



BWGHOMES

3rd Quarter 2012 presentation

1. November 2012

Lars Nilsen, CEO and Arnt Eriksen, CFO

Q3-2012 Highlights – Group

Solid results in Norway, still challenging in Sweden

- Positive development in revenues and strong results in the Norwegian segment
- Weak sales and low production volumes affect revenues and results in the Swedish segment
- Improved production efficiency and quality
- Operational EBITDA-margin for the Group at 14.0%

Market conditions

- Continued strong market in Norway
- Continued demanding market in Sweden. Down-sizing in industry and several minor house-builders are declared bankrupt. Prolonged sale processes for new and used homes
- Underlying demand for new homes in Norway and Sweden



Financials



Operational key figures Q3-2012:

Based on operating results from the segments

NOK million	Q3-2012	Q3-2011	Y/Y
Operating revenues	772	718	7.5%
EBITDA	108	81	32.8%
<i>EBITDA margin</i>	14.0%	11.3%	
EBIT	104	77	35.3%
<i>EBIT margin</i>	13.5%	10.7%	
Cash flow from operations after interest and tax	-10	-21	-50.4%
New orders	727	708	2.7%

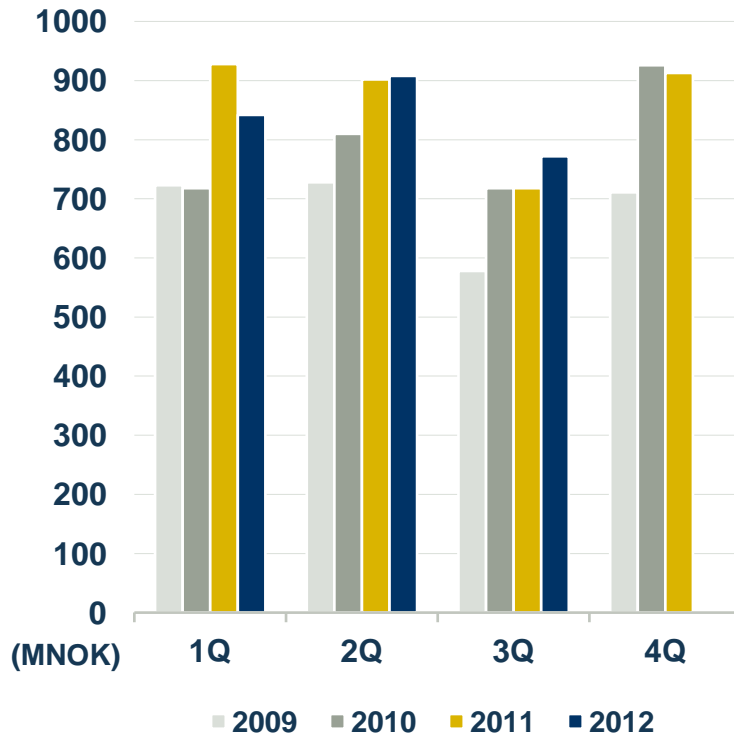
Operational key figures Q3-2012 accumulated:

Based on operating results from the segments

NOK million	30.09.12	30.09.11	Y/Y	2011
Operating revenues	2 522	2 548	-1.0%	3 461
EBITDA	311	282	10.3%	408
<i>EBITDA margin</i>	12.3%	11.1%		11.8%
EBIT	300	267	12.6%	386
<i>EBIT margin</i>	11.9%	10.5%		11.2%
Cash flow from operations after interest and tax	-251	-119		-150
New orders	2 575	2 565	0.4%	3 199
Order backlog	1 629	1 864	-12.6%	1 613
Number of employees	1 023	1 025		978

