2009

Q3

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

LARS NILSEN
CEO

BWG HOMES' VALUE CHAIN

BWG Homes ASA

INTERIM REPORT Q3 2009

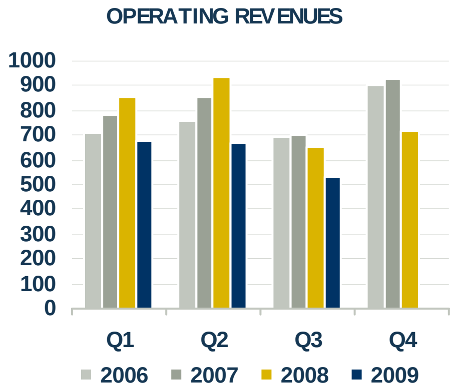
HIGHLIGHTS 3RD QUARTER 2009

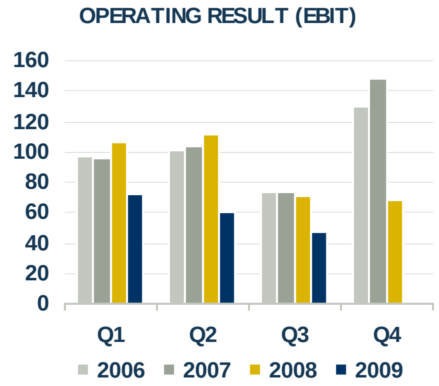
- **Operating revenues of NOK 534 million, down 18.5%**
- **EBITDA of NOK 52 million, down 35.4%**
- **EBITDA margin at 9.7%**
- **Order intake of NOK 654 million, up 23.2%**
- **Increased order backlog (up 8.6% in comparison with Q2 2009)**
- **Strong cash flow NOK 116 million, up NOK 287 million**
- **Net interest-bearing debt down NOK 162 million (reduction of NOK 441 million to date 2009)**
- **After the end of the quarter, the Group has paid NOK 30 million in an extraordinary downpayment on the acquisition debt**

KEY FIGURES BWG HOMES ASA

Amounts in NOK 1,000	**Q3 2009**	Q3 2008	**30.09.2009**	30.09.2008	2008
Operating revenues	533 989	654 987	1 877 708	2 450 463	3 171 525
Operating profit (EBITDA)	51 985	80 483	188 965	310 202	368 086
Operating profit (EBIT)	46 801	70 843	168 184	289 347	120 596
Earnings per share	0.20	0.23	0.52	2.05	-1.25
Operating key figures *					
Operating EBITDA	51 985	80 483	188 965	310 202	378 223
Operating EBIT	46 801	70 843	168 184	289 347	356 783
Operating EBT	25 528	20 960	84 323	187 556	179 279
Operating EBITDA margin	9.7 %	12.3 %	10.1 %	12.7 %	11.9 %
Operating EBIT margin	8.8 %	10.8 %	9.0 %	11.8 %	11.2 %
Operating EBT margin	4.8 %	3.2 %	4.5 %	7.7 %	5.7 %
Cash flow from operations after interest and tax	116 382	-171 863	168 863	-274 604	-226 225
Order intake	653 979	530 800	2 191 679	2 122 600	2 347 400
Order backlog	1 388 269	1 678 362	1 388 269	1 678 362	1 169 455
Number of employees	814	1 202	814	1 202	965

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



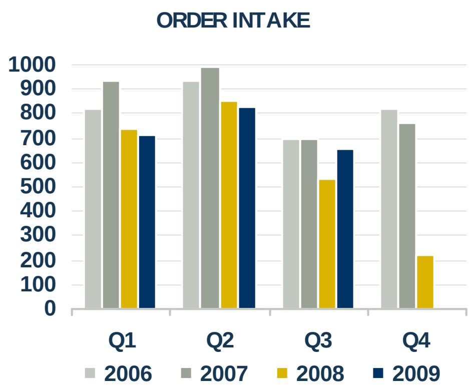


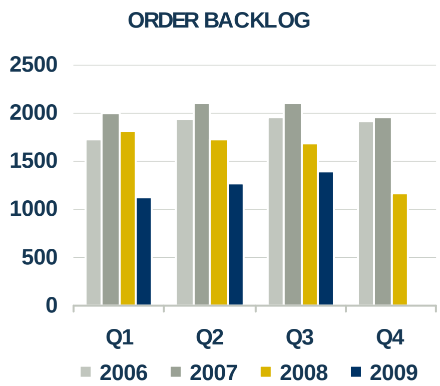
BWG Homes Group's operating revenues for Q3 2009 amounted to NOK 534 million. This is a reduction of NOK 121 million (-18.5%) in relation to Q3 2008. Operating revenues to date in 2009 were NOK 1,878 million, down NOK 573 million (-23.4%) in relation to the same period in 2008.

