



1st Quarter 2012 presentation

10 May 2012

Lars Nilsen, CEO and Arnt Eriksen, CFO

Q1-2012 Highlights – Group

Solid results in Norway, still challenging in Sweden

- ➔ Positive development in revenues and strong results in the Norwegian segment
- ➔ Slow development in revenues and results in the Swedish segment due to weak sales in 2011
- ➔ Operational EBITDA-margin at 11.0%

Strengthened financial flexibility

- ➔ Successfully completed private placement and subsequent repair issue. Gross proceeds of NOK 435 million
- ➔ New bond issue of NOK 300 million completed

Market conditions

- ➔ Strong market in Norway, signs of some improvement in Sweden
- ➔ Underlying demand for new homes in Norway and Sweden





Financials

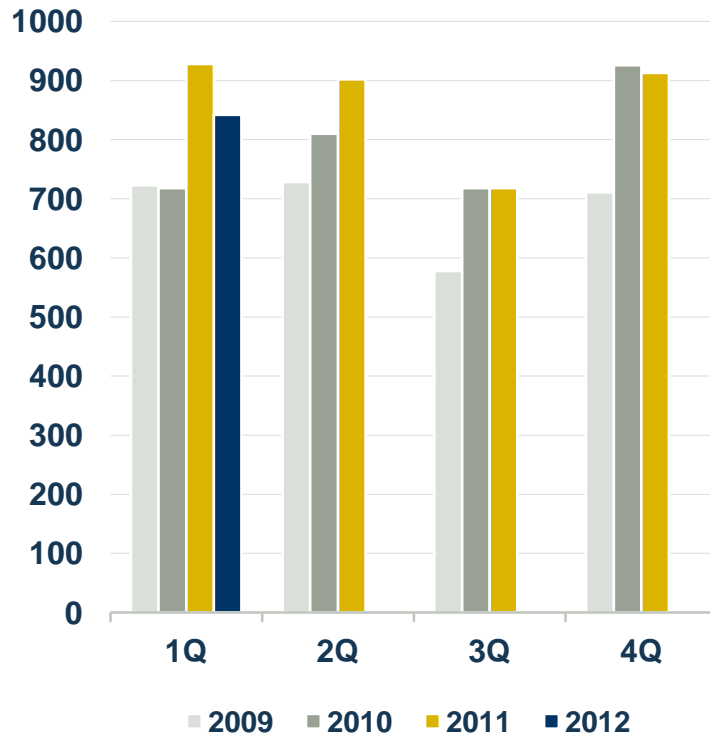
Operational key figures Q1-2012

Based on operating results from the segments

NOK million	Q1-2012	Q1-2011	Y/Y
Operating revenues	842	928	-9.2%
EBITDA	93	99	-6.6%
<i>EBITDA margin</i>	11.0%	10.7%	
EBIT	89	94	-5.6%
<i>EBIT margin</i>	10.5%	10.1%	
Cash flow from operations after interest and tax	-88	-214	
New orders	910	1 027	-11.3%
Order backlog	1 660	2 051	-19.1%
Number of employees	981	1 023	-4.1%