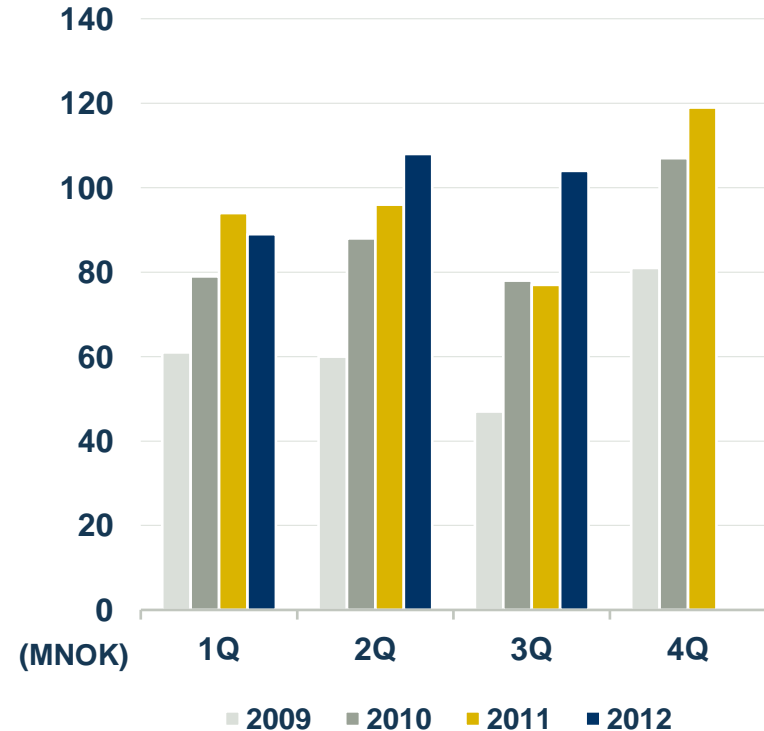
Improved revenues and strong results

Revenues: +7.5%



Revenue Q3-2012: NOK 772 million.
Revenue Q3-2011: NOK 718 million.

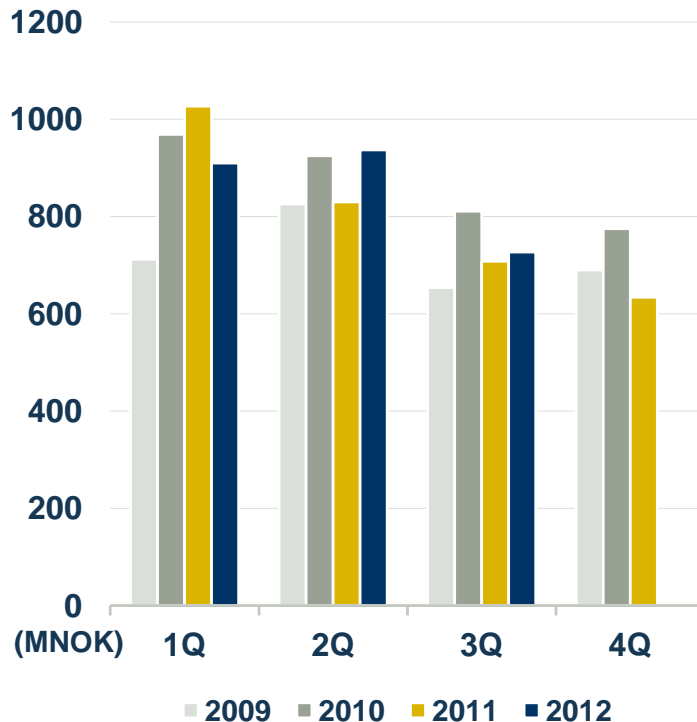
EBIT: +35.3%



EBIT Q3-2012: NOK 104 million, 13.5% margin.
EBIT Q3-2011: NOK 77 million, 10.7% margin.

