

Presentation Q4 2006

21 February 2007

Lars Nilsen, CEO



Q4-2006 highlights:

Profitable strong growth

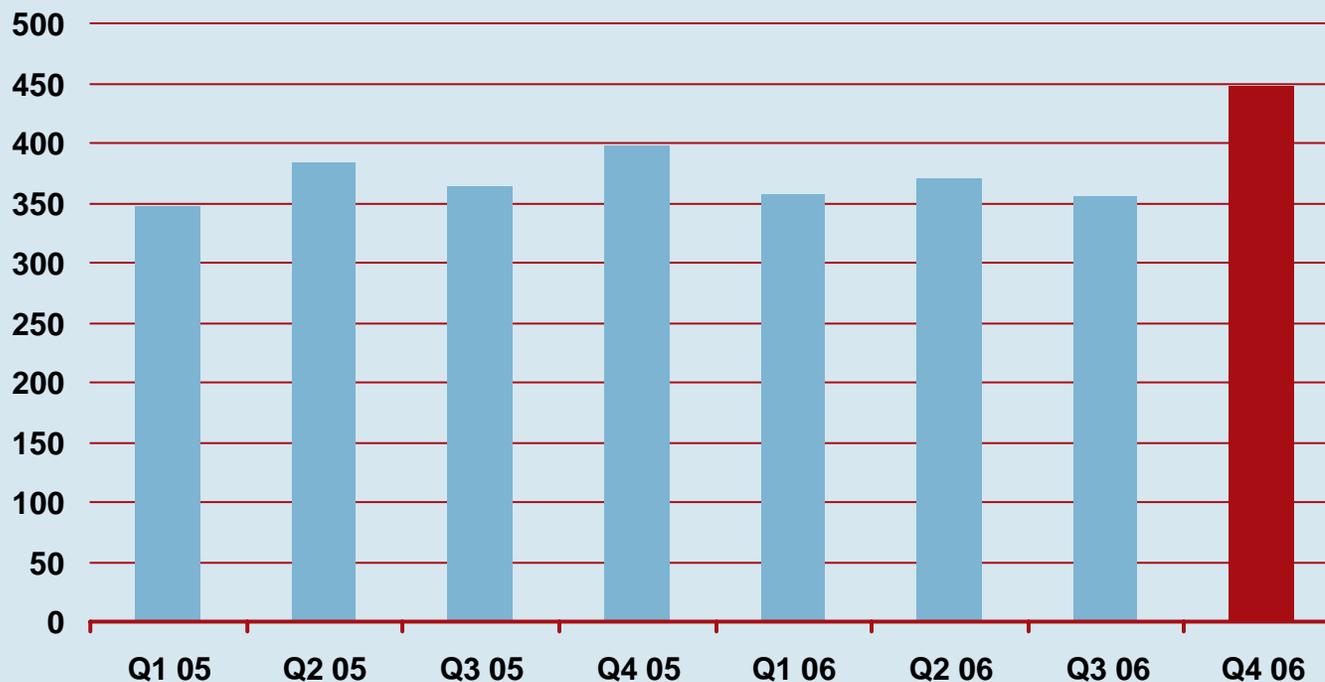
■ Revenue	MNOK 447	12.3% Y/Y
■ EBIT	MNOK 84	27.3% Y/Y
■ EBT	MNOK 83	47.4% Y/Y
■ New orders	MNOK 427	27.2% Y/Y
■ EBIT margin	18.8%	
■ EBT margin	18.6%	

Highlights 2006: Best year ever

- Revenue MNOK 1 529 2.5% Y/Y
- EBIT MNOK 241 14.8% Y/Y
- EBT MNOK 218 26.3% Y/Y
- New orders MNOK 1 686 11.5% Y/Y
- Order backlog MNOK 966 19.7% Y/Y

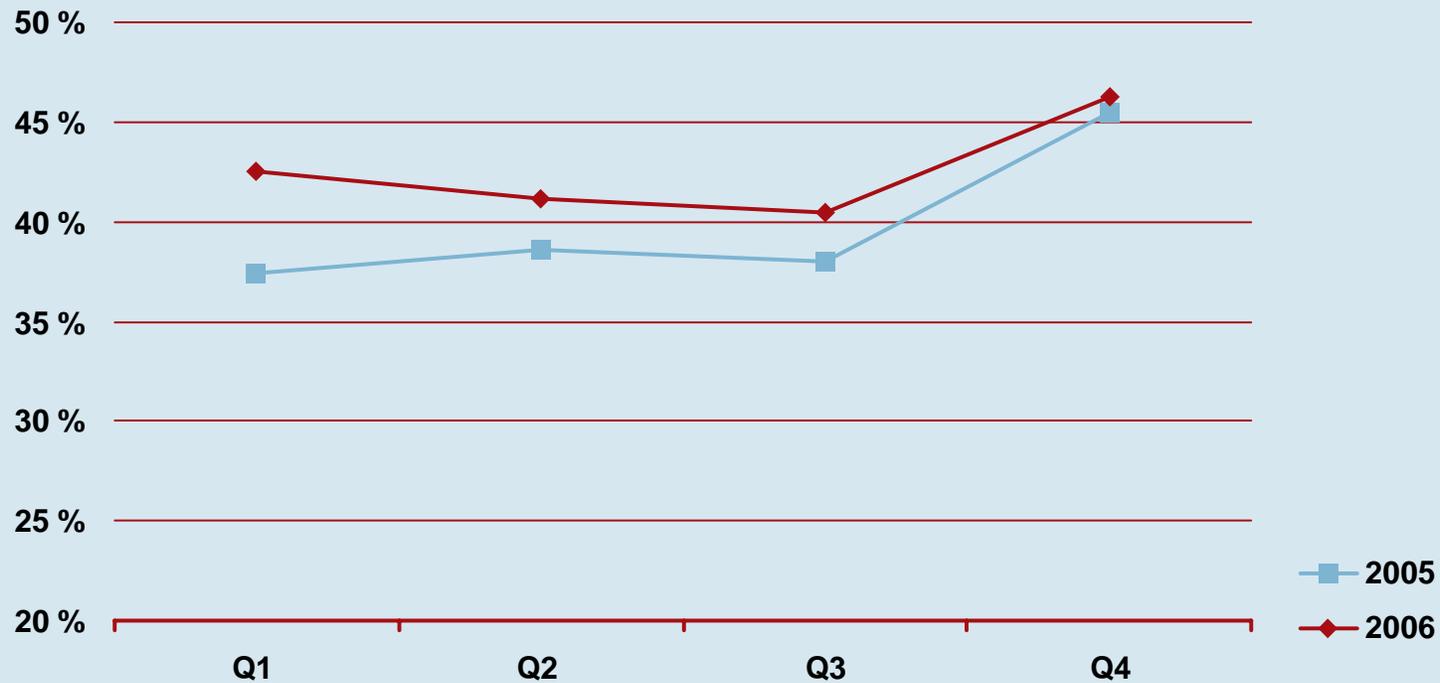
- EBIT margin 15.7%
- EBT margin 14.2 %
- Dividend suggestion NOK 2.50 per share

