



4th Quarter 2012 presentation

14 February 2013

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Q4-2012 Highlights – Group

Strong results in Norway, still slow in Sweden

- Positive development in revenues and strong results in the Norwegian segment
- Improved revenues and sales in the Swedish segment, but still on low levels
- Improved production efficiency and quality
- Operational EBITDA-margin for the Group at 15.2%

Market conditions

- Continued strong market in Norway
- Continued demanding market in Sweden. Still long sale processes for new and used homes. Uncertain housing market going forward; it will take some time to see growth
- Underlying demand for new homes in Norway and Sweden

Write-down

- Write-down of goodwill of NOK 404 million in the Swedish operations



Financials



Operational key figures Q4-2012: Based on operating results from the segments

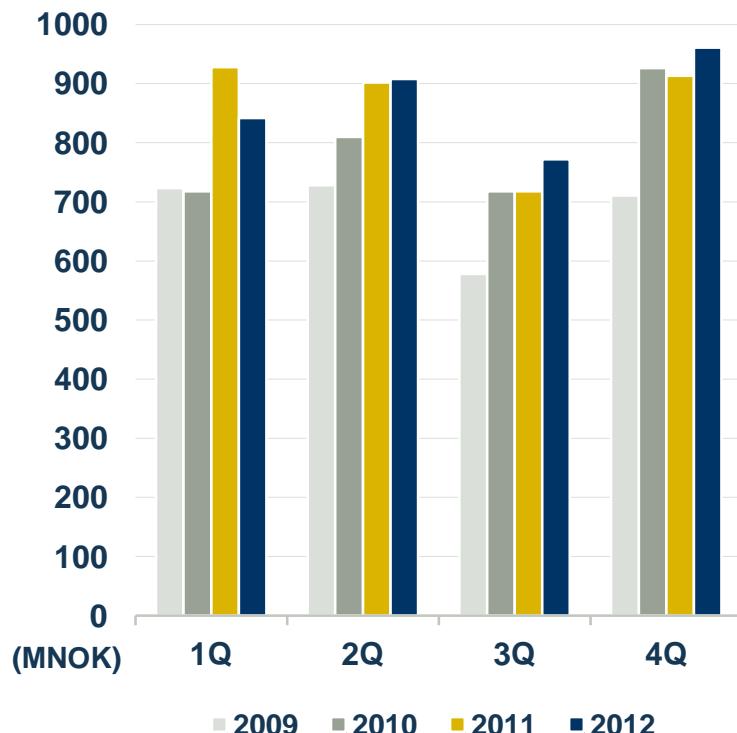
NOK million	Q4-2012	Q4-2011	Y/Y
Operating revenues	961	913	5.2%
EBITDA	146	126	15.9%
<i>EBITDA margin</i>	15.2%	13.8%	
EBIT before write-down of goodwill	146	119	22.2%
<i>EBIT margin</i>	15.2%	13.1%	
Write-down of goodwill	-404	0	
EBIT after write-down of goodwill	-258	119	
Cash flow from operations after interest and tax	-30	-31	-3.8%
New orders	800	634	26.1%

Operational key figures 2012: Based on operating results from the segments

NOK million	2012		2011		Y/Y
Operating revenues	3 483		3 461		0.6%
EBITDA	457	13.1%	408	11.8%	12.0%
EBIT before write-down of goodwill	446	12.8%	386	11.2%	15.6%
Write-down of goodwill	-404		0		
EBIT after write-down of goodwill	43		386		
Cash flow from operations after interest and tax	-281		-150		
New orders	3 374		3 199		5.5%
Order backlog	1 455		1 613		-9.8%
Number of employees	1 014		978		3.7%

