

2009

Q2

“ Our long-term goal will still be achieving profitable growth and adding value for our shareholders.

LARS NILSEN
CEO

BWG HOMES' VALUE CHAIN



BWGHOMES

BWG Homes ASA

INTERIM REPORT Q2 AND FIRST HALF 2009

HIGHLIGHTS 2nd QUARTER 2009

- ➔ Operating revenues of NOK 667 million, down 28.8%
- ➔ EBITDA of NOK 65 million, down 44.3%
- ➔ EBITDA margin at 9.8%
- ➔ Order intake of NOK 826 million, down 3.5%
- ➔ Positive cash flow and further reduced net interest bearing debt
- ➔ Positive development in sales. (Up 15.9% in relation to Q1 2009)
- ➔ Positive development in order backlog. (Up 14.3% in relation to Q1 2009)

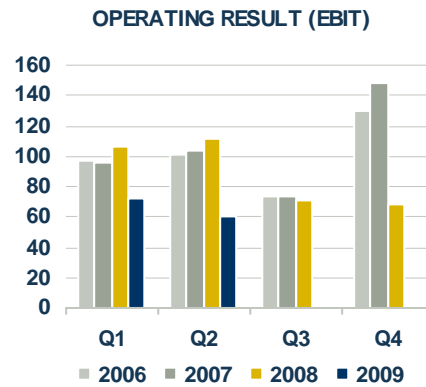
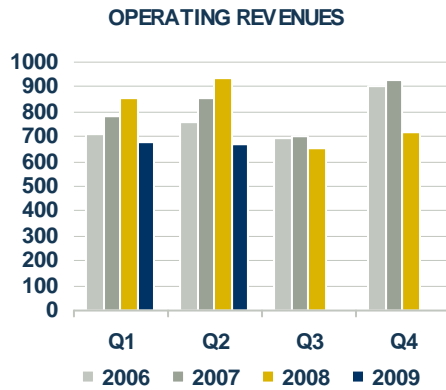
HIGHLIGHTS 1st HALF YEAR 2009

- ➔ Operating revenues of NOK 1,344 million, down 25.2%
- ➔ EBITDA of NOK 137 million, down 40.4%
- ➔ EBITDA margin at 10.2%
- ➔ Order intake of NOK 1,538 million, down 3.4%
- ➔ Two share issues executed. NOK 161 million in increased equity
- ➔ Renegotiation of loan terms
- ➔ Shareholding in Gar-Bo AB sold

KEY FIGURES BWG HOMES ASA

Amounts in NOK 1,000	Q2 2009	Q2 2008	30.06.2009	30.06.2008	2008
Operating revenues	666 859	937 014	1 343 719	1 795 476	3 171 525
Operating profit (EBITDA)	65 239	117 182	136 980	229 719	368 086
Operating profit (EBIT)	60 476	112 365	121 383	218 504	120 596
Earnings per share	0.26	1.00	0.32	1.81	-1.25
Operating key figures					
Operating EBITDA	65 239	117 182	136 980	229 719	378 223 *
Operating EBIT	60 476	112 365	121 383	218 504	356 783 *
Operating EBT	37 205 *	92 400 *	58 795 *	166 596 *	179 279 *
Operating EBITDA margin	9.8 %	12.5 %	10.2 %	12.8 %	11.9 % *
Operating EBIT margin	9.1 %	12.0 %	9.0 %	12.2 %	11.2 % *
Operating EBT margin	5.6 % *	9.9 % *	4.4 % *	9.3 % *	5.7 % *
Cash flow from operations after interest and tax	77 025	19 461	52 481	-102 741	-226 225
Order intake	825 500	855 700	1 537 700	1 591 800	2 347 400
Order backlog	1 278 628	1 730 757	1 278 628	1 730 757	1 169 455
Number of employees	821	1 270	821	1 270	965

* Operating key figures are figures exclusive of restructuring costs, write-downs and effect of exchange rate fluctuations recognised on the intragroup liabilities.

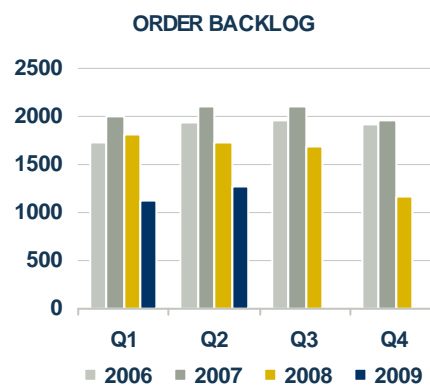
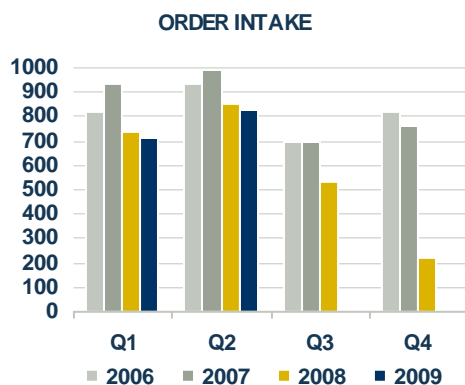


BWG Homes Group's operating revenues for the 2nd quarter 2009 amounted to NOK 667 million. This is a reduction of NOK 270 million (-28.8%) in relation to Q2 2008. Operating revenues for the first half 2009 were NOK 1,344 million, down NOK 452 million (-25.2%) in relation to the first half 2008.