Operating revenues: All time high



Increased with 12.3 % in Q4 06 compared to Q4 05.
Revenue 2006: NOK 1 529 million. Revenue 2005: NOK 1 492 million.

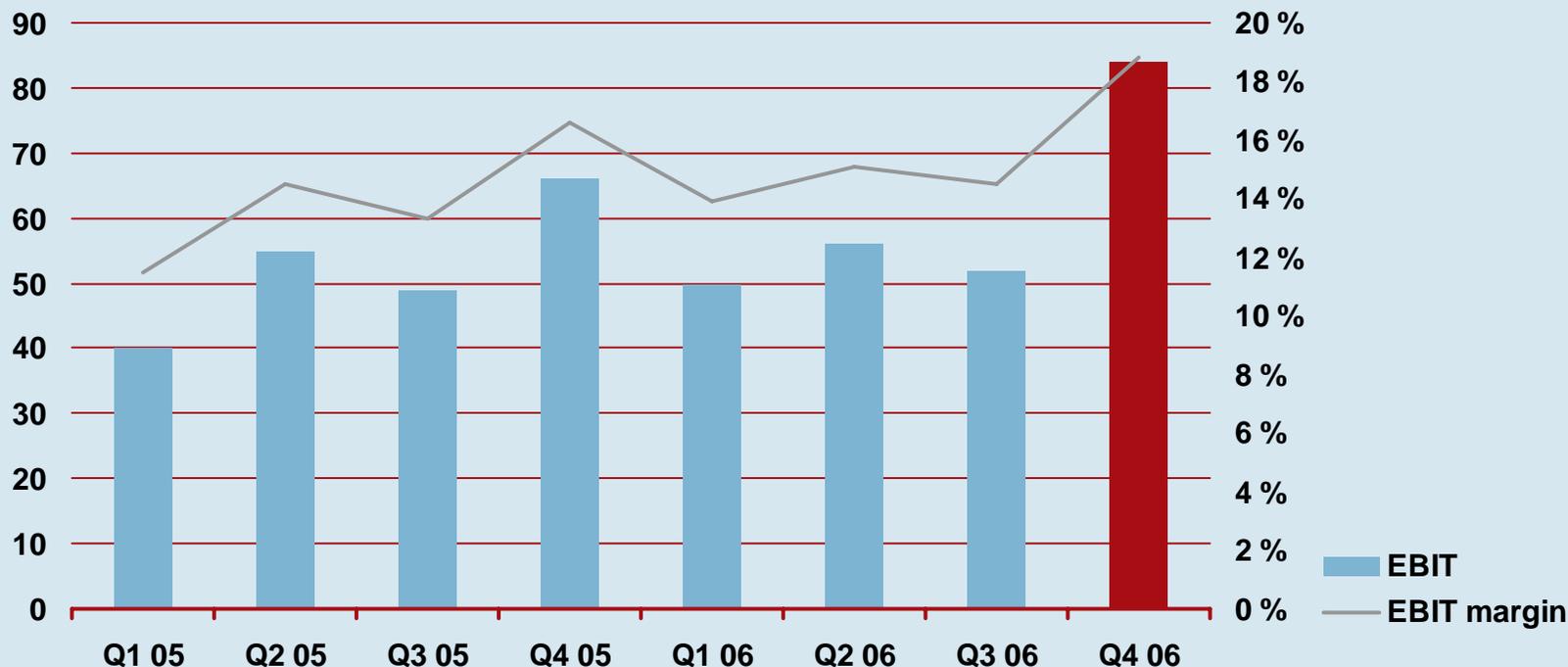
Gross profit margin



Gross profit margin 2006: 42.8 %. Gross profit margin 2005: 40,0 %.

