75)
- A total of 1 488 units (1 582) under construction at 30 September, with 74 per cent (78 per cent) of these sold at a combined sales value of NOK 6 908 million (NOK 7 047 million)
- 96 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)	Q3 2018	Q3 2017	9M 2018	9M 2017	2017
IFRS main figures					
Operating revenues	473 237	379 374	1 717 414	1 970 066	3 228 832
EBITDA*	74 853	26 114	282 195	333 251	547 737
EBITDA adjusted**	84 774	44 881	313 834	383 257	625 736
Operating profit/(loss)	73 937	25 144	279 420	330 185	543 653
Profit/(loss) before taxes	69 916	20 070	263 497	292 918	503 802
Cash flow from operating activities	202 786	(163 399)	(248 117)	(203 074)	303 242
Net cash flow	(11 040)	(101 952)	(63 449)	(647 076)	(400 632)
Interest-bearing liabilities	2 695 016	2 496 657	2 695 016	2 496 657	2 217 431
Total assets	6 670 833	6 337 374	6 670 833	6 337 374	6 352 018
Equity	2 731 669	2 688 670	2 731 669	2 688 670	2 858 142
Equity ratio	40.9%	42.4%	40.9%	42.4%	45.0%
Earnings per share in NOK	0.61	0.18	2.21	2.57	4.35
Segment reporting (NGAAP):					
Operating revenues	705 597	497 689	1 942 009	2 281 807	2 970 854
EBITDA***	154 630	102 915	416 903	576 414	680 218
EBITDA margin	21.9%	20.7%	21.5%	25.3%	22.9%
Key figures:					
Number of units sold	182	178	548	533	701
Number of construction starts	102	77	438	582	799
Number of units delivered	126	75	428	382	737
Number of units completed	117	81	413	354	690

* 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)	Q3 2018	Q3 2017	9M 2018	9M 2017	2017
Total operating revenues	473 237	379 374	1 717 414	1 970 066	3 228 832
Project expenses	(371 993)	(297 414)	(1 294 262)	(1 449 903)	(2 432 818)
Other operating expenses, salaries and personnel cost, depreciation and amortisation	(57 810)	(53 513)	(188 756)	(172 681)	(238 751)
Associated companies and other gains (loss)	30 503	(3 303)	45 024	(17 297)	(13 610)
Total operating expenses	(399 300)	(354 230)	(1 437 994)	(1 639 881)	(2 685 179)
Operating profit	73 937	25 144	279 420	330 185	543 653
Net financial expenses	(4 021)	(5 074)	(15 923)	(37 267)	(39 851)
Profit before taxes	69 916	20 070	263 497	292 918	503 802
Income taxes	(13 422)	(3 652)	(59 886)	(54 002)	(102 653)
Net income	56 494	16 418	203 611	238 916	401 149

Results for the third quarter of 2018

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

Selvaag Bolig had operating revenues of NOK 473.2 million (NOK 379.4 million) in the third quarter. Revenues from units delivered accounted for NOK 458.6 million (NOK 359.2 million) of this total. Other revenues derived from non-core activities, mainly rental of commercial premises.

A total of 126 units (75) were delivered in the quarter, including 99 (64) from consolidated project companies.

Project costs for the quarter totalled NOK 372 million (NOK 297.4 million), of which NOK 9.9 million (NOK 18.8 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 57.8 million (NOK 53.5 million) for the period. Payroll costs accounted for NOK 30.9 million (NOK 26 million) of this figure.

A further NOK 5.3 million (NOK 5.5 million) in payroll costs related to housing under construction was capitalised during the quarter and will be expensed as project costs on future delivery. Other operating costs came to NOK 26 million (NOK 26.5 million) for the quarter, including NOK 10.4 million (NOK 8.6 million) for sales and marketing.

The share of results from associates came to NOK 30.5 million (negative at NOK 3.3 million) for the quarter. This improvement reflected increased deliveries in joint ventures.

EBITDA adjusted for financial expenses included in project costs came to NOK 84.8 million (NOK 44.9 million), corresponding to a margin of 17.9 per cent (11.8 per cent). Ordinary EBITDA was NOK 74.9 million (NOK 26.1 million), corresponding to a margin of 15.8 per cent (6.9 per cent). The increase in EBITDA primarily reflects more units delivered and a larger share of results from associates.

Consolidated depreciation and amortisation totalled NOK 0.9 million (NOK 1 million). Consolidated operating profit thereby came to NOK 73.9 million (NOK 25.1 million).

Net financial expenses amounted to NOK 4 million (NOK 5.1 million). Pre-tax profit for the quarter came to NOK 69.9 million (NOK 20.1 million).

Tax expense was NOK 13.4 million (NOK 3.7 million) for the quarter. Consolidated net profit for the third quarter consequently came to NOK 56.5 million (NOK 16.4 million). NOK 56.5 million (NOK 16.4 million) of the profit was attributable to the shareholders of Selvaag Bolig ASA, and NOK 0 (NOK 0) to non-controlling shareholders.