The decline in turnover is due to a significant reduction in the Group's production both in Norway and Sweden in 2008 and at the start of 2009. At the end of the quarter, manpower was 32% lower than for the same period in 2008. Turnover for the quarter is considered satisfactory, in particular with regard to the market situation and the reduced production. To date in 2009, the Group has sold a high number of houses which had already been built, providing a positive effect on turnover.

The Group's operating profit before depreciation (EBITDA) for Q3 2009 was NOK 52 million. This is a reduction of NOK 28 million (-35.4%) when compared with Q3 2008. The operating result to date in 2009 was NOK 189 million, down NOK 121 million (-39.1%) compared with the same period last year. The decline in operating result is mainly due to reduced manpower and production and, to a certain degree, to a lower average price for houses sold particularly during the first half of the year. The EBITDA margin for the quarter was 9.7% compared with 12.3% in the same quarter 2008. The EBITDA margin to date was 10.1% compared with 12.7% for the same period last year. The decline in margin is a result of general pressure on prices in a difficult market, a temporary drop in efficiency and a level of fixed costs which remain the same, despite production cutbacks.

In comparison with the same period for 2008, the operating result before finance (EBIT) for the quarter totalled NOK 47 million, down NOK 24 million (-33.9%). The same figure for the year to date was NOK 168 million, down NOK 121 million (-41.9%). The EBIT margin for Q3 2009 was 8.8% compared with 10.8% in Q3 2008. The EBIT margin to date in 2009 was 9.0% compared with 11.8% in the same period last year.





The order intake for Q3 2009 was NOK 654.0 million, compared with NOK 530.8 million for Q3 2008, an increase of 23.2%. Order intake to date this year was NOK 2,191.7 million compared with NOK 2,122.6 million for the same period last year, an increase of 3.3%. Continued low interest rate levels, satisfactory access to mortgages and an increased demand for the Group's products have provided a good result for sales to date this year.

The Group's order backlog at the end of Q3 was NOK 1,388 million, a reduction of NOK 290 million when compared with the same period last year. The order backlog shows an increase of NOK 110 million (8.6%) from Q2 and an increase of NOK 219 million (18.7%) since the year-end.

FINANCIAL FACTORS

CASH FLOW

Amounts in NOK 1,000	Q3 2009	Q3 2008	30.09.2009	30.09.2008	2008
Net cash flow from operating activities	116 382	-171 863	168 863	-274 604	-226 225
Net cash flow from investment activities	17 836	-8 425	30 964	-17 561	-20 462
Net cash flow from financing activities	-138 088	131 331	-144 434	265 633	225 332
Net change in cash & cash equivalents	**-3 870**	**-48 957**	**55 392**	**-26 532**	**-21 355**
Cash & cash equivalents at end of period	**116 545**	**55 975**	**116 545**	**55 975**	**61 152**

Net cash flow from operating activities (after payment of interest and tax) for Q3 was positive at NOK 116 million, an improvement of NOK 288 million compared with Q3 2008. When excluding the tax payment made in September 2009, cash flow from operating activities for Q3 totalled NOK 171 million.

In Q3, the Group has reduced its interest bearing debt by a total of NOK 138 million.

Year to date of Q3 working capital tied up in projects has been reduced by NOK 260 million. Accounts payable have been reduced by NOK 64 million. Net cash flow from operating activities after interest and tax was positive at NOK 169 million at year to date of Q3, an improvement of NOK 443 million in comparison with the same period in 2008.

NET INTEREST-BEARING DEBT

Amounts in NOK 1,000	30.09.2009	30.09.2008	31.12.2008
Non-current liabilities to financial institutions	1 233 170	1 262 712	1 309 938
Current liabilities to financial institutions	537 435	759 278	784 340
Other current interest-bearing liabilities	0	80 000	40 000
Interest-bearing receivable (Gar-Bo settlement)	-21 658	0	0
Bank deposits, cash & cash equivalents	-116 546	-55 975	-61 152
Net interest-bearing debt	**1 632 401**	**2 046 015**	**2 073 126**

Net interest-bearing debt has been reduced by NOK 441 million since year-end and by NOK 162 million since Q2 2009.

As a result of the strong cash flow from operatiions, an extraordinary downpayment of NOK 30 million was made on the long-term liabilities (“acquisition debt”) on 15 October 2009. The extraordinary downpayment is booked on the loan which the Group has in Sweden.

The Group is in compliance with all covenants for Q3 2009.

