



3rd Quarter 2011 presentation

3 November 2011

Lars Nilsen, CEO and Arnt Eriksen, CFO

Q3-2011 Highlights – Group

Improved results in Norway, slow-down in Sweden

- Positive development in revenues and strong results in the Norwegian segment
- Negative development in revenues and results in the Swedish segment
- Operational EBITDA-margin at 11.3 %

Financial issues

- Fixed-rate contract for NOK 250 million of long-term debt

Market conditions

- Prolonged sale processes in Sweden decrease runrate due to increasing financing costs for home buyers, low activity in the market for used homes and the international financial turmoil
- Underlying demand for new homes in Norway and Sweden





Financials

Operational key figures Q3-2011:

Based on operating results from the segments

| NOK million | Q3-2011 | Q3-2010 | Y/Y | 2010 | |
|--|--------------|---------|--------|-------|---|
| Operating revenues | 718 | 718 | 0.1% | 3 171 | |
| EBITDA | 81 | 83 | -1.8% | 369 | * |
| <i>EBITDA margin</i> | 11.3% | 11.5% | | 11.6% | |
| EBIT | 77 | 78 | -1.5% | 352 | * |
| <i>EBIT margin</i> | 10.7% | 10.9% | | 11.1% | |
| Cash flow from operations after interest and tax | -21 | 32 | -164% | 144 | |
| New orders | 708 | 811 | -12.6% | 3 478 | |
| Order backlog | 1 864 | 1 903 | -2.0% | 1 809 | |
| Number of employees | 1 025 | 936 | 9.5% | 971 | |

* Includes reversal of NOK 8.2 million in Q1-2010 related to pension liabilities in Block Watne AS.

Operational key figures Q3-2011 accumulated:

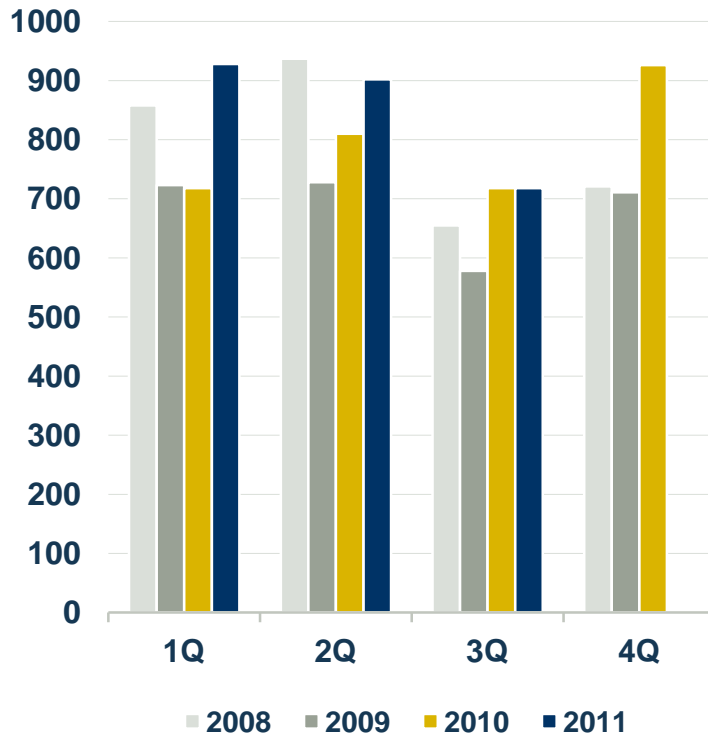
Based on operating results from the segments

| NOK million | 30.09.2011 | 30.09.2010 | | Y/Y | 2010 | |
|--|------------|------------|---|-------|-------|---|
| Operating revenues | 2 548 | 2 246 | | 13.4% | 3 171 | |
| EBITDA | 282 | 258 | * | 9.4% | 369 | * |
| <i>EBITDA margin</i> | 11.1% | 11.5% | | | 11.6% | |
| EBIT | 267 | 245 | * | 9.1% | 352 | * |
| <i>EBIT margin</i> | 10.5% | 11.9% | | | 11.1% | |
| Cash flow from operations after interest and tax | -119 | 110 | | -208% | 144 | |
| New orders | 2 565 | 2 704 | | -5.1% | 3 478 | |

* Includes reversal of NOK 8.2 million in Q1-2010 related to pension liabilities in Block Watne AS.