Results for the first nine months of 2018

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

Selvaag Bolig had operating revenues of NOK 1 717.4 million (NOK 1 907.1 million) in the first nine months. Revenues from units delivered accounted for NOK 1 628.9 million (NOK 1 521 million) of this total. Furthermore, commercial property was sold for NOK 42.5 million while two sites were sold in the same period of 2017 for a total of NOK 405 million. Other revenues derived from non-core activities, mainly rental of commercial premises.

A total of 428 units (382) were delivered in the first nine months, including 362 (370) from consolidated project companies.

Project costs for the first nine months totalled NOK 1 294.3 million (NOK 1 449.9 million), which primarily represented construction costs for units delivered as well as costs in other projects which did not qualify for capitalisation as inventory.

Operating costs excluding project costs and associates totalled NOK 188.8 million (NOK 172.7 million) for the period. Payroll costs accounted for NOK 100.2 million (NOK 83.4 million) of this figure. This increase primarily reflected provisions for termination payments and compensation related to efficiency improvement processes and terminated employment. A further NOK 16 million (NOK 17.1 million) in payroll costs related to housing under construction was capitalised during the quarter and will be expensed as project costs on future delivery.

Other operating costs came to NOK 85.7 million (NOK 86.2 million) for the quarter, including NOK 23.8 million (NOK 30.3 million) for sales and marketing.

Cash flow

Consolidated net cash flow from operational activities was NOK 202.8 million (negative at NOK 163.4 million) for the third quarter. The change from the same period of last year primarily reflected the positive effect of a reduction in accounts receivable for units delivered. See the section below on accounts receivable for more information.

Consolidated net cash flow from operational activities was negative at NOK 248.1 million (negative at NOK 203.1 million) in the first nine months. This decline primarily reflected the fact that the 2017 figure included settlement for the sale of Lørenveien 64. That was partly offset by the increase in units delivered. See note 5 on inventory for more information.

Net cash flow from investing activities was NOK 47.4 million (negative at NOK 45.7 million) for the quarter. The change from the same period of 2017 primarily reflected dividend received from joint ventures and the inclusion in 2017 of

The share of results from associates came to NOK 45 million (negative at NOK 17.3 million) for the first nine months. This improvement reflected the number of deliveries in joint ventures and the fact that 2017 included an impairment charge of NOK 10 million in a west Norwegian joint venture.

EBITDA adjusted for financial expenses included in project costs came to NOK 313.8 million (NOK 383.3 million), corresponding to a margin of 18.3 per cent (19.5 per cent). Ordinary EBITDA was NOK 282.2 million (NOK 333.3 million), corresponding to a margin of 16.4 per cent (16.9 per cent). The decline in EBITDA must be viewed in relation to the above-mentioned increase in payroll costs and two property sales in the first nine months of 2017. See the paragraph on operating revenues.

Consolidated operating profit thereby came to NOK 279.4 million (NOK 330.2 million) for the first nine months. Net financial expenses came to NOK 15.9 million (NOK 37.3 million). This reduction primarily reflected one-off cost related to the redemption of the bond loan in 2017 and the consequent decline in financial expenses since then.

Consolidated pre-tax profit for the first nine months was NOK 263.5 million (NOK 292.9 million). With tax expense amounting to NOK 59.9 million (NOK 54 million), consolidated net profit came to NOK 203.6 million (NOK 238.9 million) for the first nine months. NOK 203.7 million (NOK 238.8 million) of the profit was attributable to the shareholders of Selvaag Bolig ASA, and a negative NOK 0.1 million (positive NOK 0.1 million) to non-controlling shareholders.

substantial investments in and capital transfers to joint ventures.

Net cash flow from investing activities was NOK 79.8 million (negative at NOK 143.7 million) for the first nine months. The change from the same period of 2017 primarily reflected the inclusion of substantial investments in and capital transfers to joint ventures in last year's figure, and the receipt of dividends from joint ventures by the group in 2018.

Net cash flow from financing activities was negative at NOK 261.2 million (positive at NOK 107.2 million) for the quarter. The change from the same period of 2017 primarily reflected the increase in construction loans redeemed and dividends paid in 2018.

Net cash flow from financing activities was NOK 104.9 million (negative at NOK 300.3 million) for the first nine months. The

same period of 2017 saw the redemption of the bond loan and payments for repurchasing the company's own shares in connection with the employee share programme. That was partly offset by the increase in dividend paid in 2018.

The group's holding of cash and cash equivalents at 30 September totalled NOK 422.1 million (NOK 239.1 million), down by NOK 11 million from 30 June and up by NOK 183 million from a year earlier.

