

Presentation April 2007, Lars Nilsen, CEO

Block Watne Gruppen – Private Placement



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Agenda

- The private placement
- The Prevesta acquisition
- Presentation of Prevesta (Myresjöhus and SmålandsVillan)
- BWG after the acquisition



Private Placement Highlights

- Private Placement of approximately NOK 650 million
 - Current number of shares outstanding: 45.0m
 - New shares as part payment in relation to Prevesta: 6.5m
- Time table
 - Bookbuilding period from 19 April 2007 to 26 April 2007 at 16:30 CET
 - subject to early close or extension
 - Notification of allocation 27 April 2007, trade date
 - Allocated shares available for trading 27 April 2007
 - Settlement DvP, 3 May 2007
 - settlement with borrowed shares
- Use of proceeds
 - Repay/cancel credit facilities established for financing acquisition of Prevesta
 - Strengthen balance sheet and establish financing structure which enable continuation of Block Watne Gruppen's dividend policy of 50-70% of net income
- Minimum application amount NOK 500 000
- Lead-manager and bookrunner SEB Enskilda ASA
Co-manager Nordea Bank Norge ASA

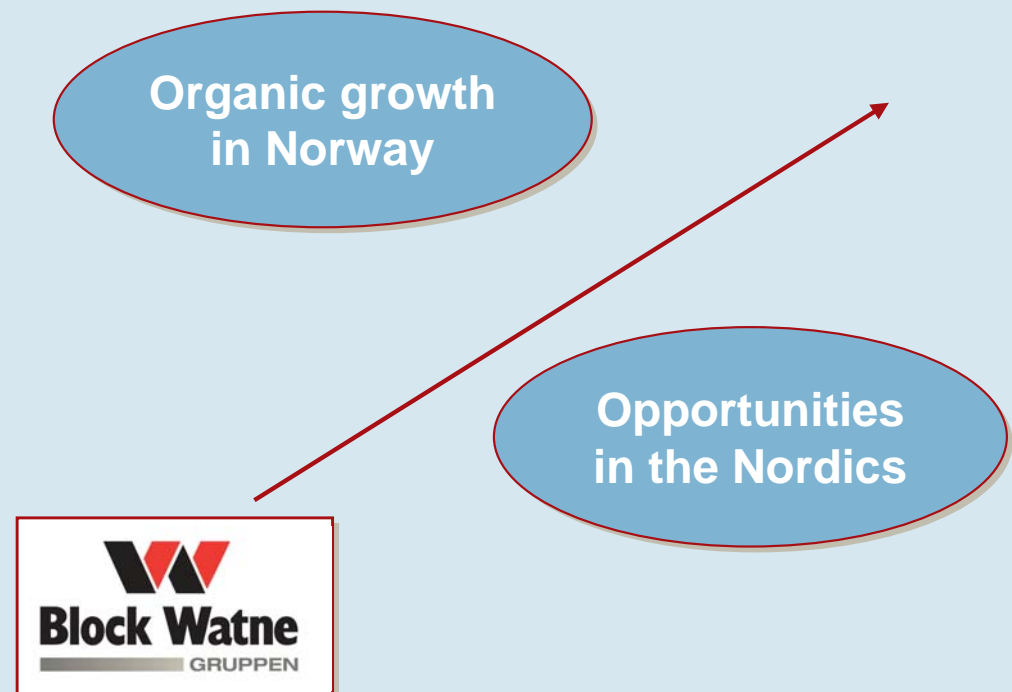
The acquisition of Prevesta



Block Watne Gruppen is acting on its stated intention: Nordic market leader position obtained

- Sweden identified as a logical geographical market to enter
- Prevesta (Myresjöhus and SmålandsVillan) represents a unique opportunity to secure strong foothold in Sweden
- Market leading position in the Nordics obtained

Stated intention



Block Watne Gruppen acquires Prevesta: The leading Swedish residential house builder

- Block Watne Gruppen (“BWG”) acquires Prevesta AB (“Prevesta”) from Industri Kapital 2004 Fund and Prevesta management for SEK 1 900 million (NOK 1 731 million) on a cash/debt free basis
- Prevesta is Sweden’s leading producer of prefabricated residential houses with
 - Two market leading brands; **Myresjöhus** and **SmålandsVillan**
- BWG becomes the leading Nordic residential house builder
 - Pro forma revenues (2006) NOK 3 059 million
 - Pro forma EBIT (2006) NOK 382 million
- The acquisition is expected to contribute positively to earnings per share from 2007 onwards even on a stand-alone basis

The acquisition:

Financing and completion

- The entire purchase price of NOK 1 731 million (on a cash/debt free basis) is fully financed through committed credit facilities
- BWG's AGM approved 18 April 2007:
 - A directed issue of approx. 6.5 million BWG shares to the sellers of Prevesta as part payment for the purchase price
 - A board authorization for the issue of up to 22.5 million shares - shareholders' preferential rights may be waved
- The private placement of approx. NOK 650 million presented herein is based on the authorization
 - Proceeds to repay/cancel credit facilities established for financing
- Completion of the acquisition expected ultimo May 2007 - only awaiting certain regulatory approvals related to two insurance companies partly owned by Prevesta

Block Watne Gruppen's acquisition criteria: Fulfilled by Prevesta

- ✓ High quality in management
- ✓ Strong brand names and product portfolio
- ✓ Focus on similar market segments
- ✓ Sound financial performance
- ✓ Complementary operations
- ✓ Financially attractive for BWG's shareholders;
also on a stand-alone basis



Prevesta:

The leading Swedish residential house builder

- Sweden's leading producer of prefabricated houses
- Two strong brands – Myresjöhus and SmålandsVillan
- Delivered more than 80 000 houses since 1927. Delivered 1 170 houses in 2006
- Three modern production facilities leased in Myresjö, Vrigstad and Sundsvall
- Geographic focus on north-, mid- and southern Sweden
- Revenues in 2006 NOK 1 530 million and EBIT NOK 150 million
- 530 employees



Myresjöhus and SmålandsVillan:

Complementary brands



Target customer:

- Middle-income families
- Couples age 30-45
- Often second-time buyers

Concept:

- Panel-based production, allowing a high degree of customisation

Average price:

- SEK 1.6m (excl. land and VAT)

Size (sq.m):

- 101-239

House models:

- 50



SmålandsVillan

- Moderate-income families
- Couples age 25-40
- First-time buyers

- Standardized box-unit production with a limited degree of customisation, but very competitive prices