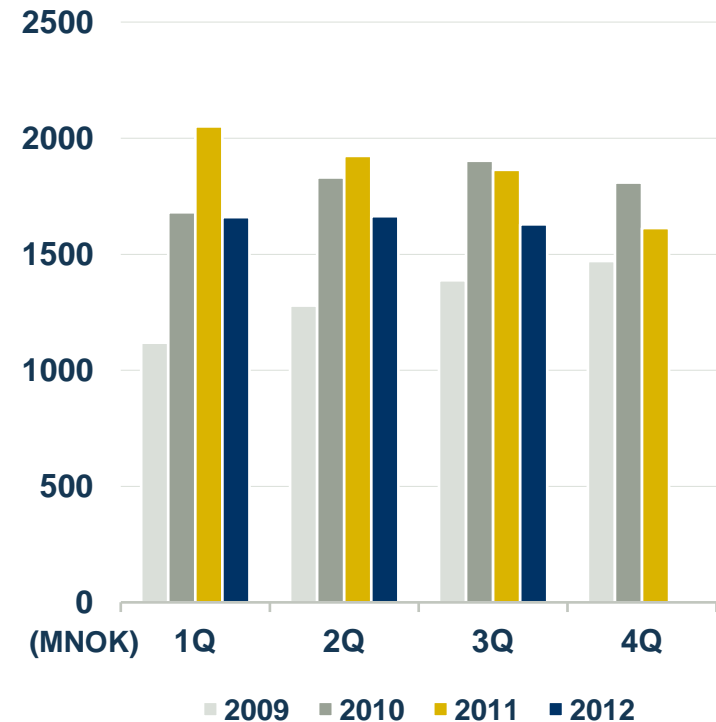
Positive development in sales

New orders: +2.7%



New orders Q3-2012: 727 million.
New orders Q3-2011: 708 million.

Order backlog: NOK 1.6 billion



Order backlog Q3-2012: NOK 1 629 million.
Order backlog Q3-2011: NOK 1 864 million.

Cash flow and Net interest-bearing debt

NOK million	Q3-2012	Q3-2011	30.09.12	30.09.11	2011
Net cash flow from operating activities	-10	-21	-251	-119	-150
Net cash flow from investing activities	-3	-4	1	18	16
Net cash flow from financing activities	43	74	309	102	190
Change in cash in period	30	49	59	1	56
Net interest-bearing debt	1 432	1 547	1 432	1 527	1 603

- Net cash flow from operations is negative due to increased volume of projects and tied-up working capital
- Net interest-bearing debt decreased by NOK 171 million from year-end, and increased by NOK 27 million from the previous quarter
- All covenants fulfilled for Q3-2012

Financial position (IFRS)

NOK million	30.09.12	30.09.11	31.12.11
Total non-current assets	2 589	2 532	2 567
Total inventory and land	2 794	2 297	2 366
Total receivables	192	159	124
Bank deposits and cash	225	111	166
Total current assets	3 212	2 567	2 656
Total assets	5 800	5 099	5 223
Total equity	2 503	1 851	1 946
Total provisions	235	264	249
Long-term interest-bearing debt	892	967	939
Short-term interest-bearing debt	766	692	830
Total current liabilities	1 404	1 326	1 259
Total equity and liabilities	5 800	5 099	5 223
Equity ratio	43.2%	36.3%	37.3%

Strong IFRS key figures Q3-2012 and 30.09.2012

NOK million	Q3-2012	Q3-2011	Y/Y	30.09.12	30.09.11	Y/Y	2011
Operating revenues	749	692	8.3%	2 508	2 284	9.8%	3 245
EBITDA	91	73	24.8%	278	202	37.9%	338
<i>EBITDA margin</i>	12.1%	10.5%		11.1%	8.8%		10.4%
EBIT	87	68	27.1%	268	186	43.6%	316
<i>EBIT margin</i>	11.6%	9.9%		10.7%	8.2%		9.7%
EBT	67	43	55.5%	187	109	70.9%	221
Earnings in the period	48	31	55.9%	135	79	69.8%	159
EPS (NOK)	0.35	0.31		1.07	0.81		1.62

→ Growth in IFRS revenues and strong results due to increased number of house deliveries