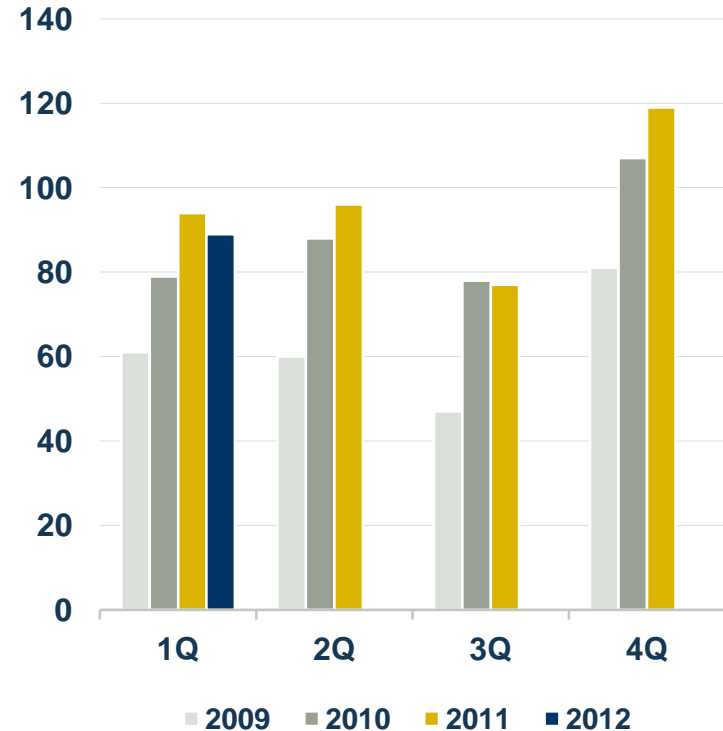
Acceptable results

Revenues: -9.2%



Revenue Q1-2012: NOK 842 million.
Revenue Q1-2011: NOK 928 million.

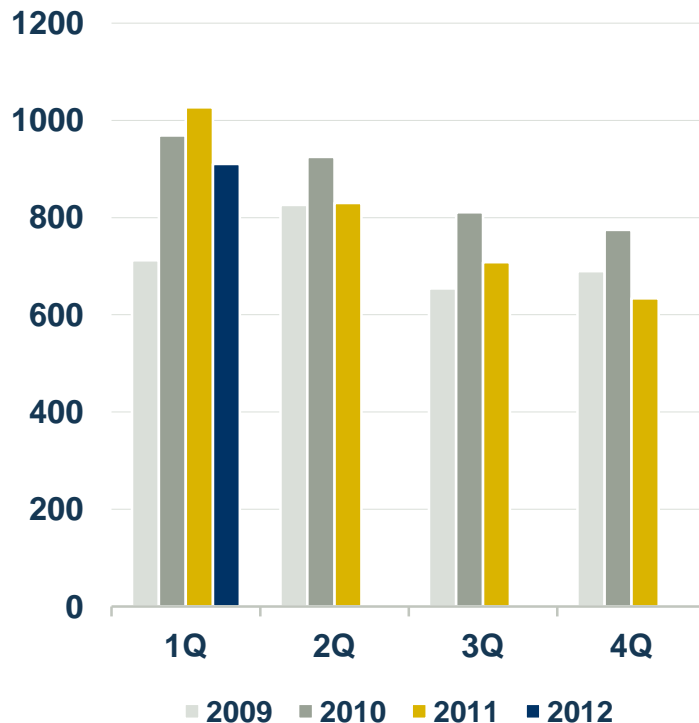
EBIT: -5.6%



EBIT Q1-2012: NOK 89 million, 10.5% margin.
EBIT Q1-2011: NOK 94 million, 10.1% margin.

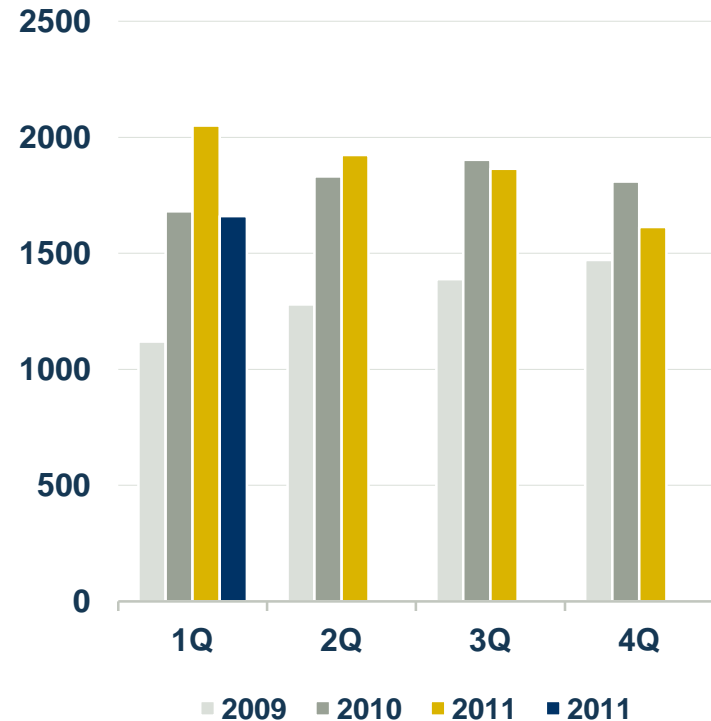
Slow sales in Sweden affecting order backlog

New orders: -11.3%



New orders Q1-2012: 910 million.
New orders Q1-2011: 1 027 million.