- SEK 1.1m (excl. land and VAT)

- 82-120 (up to 200 incl. loft)

- 7



Three production facilities for prefabrication of panels and box units

Myresjö



Employees: 135
Capacity*: 1600
Current rate*: 900

Vrigstad



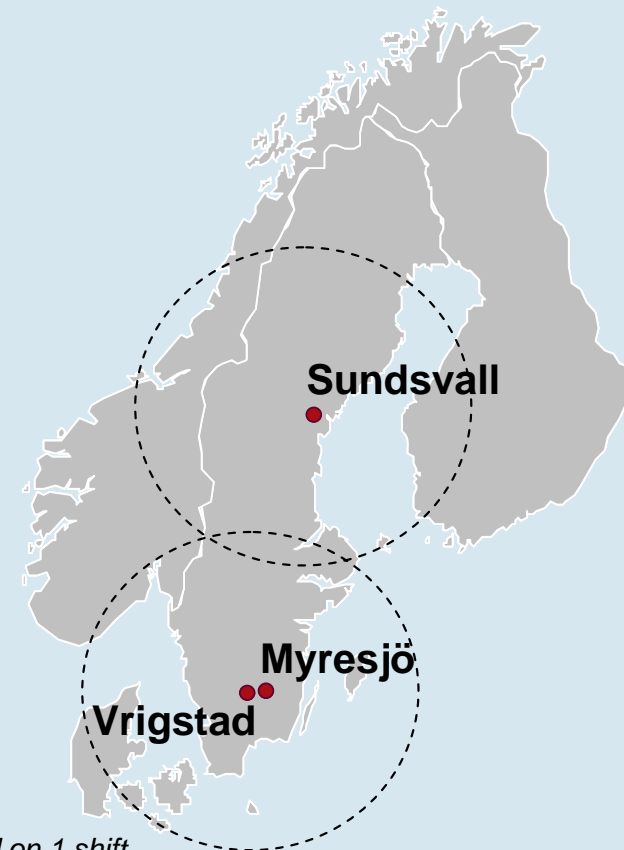
Employees: 120
Capacity*: 400
Current rate*: 300

Sundsvall



Employees: 40
Capacity*: 250
Current rate*: 100

- SEK 75 mill invested in production equipment 2005 - 2006



**Capacity and current rate in units per year based on 1 shift*

Prefabrication of residential houses:

Two types of production technologies used



- Production technology:** ■ Panel based
- Man-hours at factory:** ■ ~150h
- Man-hours at site:** ■ ~7-800h
- Design flexibility:** ■ Medium/High
- Construction risk at site*:** ■ Medium

* Compared to conventional construction

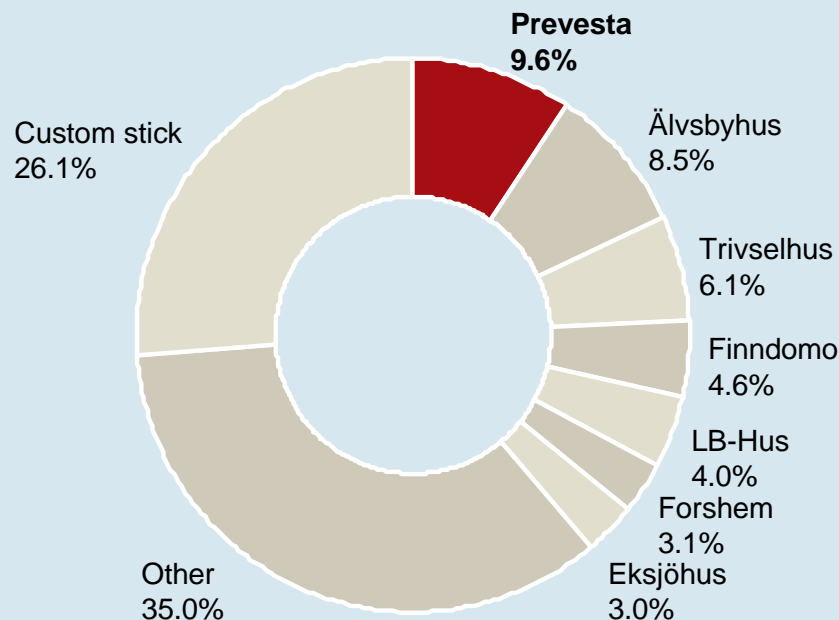


- Box units
- ~600h
- ~150h
- Low/Medium
- Limited

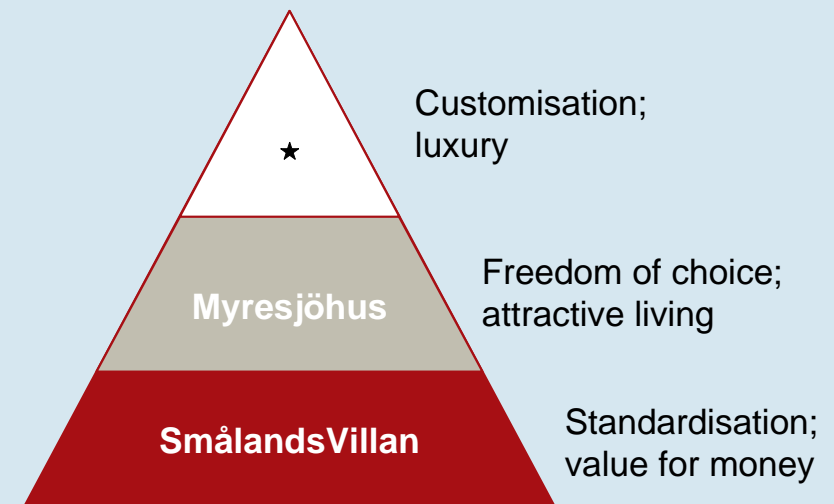


Prevesta has a leading position in the Swedish residential house building market

Market shares



Market segments – positioning



- Myresjöhus targets the same market segment as Block Watne AS in Norway; affordable quality housing in the outskirts of cities and pressure areas
- SmålandsVillan, targets the highly standardized and affordable segment, similar to the segment that BWG is considering for the Hetlandhus brand in Norway
- Total market around 12 000 units (single-family houses) annually