Cash flow summary

(figures in NOK 1 000)	Q3 2018	Q3 2017	9M 2018	9M 2017	2017
Profit before taxes	69 916	20 070	263 497	292 918	503 802
Net cash flow from operating activities	202 786	(163 399)	(248 117)	(203 074)	303 242
Net cash flow from investment activities	47 361	(45 731)	79 759	(143 702)	(114 121)
Net cash flow from financing activities	(261 187)	107 178	104 909	(300 300)	(589 753)
Net change in cash and cash equivalents	(11 040)	(101 952)	(63 449)	(647 076)	(400 632)
Cash and cash equivalents at start of period	433 153	341 069	485 561	886 193	886 193
Cash and cash equivalents at end of period	422 113	239 117	422 112	239 117	485 561

Financial position

The carrying amount of Selvaag Bolig's total inventory (land, units under construction and completed units) at 30 September was NOK 4 944.8 million, compared with NOK 4 784.8 million at 30 June and NOK 4 778.8 million a year earlier. The increase during the third quarter primarily reflected construction activity in ongoing projects. See note 5 for a further specification of inventory.

Consolidated accounts receivable came to NOK 228.7 million at 30 September, compared with NOK 483.6 million three months earlier and NOK 142.1 million at the same date in 2017. The reduction in the third quarter reflected the delivery of a considerable number of units at the end of the second quarter, so that settlement was received in the following month. This is regarded a normal fluctuation and involves no credit risk, since the funds are held in a client account at the settlement agent from delivery of the unit until final settlement is received.

Equity was NOK 2 731.7 million (NOK 2 688.7 million) at 30 September, corresponding to an equity ratio of 41 per cent (42.4 per cent). Selvaag Bolig ASA paid NOK 184.9 million (NOK 109.9 million) in dividend during the third quarter, based on results for the first half of 2018. Non-controlling interests amounted to NOK 9.3 million (NOK 9.4 million) of equity.

Other current non-interest-bearing liabilities for the group totalled NOK 867.3 million (NOK 765.3 million) at 30 September, of which NOK 337.2 million (NOK 476.5 million) represented advance payments from customers.

At 30 September, consolidated interest-bearing debt amounted to NOK 2 695 million (NOK 2 496.7 million), of which NOK 1 897.1 million (NOK 1 923 million) was non-current and NOK 797.9 million (NOK 573.7 million) was current. The increase in current debt from last year primarily reflected projects approaching completion.

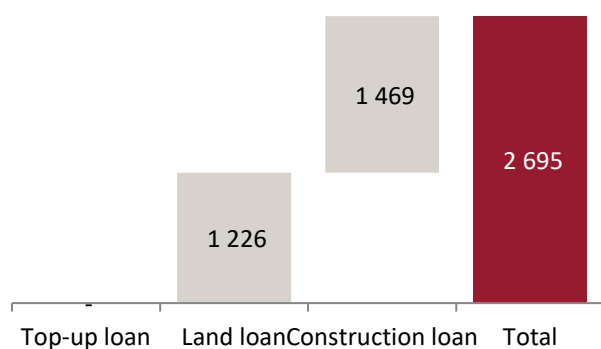
The group had land loans totalling NOK 1 226 million (NOK 1 193.2 million) at 30 September. These are normally converted to construction loans in line with the progress of the respective construction projects.

Selvaag Bolig ASA has a credit facility agreement with DNB. This has been expanded from NOK 400 million to NOK 500 million in 2018 and matures in April 2022. The company also has an annually renewed credit facility of NOK 150 million. No drawings had been made against any of these facilities at 30 September.

Net interest-bearing debt

(figures in NOK 1 000)	Q3 2018	Q2 2018	Q3 2017	2017
Non-current interest-bearing debt	1 897 116	2 172 087	1 922 969	1 836 823
Current interest-bearing debt	797 900	583 061	573 688	380 608
Cash and cash equivalents	-422 112	-433 153	-239 117	-485 561
Net interest-bearing debt	2 272 904	2 321 995	2 257 540	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 30 September, the group had no top-up loans, land loans of NOK 1 226 million and construction loans of NOK 1 469 million.

Interest-bearing debt at 30 Sep. 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 30 September, interest on NOK 861 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 main segment. Operational reporting utilises the percentage of completion method for recognising revenues and profit, which differs from the IFRS where profit is recognised on delivery. Note 4 to the financial statements presents segment information reconciled with the financial reporting figures (IFRS).