The decline in turnover is due to the fact that the Group's production capacity was significantly reduced both in Norway and in Sweden in 2008 and Q1 2009. Manpower was reduced by 35% in relation to Q2 2008 and by 15% since year-end. The fact that the decline in turnover in the first half is not higher than 25% can be explained by high sales during the first quarter of houses which had already been built. It has proven beneficial to have an inventory of completed houses on the current market, as customers most often prefer to take over a new home as quickly as possible.

The Group's operating profit (EBITDA) for the 2nd quarter 2009 was NOK 65 million. This is a reduction of NOK 52 million (-44.3%) in relation to Q2 2008. The operating result for the first half 2009 was NOK 137 million, down NOK 93 million (-40.4%) in relation to the first half 2008. The decline in operating result is mainly due to reduced production and production capacity, and to a lesser degree to a lower average price for houses sold. The EBITDA margin for the quarter was 9.8% compared with 12.5% in the same quarter 2008. The EBITDA margin for the first half was 10.2% compared with 12.8% for the same period last year. The decline in margin is a result of some price reductions for completed houses, general pressure on prices on a difficult market, a temporary drop in efficiency and a number of fixed costs which remain the same, despite production cutbacks.

In comparison with the same periods in 2008, the operating result (EBIT) for the quarter totalled NOK 60 million, down NOK 52 million (-46.2%) and for the first half NOK 121 million, down NOK 97 million (-44.4%). The EBIT margin for Q2 2009 was 9.1% compared with 12.0% in Q2 2008. The EBIT margin for the first half was 9.0% compared with 12.2% in the same period last year.



The order intake for the 2nd quarter of 2009 was NOK 826 million, compared with NOK 856 million in the 2nd quarter of 2008, which is a decline of 3.5%. The order intake for the first half of 2009 was NOK 1,538 million, compared with NOK 1,592 million in the first half of 2008, which is a decline of 3.4%. With the weaker Swedish Kroner, sales revenues fell by approx. NOK 19 million in the quarter. Sales during the quarter saw an increase of 15.9% in comparison with Q1 2009. For the first half 2009, sales were 104% higher than the second half of 2008. With interest rates remaining low, the banks introducing less restrictive lending policies and a pent-up demand for new houses, house buyers are now returning to the market.

The Group's order backlog at the end of Q2 was NOK 1,279 million, an increase of NOK 159 million (14.3%) when compared with the end of Q1 2009.

FINANCIAL FACTORS

CASH FLOW

Amounts in NOK 1,000	Q2 2009	Q2 2008	30.06.2009	30.06.2008	2008
Net cash flow from operating activities	77 025	19 461	52 481	-102 741	-226 225
Net cash flow from investment activities	13 253	-5 130	13 128	-9 136	-20 462
Net cash flow from financing activities	-96 493	-27 987	-6 346	134 302	225 332
Net change in cash & cash equivalents	-6 215	-13 656	59 263	22 425	-21 355
Cash & cash equivalents at end of period	120 415	104 932	120 415	104 932	61 152

Net cash flow from operating activities (after payment of interest and tax) for Q2 was positive at NOK 77 million, an improvement of NOK 58 million when compared with Q2 2008. The reserve for projects and houses in addition to accounts receivable saw a reduction in Q2 2009, releasing a total of NOK 146 million. Accounts payable have reduced by NOK 94 million.

Subsequent to the issue of shares executed by the Group in Q1, a follow-on offering was carried out to which NOK 21 million was subscribed in Q2. In Q2, the Group has reduced its short-term and long-term liabilities by a total of NOK 116 million. This generated a negative net cash flow from financing activities of NOK 96 million.

For the first half, accumulative compulsory savings have been reduced by NOK 223 million. Accounts payable have reduced by NOK 140 million. Net cash flow from operating activities after interest and tax was positive at NOK 52 million in the first half, an improvement of NOK 155 million in comparison with the first half 2008.

NET INTEREST-BEARING DEBT

Amounts in NOK 1,000	30.06.2009	30.06.2008	2008
Subordinated loans	0	95 000	0
Non-current liabilities to financial institutions	1 239 685	1 258 473	1 309 938
Current liabilities to financial institutions	674 780	617 187	784 340
Other current interest-bearing liabilities	0	0	40 000
Bank deposits, cash & cash equivalents	-120 415	-104 932	-61 152
Net interest-bearing liabilities	1 794 050	1 865 728	2 073 126

Net interest-bearing liabilities have been reduced by NOK 279 million from year-end and by NOK 77 million since Q1 2009. The share issues supplied liquidity of NOK 161 million (gross). In June 2009, a figure of NOK 20 million was paid to Nordea as an ordinary downpayment.

In January 2009, the Group renegotiated the loan terms with its main bank Nordea. The Group has fulfilled all covenants for the first half 2009.

WORKING CAPITAL

Amounts in NOK 1,000	30.06.2009	30.06.2008	2008
Current assets	1 994 925	2 203 995	2 082 067
Current liabilities (non interest-bearing)	-704 096	-1 065 361	-849 984
Net working capital	1 290 829	1 138 634	1 232 083
Short-term project financing (interest-bearing)	-674 780	-617 187	-824 340
Net working capital including project financing	616 049	521 447	407 743

SEGMENT INFORMATION

BWG Homes ASA comprises two segments; Norway and Sweden. The Norwegian segment is represented by Block Watne business. The Swedish segment comprises business from Myresjöhhus and SmålandsVillan.