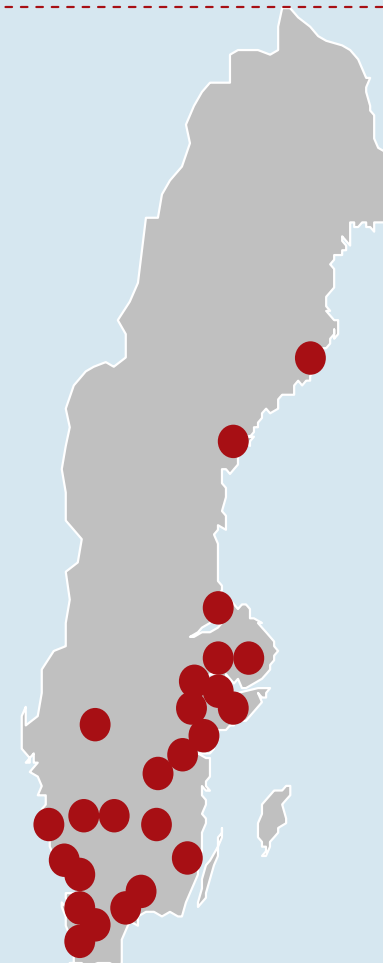
¹⁾ Source: Bygghälsan 2006. Market shares based on number of building permit applications. Excluding the large construction companies that focus on apartment buildings

Access to land:

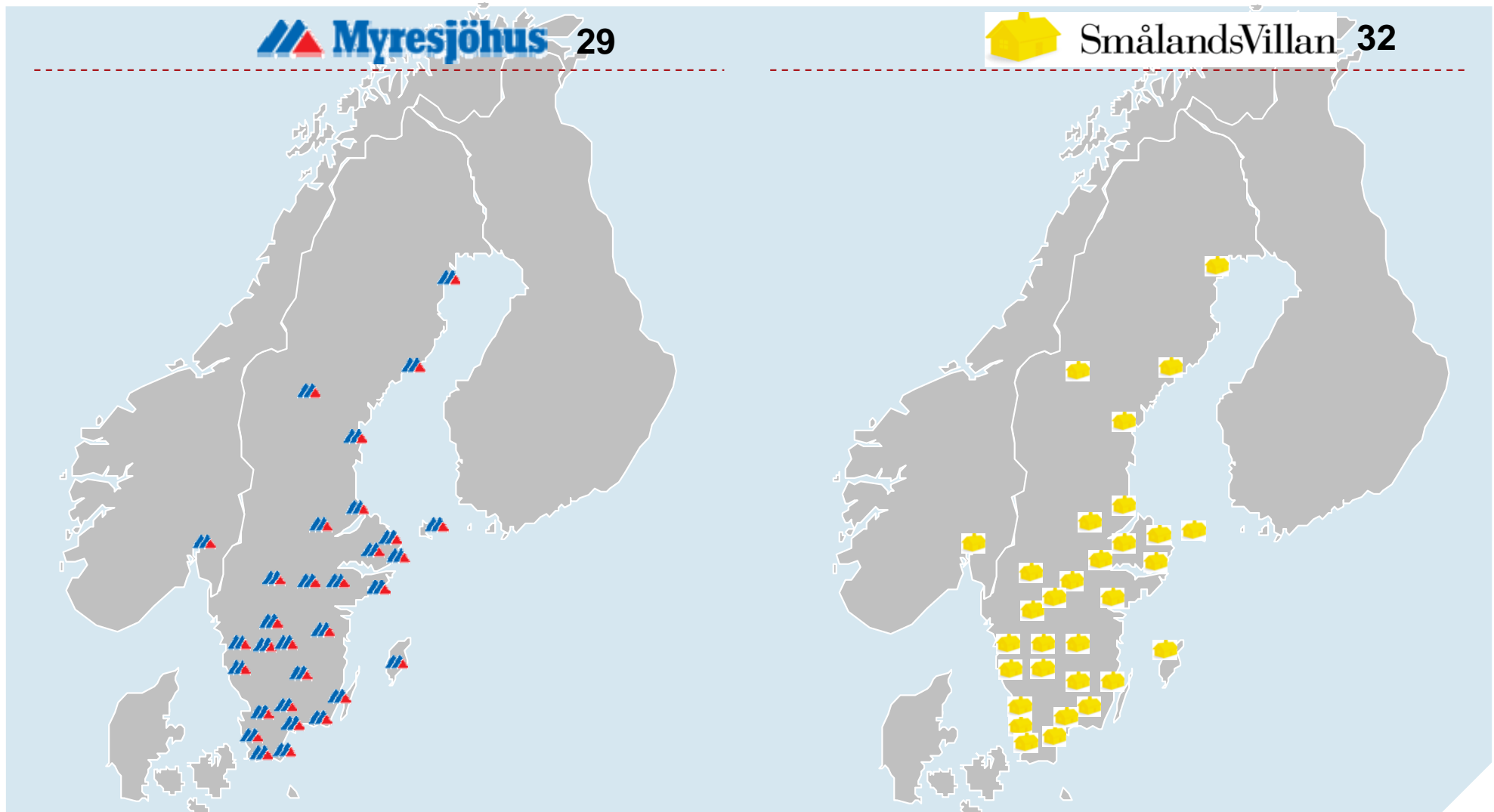
A key determining factor for customers

- Prevesta currently owns a land portfolio with capacity of some 950 units.
 - Capacity through partners + 500 units.
 - ~300 pieces of land sold annually
- When Prevesta sells a piece of land, the customer has to build a Prevesta house
- Acquisition mainly in major cities/university cities, and only when achievable to sell the piece of land with a Prevesta house within 18 months

