



BWGHOMES

1st Quarter 2014 presentation

7 May 2014
Ole Feet, CEO and Arnt Eriksen, CFO

Q1-2014 Highlights - Group

Downscaling carried out in Block Watne; growth ambitions in Swedish operations

- ➔ Solid revenues and sales for the Group. Operational EBITDA-margin at 10.7%
- ➔ Slow sales and increased inventories affect revenues and results in Block Watne. Effect of downsizing in 2H 2014
- ➔ 50% of Ulsetstemma development project in Bergen sold to Veidekke. Operational gain of NOK 30 million
- ➔ BWG Homes AB shows increased revenues and sales
- ➔ Kärnhem continues to grow its business

Market conditions

- ➔ Geographical variations in sales in Norway. Improvements seen in March and April
- ➔ Positive development in Sweden
- ➔ Underlying demand for new homes in Norway and Sweden



Financials



Operational key figures Q1-2014

NOK million	Q1-2014	Q1-2013	Y/Y	2013*
Operating revenues	986	939	5.0%	3 900
EBITDA	105	124	-15.3%	426
<i>EBITDA margin</i>	<i>10.7%</i>	<i>13.2%</i>		<i>10.9%</i>
EBIT	101	120	-15.5%	409
<i>EBIT margin</i>	<i>10.2%</i>	<i>12.7%</i>		<i>10.5%</i>
Cash flow from operations after interest and tax	-190	-213		-279
New orders	1 100	1 041	5.7%	3 941
Order backlog	1 832	1 568	16.8%	1 675
Number of employees	1 036	1 022	1.4%	1 039

* Including Kärnhem figures as from May 2013

Production volumes Q1-2014

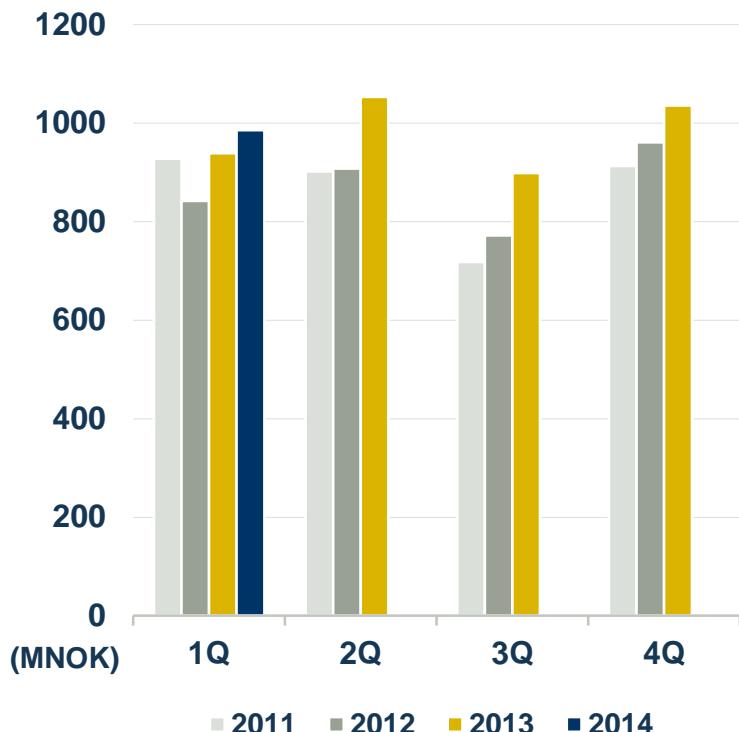
	Q1-2014	Q1-2013	Y/Y	2013*
Number of units in production	1 271	1 226	3.7%	1 266
Number of units sold in the period	473	433	9.2%	1 610
Number of units delivered	294	313	-6.1%	1 576
Number of unsold completed units	115	102	12.7%	131

* Including Kärnhem figures as from May 2013

- ➔ Positive development in sales in the quarter
- ➔ Number of unsold completed units is declining from year-end 2013