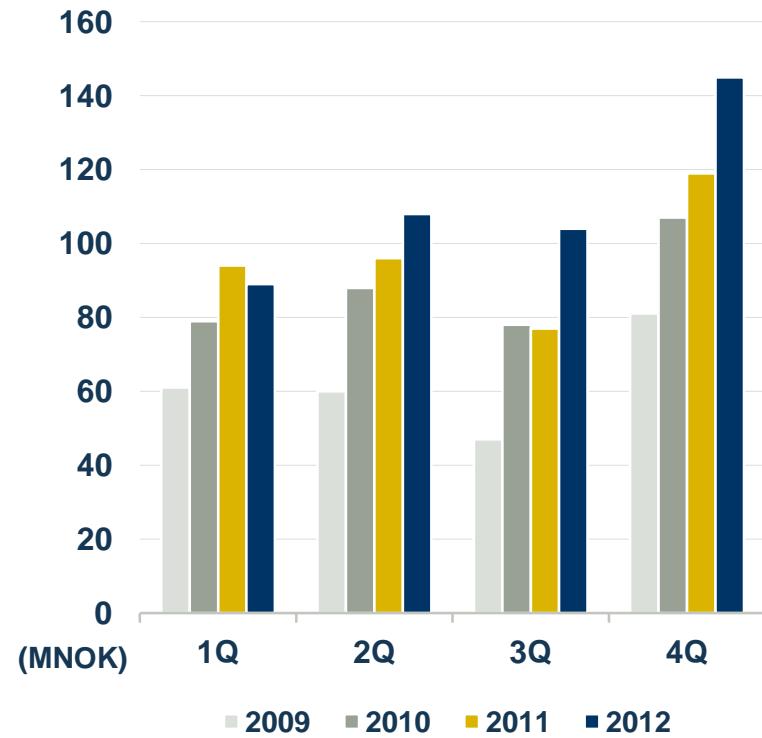
Improved revenues and strong results

Revenues: +5.2%



Revenue Q4-2012: NOK 961 million.
Revenue Q4-2011: NOK 913 million.

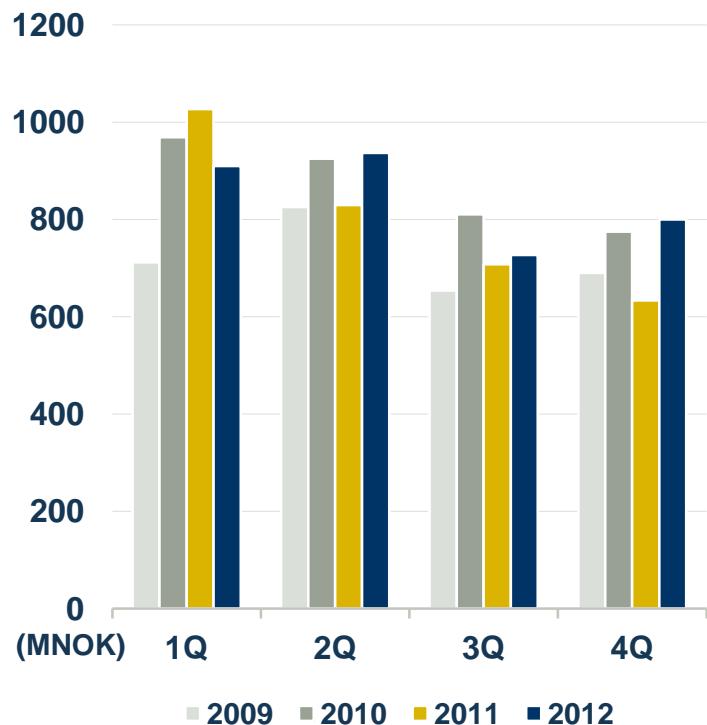
EBIT: +22.2% (before write-down)



EBIT Q4-2012: NOK 146 million, 15.2% margin.
EBIT Q4-2011: NOK 119 million, 13.1% margin.