Segments third quarter 2018

(figures in NOK 1 000)	Operating revenues		EBITDA		Operating profit/loss	
	Q3 18	Q3 17	Q3 18	Q3 17	Q3 18	Q3 17
Property development	695 942	487 645	186 435	132 133	216 973	141 252
Other	9 655	10 044	(31 805)	(29 218)	(32 682)	(30 141)
IFRS adjustments	(232 360)	(118 315)	(79 777)	(76 801)	(110 354)	(85 967)
Total group	473 237	379 374	74 853	26 114	73 937	25 144

Segments first nine months of 2018

(figures in NOK 1 000)	Operating revenues		EBITDA		Operating profit/loss	
	9M 18	9M 17	9M 18	9M 17	9M 18	9M 17
Property development	1 910 391	2 255 399	530 598	684 134	597 388	710 124
Other	31 618	26 408	(113 695)	(107 720)	(116 105)	(110 692)
IFRS adjustments	(224 595)	(311 741)	(134 708)	(243 163)	(201 863)	(269 247)
Total group	1 717 414	1 970 066	282 195	333 251	279 420	330 185

Housing Development

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

Operating revenues for the third quarter were NOK 695.9 million (NOK 487.6 million). They derived from 19 projects currently in production, compared with 18 at the same time last year.

Operating costs, primarily for construction and sales, are directly related to the projects and amounted to NOK 509.5 million (NOK 355.5 million) for the third quarter. Construction costs in the segment reporting are exclusive of directly-related financial expenses (interest on construction loans). This differs from the IFRS accounts, where financial expenses are included in project costs on delivery.

EBITDA presents operating profit (loss) before depreciation, gain (loss), and share of profit (loss) from associates. It came to NOK 186.4 million (NOK 132.1 million) for the quarter, corresponding to a profit margin of 26.8 per cent (25 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 third quarter came to NOK 9.7 million (NOK 10 million), while operating costs amounted to NOK 41.5 million (NOK 39.3 million). Costs relate largely to remuneration for the administration and management, as well as to central marketing. EBITDA was thereby negative at NOK 31.8 million (negative at NOK 29.2 million).

Review of operations

Operations

A total of 201 units with a combined value of NOK 861 million were sold during the quarter. Selvaag Bolig's share amounted to 182 units sold with a combined value of NOK 771 million.

Activity in the group was at a high level, with 1 488 units under construction. Work started on constructing 102 units during the third quarter, and 117 were completed.

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, Bærum, Ski or Sandnes during the third quarter.

Quarterly development in the project portfolio

	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18
Number of units sold	178	168	185	181	182
Number of construction starts	77	217	102	234	102
Number of units completed	81	336	54	242	117
Number of units delivered	75	355	59	243	126
Number of units under construction	1 582	1 463	1 511	1 503	1 488
Proportion of sold units under construction	78 %	73 %	73 %	72 %	74 %
Number of completed unsold units	30	23	19	18	12
Sales value of units under construction (NOK million)	7 047	6 994	7 032	7 076	6 908

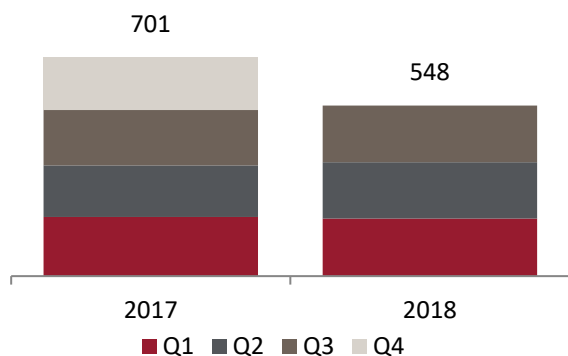
Purchase and sale of land

No new agreements on the purchase or sale of land were entered into during the quarter.

Sales development and progress

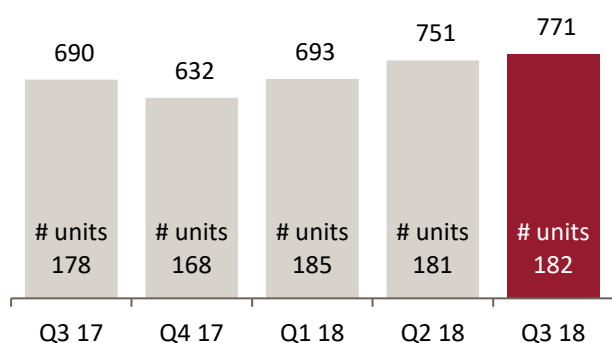
Selvaag Bolig sold 182 residential units (178) during the third quarter. These sales comprise Selvaag Bolig's consolidated project companies as well as its relative share of homes sold in joint-venture projects.

Units sold



Total sales during the third quarter, including Selvaag Bolig's relative share of joint ventures, amounted to 182 units with a combined sales value of NOK 771 million. Sales in the corresponding period of 2017 totalled 178 units with a combined value of NOK 684 million.

Value of units sold (NOK mill)



Selvaag Bolig started sales during the quarter in one project, comprising a total of 134 residential units (172).

Sales starts in the quarter

Project	# of units	Category	Region
Snølia Lørenskog	134	Flat	Greater Oslo
Total	134		

Construction began on 102 (77) 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.

At 30 September, Selvaag Bolig had 1 488 (1 582) units under construction. They included 1 214 units in Greater Oslo, 210 in the rest of Norway and 65 abroad.