Distribution of land portfolio

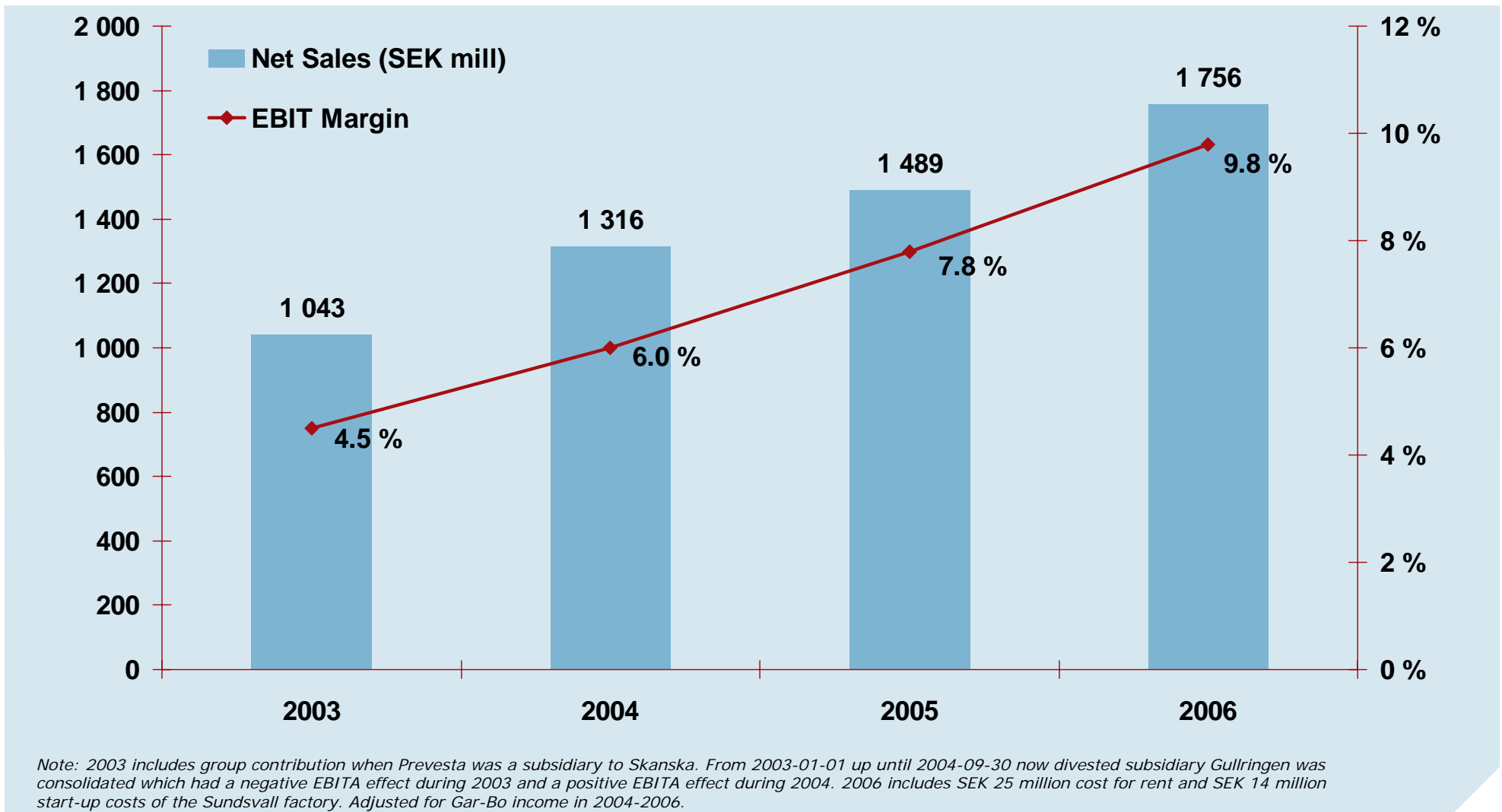


Myresjöhus and SmålandsVillan: Sales channels (sales offices and agencies)



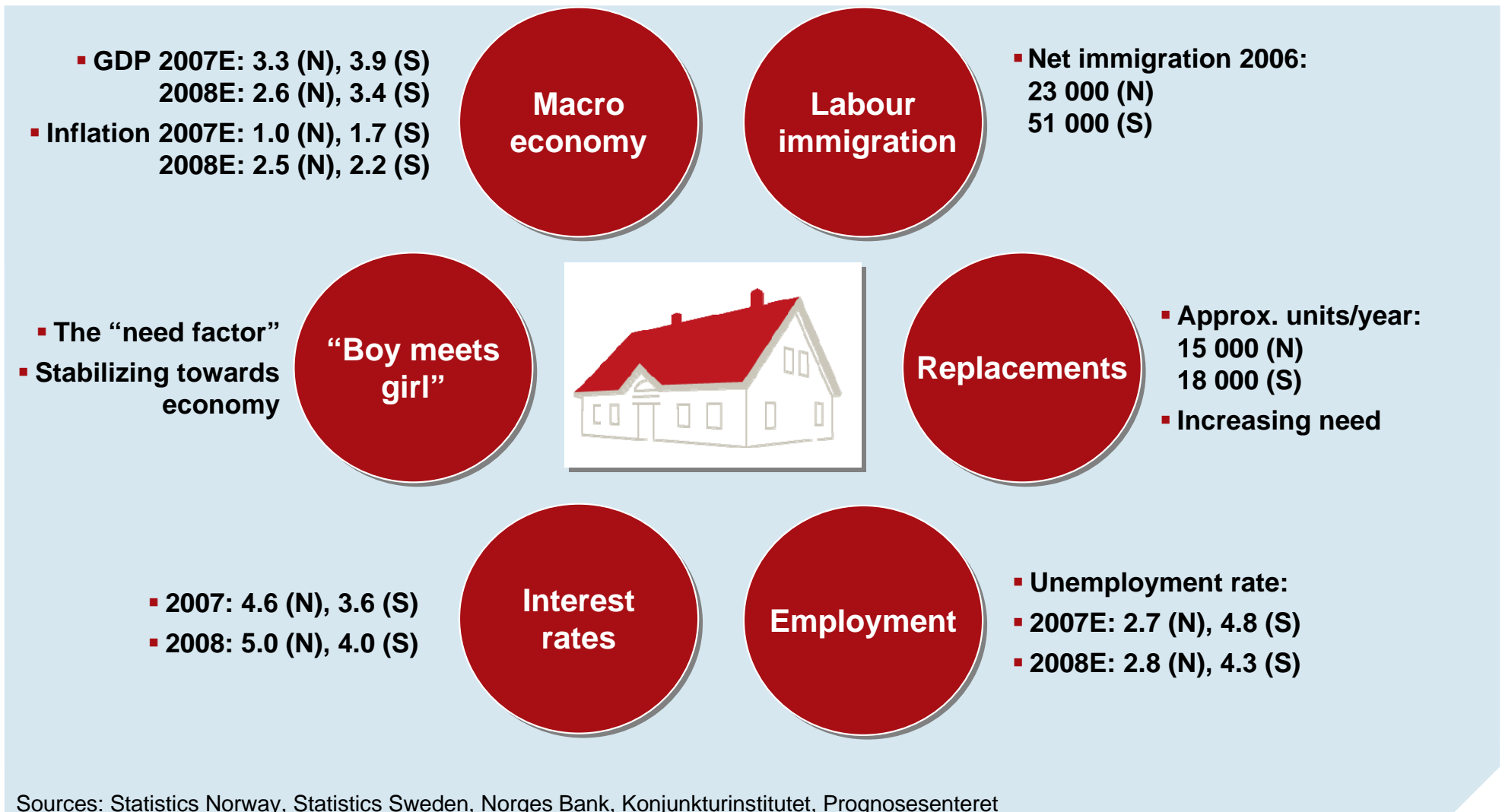
Prevesta financials:

Strong development 2003 - 2006



Going forwards:

Key drivers for profitable growth



The Swedish residential house building market:

Positive outlook

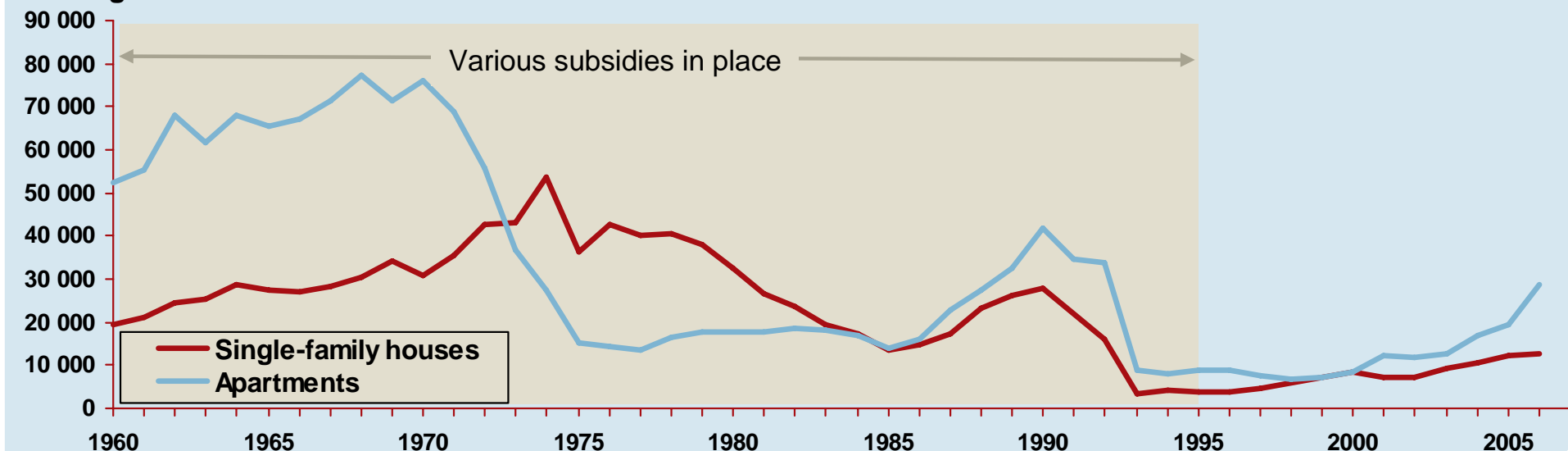
Until mid 1990s

- Construction market fuelled by subsidies (interest, VAT, taxes)
- High level of production, but also high variability

Today – a consumer driven market

- Customers pay the “full price” for their new apartments - fewer subsidies
- Currently lower level of house production than historically, but also lower variability

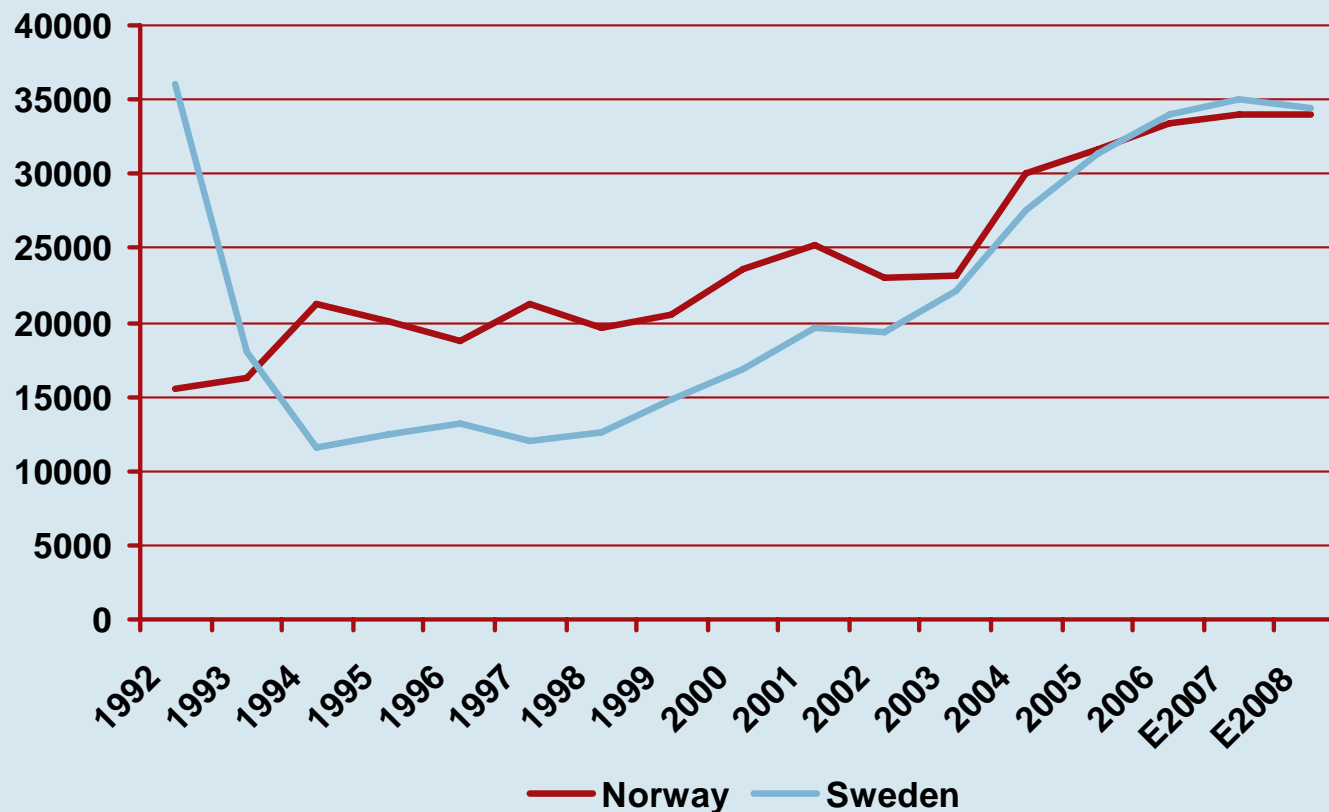
Housing starts



Operations in two differing markets reduce the group's cyclical exposure

Total housing starts in Norway and Sweden 1992 - 2008E

Housing starts



- Level of construction in Sweden still low in a historical context and relative to neighbouring countries
- Homes built per 1 000 inhabitants:
 - Sweden: 3.3
 - Norway: 6.0