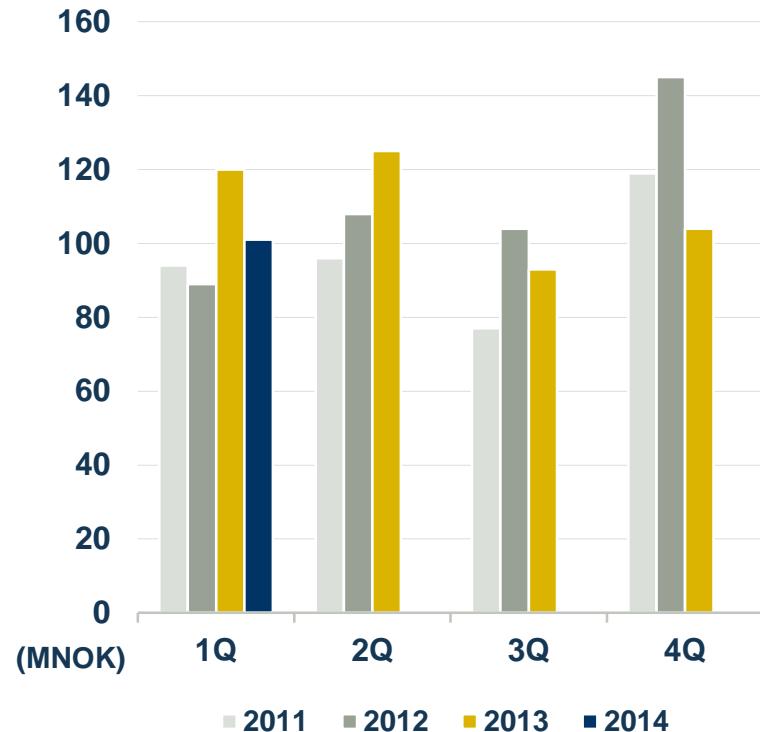
Development in revenues and EBIT

Revenues



Revenue Q1-2014: NOK 986 million.
Revenue Q1-2013: NOK 939 million.

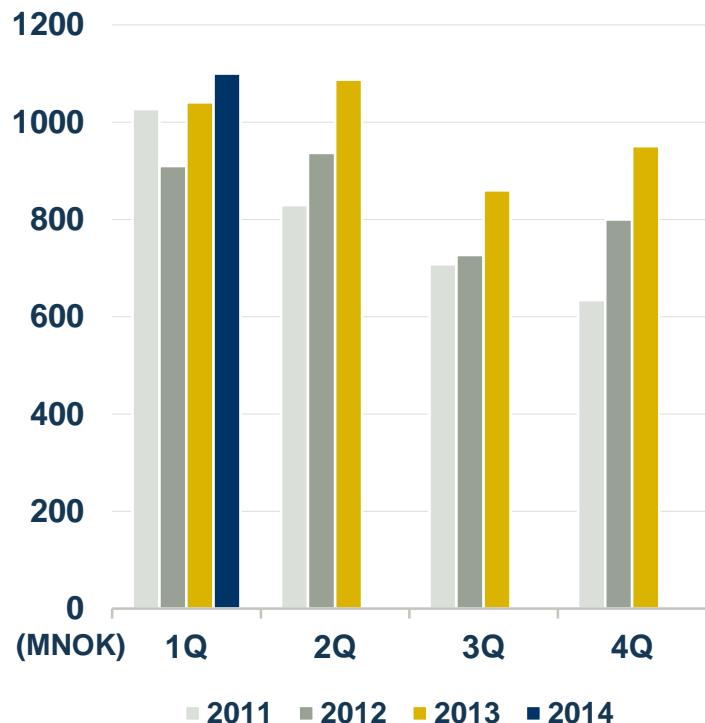
EBIT (before write-down)



EBIT Q1-2014 : NOK 101 million, 10.2% margin.
EBIT Q1-2013 : NOK 120 million, 12.7% margin.