The order backlog at 30 September - in other words, the sales value of the 1 488 (1 582) units then under construction - was NOK 6 908 million (NOK 7 047 million).

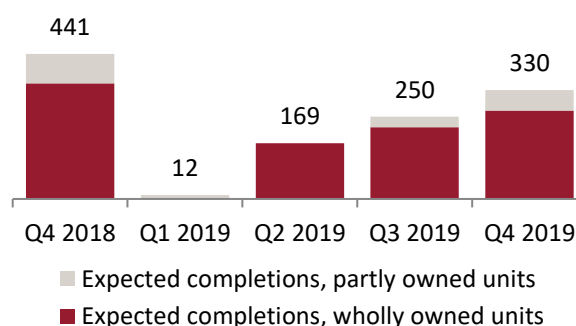
A total of 117 (81) units were completed in the third quarter, and 126 (75) - including ones completed earlier - were delivered. The completed units were divided between the Hovinenga, Tiedemannsfabrikken and Lørenskog Stasjonsby projects. A total of 12 (30) completed units were unsold at 30 September. Consolidated project companies accounted for 99 (64) of the units delivered, while 27 (11) were in part-owned project companies.

Units completed by project

Project	# units	Category	Region
Hovinenga	36	Flat	Greater Oslo
Tiedemann Felt F	26	Flat	Greater Oslo
Lørenskog Stasjonsby	40	Flat	Greater Oslo
Lørenskog Stasjonsby	15	Terraced	Greater Oslo
Total	117		

Based on expected progress for the projects, 441 units are expected to be completed in the fourth quarter of 2018. Estimated completions for 2018 as a whole amount to 854 units.

Expected number of completions



Share information

The company had 93.77 million issued shares at 30 September, divided between 2 356 shareholders.

The 20 largest shareholders controlled 79.7 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 38.00 to NOK 46.10. The closing price at 30 September was NOK 38.75, compared with NOK 41.80 at 30 June. The share price accordingly fell by 7.3 per cent over the quarter. A total of 6.3 million shares, or 6.7 per cent of the overall number outstanding, were traded during the period. Share turnover totalled NOK 264.9 million during the quarter, corresponding to an average daily figure of roughly NOK 4.1 million.

20 largest shareholders at 30 September 2018

Shareholder	# of shares	% share
SELVAAG GRUPPEN AS	50 180 087	53.5%
LANDSFORSÅKRINGAR FASTIGHETSFOND	5 828 788	6.2%
MORGAN STANLEY & CO. INT. PLC. *)	2 791 302	3.0%
PARETO AS	2 065 624	2.2%
VERDIPAPIRFONDET PARETO INVESTMENT	1 596 366	1.7%
SEB PRIME SOLUTIONS SISSENER CANOP	1 550 015	1.7%
SELVAAG BOLIG ASA **)	1 307 577	1.4%
HOLBERG NORGE	1 176 845	1.3%
FLPS - GL S-M SUB	944 200	1.0%
STATE STREET BANK AND TRUST COMP *)	906 385	1.0%
Baard Schumann	777 127	0.8%
HOLTA INVEST AS	721 000	0.8%
DEUTSCHE BANK AKTIENGESELLSCHAFT *)	718 978	0.8%
JPMORGAN CHASE BANK, N.A., LONDON *)	659 395	0.7%
REGENTS OF THE UNIVERSITY OF MICHIGAN	657 218	0.7%
MSIP EQUITY	627 302	0.7%
STATE STREET BANK AND TRUST COMP *)	602 754	0.6%
STOREBRAND NORGE I VERDIPAPIRFOND	581 257	0.6%
BANAN II AS	555 190	0.6%
SPARHANS AS	476 221	0.5%
Total 20 largest shareholders	74 723 631	79.7%
Other shareholders	19 042 057	20.3%
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 30 September were on average 0.4 per cent higher than at 30 June and up by three per cent from 30 September 2017. Price developments differed between Selvaag Bolig's core areas during the quarter. Overall prices rose by 0.3 per cent during the quarter in Oslo including Bærum, and were four per cent higher than at 30 September 2017. In Akershus county excluding Bærum, prices rose by 0.8 per cent and were up by 2.1 per cent from

30 September 2017. Prices in Stavanger showed a flat trend during the quarter and were 1.1 per cent higher than at 30 September 2017. Prices in Bergen were similar to the previous quarter and up by 0.9 per cent over the year. In Trondheim, prices fell by 1.2 per cent for the quarter and were 0.3 per cent lower than at 30 September 2017.