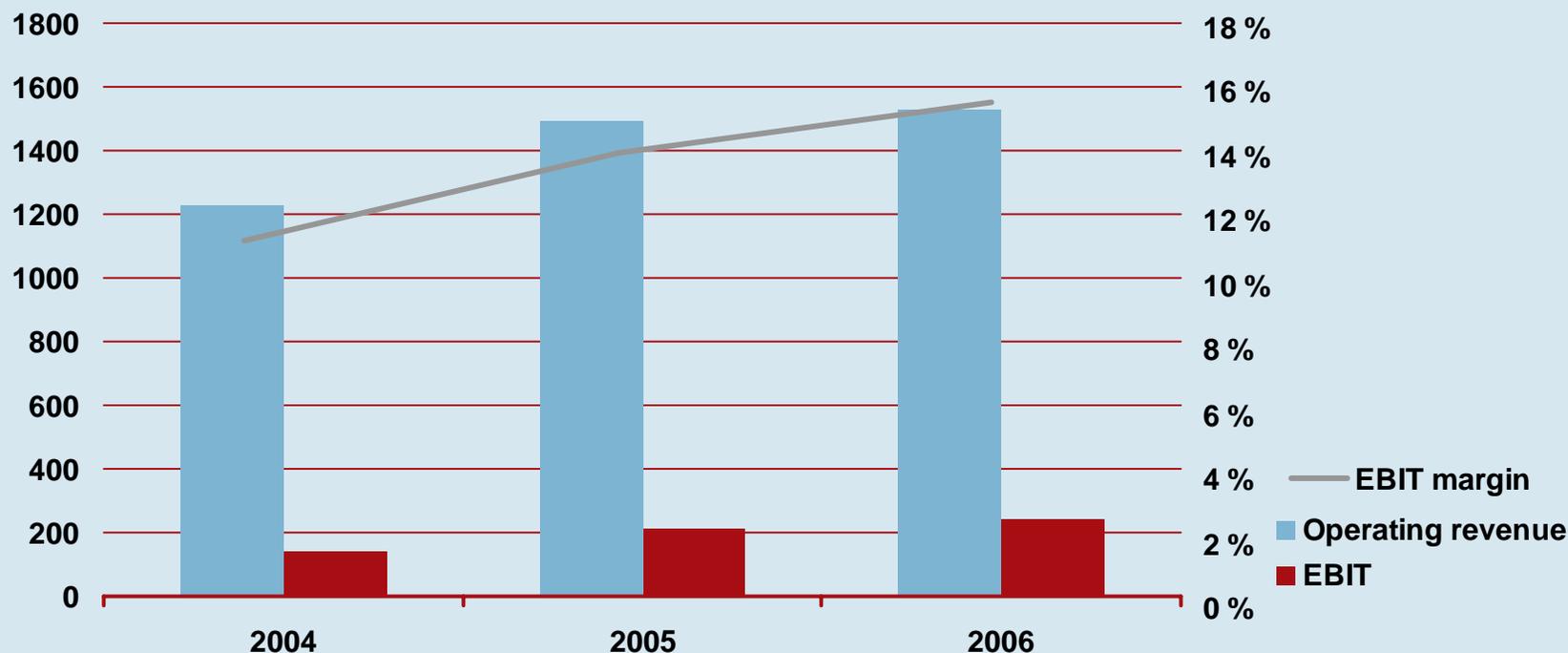
EBIT:

Profitable growth - EBIT margin 18.8% in Q4



Increased with 27.3 % in Q4 06 compared to Q4 05.
 EBIT 2006: NOK 241 million, 15.7 % margin.
 EBIT 2005: NOK 210 million, 14.0 % margin.

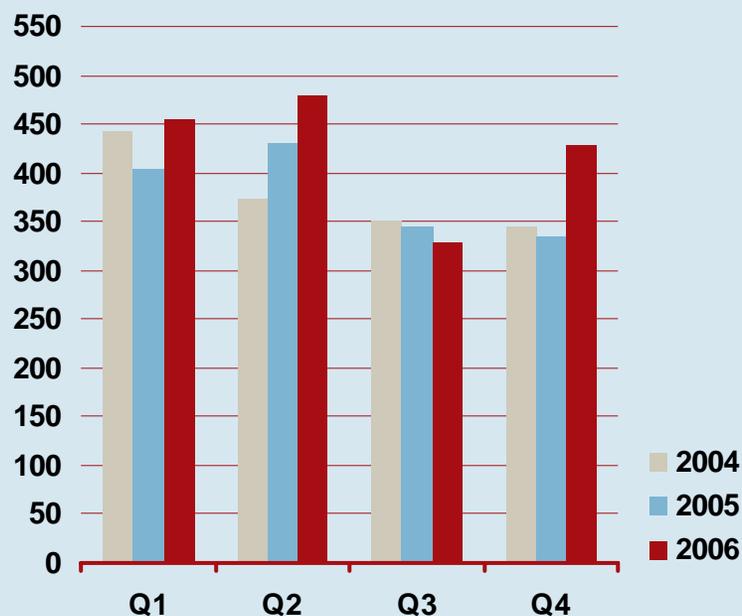
Operating revenues and EBIT: Development 2004 – 2006



2006: Revenue NOK 1 529 million, EBIT NOK 241 million, 15.7 % margin
 2005: Revenue NOK 1 492 million, EBIT NOK 210 million, 14.0 % margin
 2004: Revenue NOK 1 228 million, EBIT NOK 140 million, 11.4 % margin

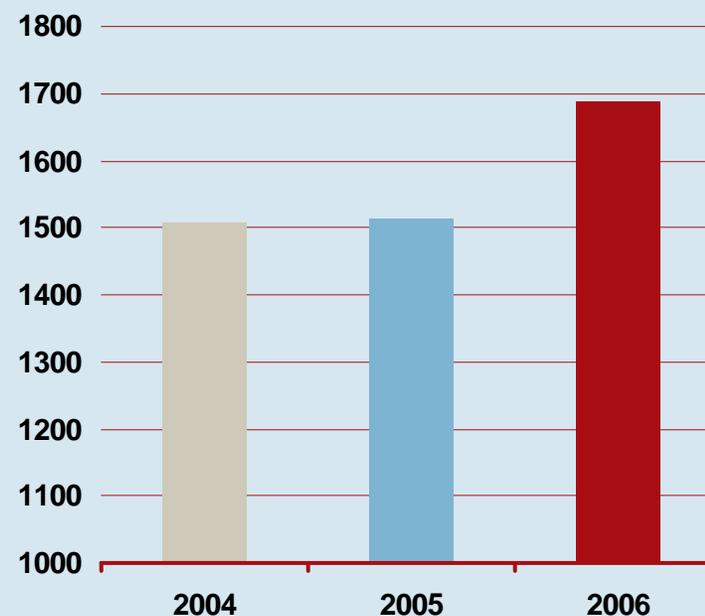
New orders: Increased with 27.2 % in Q4 (11.5 % 2006)