Order backlog: NOK 1.7 billion



Order backlog Q1-2012: NOK 1 660 million.
Order backlog Q1-2011: NOK 2 051 million.

Cash flow and Net interest-bearing debt

NOK million	Q1-2012	Q1-2011	2011
Net cash flow from operating activities	-88	-214	-150
Net cash flow from investing activities	-6	-1	16
Net cash flow from financing activities	322	153	190
Change in cash in period	228	-62	56
Net interest-bearing debt	1 297	1 568	1 603

- As normal in Q1, net cash flow from operations is negative due to tied-up working capital and payment for land acquisitions
- Net interest-bearing debt decreased by NOK 306 million from the previous quarter as a consequence of the share issue
- All covenants fulfilled for Q1-2012

Financial position (IFRS)

NOK million	31.03.12	31.03.11	31.12.11
Total non-current assets	2 548	2 610	2 567
Total inventory and land	2 526	2 063	2 366
Total receivables	163	203	124
Bank deposits and cash	394	48	166
Total current assets	3 084	2 314	2 656
Total assets	5 632	4 923	5 223
Total equity	2 366	1 890	1 946
Total provisions	247	276	249
Long-term interest-bearing debt	922	1 045	939
Short-term interest-bearing debt	770	595	830
Total current liabilities	1 327	1 118	1 259
Total equity and liabilities	5 632	4 923	5 223
Equity ratio	42.0%	38.4%	37.3%

Strong IFRS key figures Q1-2012

NOK million	Q1-2012	Q1-2011	Y/Y	2011
Operating revenues	867	720	20.4%	3 245
EBITDA	91	31	194%	338
<i>EBITDA margin</i>	10.5%	4.3%		10.4%
EBIT	87	26	240%	316
<i>EBIT margin</i>	10.1%	3.6%		9.7%
EBT	51	9	454%	221
Earnings in the period	37	7	451%	159
EPS (NOK)	0.35	0.07		1.62

➔ Growth in IFRS revenues and results due to increased number of house deliveries in the quarter