Positive development in sales

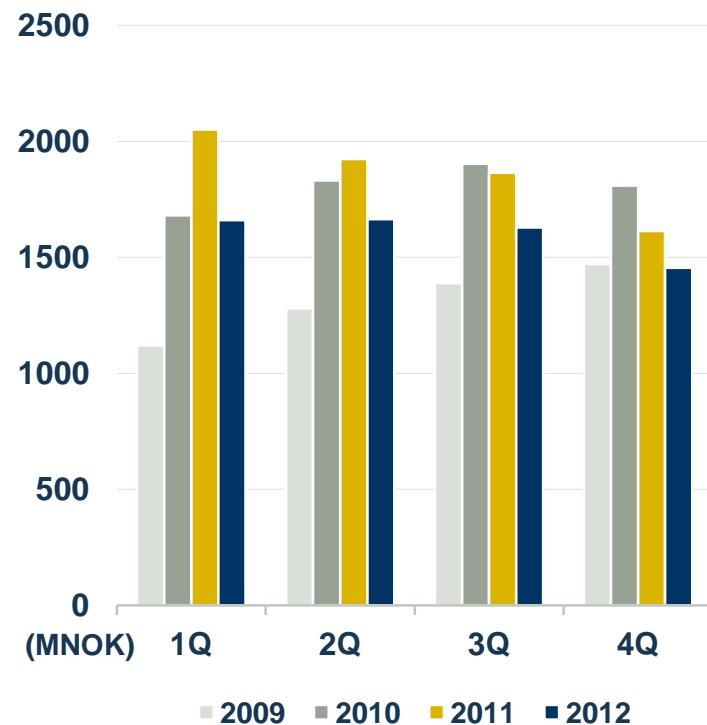
New orders: +26.1%



New orders Q4-2012: 800 million.

New orders Q4-2011: 634 million.

Order backlog: NOK 1.5 billion



Order backlog Q4-2012: NOK 1 455 million.

Order backlog Q4-2011: NOK 1 613 million.

Cash flow and Net interest-bearing debt

NOK million	Q4-2012	Q4-2011	2012	2011
Net cash flow from operating activities	-30	-31	-281	-150
Net cash flow from investing activities	-13	-3	-12	16
Net cash flow from financing activities	-78	89	231	190
Change in cash in period	-121	55	-62	56
Net interest-bearing debt	1 474	1 603	1 474	1 603

- Net cash flow from operations is negative due to increased volume of projects and tied-up working capital
- Payments related to purchase of land totalling NOK 162.5 million in Q4 2012
- Loan terms renegotiated, repaid NOK 125 million of long-term debt
- Net interest-bearing debt down by NOK 129 million from year-end 2011, and increased by NOK 42 million from Q3 2012
- All covenants fulfilled for year 2012

Impairment write-down of goodwill in Sweden with NOK 404 million

- Uncertainty related to Swedish economy and European economy
- Uncertainty related to timing and strength of recovery
- Applying a more pessimistic view when estimating the development in profits for the Swedish operations in the impairment testing
- Diminishing the risk of having to make write-downs in any later stage
- Equity ratio after write-down is 41.2 %

Financial position (IFRS)

NOK million	31.12.12	30.09.12	31.12.11
Total non-current assets	2 167	2 589	2 567
Total inventory and land	2 884	2 794	2 366
Total receivables	138	192	124
Bank deposits and cash	104	225	166
Total current assets	3 126	3 212	2 656
Total assets	5 293	5 800	5 223
 Total equity	 2 182	 2 503	 1 946
Total provisions	218	235	249
Long-term interest-bearing debt	784	892	939
Short-term interest-bearing debt	794	766	830
Total current liabilities	1 316	1 404	1 259
Total equity and liabilities	5 293	5 800	5 223
 Equity ratio	 41.2%	 43.2%	 37.3%