Per quarter



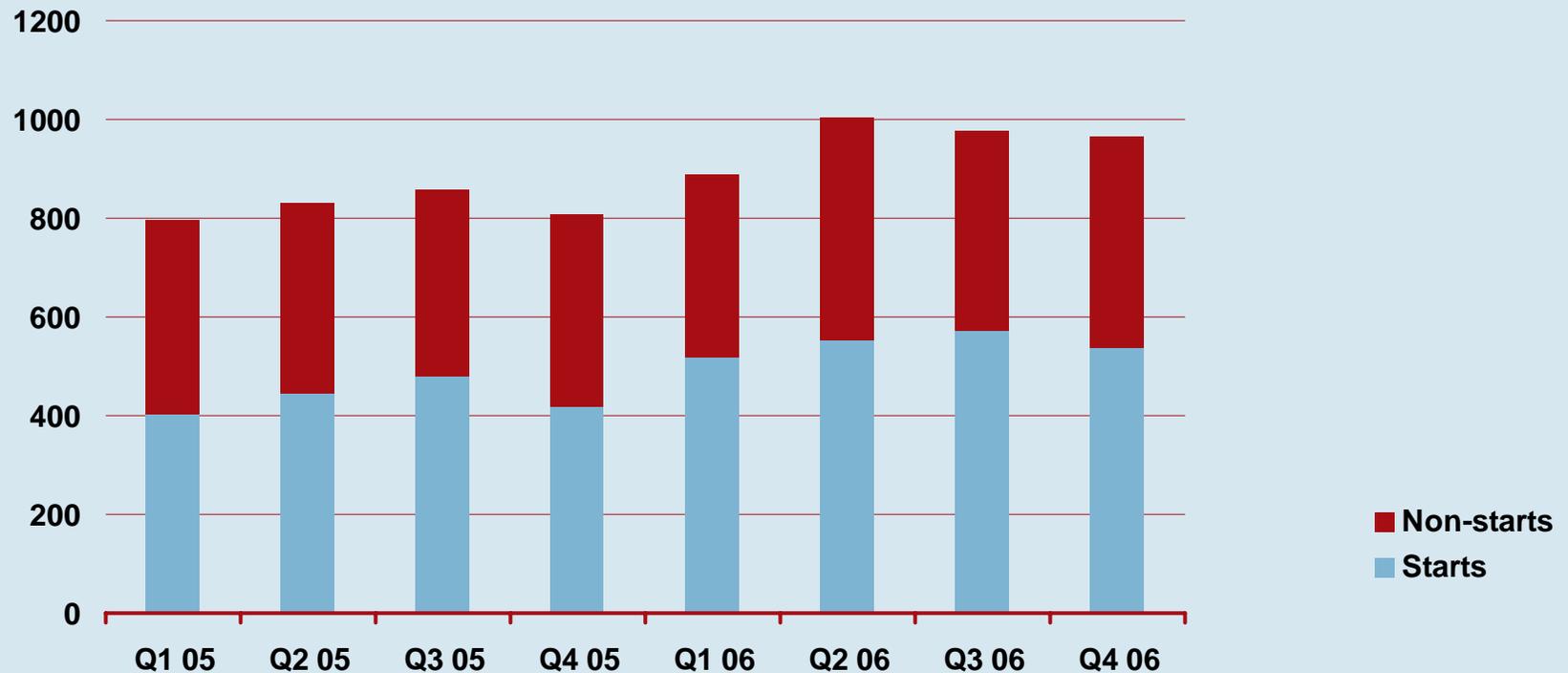
New orders Q4-06: NOK 427 million.
New orders Q4-05: NOK 335 million.
New orders Q4-04: NOK 344 million.

Per year



New orders 2006: NOK 1 686 million.
New orders 2005: NOK 1 512 million.
New orders 2004: NOK 1 508 million.