Both segments are mainly engaged in producing and marketing homes for consumers. The two segments are separate entities, which are subject to different risks and returns, and are therefore monitored separately within the Group.

In 2008, BWG Homes implemented a project to re-establish Hetlandhus as an active brandname in Norway. The portfolio comprises nine detached houses produced in modules at SmålandsVillan plants in Sweden. The launch of Hetlandhus products started in Q1 2009. The first house has been built and the dealer network in central East Norway established. The Hetlandhus brand is still in its establishment phase, and business in Q2 is still too small to warrant its own segment in the reports. The figures for the Hetlandhus brand have therefore been included under the "Other" item in the segment reports.

Please see the 2008 Annual Report for a full list of subsidiaries and associated companies.

SEGMENT REPORT - SUMMARY

Amounts in NOK 1,000	Q2 2009	Q2 2008	30.06.2009	30.06.2008	2008
Operating revenues					
Norway	383 105	435 474	771 013	815 928	1 459 376
Sweden	283 805	501 443	573 500	979 388	1 713 072
Other/eliminations	-51	97	-794	160	-923
BWG Homes Group	666 859	937 014	1 343 719	1 795 476	3 171 525
EBITDA					
Norway	49 180	68 756	98 726	135 148	228 717
Sweden	21 746	52 044	49 184	102 378	158 131
Other/eliminations	-5 687	-3 619	-10 930	-7 808	-18 762
BWG Homes Group	65 239	117 181	136 980	229 718	368 086
EBIT					
Norway	47 204	67 453	94 683	131 771	221 665
Sweden	19 010	48 575	37 720	94 625	-82 138
Other/eliminations	-5 738	-3 663	-11 020	-7 892	-18 931
BWG Homes Group	60 476	112 365	121 383	218 504	120 596
Order backlog					
Norway	502 424	741 119	502 424	741 119	452 424
Sweden	776 204	989 638	776 204	989 638	717 030
BWG Homes Group	1 278 628	1 730 757	1 278 628	1 730 757	1 169 454

SEGMENT NORWAY

Segment Norway encompasses operations in the subsidiary Block Watne AS. The subsidiary Hetlandhus AS is still in its start-up phase and is therefore not included in the figures for segment Norway for Q2 2009.

Amounts in NOK 1,000	Q2 2009	Q2 2008	30.06.2009	30.06.2008	2008
Operating revenues	383 105	435 474	771 013	815 928	1 459 376
Operating expenses	-333 925	-366 718	-672 287	-680 780	-1 230 659
EBITDA	49 180	68 756	98 726	135 148	228 717
Income from associates	0	843	0	843	1 397
Depreciation	-1 976	-2 146	-4 043	-4 220	-8 449
EBIT	47 204	67 453	94 683	131 771	221 665
Financial income	442	851	1 422	1 962	6 188
Interest cost and other financial expenses	-9 869	-12 305	-22 618	-22 727	-55 394
Net financial costs	-9 427	-11 454	-21 196	-20 765	-49 206
EBT	37 777	55 999	73 487	111 006	172 459
Tax	-10 578	-15 680	-20 577	-31 083	-47 908
Profit for the period	27 199	40 319	52 910	79 923	124 551
Operating key figures:					
Operating EBITDA margin	12.8 %	15.8 %	12.8 %	16.6 %	15.7 %
Operating EBIT margin	12.3 %	15.5 %	12.3 %	16.1 %	15.2 %
Segment assets	2 415 885	2 649 305	2 415 885	2 649 305	2 598 229
Segment obligations	-1 607 691	-1 947 430	-1 607 691	-1 947 430	-1 852 179
Order intake	442 600	424 376	858 300	791 280	1 158 000
Order backlog	502 424	741 119	502 424	741 119	452 424
Sick leave	6.3 %	7.4 %	7.0 %	7.6 %	7.9 %
Number of employees	475	663	475	663	503

Production capacity for the Norwegian segment has been considerably reduced since the summer of 2008. However, good sales during the last half of the year and efficient operations have allowed the segment to sustain strong margins.

Operating revenues for Q2 2009 showed a decline of 12.0% in comparison with Q2 2008. Operating revenues for the first half 2009 are down 5.5% in comparison with the same period last year. The operating result (EBITDA) for the quarter is down 28.5% and the corresponding figure for the first half is 26.9% in comparison with the same period last year. The EBITDA margin for the quarter and for the first half was 12.8%. In terms of turnover, the reduction in production has to some extent been counterbalanced by sales of completed houses or houses nearing completion. The decline in operating result is mainly due to reduced production in addition to pressure on prices for the company's products and a certain drop in efficiency resulting from the significant cut in manpower.

Manpower at the end of the first half is 28% lower than for the same period last year. Production-related manpower will be gradually increased during the second half, in line with the development in sales and the rise in order backlog.

The order backlog has seen an increase of 4.3% during the quarter and of 8.5% for the first half when compared with the same periods last year. Order intake for Q2 2009 alone shows a growth of 6.5% when compared with Q1. The number of completed, unsold units at the end of 2008 was 108. 83 of these units have been sold in the first half of 2009. The number of completed, unsold units at the end of the first half 2009 was 65.

During Q2, Block Watne has carried out a number of local marketing activities. Block Watne is continuing their campaign involving five of their most popular detached houses at special prices. A satisfactory development in sales throughout the first half substantiates the increase in market demand for newly built houses. We will continue to place a strong focus on optimising operations and the sale of completed or nearly completed houses.

SEGMENT SWEDEN

Segment Sweden comprises the business of the subsidiaries, Myresjöhus AB and SmålandsVillan AB.