The Swedish operation



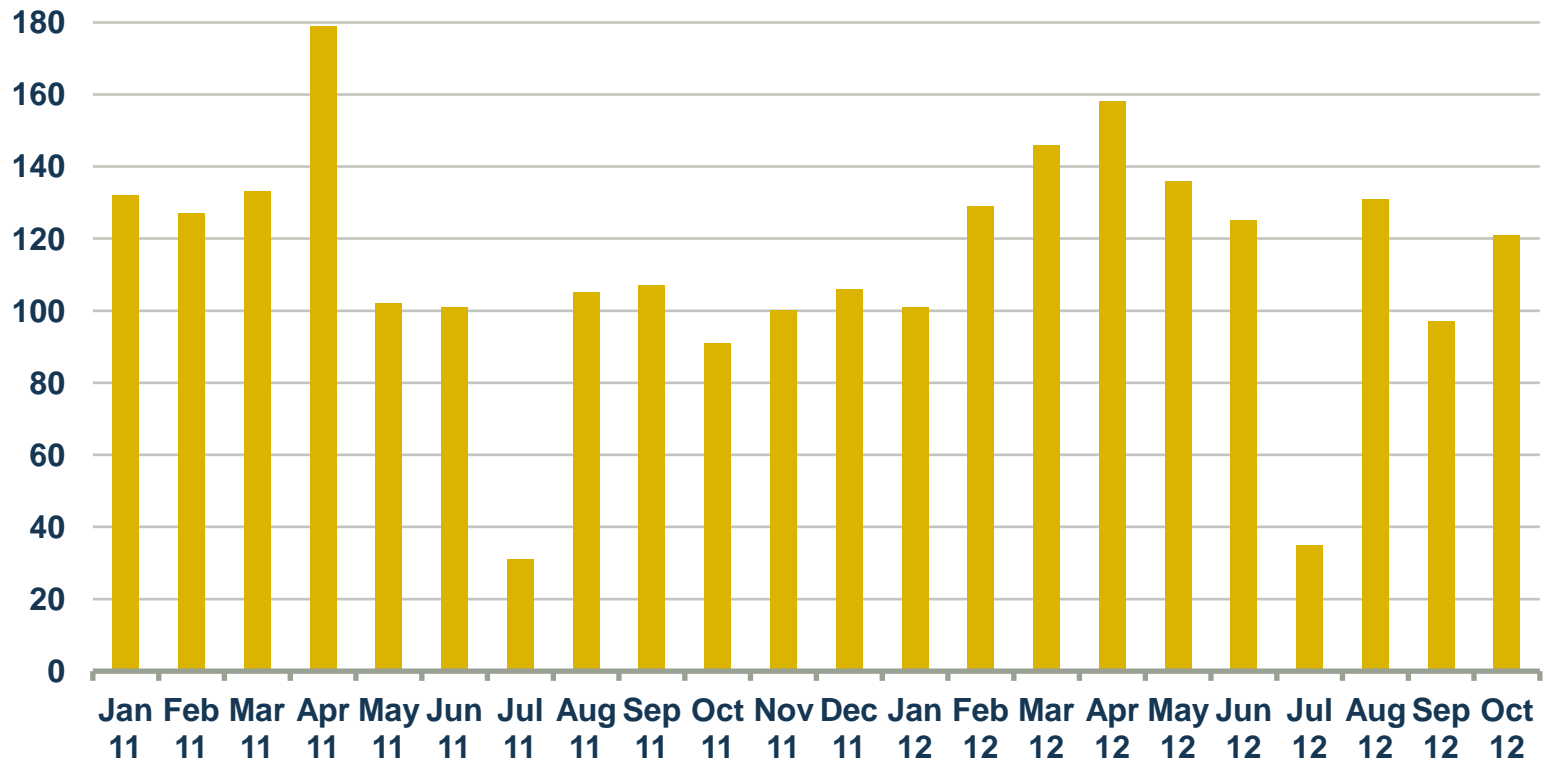
Sweden: Q3-2012

- Still a challenging market situation. Low sales in 2011 and 2012 still affect revenues
- Low volumes hit profit and margins heavily, though ongoing improvement programmes give better efficiency and quality in production
- Increasing focus on residential projects in growth regions
- Product development and production of terraced houses and low-rise apartments

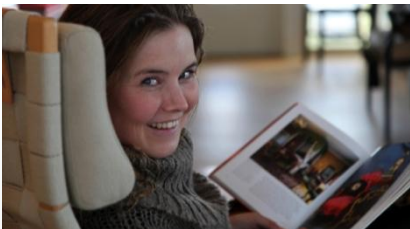
NOK million	Q3-2012		Q3-2011		Y/Y
Operating revenues	235		245		-4.0%
Gross profit	63	26.9%	67	27.5%	-6.0%
EBITDA	6	2.5%	12	5.0%	-52.7%
EBIT	2	1.0%	9	3.6%	-73.7%
Order intake	231		206		12.2%
Order backlog	915		896 at year-end 2011		
Number of employees	362		394		-8.1%