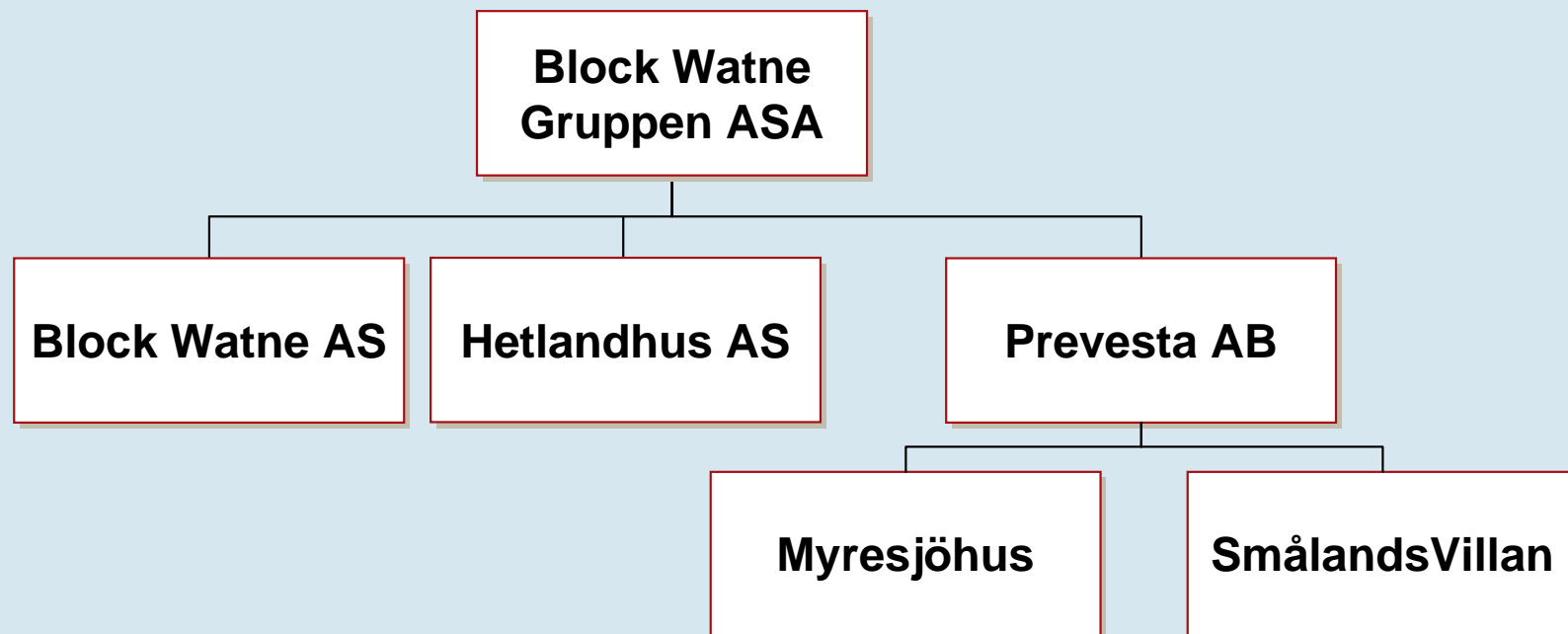
Source: Prognosesenteret – Norway, Sweden

Block Watne Gruppen after the acquisition



Organisational structure:




Swedish and Norwegian operations



- BWG group staff will be strengthened
- Norwegian operation - Block Watne AS - to be organised and continued as today
- Swedish operation – Prevesta AB - to be organised and continued as today

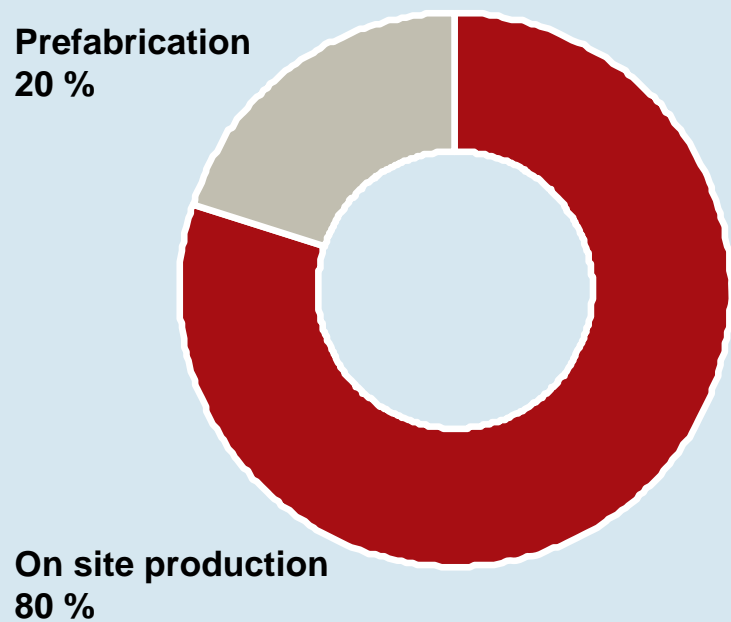
Value chain:

Comparison of the three brands

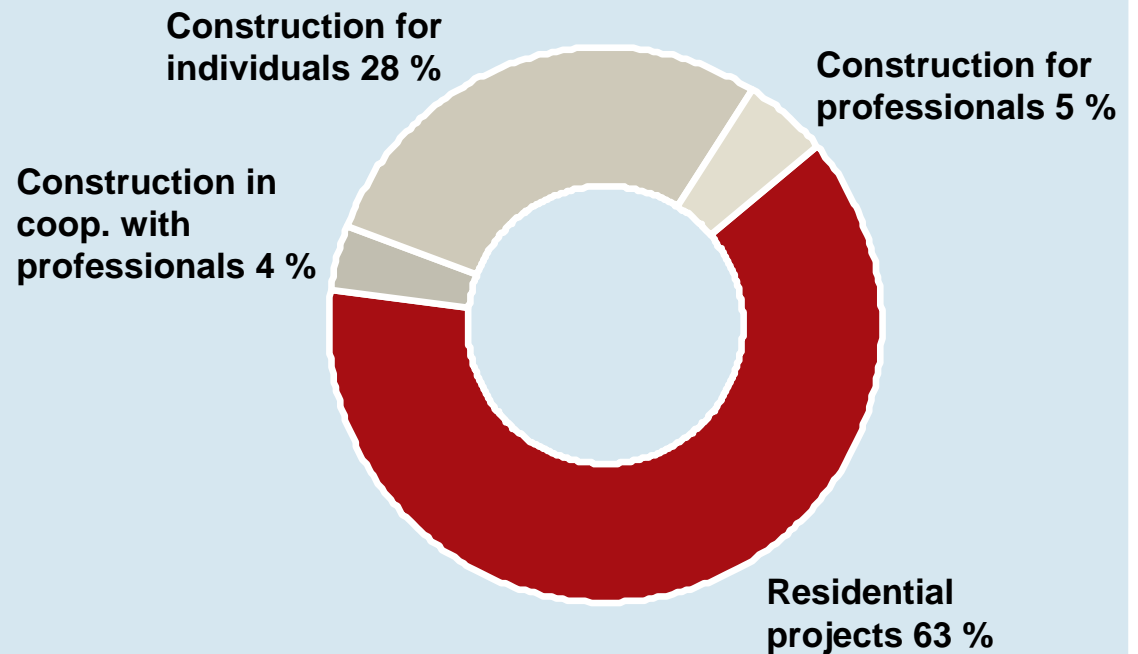
	Land development	Acquisition of land	Prefabrication	On-site construction	Sales to end customers
	✓	✓		✓	<ul style="list-style-type: none"> Own sales force 21 regional offices
	(✓)	✓	✓	✓	<ul style="list-style-type: none"> Own sales force Project partners Agents 29 sales offices/agents
			✓	(✓)	<ul style="list-style-type: none"> Agents 32 sales offices/agents

Project and process composition following the acquisition

Prefab and on site production

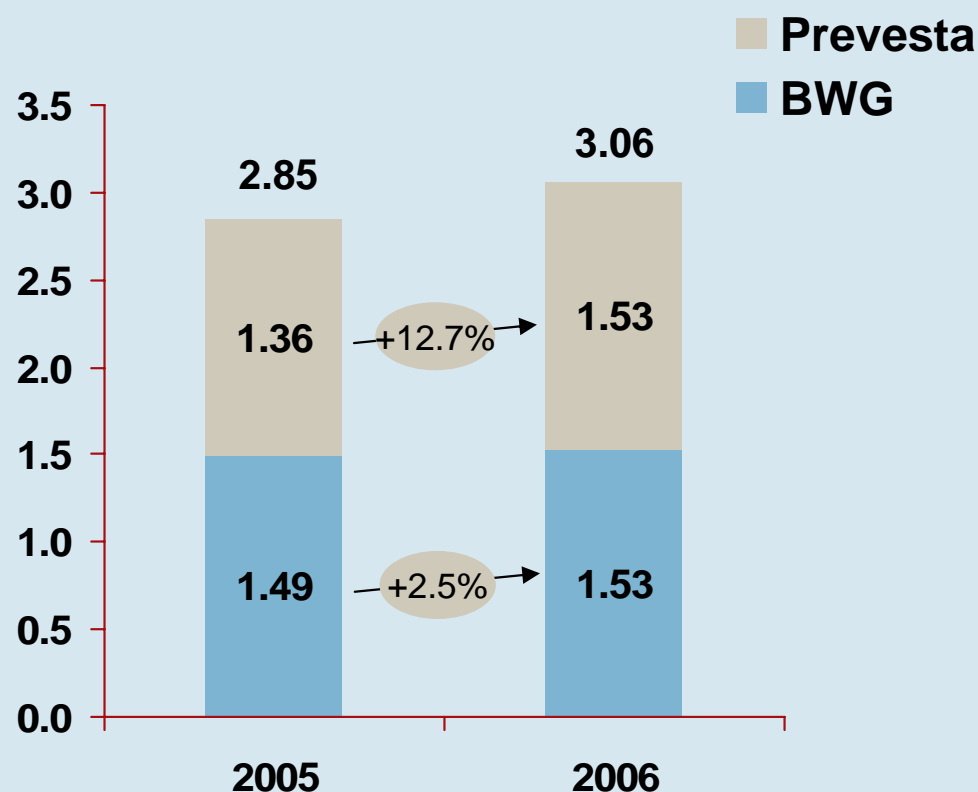


Project categories – share of revenues

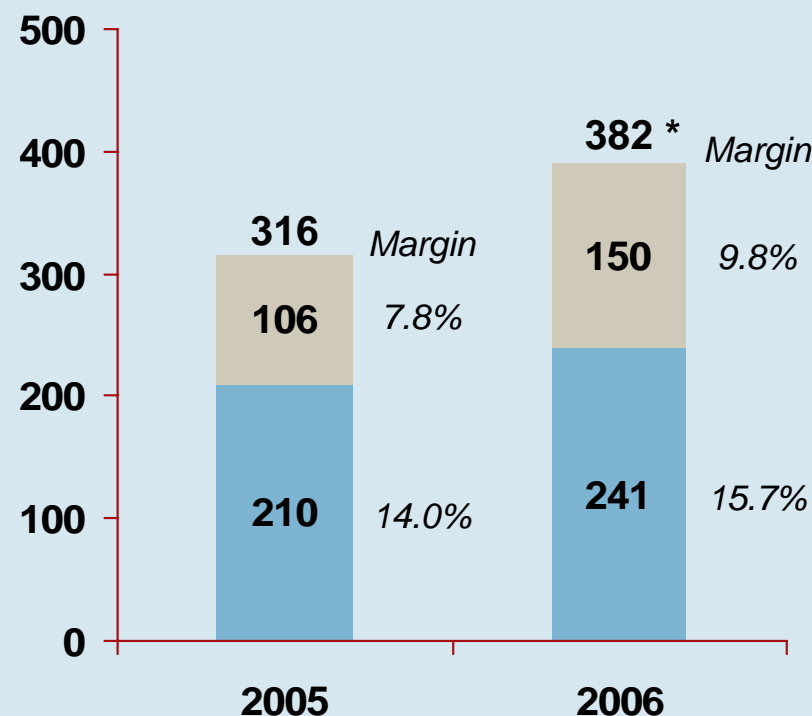


BWG and Prevesta: Combined financial development

Revenues (NOK bn)