Amounts in NOK 1,000	Q2 2009	Q2 2008	30.06.2009	30.06.2008	2008
Operating revenues	283 805	501 443	573 500	979 388	1 713 072
Operating expenses	-262 059	-449 399	-524 316	-877 010	-1 544 804
Restructuring costs	0	0	0	0	-10 137
EBITDA	21 746	52 044	49 184	102 378	158 131
Income from associates	0	-20	-5 918	-1 048	-776
Depreciation	-2 736	-3 449	-5 546	-6 705	-13 443
Write-down of goodwill	0	0	0	0	-226 050
EBIT	19 010	48 575	37 720	94 625	-82 138
Financial income	199	0	199	0	0
Interest cost and other financial expenses	-18 199	-14 733	-33 221	-33 220	-49 521
Change in value of interest swaps	6 238	13 544	4 343	9 531	-35 816
Effect of foreign exchange fluctuations	6 105	-208	-14 666	-284	24 790
Net financial costs	-5 657	-1 397	-43 345	-23 973	-60 547
EBT	13 353	47 178	-5 625	70 652	-142 685
Tax	-7 247	-13 352	683	-19 769	-4 398
Profit for the period	6 106	33 826	-6 308	50 883	-138 287
Operating key figures:					
Operating EBITDA margin	7.7 %	10.4 %	8.6 %	10.5 %	9.8 %*
Operating EBIT margin	6.7 %	9.7 %	6.6 %	9.7 %	9.0 %*
Segment assets	2 058 588	2 361 657	2 058 588	2 361 657	2 257 052
Segment obligations	-1 434 831	-1 697 867	-1 434 831	-1 697 867	-1 750 300
Order intake	382 900	431 305	679 400	800 507	1 189 455
Order backlog	776 204	989 638	776 204	989 638	717 030
Sick leave	3.3 %	4.7 %	3.5 %	4.3 %	4.2 %
Number of employees	341	602	341	602	457

* Operating key figures are figures exclusive of restructuring costs and write-down of goodwill.

The Swedish segment has introduced significant manpower cuts and a reorganisation over the past three quarters. At the same time, the segment has managed to maintain acceptable margins on a very difficult market, and their order backlog is now on the increase.

Operating revenues for Q2 2009 saw a decline of 43.4% in comparison with Q2 2008. Operating revenues for the first half 2009 were 41.4% lower than the same period in 2008. The operating result (EBITDA) for the quarter was down 58.2% and by 52.0% for the first half, when compared with the same periods in 2008.

Manpower has been cut by 43% in comparison with Q2 2008 and the segment has a significantly lower production capacity. The EBITDA margin for the quarter was 7.7%, with 8.6% for the first half of the year.

The order backlog has seen a decline of 11.2% during the quarter and of 15.1% for the first half when compared with the same periods last year. Order intake for Q2 2009 alone shows a growth of 29.1% when compared with Q1. The second quarter has also displayed a positive trend in demand for and sale of houses within the company's own projects and to professional customers.

The number of completed, unsold units at the end of 2008 was 45. 21 of these units have been sold during the first half 2009. The order backlog saw an increase of SEK 138 million from year-end, corresponding to NOK 115 million. The weaker Swedish krone since year-end has resulted in a decline in order backlog when measured in Norwegian krone of NOK 56 million. See also Note 4.

An increased order backlog will allow for a rise in production rate in Q4 2009 and towards the start of Q1 2010.

Low interest rates and a more functional second-hand market for houses in Sweden have also generated an increased demand for the segment's products. However, the market in Sweden remains difficult and is strongly impacted by unemployment and more restrictive lending policies among the banks. Primarily, this affects the low-price segment, which represents a major share of the customer segment for SmålandsVillan. The Swedish management is currently working on finding alternative financing for this category of customers.

Both Myresjöhus and SmålandsVillan have carried out a number of local marketing campaigns. In Q2, Myresjöhus launched its new catalogue entitled "Attraktion" displaying 49 detached houses designed by architects, and the catalogue for additional choices entitled "Möjligheter" displaying the range of furnishings from which customers can choose for their new house.

The sale of the shareholding in Gar-Bo AB was carried out in April 2009, see Note 7.

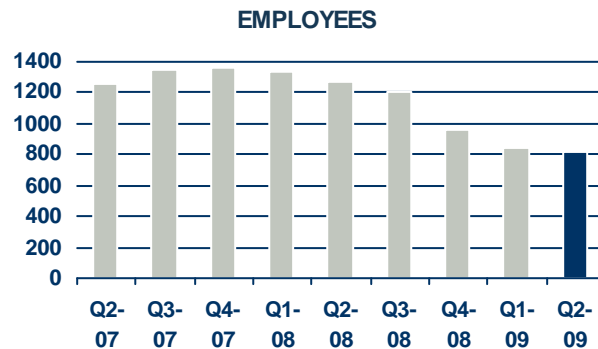
EMPLOYEES

NUMBER OF EMPLOYEES	Q2 2009	Q2 2008	30.06.2009	30.06.2008	2008
Salaried employees	345	488	345	488	400
Production employees, carpenters	476	782	476	782	565
Total	821	1 270	821	1 270	965

The total workforce reduction in relation to Q2 2008 is 35%, with a further 15% since year-end.

As sales and order backlog increase, production-related manpower will gradually be strengthened during the autumn in both Norway and Sweden.