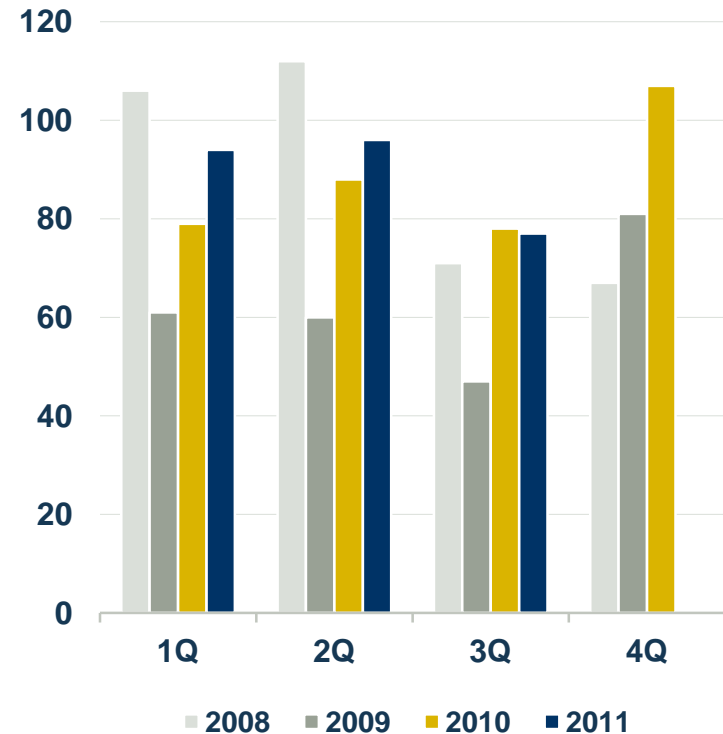
Growth in line with Q3-2010

Revenues: +0.1%



Revenue Q3-2011: NOK 718 million.
Revenue Q3-2010: NOK 718 million.

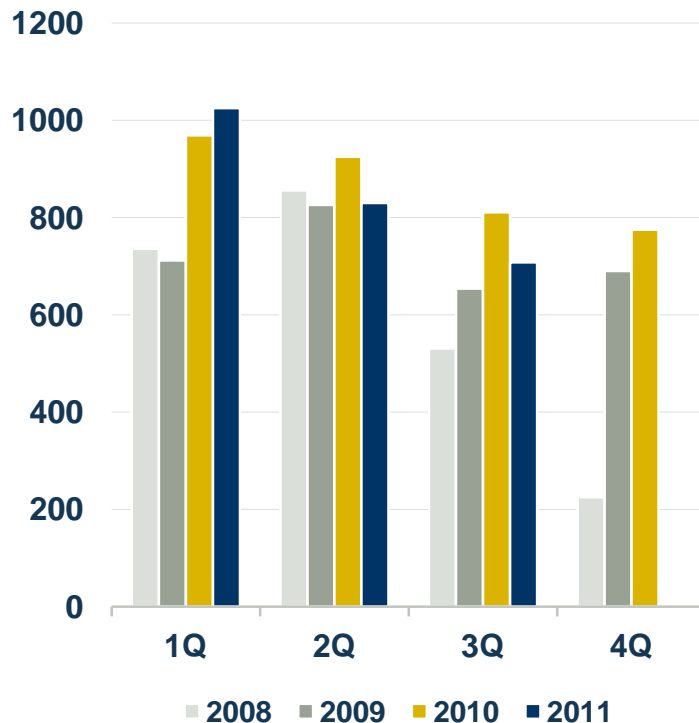
EBIT: -1.5%



EBIT Q3-2011: NOK 77 million, 10.7% margin.
EBIT Q3-2010: NOK 78 million, 10.9% margin.