Development in sales and order backlog

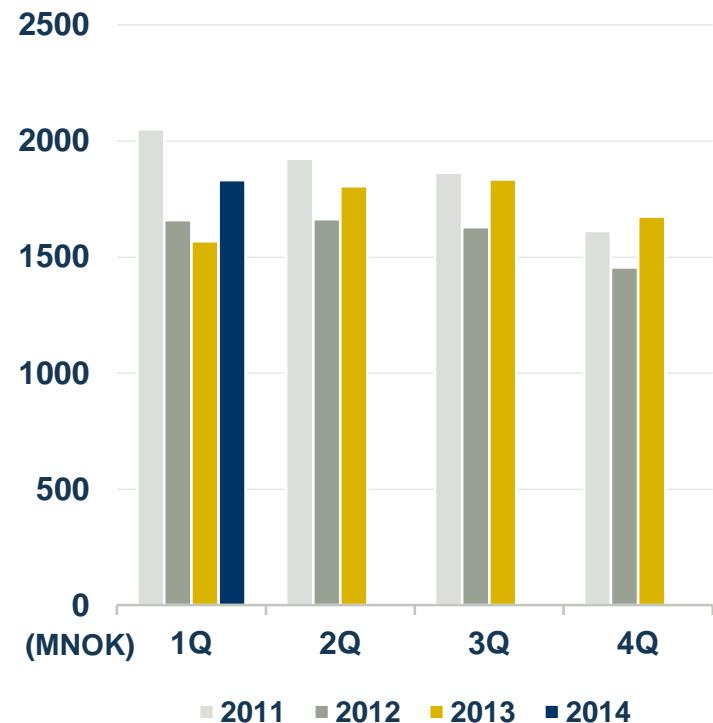
New orders



New orders Q1-2014: 1 100 million.

New orders Q1-2013: 1 041 million.

Order backlog



Order backlog Q1-2014: NOK 1 832 million.

Order backlog Q1-2013: NOK 1 568 million.

Cash flow

NOK million	Q1-2014	Q1-2013	2013
Net cash flow from operations	-190	-213	-279
Net cash flow from investments	26	-8	-55
Net cash flow from financing	40	178	414
Change in cash in period	-124	-43	80

- ➔ Cash flow from operations improved with NOK 23 million y/y
 - Inventories increased by NOK 125 million in the quarter
 - Improvements in cash flow expected for coming quarters due to reduced production and positive development in sales in Block Watne
- ➔ Q1-2014 payments related to purchase of land totalling NOK 109 million, down by NOK 28 million from Q1-2013
 - Block Watne NOK 45 million (contracts entered into in 2011-2013)
 - BWG Homes AB NOK 53 (land investment in Stockholm area)
 - Kärnhem NOK 11 million
- ➔ Payments from associated companies totalling NOK 32 million

Net interest-bearing debt

NOK million	31.03.14	31.12.13	31.03.13
Long-term interest-bearing debt	816	1 112	786
Short-term interest-bearing debt	1 252	917	973
Total bank deposits and cash	-60	-184	-61
Net interest-bearing debt	2 008	1 844	1 697

- ➔ The first bond issue of NOK 300 million has maturity in March 2015. The loan is classified as short-term interest-bearing debt in Q1-2014
- ➔ Negative cash-flow from operations increases the net interest-bearing debt by NOK 164 million from year-end

Financial position (IFRS)

NOK million	31.03.14	31.12.13	31.03.13
Total non-current assets	2 397	2 404	2 335
Total inventory and land	3 408	3 375	3 287
Total receivables	271	223	165
Bank deposits and cash	60	184	61
Total current assets	3 740	3 781	3 514
Total assets	6 137	6 185	5 749
Total equity	2 575	2 561	2 260
Total provisions	257	415	287
Long-term interest-bearing debt	816	1 112	786
Short-term interest-bearing debt	1 252	917	973
Total other current liabilities	1 237	1 181	1 444
Total equity and liabilities	6 137	6 185	5 749
Equity ratio	42.0%	41.4%	39.3%

IFRS income statement (condensed)

NOK million	Q1-2014	Q1-2013	Y/Y	2013
Operating revenues	992	729	26.6%	4 015
EBITDA	89	70	26.7%	471
<i>EBITDA margin</i>	9.6%	9.6%		11.7%
EBIT	85	66	29.0%	454
<i>EBIT margin</i>	9.2%	9.0%		11.3%
EBT	38	86	-55.5%	421
Earnings in the period	31	62	-50.1%	311
EPS (NOK)	0.23	0.46		2.28