9 accidents resulting in absence from work were registered in Q2 2009, compared with 11 accidents in Q2 2008. None of these accidents resulted in serious injury or permanent harm.



HEALTH, SAFETY AND ENVIRONMENT

The Group arranges regular training in quality, production and HSE issues. Group management focuses constantly on production quality and HSE.

In the Group's Norwegian operations, building sites are subject to unannounced inspections, with subsequent follow-up of non-conformances, both at local level (regional offices) and at central level. 41 inspections were carried out during the first half of 2009.

OTHER MATTERS

The ordinary general meeting for BWG Homes ASA was held on 26 May 2009. All resolutions were adopted in line with the recommendations of the Board of Directors and the nomination committee.

The board members elected by shareholders were re-elected for a period of two years. Harald Walther was appointed Chairman of the Board and Eva Eriksson as Deputy Chairperson.

SHAREHOLDERS

4,276,000 new shares were issued in a follow-on offering in Q1. The new shares were subscribed and registered in Q2.

At the end of the quarter, the company had 868 shareholders, 46 of whom were foreign. The foreign shareholders owned 10.8 million shares, corresponding to an ownership share of 11%.

At the end of the quarter, CEO Lars Nilsen had a 32.52% holding through his companies Lani Industrier AS, Lani Development AS and Lagulise AS.

Minus the new shares issued, total sale of shares in Q2 2009 was 11.8 million. The closing price per share on balance sheet date was NOK 7.90.

10 LARGEST SHAREHOLDERS	Number of shares	Holding
Lani Industrier AS	28 210 000	28.70%
Rasmussengruppen AS	11 200 000	11.39%
SEB Enskilda ASA	5 494 000	5.59%
Ojada AS	3 509 953	3.57%
Lani Development AS	3 448 000	3.51%
Perestroika AS	2 749 000	2.80%
Arctic Securities ASA	2 214 867	2.25%
AG Invest AS	2 186 144	2.22%
Bank of New York, S/A Alpine	2 084 200	2.12%
MP Pensjon	2 000 000	2.04%
Total 10 largest shareholders	63 096 164	64.20%
Other shareholders	35 179 836	35.80%
Total no. shares	98 276 000	100.00%

FIRST HALF YEAR 2009

SIGNIFICANT EVENTS IN FIRST HALF 2009

In January 2009, the Group renegotiated the loan terms with its main bank Nordea. The new terms involve the establishment of new covenants and a clarification of the loan management for the next three years. Final loan agreements were completed during Q2 2009, ref. items in the Annual Report for 2008.

The Group carried out two issues of shares in the first quarter which in total supplied new equity of NOK 161 million (gross). The issues were executed as private placements, totalling 32,276,000 new shares at a price of NOK 5 per share.

The Group's shareholding in the Swedish insurance company, Gar-Bo AB, was sold for SEK 72.3 million in April 2009. BWG Homes has received an initial payment of SEK 18 million for the shares. A further SEK 21.7 million was paid on 31 July 2009 with the final payment of SEK 32.6 million due on 27 April 2014.

Manpower and production capacity are down 35% in comparison with the first half 2008, with a further 15% since year-end.

TRANSACTIONS WITH CLOSELY RELATED PARTIES

There were no significant transactions with closely related parties in the first half 2009.

RISK FACTORS

The main risks to which the Group is exposed are market risk, interest rate risk and risks inherent in implementation of the building process. The Group is also exposed to a certain degree of credit risk, currency risk and liquidity risk. The Board of Directors and Group management closely monitor these risk factors and are prepared to implement any measures required.

These risk factors are described in detail in the Annual Report 2008. There do not appear to be any changes to risk factors for the Group when looking forward to the second half of 2009. For more detailed information, please see the Annual Report for 2008.

MARKET AND FUTURE PROSPECTS

House sales have seen a positive development throughout the first half of 2009. Many customers who have postponed buying houses have now returned to the market due to the historically low interest rate for mortgages, a more stable development in unemployment and a second-hand market which is once again functional.

An extremely low number of registered starts in 2009 in both Norway and Sweden, combined with a growth in population and an increasing demand for houses has resulted in a price increase for both second-hand and new houses. In Sweden in particular, the number of houses built has been too low. After the financial crisis, the number of registered starts is at an historical low. A pent-up demand for new houses is expected to provide increased demand for the company's products.

Energy-related requirements from the authorities for new houses will result in a slight increase in production costs. At the same time, a relative fall in prices for materials and services from subcontractors will help counterbalance this increase.

The order intake for the Group at the end of the first half 2009 is approximately the same as for the first half 2008, and the order backlog has seen an increase of NOK 109 million (9.3%) during the first half. This allows the Group to plan a gradual escalation of production capacity throughout the autumn, thereby increasing the rate of production.

Interest rate levels, availability of mortgages and the level of unemployment will all be decisive factors for future sales and development in profitability. In Sweden, the restrictive lending policies and sustained high unemployment indicate that the market conditions will remain demanding for the Group.

The Board of Directors and Group management are closely monitoring developments, with a strong focus on profitability and stable operations.

STATEMENT BY THE BOARD AND CEO

The Board of Directors and CEO have today reviewed and approved the accounts and report for the first half of 2009 as of 30 June 2009. The half yearly report has been prepared in accordance with the requirements in IAS 34 Interim Reports, as approved by the EU, and additional Norwegian requirements in the Securities Trading Act.

To the best of our knowledge, the half yearly accounts for 2009 have been prepared in accordance with prevailing accounting standards and the information disclosed in the accounts provides a correct illustration of the Group's assets, liabilities, financial position and result as a whole as of 30 June 2009.