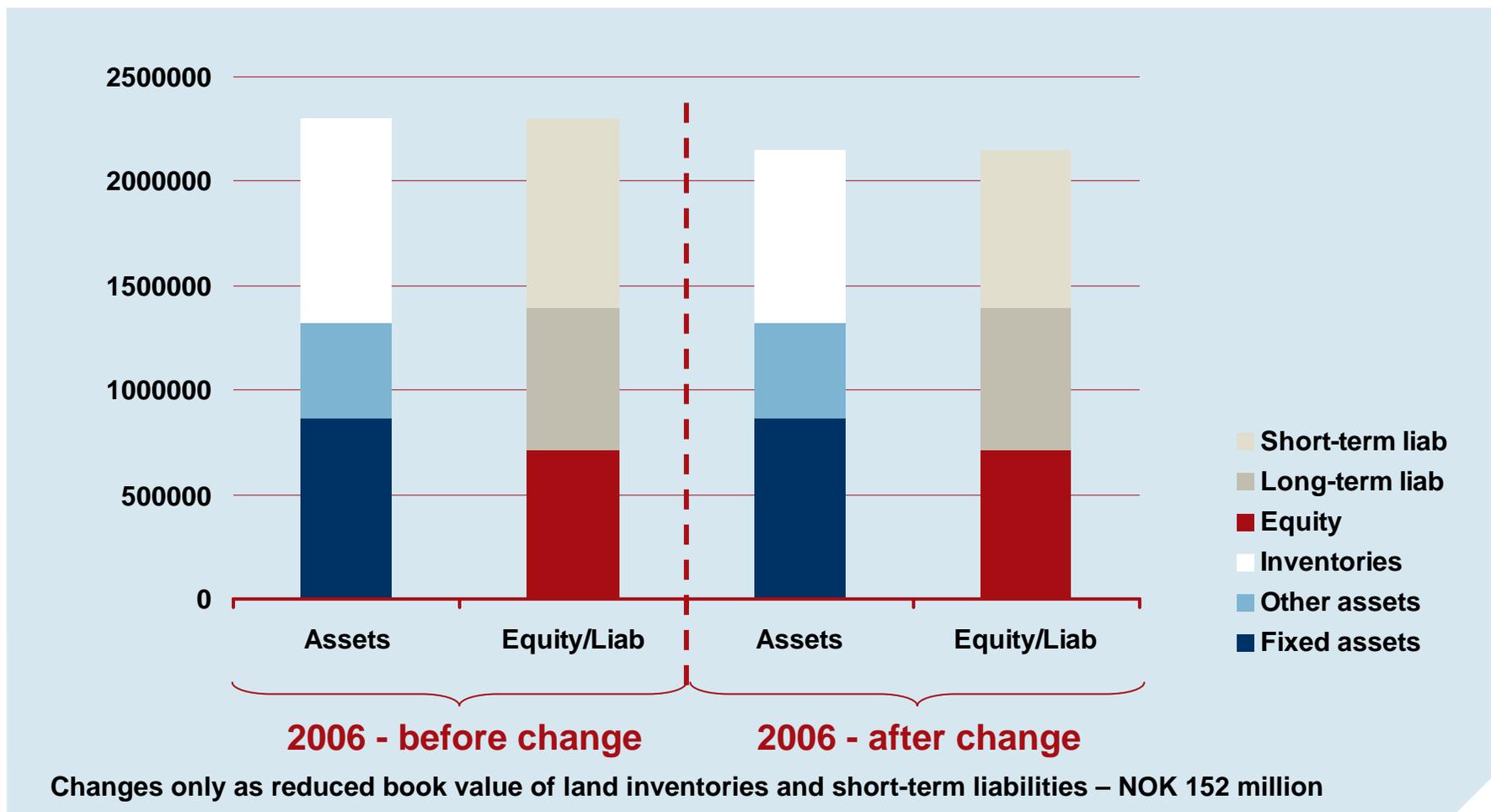
Order backlog: Close to NOK 1 billion at YE 2006



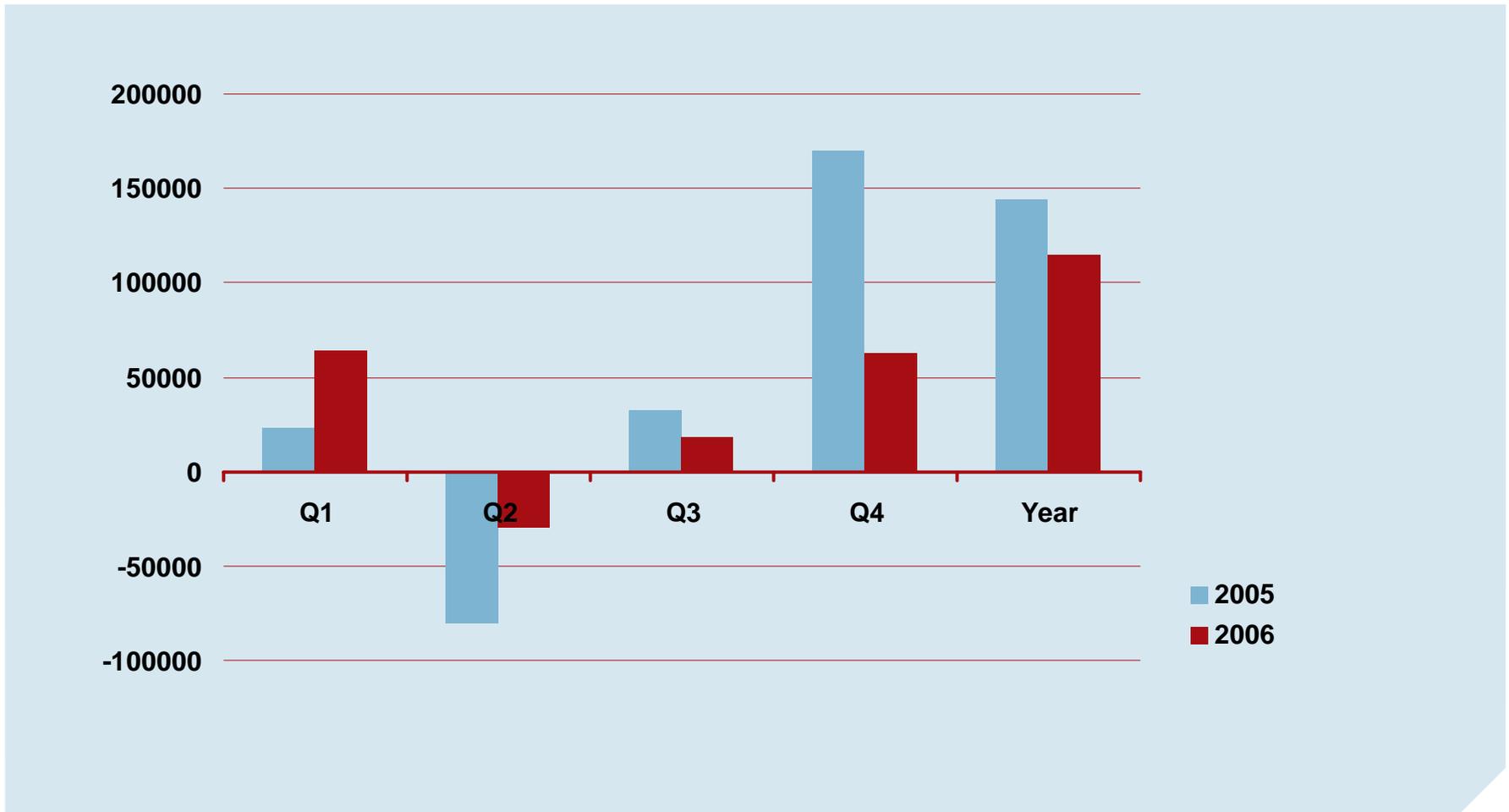
Order backlog year end 2006 is NOK 966 million.
Up 19.7 % compared to year end 2005 .