Interim financial statements (IFRS)

Statement of comprehensive income

(figures in NOK 1 000, except earnings per share)	Q3 2018	Q3 2017	9M 2018	9M 2017	2017
Revenues	458 557	359 180	1 671 406	1 925 997	3 165 042
Other revenues	14 680	20 194	46 008	44 069	63 790
Total operating revenues	473 237	379 374	1 717 414	1 970 066	3 228 832
Project expenses	(371 993)	(297 414)	(1 294 262)	(1 449 903)	(2 432 818)
Salaries and personnel costs	(30 868)	(25 995)	(100 233)	(83 407)	(120 354)
Depreciation and amortisation	(916)	(970)	(2 775)	(3 066)	(4 084)
Other operating expenses	(26 026)	(26 548)	(85 748)	(86 208)	(114 313)
Other gains (losses), net	-	-	-	-	-
Associated companies and joint ventures	30 503	(3 303)	45 024	(17 297)	(13 610)
Total operating expenses	(399 300)	(354 230)	(1 437 994)	(1 639 881)	(2 685 179)
Operating profit	73 937	25 144	279 420	330 185	543 653
Financial income	1 204	2 002	4 086	6 930	12 749
Financial expenses	(5 225)	(7 076)	(20 009)	(44 197)	(52 600)
Net financial expenses	(4 021)	(5 074)	(15 923)	(37 267)	(39 851)
Profit/(loss) before taxes	69 916	20 070	263 497	292 918	503 802
Income taxes	(13 422)	(3 652)	(59 886)	(54 002)	(102 653)
Net income	56 494	16 418	203 611	238 916	401 149
Other comprehensive income/expenses					
Translation differences	(165)	(1 304)	(3 120)	1 787	4 633
Total comprehensive income/(loss) for the period	56 329	15 114	200 491	240 703	405 782
Net income for the period attributable to:					
Non-controlling interests	(1)	(7)	(76)	115	104
Shareholders in Selvaag Bolig ASA	56 495	16 425	203 687	238 801	401 045
Total comprehensive income/(loss) for the period attributable to:					
Non-controlling interests	(1)	(7)	(76)	115	104
Shareholders in Selvaag Bolig ASA	56 330	15 121	200 567	240 588	405 678
Earnings per share for net income/(loss) attributed to shareholders in Selvaag Bolig ASA:					
Earnings per share (basic and diluted) in NOK	0.61	0.18	2.21	2.57	4.35

The consolidated financial information has not been audited

Statements of financial position

(figures in NOK 1 000)	Note	Q3 2018	Q2 2018	Q3 2017	2017
ASSETS					
Non-current assets					
Goodwill		383 376	383 376	383 376	383 376
Other intangible assets		-	-	-	-
Property, plant and equipment		9 435	9 578	8 451	11 428
Investments in associated companies and joint ventures		305 202	308 777	307 553	316 241
Loans to associated companies and joint ventures		116 408	127 138	158 879	122 982
Other non-current assets		231 899	231 086	213 269	214 039
Total non-current assets		1 046 320	1 059 955	1 071 528	1 048 066
Current assets					
Inventories (property)	5	4 944 790	4 784 762	4 778 784	4 643 938
Trade receivables		228 676	483 643	142 141	133 832
Other current receivables		28 935	63 401	105 804	40 621
Cash and cash equivalents		422 112	433 153	239 117	485 561
Total current assets		5 624 513	5 764 959	5 265 846	5 303 952
TOTAL ASSETS		6 670 833	6 824 914	6 337 374	6 352 018
EQUITY AND LIABILITIES					
Equity attributed to shareholders in Selvaag Bolig ASA		2 722 326	2 850 912	2 679 240	2 848 723
Non-controlling interests		9 343	9 344	9 430	9 419
Total equity		2 731 669	2 860 256	2 688 670	2 858 142
LIABILITIES					
Non-current liabilities					
Pension liabilities		643	643	594	643
Deferred tax liabilities		83 691	83 606	84 389	83 537
Provisions		60 373	60 373	75 073	60 373
Other non-current non interest-bearing liabilities		2 478	2 542	7 404	8 349
Non-current interest-bearing liabilities		1 897 116	2 172 087	1 922 969	1 836 823
Total non-current liabilities		2 044 301	2 319 251	2 090 429	1 989 725
Current liabilities					
Current interest-bearing liabilities		797 900	583 061	573 688	380 608
Trade payables		116 983	79 044	139 239	166 479
Current tax payables		112 671	99 250	80 026	103 782
Other current non interest-bearing liabilities		867 309	884 052	765 322	853 282
Total current liabilities		1 894 863	1 645 407	1 558 275	1 504 151
Total liabilities		3 939 164	3 964 658	3 648 704	3 493 876
TOTAL EQUITY AND LIABILITIES		6 670 833	6 824 914	6 337 374	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	-	-	-	-	-	(351 341)	(351 341)	-	(351 341)
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	-	-	-	-	-	203 687	203 687	(76)	203 611
Other comprehensive income/(loss) for the period	-	-	-	(3 120)	-	-	(3 120)	-	(3 120)
Equity as of 30 September 2018	184 916	1 394 857	700 629	2 355	3 528	436 040	2 722 328	9 343 *)	2 731 669
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	-	-	-	-	-	(197 820)	(197 820)	-	(197 820)
Share buy back	(4 240)	-	-	-	-	(72 652)	(76 892)	-	(76 892)
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	-	-	-	-	-	238 801	238 801	115	238 916
Other comprehensive income/(loss) for the period	-	-	-	1 787	-	-	1 787	-	1 787
Equity as of 30 September 2017	183 230	1 394 857	700 629	2 629	3 528	394 366	2 679 241	9 430 *)	2 688 670
Transactions with owners:									
Dividend	-	-	-	-	-	-	-	-	-
Share buy back	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	162 244	162 244	(11)	162 233
Other comprehensive income/(loss) for the period	-	-	-	2 846	-	-	2 846	-	2 846
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)