The Swedish operation

Sweden: Q1-2012

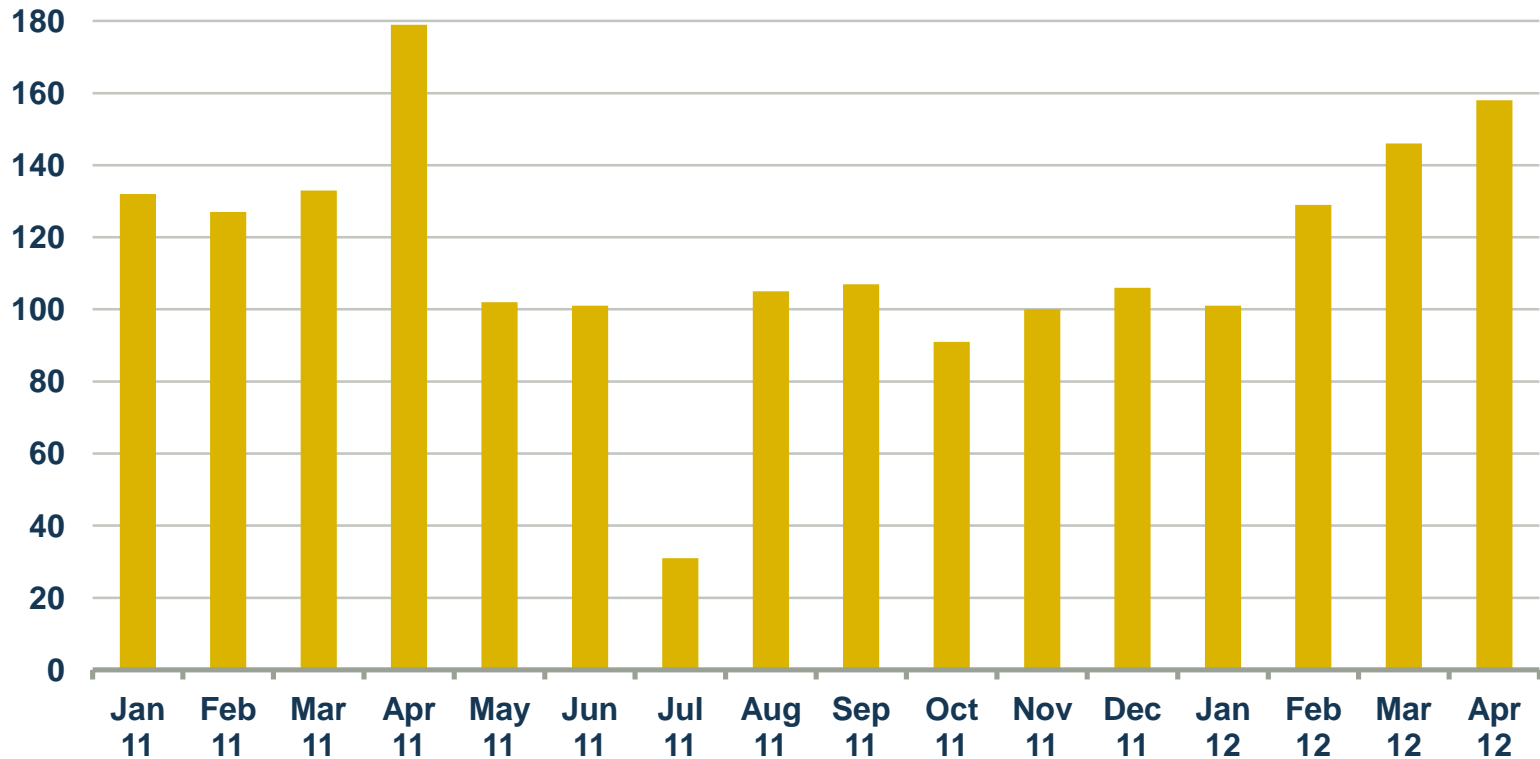


- ➔ Still a challenging market situation.
Weak sales through 2011 affect revenues. Signs on improvement in sales compared to previous quarters
- ➔ Reduced production due to declining sales. Staff downsized by 128 since summer 2011
- ➔ Increasing production output in SmålandsVillan in Q2
- ➔ The field organisation is re-organized for more focus on residential projects in growth regions