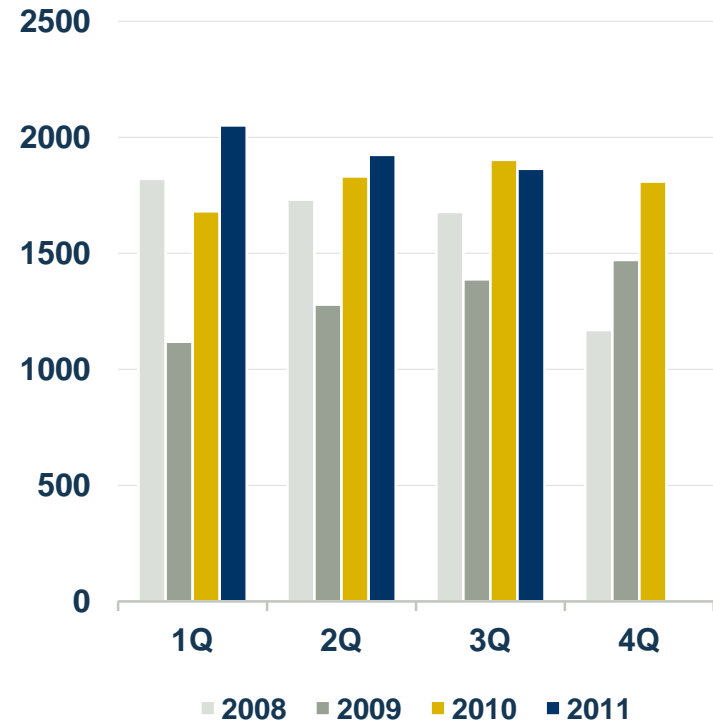
Slower sales in Sweden affecting new orders

New orders: -12.6%



New orders Q3-2011: 708 million.
New orders Q3-2010: 811 million.

Order backlog: NOK 1.86 billion



Order backlog Q3-2011: NOK 1 864 million.
Order backlog Q3-2010: NOK 1 903 million.

Cash flow and Net interest-bearing debt

| NOK million | Q3-2011 | Q3-2010 | 2010 |
|---|---------|---------|-------|
| Net cash flow from operating activities | -21 | 32 | 144 |
| Net cash flow from investing activities | -4 | -6 | -22 |
| Net cash flow from financing activities | 74 | -60 | -115 |
| Change in cash in period | 49 | -33 | 7 |
| Net interest-bearing debt | 1 547 | 1 381 | 1 347 |

- Net cash flow from operations is negative due to payment for land acquisitions (NOK 63.2 million) and higher activity resulting in increased capital tied up in inventories (NOK 35.8 million)
- Net cash flow from financing is positive due to new debt (operational financing)
- Net interest-bearing debt increased by NOK 166 million y/y, and by NOK 21 million from the previous quarter
- All covenants fulfilled for Q3-2011

Balance sheet (IFRS)

| NOK million | 30.09.11 | 30.06.11 | 30.09.10 | 31.12.10 |
|-------------------------------------|--------------|--------------|--------------|--------------|
| Total non-current assets | 2 532 | 2 526 | 2 598 | 2 600 |
| Total inventory and land | 2 297 | 2 154 | 1 574 | 1 864 |
| Total receivables | 159 | 179 | 195 | 151 |
| Bank deposits and cash | 111 | 62 | 50 | 110 |
| Total current assets | 2 567 | 2 394 | 1 820 | 2 125 |
| Total assets | 5 099 | 4 920 | 4 418 | 4 725 |
| Total equity | 1 851 | 1 820 | 1 804 | 1 878 |
| Total provisions | 264 | 250 | 214 | 243 |
| Long-term interest-bearing debt | 967 | 959 | 1 094 | 1 040 |
| Short-term interest-bearing debt | 692 | 630 | 361 | 442 |
| Total current liabilities | 1 326 | 1 262 | 944 | 1 122 |
| Total equity and liabilities | 5 099 | 4 920 | 4 418 | 4 725 |
| Equity ratio | 36.3% | 37.0% | 40.8% | 39.8% |

IFRS key figures Q3-2011 and accumulated

| NOK million | Q3-2011 | Q3-2010 | Y/Y | 30.09.11 | 30.09.10 | Y/Y | 2010 | |
|-------------------------------|--------------|---------|--------|--------------|----------|--------|-------|---|
| Operating revenues | 692 | 625 | 10.8% | 2 284 | 2 045 | 11.7% | 2 985 | |
| EBITDA | 73 | 42 | 72.6% | 202 | 161 | 25.7% | 283 | * |
| <i>EBITDA margin</i> | 10.5% | 6.8% | | 8.8% | 7.9% | | 9.5% | |
| EBIT | 68 | 37 | 82.8% | 186 | 147 | 26.7% | 265 | * |
| <i>EBIT margin</i> | 9.9% | 6.0% | | 8.2% | 7.2% | | 8.9% | |
| EBT | 43 | 60 | -28.9% | 109 | 144 | -24.1% | 248 | * |
| Earnings in the period | 31 | 43 | -28.3% | 79 | 104 | -23.6% | 178 | |
| EPS (NOK) | 0.31 | 0.43 | | 0.81 | 1.06 | | 1.81 | |

* Includes reversal of NOK 8.2 million in Q1-2010 related to pension liabilities in Block Watne AS.