Development in sales last 22 months (MSEK)



The Norwegian operation



Norway: Q3-2012

- Continued positive market situation
- Increased revenues, strong margins and results
- Agreement with OBOS for development of a large residential area. A land gain of NOK 16.5 million was realised in this connection
- Efficient production and strengthened capacity
- Order backlog at satisfactory level
- Recruiting new CEO for Block Watne

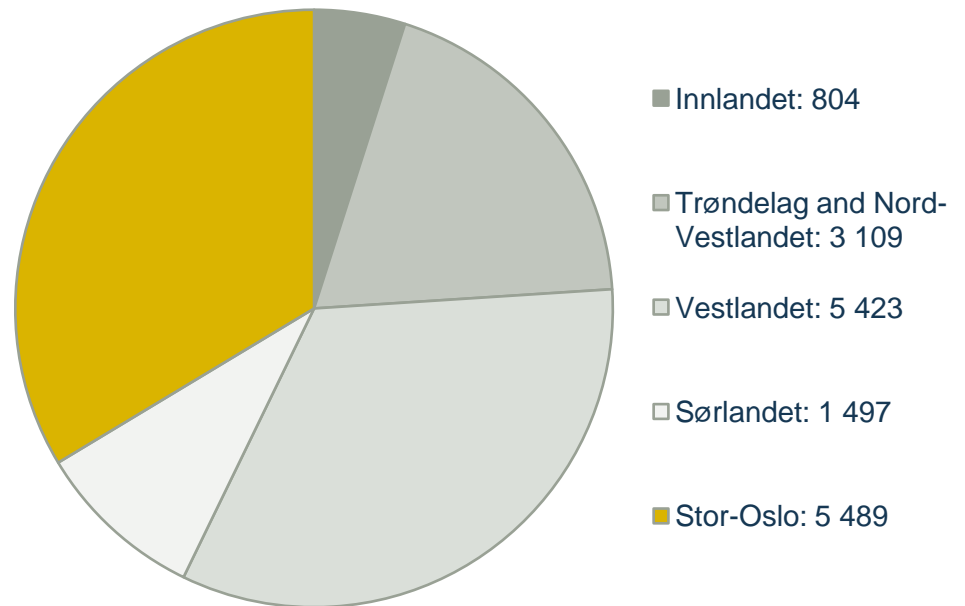
NOK million	Q3-2012		Q3-2011		Y/Y
Operating revenues	530		475		11.5%
Gross profit	186	35.1%	138	29.1%	34.7%
EBITDA	107	20.2%	78	16.3%	38.1%
EBIT	106	20.1%	76	16.1%	39.5%
Order intake	496		502		-1.3%
Order backlog	714		717 at year-end 2011		
Number of employees	654		624		4.83%



Block Watne landbank

- Block Watne has, per September 2012, a land bank capacity of approx. 16 000 units in different residential projects and processes
- Number of units are rough estimates of volume in the different projects
- Normally, project development and zoning processes will lead to increased volume in the projects over some time
- The land bank is monitored and maintained based on local input, knowledge and development plans for each regional office
- Block Watne has a satisfactory volume of projects and land, supporting several years of production in each office

Geographical distribution of the land bank



Norwegian operation: Hetlandhus brand



- 90 houses sold during 2011
- 32 houses sold year-to-date
- 27 deliveries in 2012 so far
- 4 show houses
- “Ospelia” is the most popular house model