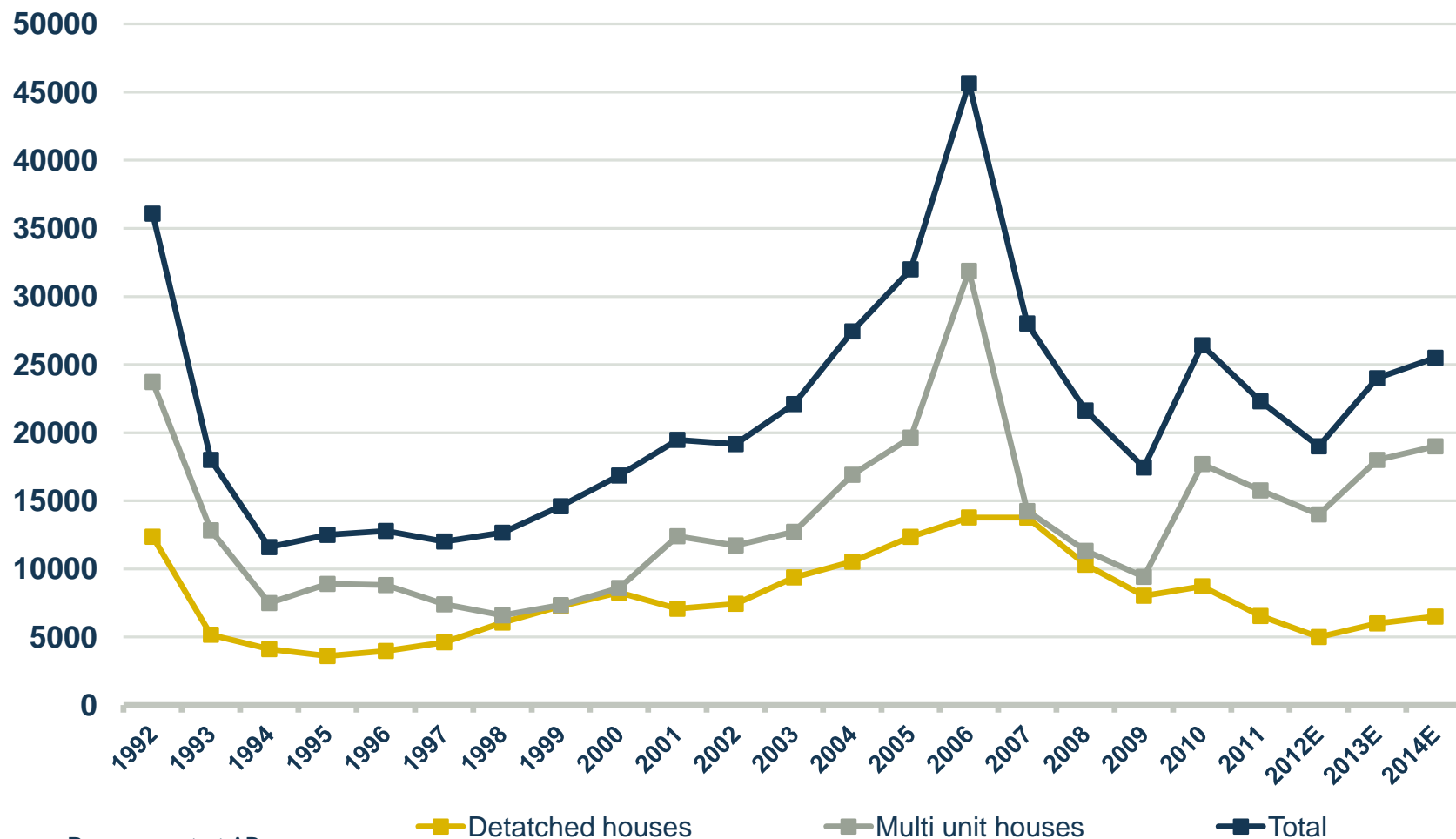
NOK million	Q1-2012		Q1-2011		Y/Y
Operating revenues	292		404		-27.6%
Gross profit	75	25.8%	108	26.7%	-30.0%
EBITDA	16	5.5%	31	7.8%	-48.2%
EBIT	13	4.4%	28	6.9%	-54.0%
Order intake	304		348		-12,5%
Order backlog	907		896 at year end 2011		
Number of employees	354		424		-16.5%



Development in sales last 16 months (MSEK)