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



The Norwegian operation

Norway: Q3-2011 Financials



- ➔ New orders up 9.2%
- ➔ Continued order backlog growth, up 25.5% on Q3-2010
- ➔ Improved profitability in operations and strong margins
- ➔ Increasing manpower and production capacity backed by sales and order backlog

| NOK million | Q3-2011 | | Q3-2010 | | Y/Y | 2010 | | |
|---------------------|---------|-------|---------|-------|-------|-------|---|-------|
| Operating revenues | 475 | | 434 | | 9.4% | 1 809 | | |
| Gross profit | 138 | 29.1% | 127 | 29.2% | 9.1% | 534 | | 29.5% |
| EBITDA | 78 | 16.3% | 67 | 15.3% | 16.5% | 276 | * | 15.3% |
| EBIT | 76 | 16.1% | 65 | 14.9% | 18.0% | 271 | * | 15.0% |
| Number of employees | 624 | | 538 | | 16.0% | 554 | | |

* Includes reversal of NOK 8.2 million in Q1-2010 related to pension liabilities.

Norway: Q3-2011 Highlights



- Still low interest rates and available credit facilities for customers
- Only 43 unsold finished units by end of Q3-2011
- Increased production capacity, efficient operations and increased sales yield solid results and strong margins
- Continued focus on optimizing production and sales in running projects, and on maintaining efficiency



Passive houses under construction at Figgjo, Sandnes

The Norwegian operation: Hetlandhus brand



- Positive development in sales continued in Q3-2011
- 47 houses sold by end of September 2011
- 20 houses sold in the same period in 2010



House model Almelund.
Show house recently built in Trondheim



The Swedish operation

Sweden: Q3-2011 Financials



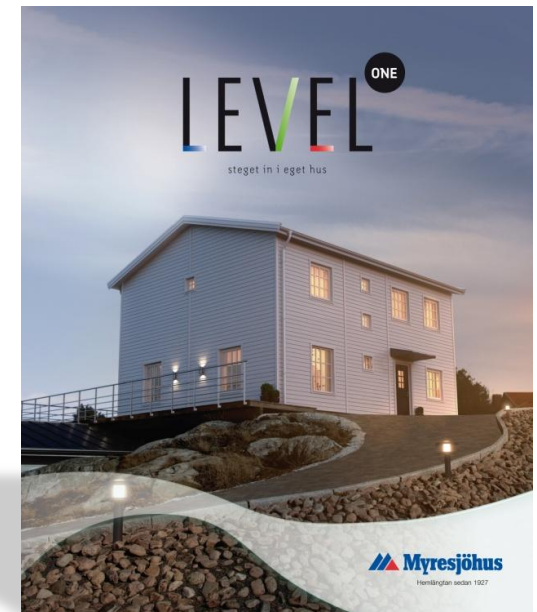
- New orders down 41.3% on Q3-2010
- Improved performance and margins in SmålandsVillan production
- Slowly improving efficiency in Myresjöhus production
- Reduced production due to declining sales

| NOK million | Q3-2011 | | Q3-2010 | | Y/Y | 2010 | |
|---------------------|---------|-------|---------|-------|--------|-------|-------|
| Operating revenues | 245 | | 283 | | -13.5% | 1 363 | |
| Gross profit | 67 | 27.5% | 79 | 27.9% | -14.6% | 375 | 27.5% |
| EBITDA | 12 | 5.0% | 22 | 7.6% | -43.5% | 116 | 8.5% |
| EBIT | 9 | 3.6% | 19 | 6.6% | -52.5% | 104 | 7.6% |
| Number of employees | 394 | | 393 | | 0.3% | 411 | |

Sweden:

Q3-2011 Highlights

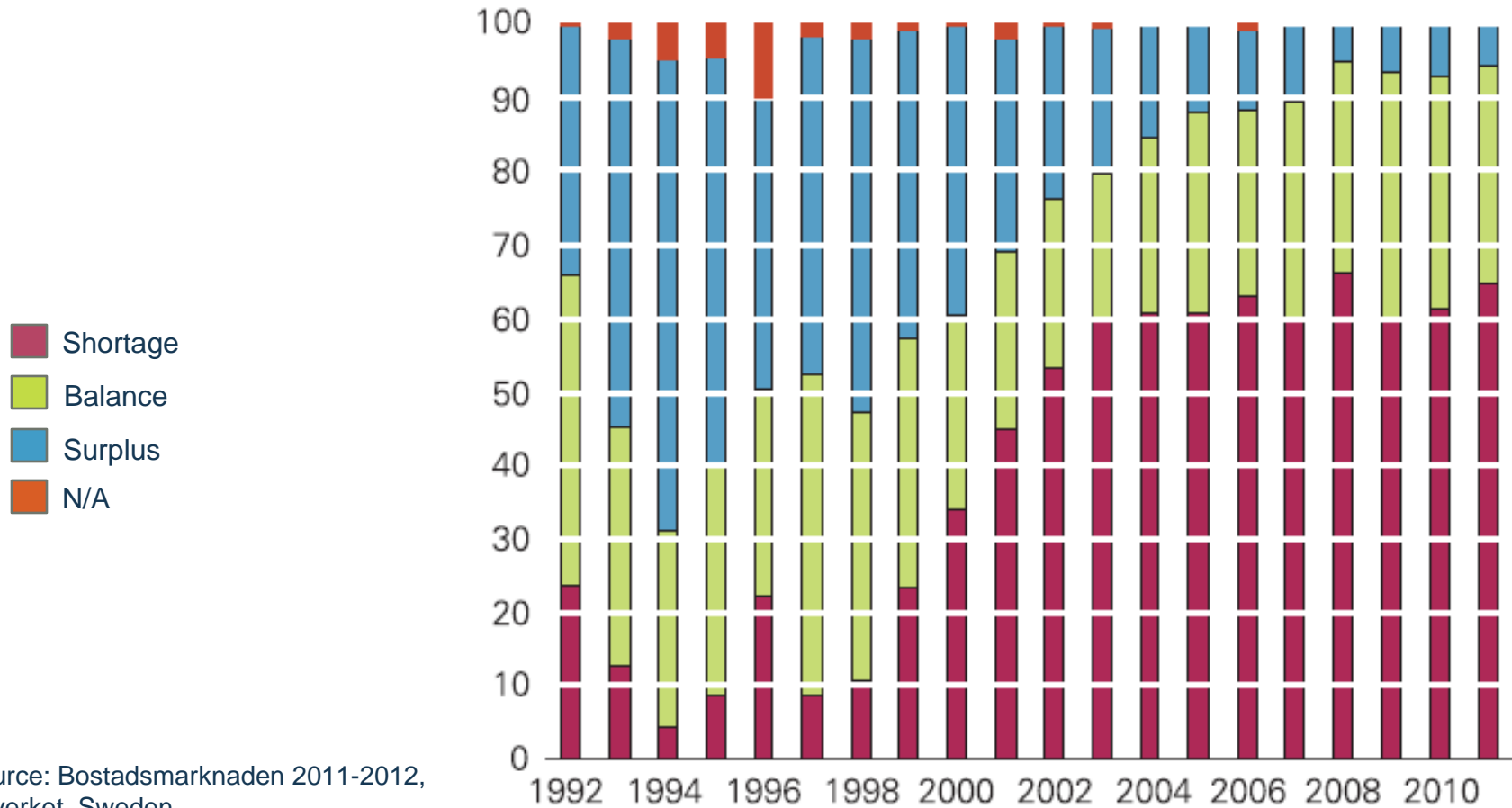
- Ceiling on mortgages, increasing interest rates and unstable international financial markets affect the residential market
- Production rate adjusted to sales and order backlog
- Cutbacks in temporary staff and reductions in the workforce by approx. 90 employees will take effect during Q4 2011
- Efficiency programs on-going in the Myresjöhus-production
- More affordable and production efficient house-types are being launched



Portfolio of 7 highly affordable houses

Swedish housing market:

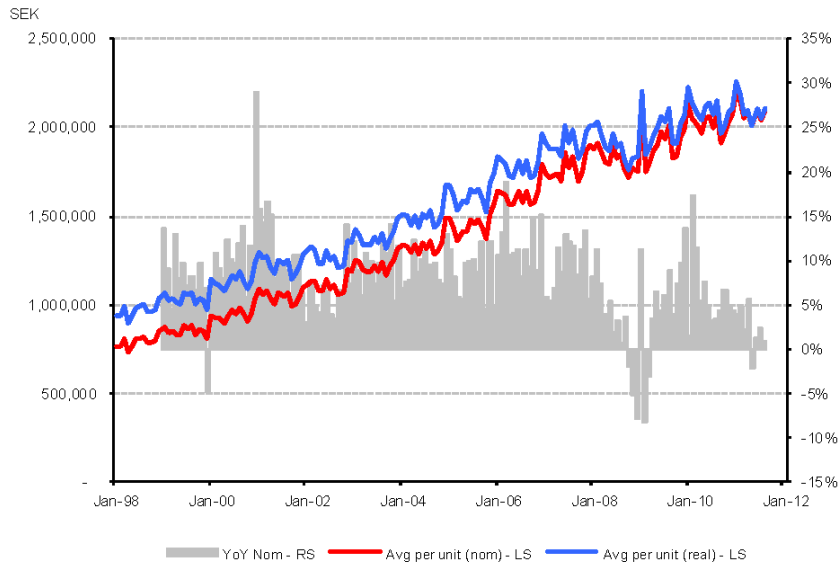
Share of population living in municipalities with shortage, balance or surplus of housing



Source: Bostadsmarknaden 2011-2012,
Boverket, Sweden

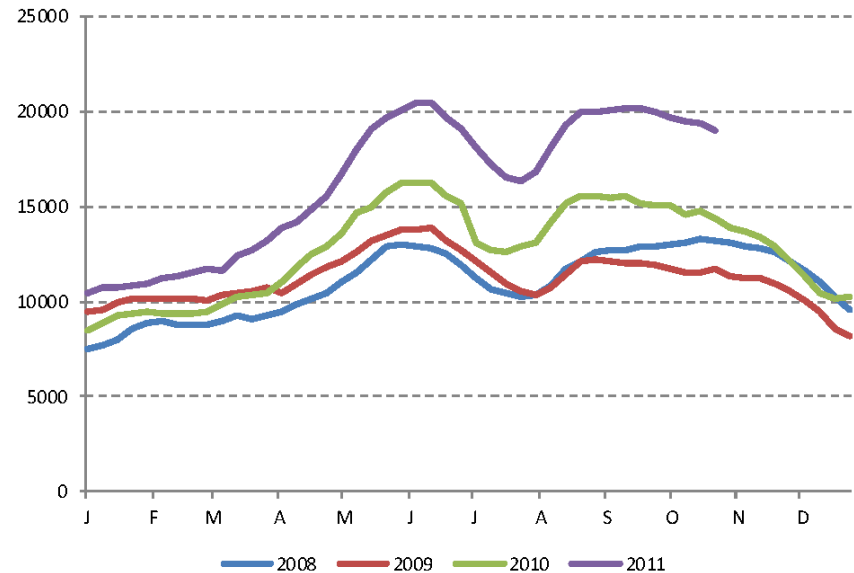
Swedish housing market

**Swedish housing prices:
Average prices nominal & real**



Source: SCB & Bloomberg

**Single & attached homes for sale.
Advertised on hemnet.se**



Source: www.hemnet.se

1

Analyst: Simen Mortensen
(+47) 22 94 88 45

DnB NOR
Markets



Outlook 2011 -> 2012

Summary outlook into 2012

- Uncertain effects of the international financial situation
- Mortgage financing and increased costs are a challenge in Sweden due to demand on higher equity
- Mixed development in the professional market in Sweden
- The on-going improvement programmes in the Swedish operation will yield effect in 2012
- Still undersupply of new homes both in Norway and Sweden