- ➔ Growth in IFRS revenues and results in Q1-2014 due to improved revenues in BWG Homes AB and improved revenues and results in Kärnhem
- ➔ At the end of the quarter, the SEK had weakened against the NOK, resulting in an exchange loss of NOK 13.6 million. In Q1-2013 the exchange gains were NOK 48 million

New dividend policy

- ➔ The Board has a clear ambition to continue paying dividend going forward
- ➔ The Board aims for a dividend for fiscal year 2014 of NOK 0.50 per share

Sweden



BWG Homes AB: Q1-2014

- ➔ Continued improvements in sales
- ➔ Sales of housing co-ops units totalled NOK 95 million in Q1. Will improve results going forward
- ➔ Somewhat lower margins due to new products and increased sales activities
 - New production line for two-storey modules implemented in February and temporary constraints on project planning
- ➔ Joakim Henriksson, new CEO, started 5 May
- ➔ Focus going forward on residential projects and housing co-ops in growth regions as well as sales and production of single homes

NOK million	Q1-2014		Q1-2013		Y/Y
Operating revenues	363		286		27.2%
EBITDA	14	4.0%	18	6.3%	-19.8%
Order intake	479		348		37.5%
Order backlog	1 166		917		27.1%
Number of units in production	229		210		9.1%
Number of employees	422		368		14.7%



House type Accent

Kärnhem: Q1-2014



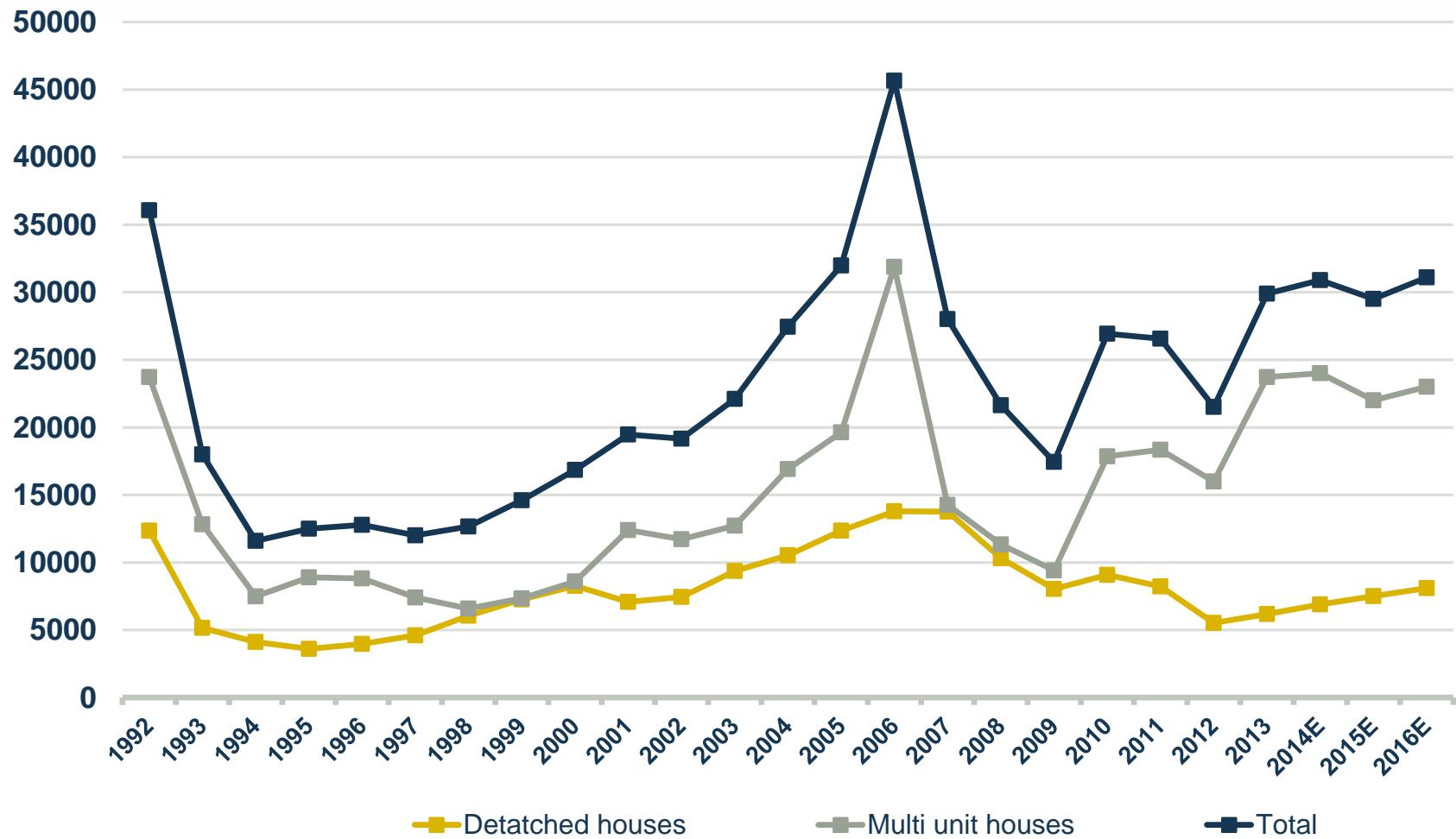
- Significant improvements in revenues and profitability compared to pro forma figures Q1-2013
- Continued good performance. New projects launched for sale and several projects under construction
- Reduction of workforce; 17 employees in Sävsjö Snickerifabrik taken over Sunnerbo Fönster AB
- Focus going forward on development of new residential projects