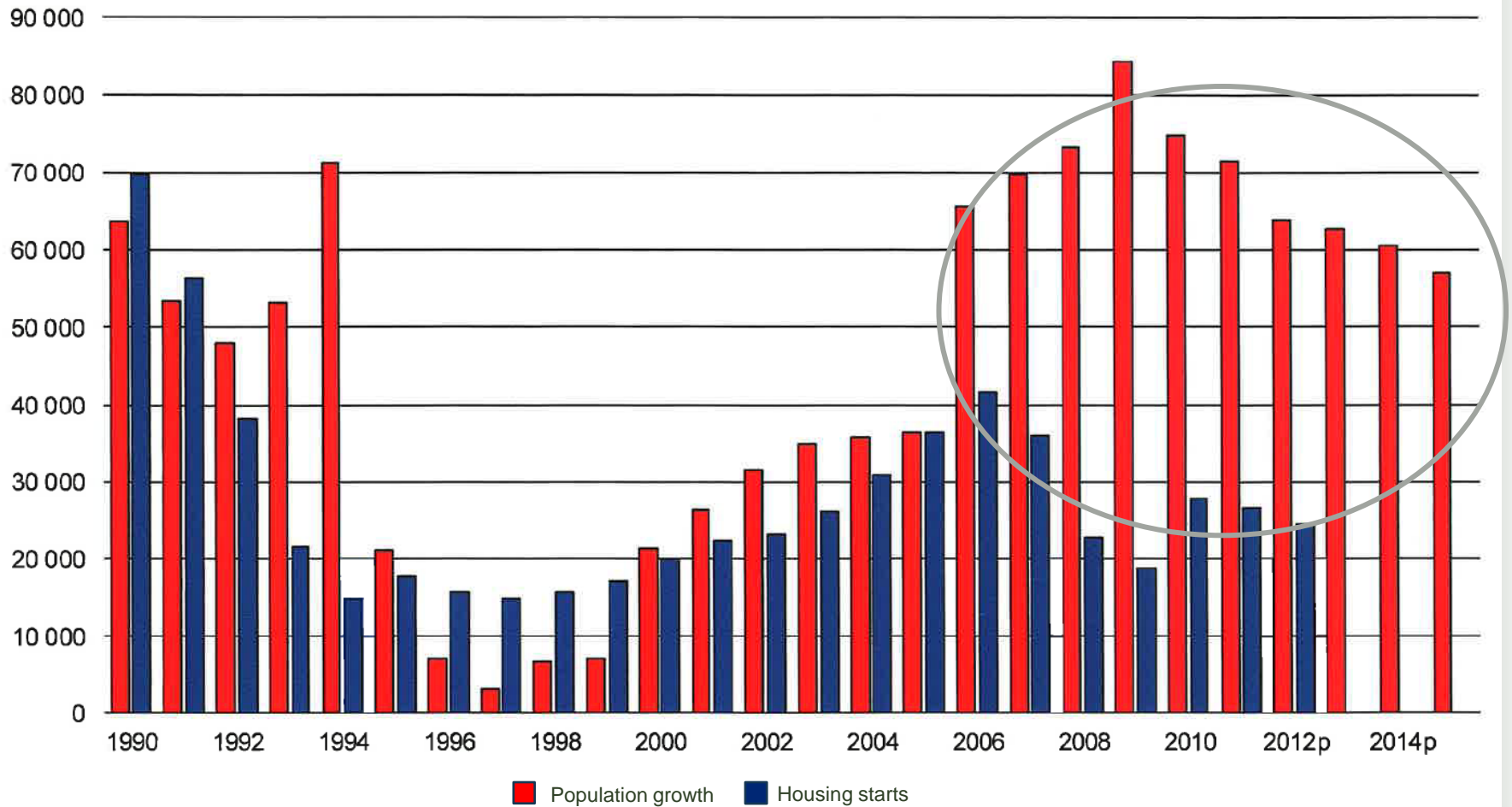


Housing starts in Sweden 1992–2014



Source: Prognoscentret AB

Population growth and housing starts Sweden



Source: SCB and Boverket



The Norwegian operation

Norway: Q1-2012



- ➔ Continued positive market situation
- ➔ Order backlog at satisfactory level
- ➔ Increased revenues, margins and results

NOK million	Q1-2012		Q1-2011		Y/Y
Operating revenues	546		523		4.3%
Gross profit	168	30.8%	144	27.5%	16.6%
EBITDA	82	15.0%	74	14.1%	11.4%
EBIT	81	14.9%	72	13.7%	13.2%
Order intake	606		679		-10.7%
Order backlog	753		717 at year end 2011		
Number of employees	620		593		4.6%