Welcome back 4th Quarter 2011: 14 February 2012 at 11:00 hrs



Negardsenga Panorama, Raufoss

Appendix 1

Shareholder Information

10 largest shareholders per 31 October 2011

| SHAREHOLDER | % TOTAL |
|---------------------------------|---------|
| Oslo Bolig og Sparelag | 17.90% |
| Lani Industrier AS | 15.93% |
| Orkla ASA | 7.52% |
| Odin Norge | 2.87% |
| Vital Forsikring ASA | 2.73% |
| Odin Norden | 2.63% |
| Skandinaviska Enskilda Banken | 2.34% |
| Storebrand Verdi | 2.27% |
| DnB NOR SMB VPF | 2.18% |
| State Street Bank and Trust Co. | 2.15% |

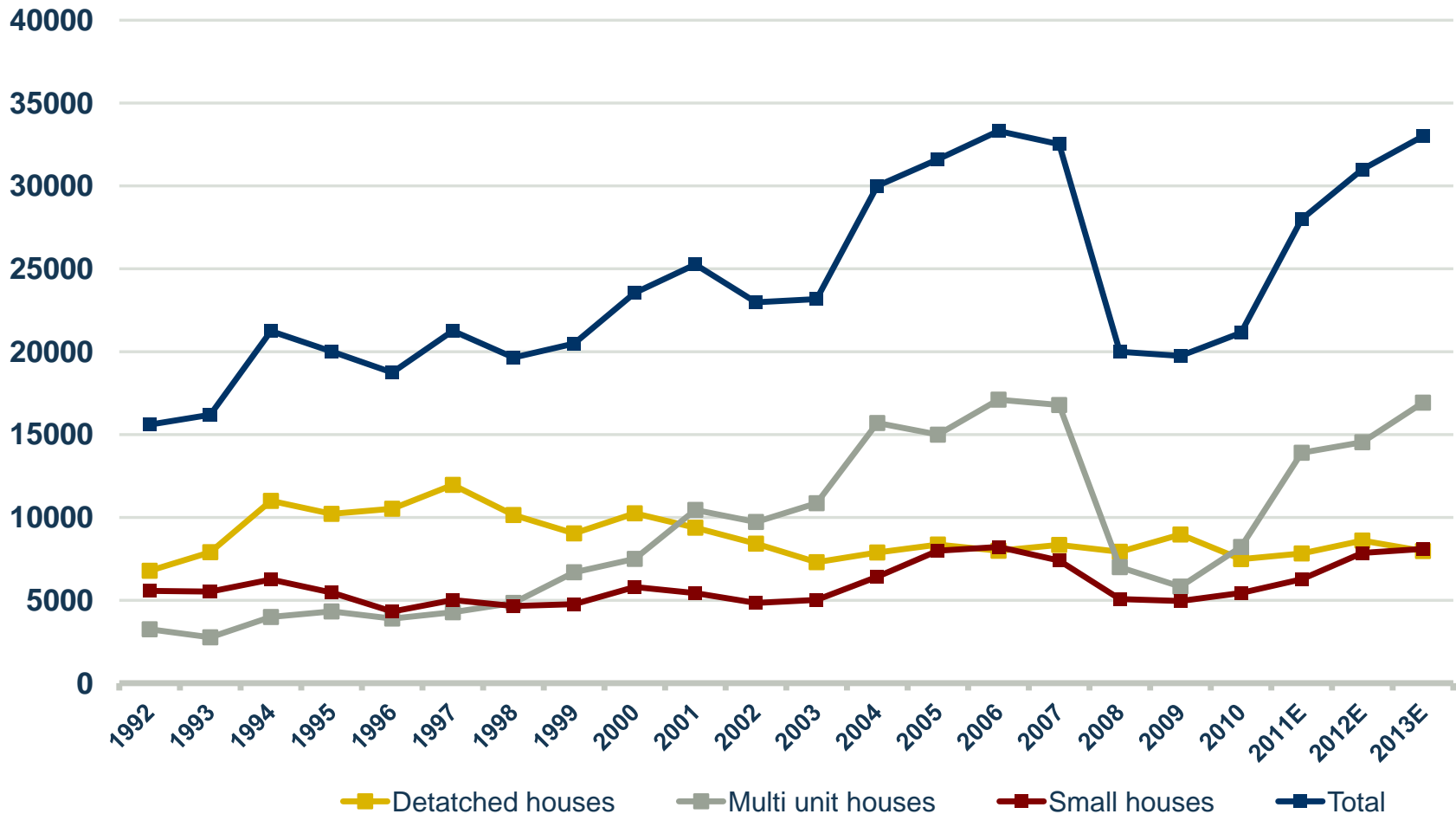
CEO Lars Nilsen owns 16.24 %

Share price development 2006 - October 2011



Appendix 2

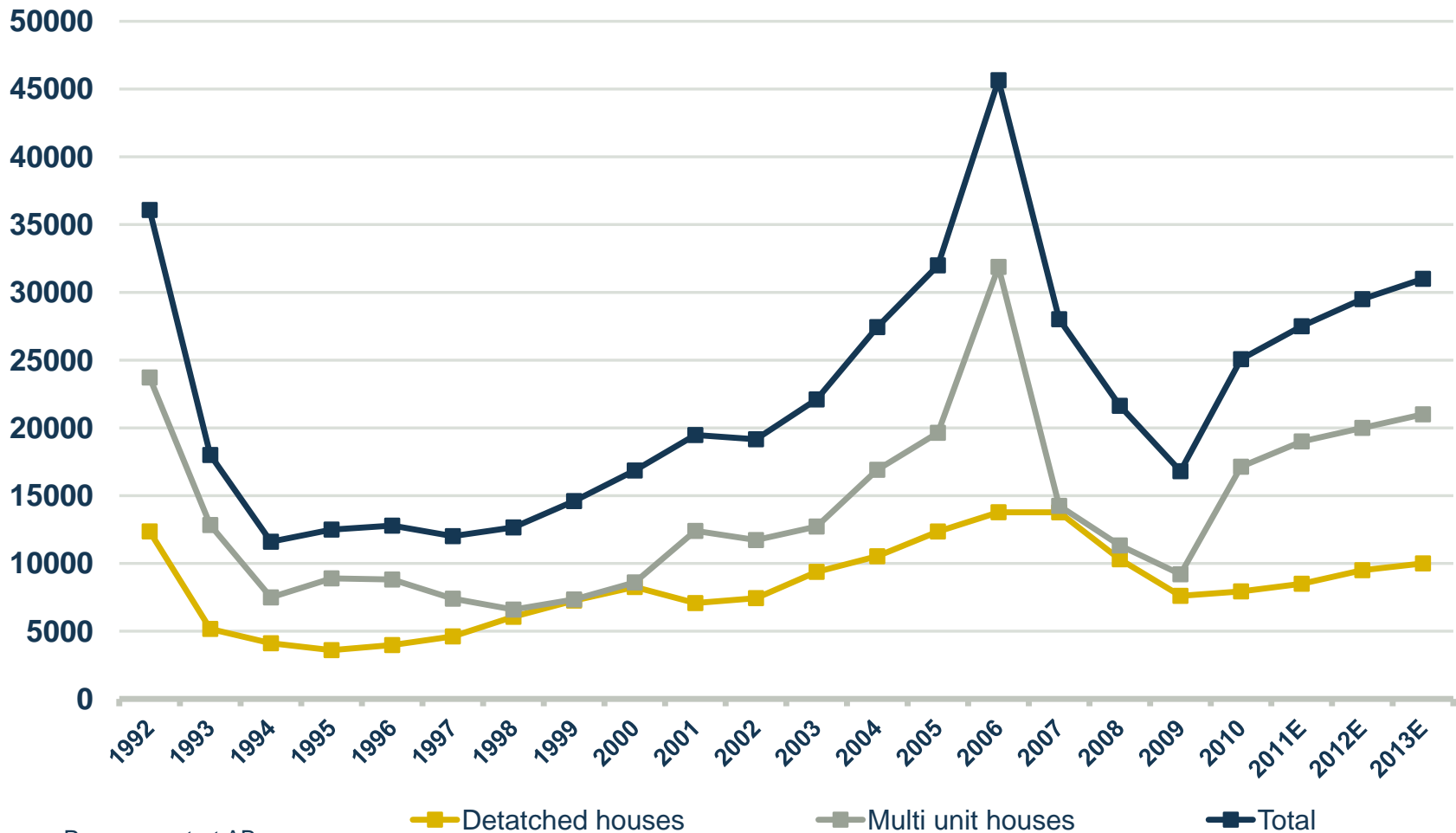
Housing starts in Norway 1992–2013



Source: Prognosesenteret AS

Appendix 3

Housing starts in Sweden 1992–2013



Source: Prognoscentret AB