Balance sheet:

Changed assessment of conditional land contracts



Cash flow from operations



Project categories: Share of revenues

Project categories

1. Residential project development – 86 % (85 %)



2. Property sale with comm. to build a Block Watne house – 5 % (5 %)



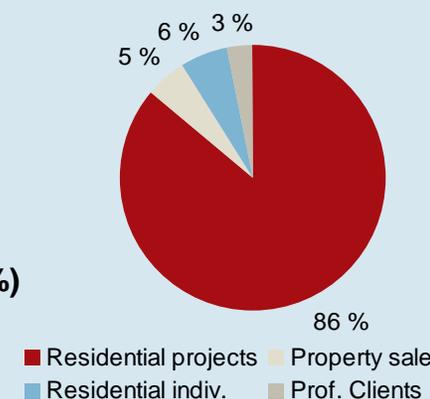
3. Residential construction for individual customers – 6 % (8 %)



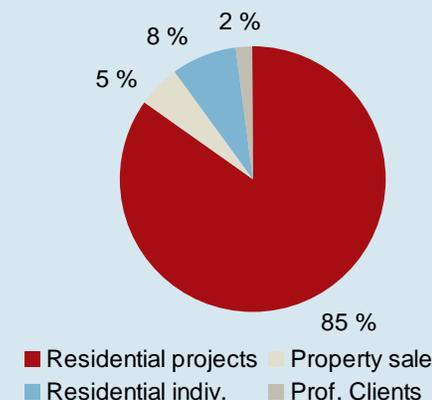
4. Construction for professional / corporate clients – 3 % (2 %)