IFRS key figures Q4-2012 and 2012

NOK million	Q4-2012	Q4-2011	Y/Y	2012	2011	Y/Y
Operating revenues	966	961	0.5%	3 475	3 245	7.1%
EBITDA	135	136	-0.3%	414	338	22.5%
<i>EBITDA margin</i>	14.0%	14.1%		11.9%	10.4%	
EBIT before write-down	135	129	4.7%	403	316	27.7%
<i>EBIT margin before write-down</i>	14.0%	13.5%		11.6%	9.7%	
Write-down of goodwill	-404	0		-404		
EBIT after write-down	-268	129		-641	316	
EBT	-301	112		-114	221	
Earnings in the period	-309	80		-174	159	
EPS (NOK)	-2.27	0.81		-1.36	1.62	

→ Growth in IFRS revenues and results (before write-down of goodwill) due to increased number of house deliveries

The Swedish operation



Sweden: Q4-2012

- Positive development in Q4 isolated, though still on low levels due to low sales in 2011
- Write-down of goodwill of SEK 470 million (NOK 404 million) executed in Q4
- Increasing focus on residential projects in growth regions
- Improved efficiency, product development and production of row houses and low-rise apartments expected to give positive effect on volumes and results over the coming years

NOK million	Q4-2012		Q4-2011		Y/Y
Operating revenues	319		283		12.9%
Gross profit	86	26.9%	71	25.2%	20.5%
EBITDA	17	5.3%	9	3.3%	78.8%
EBIT before write-down	14	4.3%	6	2.1%	128.4%
Write-down of goodwill	-404		0		
EBIT after write-down	-390		6		
Order intake	288		253		13.8%
Order backlog	845		896		-5.7%
Number of employees	355		354		0.3%



Start Living –
module-based row house concept.
First row house constructed in Växjö

10 largest players in the single family homes market segment in Sweden

Rank Dec 2012 (Dec 2011)	Company *	Building permits applications	Market share of total 3 780
1 (1)	Custom stick players	932	24.7 %
2 (2)	Myresjöhus + SmålandsVillan	412	10.9%
3 (3)	Älvsbyhus	393	10.4 %
4 (4)	Fiskarheden	335	8.9 %
5 (6)	Eksjöhus	278	7.4 %
6 (5)	Trivselhus	170	4.5 %
7 (9)	A-hus	123	3.3 %
8 (9)	Götenehus	110	2.9 %
9 (-)	Anebyhus	74	2.0 %
10 (-)	Hjältevadshus	42	1.1 %
Total 10 largest players		2 869	75.9%

Source: Byggfakta, December 2012.

* Excluding the large construction companies

The Norwegian operation



Norway: Q4-2012

- Continued positive market situation
- Increased sales, strong margins and results
- Efficient production and strengthened capacity
- Order backlog at satisfactory level
- Geir Skoglund new CEO of Block Watne; takes up position in May 2013
- Ole Feet full-time COO from May 2013

NOK million	Q4-2012		Q4-2011		Y/Y
Operating revenues	632		621		1.7%
Gross profit	221	35.0%	202	32.6%	9.3%
EBITDA	138	21.8%	122	19.7%	12.7%
EBIT	141	22.4%	120	19.3%	18.2%
Order intake	511		381		34.3%
Order backlog	609		717		-15.0%
Number of employees	652		618		5.5%



Strandtunet, Buskerud

Norwegian operation: Hetlandhus brand



- 56 houses sold during 2012
- 52 deliveries in 2012
- 4 show houses
- “Ospelia” and “Lønneberget” are the most popular house models