BRF Rynningsåsen, Örebro

NOK million	Q1-2014		Q1-2013 pro forma		Y/Y
Operating revenues	115		41		177%
EBITDA	18	15.6%	-5	-12.8%	
Order intake	69		119		-42.0%
Order backlog	79				
Number of units in production	147		58		153%
Number of employees	36		51		-29.4%

Housing starts in Sweden; +39% in 2013, +4% in 2014E



Source: Prognosenteret AS, March 2014

Norway



Block Watne: Q1-2014

- ➔ Slow sales in January and February; certain improvements in March. April exceeds 2013 figures
- ➔ Reduced revenues affect results and margins
- ➔ Additional workforce reduction of 25 employees implemented in March. Full effect during Q3-2014
- ➔ 50% of Ulsetstemma, development project in Bergen, sold to Veidekke. Operational gain of NOK 30 million
- ➔ High priority on reducing tied-up capital in projects
 - Keep production level below sales
 - Sales of selected land sites and development projects



Residential project Kallsåkeren, Forus

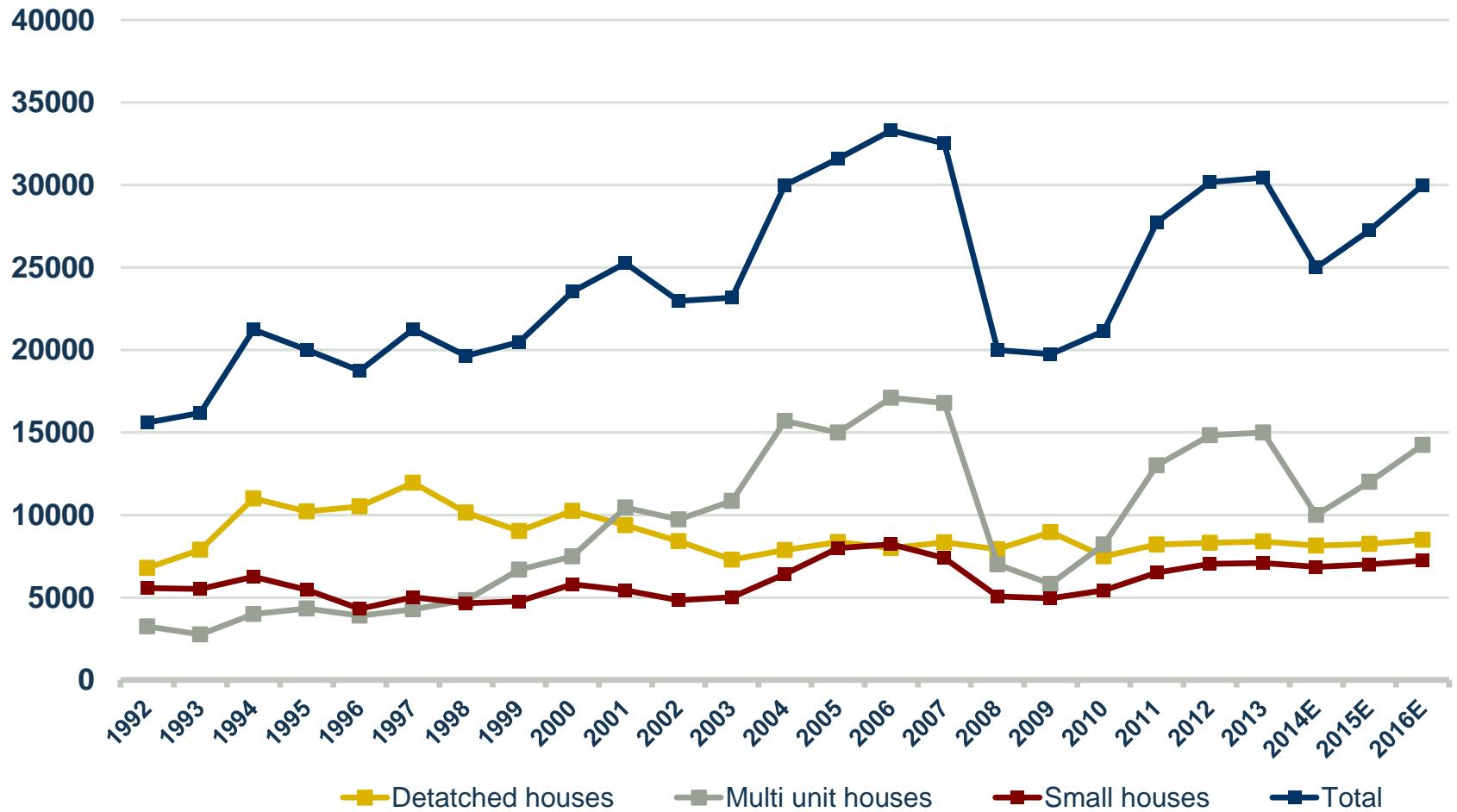
NOK million	Q1-2014		Q1-2013		Y/Y
Operating revenues	507		643		-21.1%
EBITDA	79	15.6%	112	17.5%	-29.4%
Order intake	552		693		-20.3%
Order backlog	586		650		-9.8%
Number of units in production	895		1 016		-11.9%
Number of employees	570		647		-11.9%

- ➔ Negative development in sales 2013 – 2014