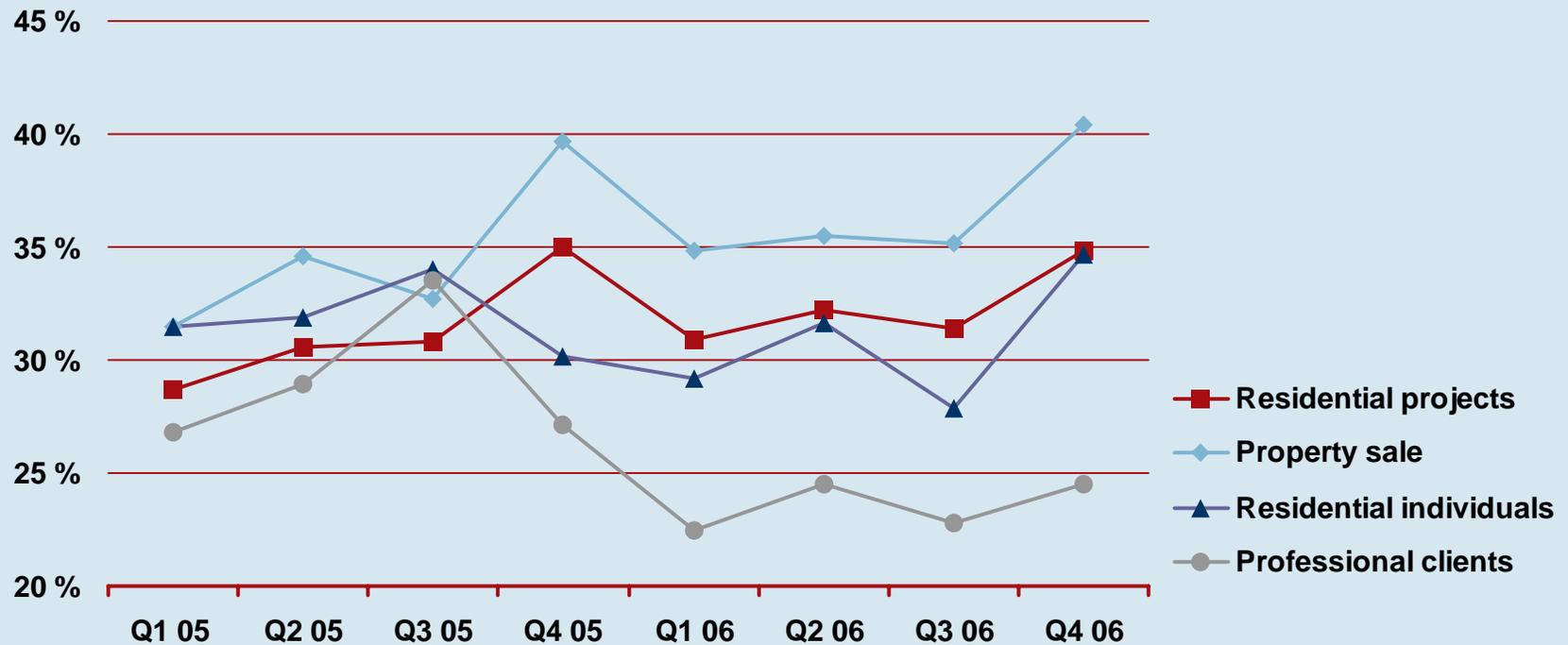
Share of revenues 2006



Share of revenues 2005



Project categories: Development gross contribution margin

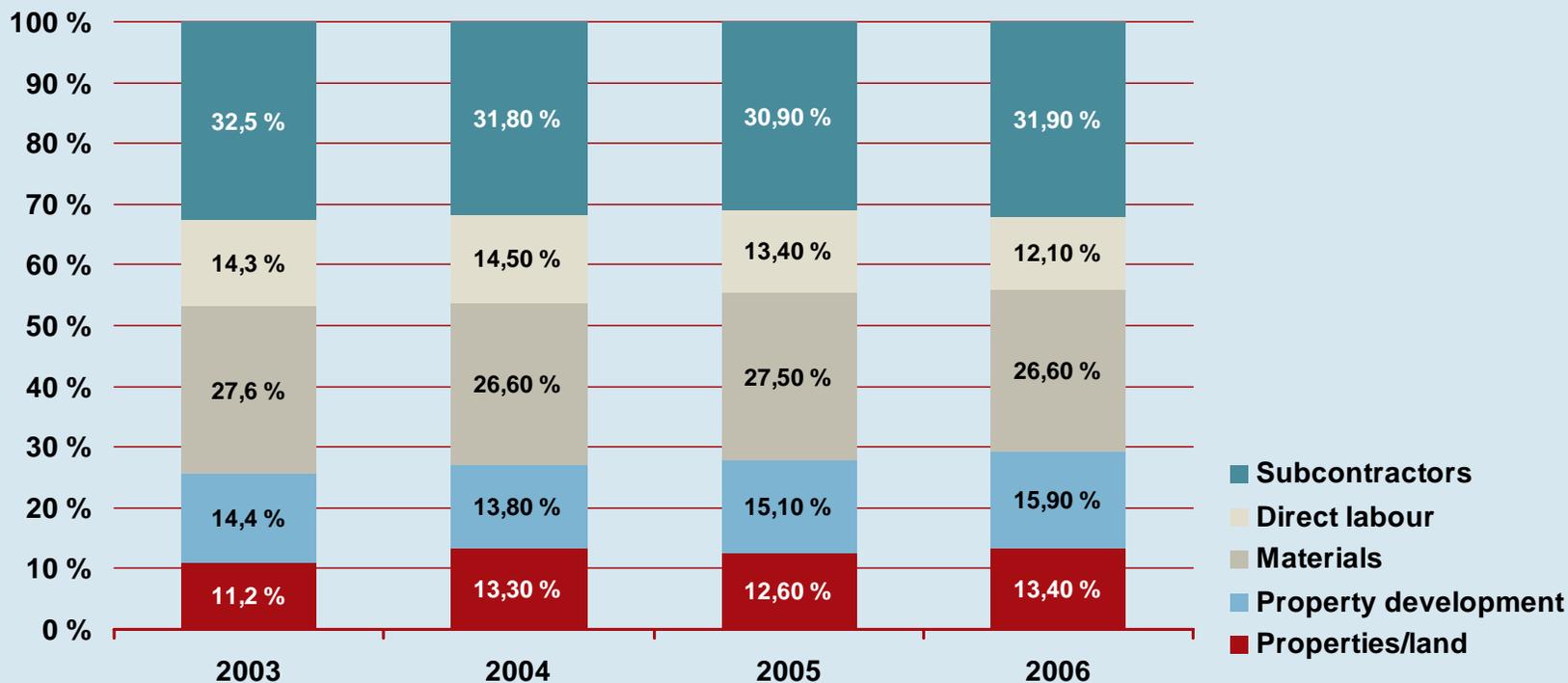


Gross contribution margin all categories 2006: 31.9 %.
Gross contribution margin all categories 2005: 29.2 %.

Acquisition of land:

Land represents a small part of total costs

Share of costs – based on completed projects



Historical figures for Block Watne AS. 2006 is Jan-Sep

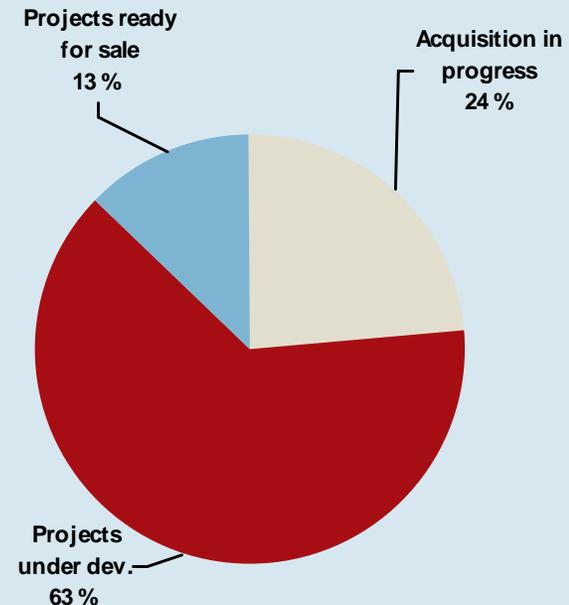
Acquisition of land:

Land and project portfolio capacity 12 000 units

- Continous land acquisition
- Land bank with 10 years horizon
- Changed assessment land contracts:
Reduced book value of land inventories represents appr. 790 units. These units are still controlled by Block Watne