We are also of the opinion that the half yearly report provides a correct overview of significant events during the accounting period and their impact on the half yearly accounts, in addition to a description of the most central risk and uncertainty factors faced by the Group for the next accounting period.

Oslo, 25 August 2009

Harald Walther
Chairman

Eva Eriksson
Deputy Chairperson

Hege Børmark

Petter Neslein

Brit Hagelund

Tore Morten Randen

Einar Salbu

Lars Nilsen
CEO

BWG Homes ASA – GROUP

INCOME STATEMENT

Amounts in NOK 1,000	Note	Q2 2009	Q2 2008	30.06.2009	30.06.2008	2008
Operating revenues	3	666 859	937 014	1 343 719	1 795 476	3 171 525
Cost of goods sold	3	-421 258	-570 910	-862 924	-1 080 235	-1 906 232
Payroll and personnel expenses	3	-117 851	-170 091	-222 809	-326 828	-599 557
Restructuring costs		0	0	0	0	-10 137
Other operating expenses		-62 511	-78 832	-121 006	-158 694	-287 513
Result before depreciation and finance (EBITDA)		65 239	117 181	136 980	229 719	368 086
Result from associates	7	0	823	-5 918	-205	621
Write-down of goodwill		0	0	0	0	-226 050
Depreciation		-4 763	-5 640	-9 679	-11 010	-22 061
Result before finance (EBIT)		60 476	112 364	121 383	218 504	120 596
Financial income		376	1 680	571	4 610	32 632
Interest costs and other financial expenses		-30 303	-32 756	-66 715	-61 402	-167 636
Change in value of interest swaps	2	6 656	11 112	3 556	4 884	-42 500
Effect of foreign exchange fluctuations	4	6 105	-208	-14 666	-284	24 830
Net financial costs		-17 166	-20 172	-77 254	-52 192	-152 674
Profit before tax (EBT)		43 310	92 192	44 129	166 312	-32 078
Tax expense	7	-18 019	-26 025	-15 681	-46 561	-50 204
Profit for the period		25 291	66 167	28 448	119 751	-82 282
Earnings per share (NOK)		0.26	1.00	0.32	1.81	-1.25
Diluted earnings per share (NOK)		0.26	1.00	0.32	1.81	-1.25
EBITDA margin		9.8%	12.5%	10.2%	12.8%	11.6%
EBIT margin		9.1%	12.0%	9.0%	12.2%	3.8%
EBT margin		6.5%	9.8%	3.3%	9.3%	-1.0%
Operating key figures:						
Operating EBITDA		65 239	117 181	136 980	229 719	378 223 *
Operating EBIT		60 476	112 364	121 383	218 504	356 783 *
Operating EBT		37 205 *	92 400 *	58 795 *	166 596 *	179 279 *
Operating EBITDA margin		9.8%	12.5%	10.2%	12.8%	11.9% *
Operating EBIT margin		9.1%	12.0%	9.0%	12.2%	11.2% *
Operating EBT margin		5.6% *	9.9% *	4.4% *	9.3% *	5.7% *

* Operating key figures are figures exclusive of restructuring costs, write-downs and effect of exchange rate fluctuations recognised on the intragroup liabilities.

CONSOLIDATED BALANCE SHEET

Amounts in NOK 1,000	Note	30.06.2009	30.06.2008	31.12.2008
Assets				
Brandnames		472 408	477 282	501 650
Goodwill		1 918 770	2 147 280	2 021 282
Other intangible assets		3 698	4 369	4 473
Total intangible assets		2 394 876	2 628 931	2 527 405
Property, plant & equipment	6	95 899	100 401	109 083
Investments in associates	7	6 880	74 403	71 753
Other receivables		38 712	204	5 511
Total financial assets		45 592	74 607	77 264
Total non-current assets		2 536 367	2 803 939	2 713 752
Construction work in progress	3, 5	379 201	416 847	472 393
Other inventories		28 866	42 532	36 548
Land	3	963 435	1 021 737	1 057 587
Total buildings and land		1 371 502	1 481 116	1 566 528
Trade receivables		455 103	557 315	428 082
Other receivables		47 905	60 632	26 305
Total receivables		503 008	617 947	454 387
Bank deposits, cash & cash equivalents		120 415	104 932	61 152
Total current assets		1 994 925	2 203 995	2 082 067
Total assets		4 531 292	5 007 934	4 795 819
Equity and liabilities				
Total equity	8	1 669 257	1 690 154	1 540 197
Liabilities				
Pension obligations		20 508	19 862	20 867
Deferred tax		178 094	217 025	201 722
Provision for guarantee obligations		44 872	44 872	48 771
Total provisions		243 474	281 759	271 360
Subordinated loans		0	95 000	0
Liabilities to credit institutions		1 239 685	1 258 473	1 309 938
Total other non-current liabilities		1 239 685	1 353 473	1 309 938
Liabilities to credit institutions		674 780	617 187	784 340
Other current interest-bearing liabilities		0	0	40 000
Trade payables		137 291	437 535	292 108
Current liabilities - land and projects		255 448	284 875	233 352
Other current liabilities		311 357	342 951	324 524
Total current liabilities		1 378 876	1 682 548	1 674 324
Total liabilities		2 862 035	3 317 780	3 255 622
Total equity and liabilities		4 531 292	5 007 934	4 795 819