House model Lønneberget

10 largest players in Norway: Fragmented market dominated by chains

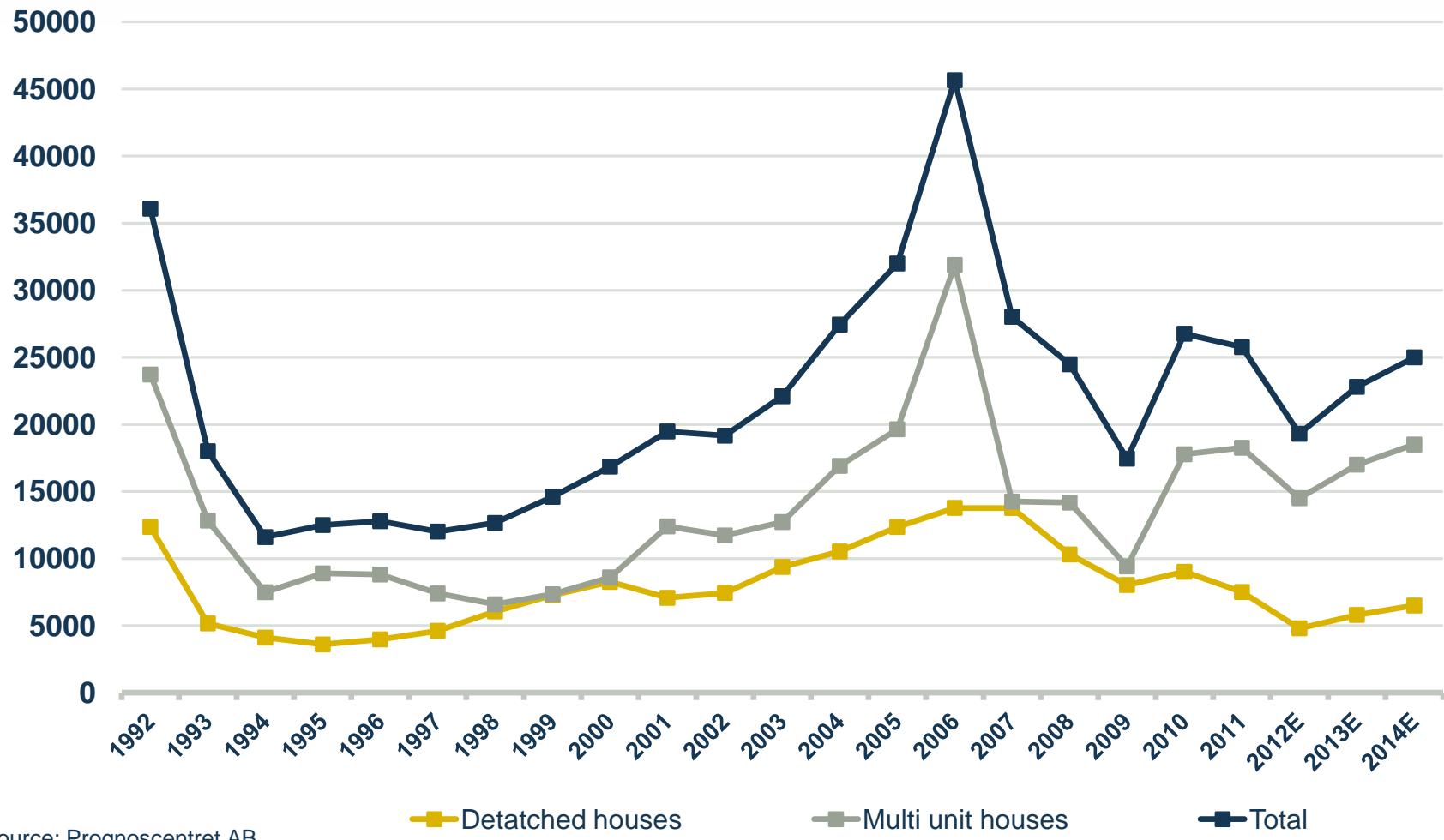
Rank 2012 (2011)	Company	Units Started 2012 (2011)	Market share
1 (1)	Mesterhus	1 348 (1 396)	4.6 %
2 (2)	Nordbohus	1 097 (1 231)	3.7 %
3 (5)	Blink-Hus	1 051 (901)	3.6 %
4 (6)	Norgeshus	878 (757)	3.0 %
5 (5)	Selvaag Bolig	845 (837)	2.9 %
6 (4)	Block Watne	835 (864)	2.8 %
7 (8)	JM Norge AS	815 (640)	2.7 %
8 (9)	Systemhus Norge	793 (616)	2.7 %
9 (-)	OBOS	763 (-)	2.6 %
10 (10)	Byggmann Gruppen	728 (540)	2.5 %
Total 10 largest players		9 153 (8 439)	31 %