Land and project portfolio

Total capacity approx 12 000 units



Shareholder information per 20 February 2007



10 largest shareholders % total

Lani Industrier AS	44.91%
Lani Development AS	5.00%
Pareto Aksje Norge	4.47%
Vital Forsikring ASA	3.58%
Bank of New York, Br	2.57%
Pareto Aktiv	2.01%
Verdipapirfond Odin Norden	1.91%
DnB NOR Norge (IV) VPF	1.85%
Bank of New York, Br (NOM)	1.78%
Verdipapirfond Odin Norge	1.75%

Share 20 largest shareholders	81.41%
Share 43 int'l shareholders	18.90%
Share 155 employees (excl LN)	0.31%

Closing price 20 February 2007 NOK 42.00



Recruiting of production staff: 40 new carpenters and apprentices

- 400 carpenters and apprentices
- Increase of 40 carpenters in 2006
- Increase of 10 project and building mgrs in 2006
- Recruiting backed by strong sales and order backlog



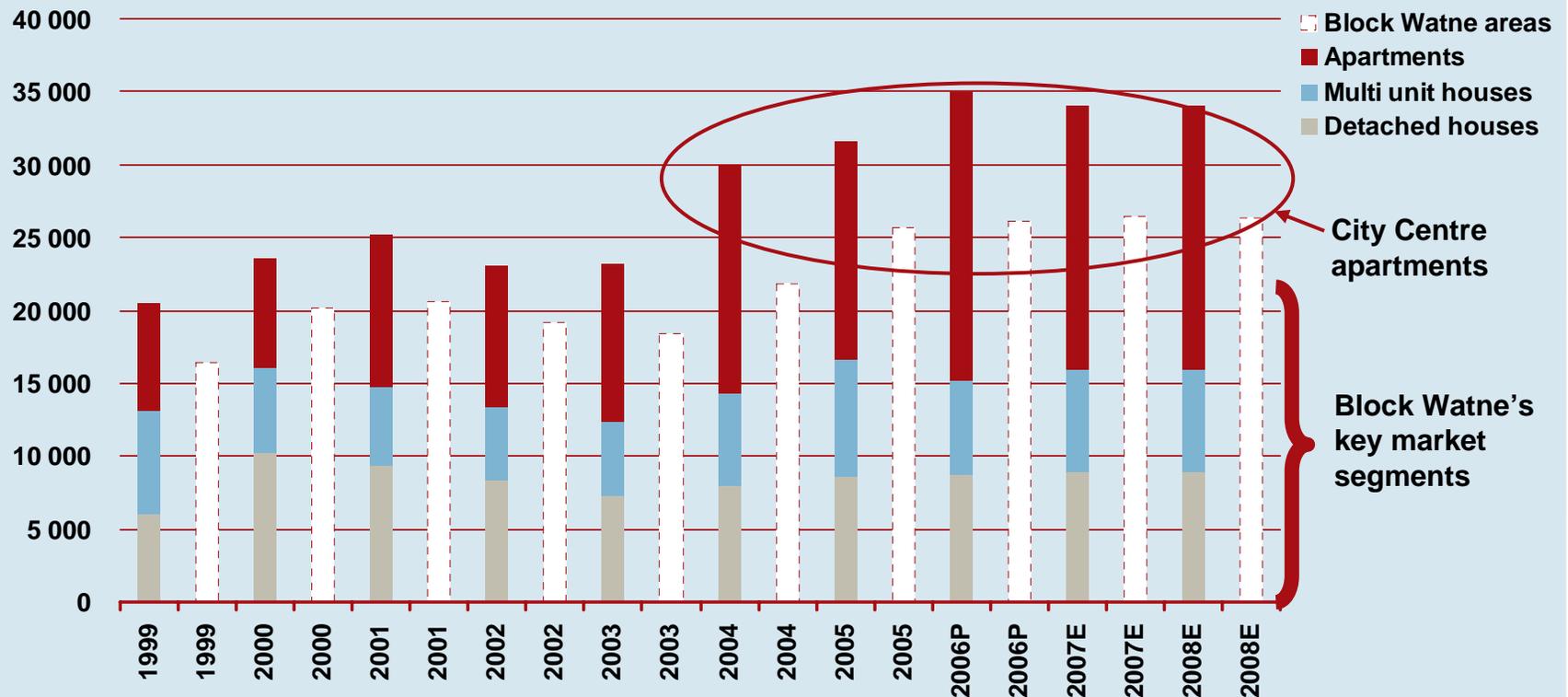
Outlook



Market position:

Stable market combined with large volumes

Norwegian residential housing starts 1999 – 2008E



Source: Prognosesenteret

Macro economy factors:

Key drivers for growth

■ Macro economy

- BNP 2007E: 3.4, 2008E: 2.8
- Inflation 2007E: 1.0, 2008E: 2.1
(Source: Nordea)

■ Labour immigration

- Net immigration 2006: 23 000
- 52 000 work permits to foreign labours;
+ 50% from 2005
(Source: Statistics Norway)

■ Employment

- Unemployment rate
2007E: 3.6, 2008E: 3.0
(Source: Nordea)

■ Interest rates

- 2007: 3.75
- 2008: 4.50
(Source: Norges Bank)



Summary

- Profitable growth in all time high Q4: EBIT margin 18,8%
- 2006: Best year ever
- Entered 2007 with an order backlog close to NOK 1 billion
- Positive demand for our “affordable homes”
- Increased production staff secures growth potential in 2007-2008
- Continued focus on quality and profitability in projects; further streamlining of processes
- Solid foundation for further profitable growth



Welcome back

1st quarter 2007 – 15 May 2007



Q & A ?