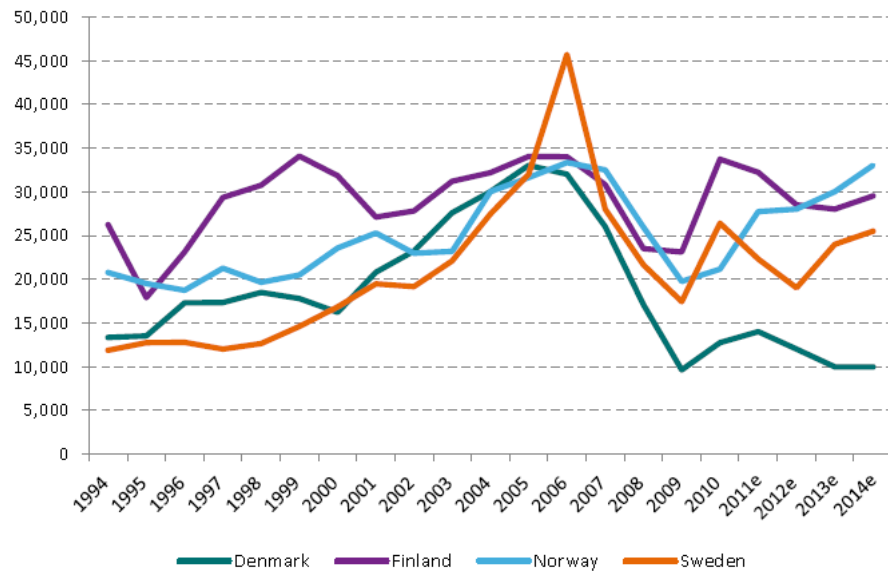
Completion of house model Lønneberget,
photo: Knut Bjerke, Budstikka

Outlook

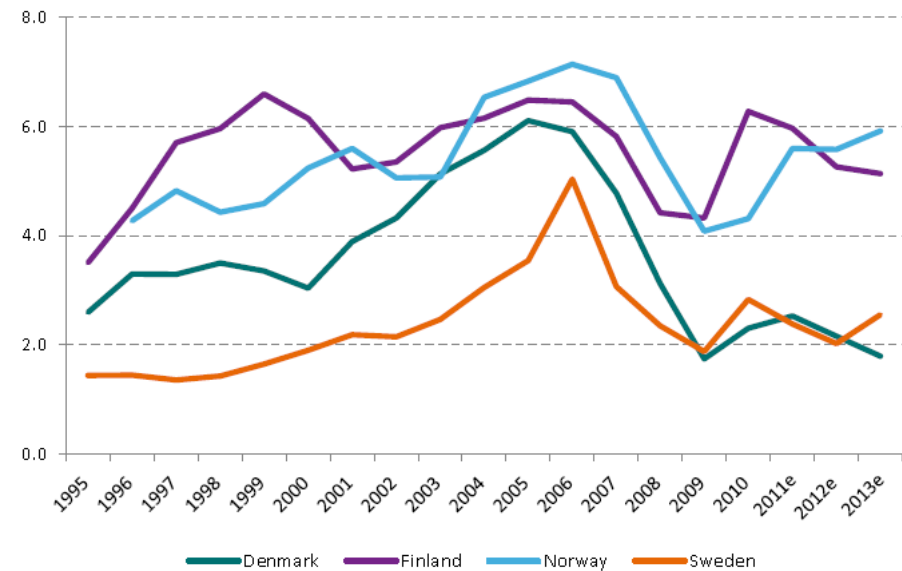


Housing starts in the Nordics

Housing starts - Total



Housing starts per 1000 capita



Sources: Euroconstruct, Prognosesenteret AS, DNB Markets

Future outlook

- Uncertain effects of the international financial situation going forward
- Mortgage financing costs and limits are still a challenge in Sweden. Down-sizing in industry affect employment
- 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 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 4th Quarter 2012:
14 February 2013 at 11:00 hrs



Negardsenga Panorama, Raufoss

Appendix 1

Shareholder Information

10 largest shareholders per 31 October 2012

SHAREHOLDER	% TOTAL
Oslo Bolig og Sparelag	19.46%
Lani Industrier AS	15.57%
Orkla ASA	3.12%
Odin Norge	2.87%
DnB NOR SMB VPF	2.81%
Odin Norden	2.66%
Storebrand Verdi	2.38%
Skandinaviska Enskilda Banken	2.24%
SHB Stockholm	2.19%
Fondsfinans Spar	2.02%

- 2 022 shareholders own 136,121,433 shares
- 119 international shareholders own 25.9 mill shares, corresponding to an ownership share of 19.1%
- CEO Lars Nilsen has a 15.87% holding

Share price development 2006 – October 2012



- 59 million shares have been traded per 31 October 2012
- Closing price on 31 October 2012: NOK 11.70