CASH FLOW

Amounts in NOK 1,000	Q2 2009	Q2 2008	30.06.2009	30.06.2008	2008
Cash flow from operating activities					
Cash flow from operating activities before change in working capital	65 239	117 182	136 980	229 719	368 075
Change in cash reserves	108 337	-27 350	223 125	-125 715	-194 552
Change in trade receivables	38 092	16 993	-35 912	31 570	167 708
Change in trade payables	-94 258	53 230	-140 062	25 112	-128 276
Net change in liabilities - land	9 618	-67 139	-28 467	-139 771	-191 389
Change in other accruals	-18 692	-23 267	-31 697	-20 069	-49 922
Change in working capital items	43 096	-47 533	-13 012	-228 873	-396 429
Paid interest	-30 303	-32 527	-66 715	-59 994	-142 806
Paid tax	-1 007	-17 661	-4 772	-43 593	-55 065
Net cash flow from operating activities	77 025	19 461	52 481	-102 741	-226 225
Cash flow from investment activities					
Interest received	571	1 887	571	3 500	7 802
Sale of non-current assets	14 594	2 825	14 594	2 825	300
Purchase of property, plant & equipment	-709	-6 611	-837	-12 229	-30 027
Other investments (net)	-1 203	-3 232	-1 200	-3 232	1 463
Net cash flow from investment activities	13 253	-5 130	13 128	-9 136	-20 462
Cash flow from financing activities					
Increase/decrease (-) current liabilities	-95 941	104 313	-140 043	266 902	413 532
Repayment of non-current liabilities	-20 300	-300	-20 600	-600	-56 200
New share capital (net)	19 748	0	154 297	0	0
Dividend paid	0	-132 000	0	-132 000	-132 000
Net cash flow from financing activities	-96 493	-27 987	-6 346	134 302	225 332
Net change in cash & cash equivalents	-6 215	-13 656	59 263	22 425	-21 355
Cash & cash equivalents 01.01	126 630	118 588	61 152	82 507	82 507
Cash & cash equivalents at end of period	120 415	104 932	120 415	104 932	61 152

RECOGNISED INCOME AND COSTS (COMPREHENSIVE INCOME)

Amounts in NOK 1,000	Q2 2009	Q2 2008	30.06.2009	30.06.2008	2008
Gain and loss charged directly to equity					
Share issue costs	-493	0	-7 084	0	0
Translation differences	15 626	-13 746	-53 685	-311	41 117
Other items charged directly to equity	0	0	0	0	10 648
Net result from income statement for period	25 291	66 167	28 448	119 751	-82 282
Total recognised income and expenses for the period	40 424	52 421	-32 321	119 440	-30 517

STATEMENT OF CHANGES IN EQUITY

Amounts in NOK 1,000	Q2 2009	Q2 2008	30.06.2009	30.06.2008	2008
Book equity at start of period	1 607 453	1 769 733	1 540 197	1 702 714	1 702 714
Recognised income and expenses for the period	40 424	52 421	-32 321	119 440	-30 517
Transactions with shareholders for the period					
Dividend	0	-132 000	0	-132 000	-132 000
Capital increase, private placement	21 380	0	161 380		0
Book equity at end of period	1 669 257	1 690 154	1 669 257	1 690 154	1 540 197

SPECIFICATION OF CHANGES IN EQUITY 2009

Amounts in NOK 1,000	Share capital	Share premium reserve	Translation differences	Other equity	Total equity
Balance, 31.12.08	66 000	1 414 896	3 624	55 677	1 540 197
Private placement	28 000	112 000			140 000
Costs of share issue		-6 591			-6 591
Translation effects			-69 311		-69 311
Result for the period				3 157	3 157
Balance 31.03.09	94 000	1 520 306	-65 687	58 834	1 607 453
Follow-on offering	4 276	17 104			21 380
Costs of share issue		-493			-493
Translation effects		0	15 626		15 626
Result for the period				25 291	25 291
Balance 30.06.09	98 276	1 536 917	-50 061	84 125	1 669 257

SPECIFICATION OF CHANGES IN EQUITY 2008

Amounts in NOK 1,000	Share capital	Share premium reserve	Translation differences	Other equity	Total equity
Balance, 31.12.07	66 000	1 414 896	-37 493	259 311	1 702 714
Translation effects			13 437		13 437
Result for the period				53 582	53 582
Balance 31.03.08	66 000	1 414 896	-24 056	312 893	1 769 733
Translation effects			-13 746		-13 746
Dividend				-132 000	-132 000
Result for the period				66 167	66 167
Balance 30.06.08	66 000	1 414 896	-37 802	247 060	1 690 154

NOTES TO THE INTERIM FINANCIAL STATEMENTS

GENERAL INFORMATION

BWG Homes ASA Group is domiciled in Norway. The consolidated financial statements for the 2nd quarter and first half of 2009 comprise the parent company BWG Homes ASA, its subsidiaries and the Group's participating interests in associates.

In the 2nd quarter of 2009, the Group consisted of the same units as in the Annual Report for 2008.

The interim and half yearly accounts were finalised by the Board of Directors on 25 August 2009.

NOTE 1 CONFIRMATION OF FINANCIAL FRAMEWORK

The interim and half yearly financial statements have been presented in accordance with the International Financial Reporting Standards (IFRS) and interpretations specified by the International Accounting Standards Board (IASB). The interim and half yearly accounts have been presented in accordance with the rules contained in IAS 34.