Source: Prognosenteret, January 2013.
(Market share: % of 29 500 units started)

Outlook

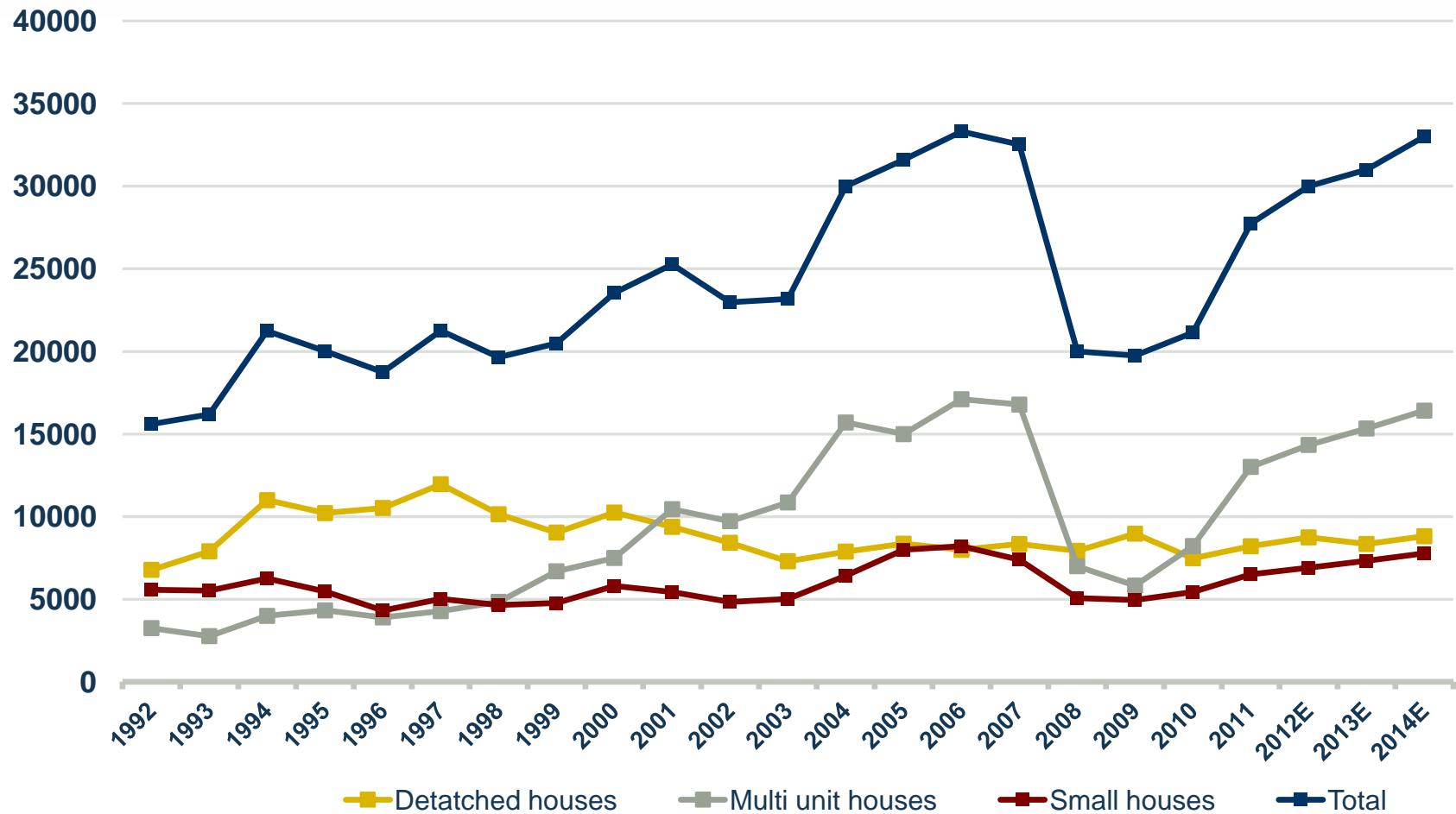


Housing starts in Sweden 1992–2014



Source: Prognoscentret AB

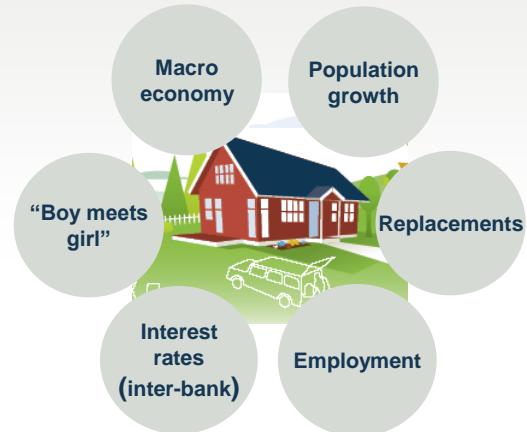
Housing starts in Norway 1992–2014



Source: Prognosenteret AS

Key drivers in the residential market

- Technical demand (population growth and replacement need) vs historically low housing starts 2008 – 2011 => large pent-up demand
- Low/reasonable interest rates
- Low unemployment



Factors that may dampen the demand:

- International financial turmoil
- Mortgage restrictions/rapidly increasing borrowing costs for home buyers
- Lack of available land for residential development and low handling capacity in local governments

Housing starts per 1,000 capita

	Norway	Sweden	Finland
2000	5.3	1.9	6.1
2001	5.6	2.2	5.2
2002	5.1	2.2	5.3
2003	5.1	2.5	5.9
2004	6.6	3.1	6.1
2005	6.9	3.5	6.5
2006	7.2	4.6	6.4
2007	6.9	3.8	5.7
2008	5.4	2.4	4.4
2009	4.1	1.7	4.3
2010	4.3	2.7	6.4
2011	5.7	2.3	5.9
2012	6.1	2.0	5.2

Future outlook

- ➔ Mortgage financing costs and limits are still a challenge in Sweden. Uncertain effects of the international financial situation going forward
- ➔ Still low interest rates and available credit facilities for customers in Norway. Positive market situation going forward
- ➔ On going focus on improvement programs
- ➔ To expand market share and increase profitability with production-efficient affordable house-types for residential projects
- ➔ Continued focus on sales and production in running projects
- ➔ Still undersupply of new homes both in Norway and Sweden



Welcome back 1st Quarter 2013:
7 May 2013 at 11:00 hrs



Appendix 1

Shareholder Information

10 largest shareholders per 11 February 2013

SHAREHOLDER	% TOTAL
Oslo Bolig og Sparelag	19.46%
Lani Industrier AS	15.57%
Orkla ASA	3.12%
Odin Norge	2.87%
Skandinaviska Enskilda Banken	2.79%
Verdipapirfondet DNB SMB	2.76%
Odin Norden	2.66%
Fondsfirman Spar	2.57%
Storebrand Verdi	2.35%
SHB Swedish Fonds Lending	2.21%

- 1 954 shareholders own 136,121,433 shares
- 117 international shareholders own 25.9 mill shares, corresponding to an ownership share of 19%
- CEO Lars Nilsen has a 15.87% holding

Share price development 2006 – 2012



- 64.5 million shares have been traded in 2012
- Closing price on 11 February 2013: NOK 13.25