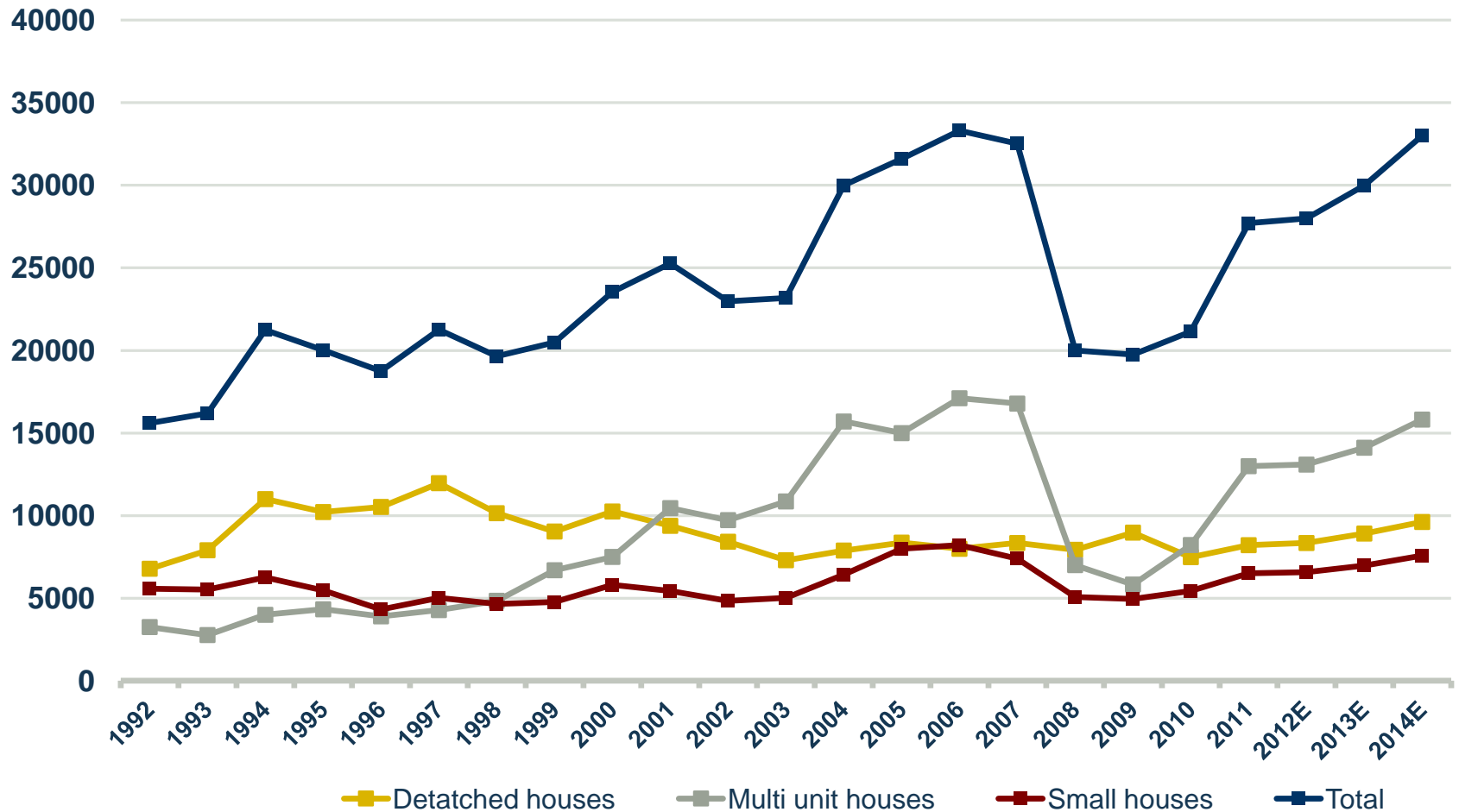
The Norwegian operation: Hetlandhus brand



- 90 houses sold during 2011
- 15 houses sold in Q1-2012
- 20 deliveries in 2012 so far. 10 more expected to be delivered within July
- New house catalogue released in April