The accounting policies used in this interim and half yearly report are consistent with those described in the 2008 Annual Report. This condensed information should therefore be read in conjunction with the 2008 Annual Report.

The following new standards are implemented with effect from 1 January 2009:

- IFRS 8 (amendment): Business segments
- IAS 1 (amendment): Presentation of the financial statement
- IAS 23 (amendment): Loan expenses

The new requirements in IFRS 8 and IAS 1 have not required any amendments except adjustments related to presentation. The new IAS 23 does not permit the recognition of costs related to project activities (qualifying assets), but requires capitalisation of interest costs. The Group therefore capitalises interest costs related to all new projects as of 1 January 2009. The Group has applied the transitional regulation in IAS 23 whereby the accounting figures from previous periods do not require amendment.

NOTE 2 DERIVATIVE FINANCIAL INSTRUMENTS

The Group has hedging contracts totalling NOK 100,000 thousand and SEK 450,000 thousand. These agreements do not satisfy the requirements for hedge accounting under IAS 39, and have been recognised at their fair value on the balance sheet date. Changes in fair value are recognised in profit or loss. For the 2nd quarter 2009, this has generated a positive earnings effect of NOK 6,656 thousand, and for the 1st half year, NOK 3,556 thousand.

NOTE 3 ESTIMATES

A significant share of the Group's business comprises house building projects. Accounting for project activities relies significantly on the use of estimates. Significant changes in the premises for factors such as ratio of completion or contribution margin will have an effect on the consolidated accounts. See also description of estimates in the Annual Report for 2008.

NOTE 4 INTRAGROUP ACCOUNTS – EFFECT OF FOREIGN EXCHANGE RATES

The effects of fluctuations in foreign exchange rates on intragroup accounts are regulated by IAS 21. During Q2, fluctuations in forex rates have generated a positive effect on the Group result of NOK 6,105 thousand and a negative effect of NOK 14,666 thousand for the first half of the year.

In Q1 2009, the Group converted NOK 170,000 thousand from intragroup accounts to equity in the Swedish segment. The negative effect of the foreign exchange rate on the translated figure from the year-end to the date for translation totalled NOK 12,128 thousand and was charged directly to equity.

NOTE 5 NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

IFRIC Interpretation 15 Agreements for the Construction of Real Estate was published in July 2008. IFRIC 15 requires case-by-case evaluations of all agreements and contracts covering the sale of real estate in general to determine whether the criteria are met for applying IAS 11 Construction Contracts or IAS 18 Revenue.

For BWG Homes this will be of significance for the date on which revenue and earnings are recognised. In practice, the date of revenue recognition for a considerable proportion of the Group's contracts will be postponed, which means all income (and associated expenses) will be recognised at a single time (typically on completion/handover of the property).

The EU has now approved IFRIC 15 and implementation will take place on 1 January 2010. The transition to the new accounting principle will be implemented retrospectively in terms of comparison figures which require conversion to IAS 8.

NOTE 6 INVESTMENTS

The Group purchased and capitalised machinery, plants and operating equipment totalling NOK 709,000 in Q2. The accumulated figure for the first half amounts to investments of NOK 837,000. No significant agreements have been signed relating to the purchase of property.

NOTE 7 SALE OF GAR-BO

The agreement regarding the sale of Gar-Bo AB was approved by the regulatory authorities in Sweden and Luxembourg at the end of April 2009. The settlement for the shares will be made in three phases. The initial payment to BWG Homes for the shares was SEK 18 million. A further SEK 21.7 million was paid on 31 July 2009 with the final payment of SEK 32.6 million due on 27 April 2014.

The net book value of the shares in Gar-Bo AB totalled SEK 65 million, taking into account a recognised deferred tax commitment of SEK 8 million. At the end of Q1 2009, the book value of the shareholding was written down to realisation value at the same time as the tax commitment was charged to income. The total write-down was NOK 6 million (effect on EBIT), while the tax commitment was recognised at NOK 4.6 million.

The disposal was executed at book values in the second quarter.

NOTE 8 SHARE ISSUES

A private placement in BWG Homes ASA was carried out in the first quarter of 2009. The placement totalled 28,000,000 shares at NOK 5.00 per share, generating gross proceeds of NOK 140 million.

During the period from 16 to 30 March, an additional private placement (follow-on offering) was carried out, where 4,276,000 shares were offered at NOK 5.00 per share, generating gross proceeds of NOK 21.38 million. This share issue was paid for and registered in April so the figures have been included in the interim report for the second quarter.

COMPANY INFORMATION

BWG Homes ASA operates and develops leading house builders with strong brands. The Group develops, sells and produces houses for the Nordic market via the following brands: Block Watne and Hetlandhus in Norway and Myresjöhus and SmålandsVillan in Sweden.

BWG Homes supplies around 2,000 new houses per year via own housing projects and to customers with their own plot of land. The company has approx. 830 employees and an annual turnover of NOK 3.2 billion.

BWG Homes ASA is listed on the Oslo Stock Exchange, with ticker BWG. The company's share capital totals NOK 98,276,000 distributed between 98,276,000 shares each with a nominal value of NOK 1.



BOARD OF DIRECTORS

Harald Walther, Chairman
Eva Eriksson, Deputy Chairperson
Hege Bømark, board member
Petter Neslein, board member
Brit Hagelund, employee representative
Tore Morten Randen, employee representative
Einar Salbu, employee representative

FINANCIAL CALENDAR

Result 3rd quarter 2009: 29 October 2009
Result 4th quarter 2009: 11 February 2010

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