- ➔ Will be downscaled and cease active marketing
- ➔ Order backlog to be delivered in 2014 and 2015
- ➔ Sale of Swedish products into Norway to be handled directly from the Swedish organisation going forward



Interior, house model Heggeli

Housing starts in Norway; 2014E down 17.9% from 2013



Source: Prognosesenteret AS, March 2014

Outlook



Future outlook

Sweden

- ➔ Clear signs of further improved market situation, backed by increasing sales
- ➔ Strengthened position and more projects in the Stockholm area for BWG Homes AB and Kärnhem
- ➔ Continued development of projects in growth areas



Norway

- ➔ Market improvements expected
- ➔ Increase sales and maintain production at current levels
- ➔ Reduce tied-up capital and achieve positive cash flow

Welcome back 2nd Quarter 2014: 21 august 2014 at 11:00 hrs



Appendix 1

Shareholder Information

→ 10 largest shareholders on 5 May 2014

SHAREHOLDER	% TOTAL
Oslo Bolig og Sparelag	32.99%
Perestroika AS	5.54%
Verdipapirfondet DNB SMB	3.97%
Skandinaviska Enskilda Banken AB, A/C Finnish	3.20%
Skandinaviska Enskilda Banken AB, Egenhandel	2.82%
Fondsfirman Spar	2.64%
Skandinaviska Enskilda Banken AB, A/C Clients	2.32%
Storebrand Verdi	2.06%
Lani Industrier AS	2.04%
Verdipapirfondet Alfred Berg Norge	2.01%