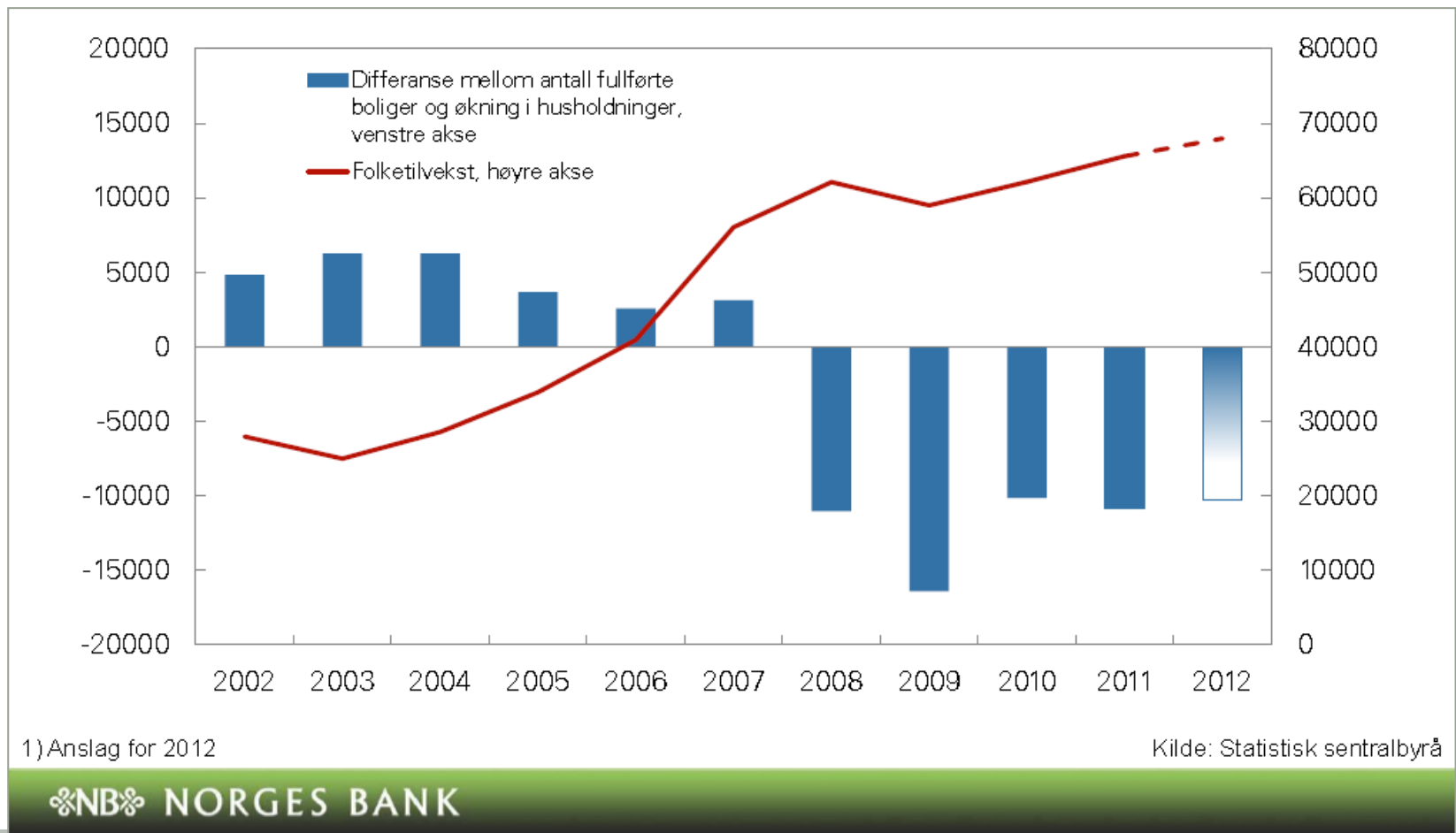


Housing starts in Norway 1992–2014



Source: Prognosesenteret AS

Difference between number of completed homes and increased number of households





Outlook 2012

Prepared for passive house regulations

- In 2011 Block Watne delivered its first detached family homes that fulfill passive house standards
- Several passive houses are planned for construction in 2012
- Both Myresjöhus and SmålandsVillan are planning for passive house production in fall 2012



Outlook 2012

- Uncertain effects of the international financial situation
- Mortgage financing costs and limits are a challenge in Sweden. Still to see if sales continue to strengthen
- Still low interest rates and available credit facilities for customers in Norway. Positive market situation going forward
- Focus on improvement programs and development of more production-efficient affordable house-types
- Continued focus on sales and production in running projects
- Still undersupply of new homes both in Norway and Sweden



Welcome back 2nd Quarter 2012: 22 August 2012 at 11:00 hrs



Haugabakka, Jæren

Appendix 1

Shareholder Information

10 largest shareholders per 7 May 2012

SHAREHOLDER	% TOTAL
Oslo Bolig og Sparelag	19.46%
Lani Industrier AS	15.57%
Orkla ASA	6.83%
Odin Norge	2.84%
DnB NOR SMB VPF	2.66%
Odin Norden	2.65%
Storebrand Verdi	2.29%
Skandinaviska Enskilda Banken	2.10%
MP Pensjon PK	1.98%
SHB Stockholm	1.86%

- 2 142 shareholders own 136,121,433 shares
- 111 international shareholders own 21.9 mill shares, corresponding to an ownership share of 16%
- CEO Lars Nilsen has a 15.87% holding

Share price development 2006 - April 2012



- 32.8 million shares have been traded per 7 May 2012
- Closing price on 7 May 2012: NOK 11.80