EBIT (NOK mill)



Unaudited figures. 2005 figures not adjusted for eliminations or acquisition effects

* Difference from sum of the companies due to pro forma adjustments

New BWG:

Synergy potential

- Economies of scale within purchasing due to larger combined volumes
 - combined purchases of approx. NOK 650 million in 2006
 - mostly different suppliers used by Block Watne and Prevesta
 - heated market – may take time to obtain improved purchasing terms
- Implementing “best practice” in both the Norwegian and Swedish operations
 - standardization of materials and work flows
 - pricing optimisation
 - coordination and re-use of designs



New BWG:

Synergy potential

- Cross-selling of concepts between Sweden and Norway
 - SmålandsVillan targets same market segment as planned for Hetlandhus
 - Block Watne and Myresjöhus do the same
- Increased utilization of the Swedish production capacity
 - current capacity utilisation at Prevesta's factories approximately 65% based on 1 shift
 - Swedish factories can alleviate potential bottlenecks in Norway



Thank you for your attention!



Risk factors

Prior to investing applying for shares in the Private Placement, prospective investors should consider the risks associated with an investment in the Shares, including, but not limited, to the following:

- Block Watne Gruppen may experience difficulty in acquiring land to develop
- Legal proceedings and disputes in the course of its business may adversely affect Block Watne Gruppen's operating results and financial condition and may result in negative publicity
- Environmental liabilities related to land owned for development of property projects
- Adverse macro-economic development which may reduce the demand for Block Watne Gruppen's products and services
- The loss of key personnel
- Block Watne Gruppen may be unable to compete successfully
- Insufficient access to financing, failure to renew current loan agreements and credit facilities, and failure to comply with contractual covenants
- Failure to comply with covenants related to Block Watne Gruppen's debt financing and failure to negotiate waiver(s) if needed will result in the banks being entitled to demand repayment of the loans in full prior to the stated maturity date. Furthermore, there is no guarantee that a renewal or replacement of loan facilities can be achieved or achieved at satisfactory terms upon expiration of the current agreements.
- The integration of Prevesta subsequent to closing of the acquisition may be challenging and involve risks
- The closing of the acquisition of Prevesta is subject approval of relevant governmental authorities. If necessary approvals are not obtained by 31 July 2007, each of Block Watne Gruppen and Industri Kapital (in its sole discretion on behalf of the sellers of Prevesta) may, except following the willful failure or breach of such terminating party, cancel the transaction, in which case it will not be consummated and the benefits of the acquisition that are described in this presentation will not be realized. Although Block Watne Gruppen expects that all necessary approvals will be obtained by such date, there can be no assurance that this will be the case
- Block Watne Gruppen's share price could fluctuate significantly in response to quarterly variations in operating results, adverse business developments, changes in financial estimates by securities analysts and / or changes to the regulatory environment in which Block Watne Gruppen operates
- Block Watne Gruppen may experience limited liquidity in the secondary market which could may adversely affect the stock price

Pro forma condensed income statement for 2006

<u>NOK million</u>	BWG ASA Group	Prevesta Group	Pro forma adjustments	New BWG Group
Operating revenues	1 529.2	1 529.8	0.0	3 059.0
EBITDA	245.8	159.8	-8.7	396.9
<i>EBITDA margin</i>	<i>16.1%</i>	<i>10.4%</i>		<i>13.0%</i>
EBIT	240.6	150.4	-8.7	382.3
<i>EBIT margin</i>	<i>15.7%</i>	<i>9.8%</i>		<i>12.5%</i>
Income from associates	2.9	16.1		19.0
Net financial costs	-25.8	-27.7		-103.3
EBT	217.7	138.8	-58.5	298.0
<i>EBT margin</i>	<i>14.2%</i>	<i>9.1%</i>		<i>9.7%</i>
Net profit	162.8	100.1	-42.1	220.7
<i>Net profit margin</i>	<i>10.6%</i>	<i>6.5%</i>		<i>7.2%</i>
Basic earnings per share, weighted	3.70			4.32
Number of shares outstanding	45 000 000			51 502 242

- Assuming a directed share issue to the sellers of Prevesta
- Not including effects of the Private Placement

Pro forma condensed balance sheet YE 2006

<u>NOK million</u>	BWG ASA Group	Prevesta Group	Acquisition of Shares	Eliminations	Pro forma adjustments	New BWG Group
ASSETS						
Intangible assets	826.1	416.1	0	1,724.10	0	2,966.30
Tangible assets	30.9	67.4	0	0	0	98.3
Financial assets	11.2	34.3	1,384.00	-1,384.00	0	45.5
Total fixed assets	868.1	517.8	1,384.00	340.1	0	3,110.10
Land, inventories and work in progress	825.9	166.1	0	13.1	-8.7	996.4
Receivables	370.1	121.7	0	0	0	491.8
Total current assets	1,282.20	342.8	0	13.1	-58.5	1,579.60
TOTAL ASSETS	2,150.40	860.6	1,384.00	353.2	-58.5	4,689.70
EQUITY AND LIABILITIES						
Paid in capital	543.9	63.8	268.5	-6.4	0	869.8
Retained equity	170.9	-237.9	0	180.6	-42.1	71.4
Total equity	714.7	-174.1	268.5	174.2	-42.1	941.2
LIABILITIES						
Provisions	80.2	156.9	0	179	-16.4	399.7
Non-current liabilities	602.7	347.6	1,115.50	0	0	2,065.80
Current liabilities	752.7	530.2	0	0	0	1,282.90
Total liabilities	1,435.60	1,034.70	1,115.50	179	-16.4	3,748.50
TOTAL EQUITY AND LIABILITIES	2,150.40	860.6	1,384.00	353.2	-58.5	4,689.70

- Assuming a directed share issue to the sellers of Prevesta
- Not including effects of the Private Placement