- 1 490 shareholders own 136,121,433 shares
- 117 international shareholders own 32.3 million shares, corresponding to an ownership share of 24%

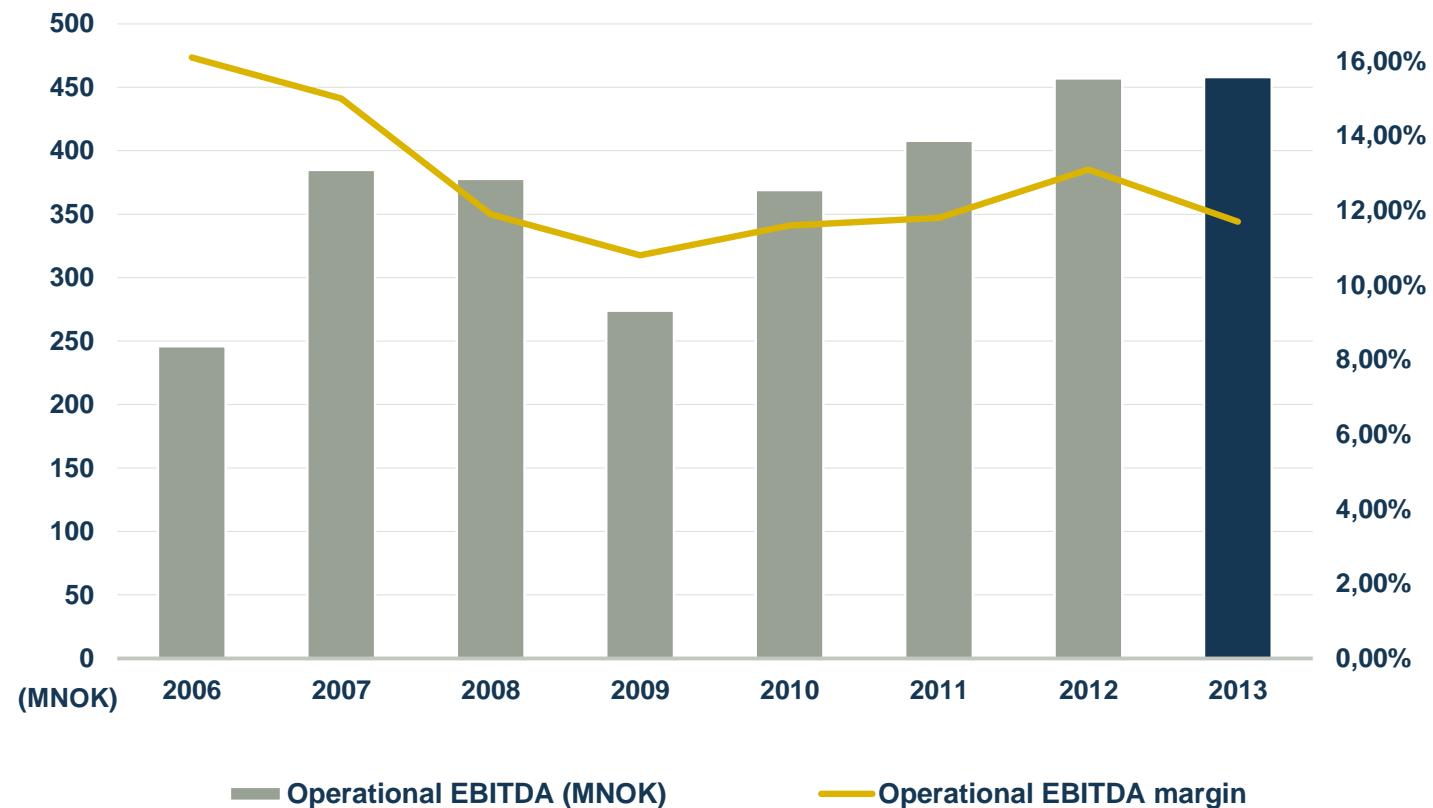
→ Share price development 2006 – May 2014



- 14.5 million shares have been traded per 5 May 2014
- Closing price 5 May 2014: NOK 12.10

Appendix 2

Development of operational EBITDA



Appendix 3

Development of EBITDA (IFRS figures)