	Q3 2018	Q3 2017	9M 2018	9M 2017	2017
CASH FLOW FROM OPERATING ACTIVITIES					
Profit/(loss) before taxes	69 916	20 070	263 497	292 918	503 802
Income taxes paid	-	-	(50 996)	(57 472)	(82 886)
Depreciation and amortisation	916	970	2 775	3 066	4 084
Other gains (losses), net	-	-	-	-	-
Share of profits/(losses) from associated companies and joint ventures	(30 503)	3 303	(45 024)	17 297	13 610
Changes in inventories (property)	(143 587)	(150 335)	(263 719)	(535 775)	(389 230)
Changes in trade receivables	254 967	(32 766)	(94 844)	(38 652)	(30 343)
Changes in trade payables	37 939	4 544	(49 496)	(80 323)	(53 083)
Changes in other operating working capital assets	33 638	(13 987)	(14 329)	92 175	154 629
Changes in other operating working capital liabilities	(20 500)	4 802	4 019	103 692	182 659
Net cash flow from operating activities	202 786	(163 399)	(248 117)	(203 074)	303 242
CASH FLOW FROM INVESTMENT ACTIVITIES					
Proceeds from sale of property, plant and equipment and intangible assets	-	-	-	-	-
Purchases of PPE and intangible assets	(771)	(27)	(791)	(631)	(4 614)
Proceeds from disposal of businesses and subsidiaries, net of cash disposed	-	-	-	-	-
Purchases of businesses and subsidiaries, net of cash acquired	-	(1 800)	-	(1 800)	(1 800)
Proceeds from sale of associated companies	-	-	-	-	-
Purchases of associated companies and joint ventures	-	(29 944)	(15)	(35 033)	(40 033)
Proceeds from sale of other investments and repayment of loans	3 500	-	30 700	18 597	63 661
Purchases of other investments and loans	(5 500)	(13 960)	(22 267)	(124 835)	(131 335)
Dividends and disbursements from associated companies and joint ventures	50 132	-	72 132	-	-
Net cash flow from investment activities	47 361	(45 731)	79 759	(143 702)	(114 121)
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from borrowings	209 221	331 969	906 511	1 189 742	1 526 383
Repayments of borrowings	(285 861)	(132 099)	(466 261)	(1 247 428)	(1 859 207)
Net change in bank overdrafts	-	16 886	-	16 886	-
Dividends paid to equity holders of Selvaag Bolig ASA	(184 916)	(109 938)	(351 341)	(197 820)	(197 820)
Share buy back Selvaag Bolig ASA	-	-	-	(76 892)	(76 892)
Proceeds from disposal of shares Selvaag Bolig ASA	369	360	16 001	15 213	17 783
Net cash flow from financing activities	(261 187)	107 178	104 909	(300 300)	(589 753)
Net change in cash and cash equivalents	(11 040)	(101 952)	(63 449)	(647 076)	(400 632)
Cash and cash equivalents at start of period	433 153	341 069	485 561	886 193	886 193
Cash and cash equivalents at end of period	422 113	239 117	422 112	239 117	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.

The group has assessed changes to standards with a later implementation date, and has identified that IFRS 16 Leases, which takes effect from 1 January 2019, will have an effect on the accounts. This effect is not considered significant.

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.

Third quarter 2018

(figures in NOK 1 000)	Property development	Other	Total
Operating revenues	695 942	9 655	705 597
Project expenses	(494 272)	199	(494 073)
Other operating expenses	(15 235)	(41 659)	(56 894)
EBITDA (percentage of completion)	186 435	(31 805)	154 630
Reconciliation EBITDA to operating profit (loss):			
EBITDA (percentage of completion)	186 435	(31 805)	154 630
Sales revenues (adjustment effect of percentage of completion)	(688 749)	-	(688 749)
Sales revenues (completed contract)	456 389	-	456 389
Project expenses (adjustment effect of percentage of completion)	487 760	-	487 760
Project expenses (completed contract)	(365 680)	-	(365 680)
Depreciation and amortisation	-	(916)	(916)
Share of income (losses) from associated companies and joint ventures	30 503	-	30 503
Other gain (loss), net	-	-	-
Operating profit (loss)	106 658	(32 721)	73 937
Units under construction	1 488	N/A	N/A
Units delivered	126	N/A	N/A

Third quarter 2017

(figures in NOK 1 000)	Property development	Other	Total
Operating revenues	487 645	10 044	497 689
Project expenses	(342 114)	(117)	(342 231)
Other operating expenses	(13 398)	(39 145)	(52 543)
EBITDA (percentage of completion)	132 133	(29 218)	102 915
Reconciliation EBITDA to operating profit (loss):			
EBITDA (percentage of completion)	132 133	(29 218)	102 915
Sales revenues (adjustment effect of percentage of completion)	(464 569)	-	(464 569)
Sales revenues (completed contract)	346 254	-	346 254
Project expenses (adjustment effect of percentage of completion)	330 679	-	330 679
Project expenses (completed contract)	(285 862)	-	(285 862)
Depreciation and amortisation	-	(970)	(970)
Share of income (losses) from associated companies and joint ventures	(3 303)	-	(3 303)
Other gain (loss), net	-	-	-
Operating profit (loss)	55 332	(30 188)	25 144
Units under construction	1 582	N/A	N/A
Units delivered	75	N/A	N/A

At 30 Sep 2018

(figures in NOK 1 000)	Property development	Other	Total
Operating revenues	1 910 391	31 618	1 942 009
Project expenses	(1 338 787)	(338)	(1 339 125)
Other operating expenses	(41 006)	(144 975)	(185 981)
EBITDA (percentage of completion)	530 598	(113 695)	416 903
Reconciliation EBITDA to Operating profit (loss):			
EBITDA (percentage of completion)	530 598	(113 695)	416 903
Sales revenues (adjustment effect of percentage of completion)	(1 845 240)	-	(1 845 240)
Sales revenues (completed contract)	1 620 645	-	1 620 645
Project expenses (adjustment effect of percentage of completion)	1 293 746	-	1 293 746
Project expenses (completed contract)	(1 248 883)	-	(1 248 883)
Depreciation and amortisation	-	(2 775)	(2 775)
Share of income (losses) from associated companies and joint ventures	45 024	-	45 024
Other gain (loss), net	-	-	-
Operating profit (loss)	395 890	(116 470)	279 420
Units under construction	1 488	N/A	N/A
Units delivered	428	N/A	N/A

At 30 Sep 2017

(figures in NOK 1 000)	Property development	Other	Total
Operating revenues	2 255 399	26 408	2 281 807
Project expenses	(1 534 821)	(957)	(1 535 778)
Other operating expenses	(36 444)	(133 171)	(169 615)
EBITDA (percentage of completion)	684 134	(107 720)	576 414
Reconciliation EBITDA to operating profit (loss):			
EBITDA (percentage of completion)	684 134	(107 720)	576 414
Sales revenues (adjustment effect of percentage of completion)	(1 803 705)	-	(1 803 705)
Sales revenues (completed contract)	1 491 963	-	1 491 963
Project expenses (adjustment effect of percentage of completion)	1 322 329	-	1 322 329
Project expenses (completed contract)	(1 236 453)	-	(1 236 453)
Depreciation and amortisation	-	(3 066)	(3 066)
Share of income (losses) from associated companies and joint ventures	(17 297)	-	(17 297)
Other gain (loss), net	-	-	-
Operating profit (loss)	440 971	(110 786)	330 185
Units under construction	1 582	N/A	N/A
Units delivered	382	N/A	N/A

5. Inventory - property

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

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

(figures in NOK 1 000)	Q3 2018	Q2 2018	Q3 2017	2017
Land (undeveloped)	1 905 889	1 899 533	1 682 393	1 938 098
Work in progress	2 942 399	2 757 503	2 866 529	2 501 652
Completed units	96 502	127 726	229 862	204 188
Carrying amount	4 944 790	4 784 762	4 778 784	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)	Q3 2018	Q3 2017	9M 2018	9M 2017	2017
Project expenses	(371 993)	(297 414)	(1 294 262)	(1 449 903)	(2 432 818)
Finance expenses	(9 921)	(18 767)	(31 639)	(50 006)	(77 999)
Other project expenses	(362 072)	(278 647)	(1 262 623)	(1 399 897)	(2 354 819)

(figures in NOK 1 000)	Q3 2018	Q3 2017	9M 2018	9M 2017	2017
EBITDA*	74 853	26 114	282 195	333 251	547 737
EBITDA-margin	15.8%	6.9%	16.4%	16.9%	17.0%
EBITDA adjusted**	84 774	44 881	313 834	383 257	625 736
EBITDA-margin adjusted	17.9%	11.8%	18.3%	19.5%	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