WORKING CAPITAL

Amounts in NOK 1,000	30.09.2009	30.09.2008	31.12.2008
Current assets	1 961 321	2 181 201	2 082 067
Current liabilities (non interest-bearing)	-783 770	-974 480	-849 984
Net working capital	**1 177 551**	**1 206 720**	**1 232 083**
Short-term project financing (interest-bearing)	-537 435	-759 278	-824 340
Net working capital including project financing	**640 116**	**447 442**	**407 743**

SEGMENT INFORMATION

BWG Homes ASA comprises two segments; Norway and Sweden. The Norwegian segment comprises business from Block Watne and Hetlandhus. The Swedish segment comprises business from Myresjöhus 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. Hetlandhus remains in a stage of establishment and activities in Q3 are insufficient to warrant reporting as a separate segment. The figures for the Hetlandhus brand have therefore been included in the “Other” items in the segment report.

Reference is made to the 2008 Annual Report for a full list of subsidiaries and associated companies.

SEGMENT REPORT - SUMMARY

Amounts in NOK 1,000	**Q3 2009**	Q3 2008	**30.09.2009**	30.09.2008	2008
Operating revenues					
Norway	315 023	339 098	1 086 036	1 155 026	1 459 376
Sweden	218 977	316 179	792 477	1 295 568	1 713 072
Other/eliminations	-11	-290	-805	-131	-923
BWG Homes Group	**533 989**	**654 987**	**1 877 708**	**2 450 463**	**3 171 525**
EBITDA					
Norway	40 699	57 499	139 425	192 647	228 717
Sweden	15 800	26 671	64 984	129 050	158 131
Other/eliminations	-4 514	-3 687	-15 444	-11 496	-18 762
BWG Homes Group	**51 985**	**80 483**	**188 965**	**310 201**	**368 086**
EBIT					
Norway	38 821	55 301	133 504	187 072	221 665
Sweden	12 570	19 270	50 290	113 896	-82 138
Other/eliminations	-4 590	-3 728	-15 610	-11 621	-18 931
BWG Homes Group	**46 801**	**70 843**	**168 184**	**289 347**	**120 596**
Order backlog					
Norway	552 209	669 313	552 209	669 313	452 424
Sweden	836 060	1 009 049	836 060	1 009 049	717 030
BWG Homes Group	**1 388 269**	**1 678 362**	**1 388 269**	**1 678 362**	**1 169 454**

SEGMENT NORWAY

Segment Norway encompasses operations in the subsidiaries Block Watne AS and Hetlandhus AS. The subsidiary Hetlandhus AS is still in its start-up phase and is therefore not included in the figures for segment Norway for Q3 2009.

Amounts in NOK 1,000	**Q3 2009**	Q3 2008	**30.09.2009**	30.09.2008	2008
Operating revenues	315 023	339 098	1 086 036	1 155 026	1 459 376
Operating expenses	-274 324	-281 599	-946 611	-962 379	-1 230 659
EBITDA	**40 699**	**57 499**	**139 425**	**192 647**	**228 717**
Result from associates	0	0	0	843	1 397
Depreciation	-1 878	-2 198	-5 921	-6 418	-8 449
EBIT	**38 821**	**55 301**	**133 504**	**187 072**	**221 665**
Financial income	943	1 412	2 365	3 374	6 188
Interest cost and other financial expenses	-8 552	-17 676	-31 170	-40 403	-55 394
Net financial costs	**-7 609**	**-16 264**	**-28 805**	**-37 029**	**-49 206**
EBT	**31 212**	**39 037**	**104 699**	**150 043**	**172 459**
Tax	-8 739	-10 931	-29 316	-42 013	-47 908
Profit for the period	**22 473**	**28 106**	**75 383**	**108 030**	**124 551**
Operating key figures:					
Operating EBITDA margin	12.9 %	17.0 %	12.8 %	16.7 %	15.7 %
Operating EBIT margin	12.3 %	16.3 %	12.3 %	16.2 %	15.2 %
Segment assets	2 429 919	2 645 916	2 429 919	2 645 916	2 598 229
Segment obligations	-1 599 542	-1 915 935	-1 599 542	-1 915 935	-1 852 179
Order intake	360 800	248 400	1 219 105	1 039 700	1 158 000
Order backlog	552 209	669 313	552 209	669 313	452 424
Sick leave	4.9 %	7.1 %	6.5 %	7.6 %	7.9 %
Number of employees	424	626	424	626	503

The third quarter was also marked by reduced production, putting pressure on turnover and results. However, good sales to date, reduced costs and efficient operations have allowed the segment to sustain strong margins.

Operating revenues for Q3 2009 show a reduction of 7.1% in comparison with Q3 2008. Operating revenues to date this year have fallen by 6.0% in comparison with the same period last year. Operating result (EBITDA) for the quarter is down 29.2%, and has fallen by 27.6% to date this year in comparison with the same periods 2008. The EBITDA margin for the quarter was 12.9% and 12.8% to date this year. The drop in production has been somewhat counterbalanced by the sale of houses completed earlier. The fall in operating results is mainly attributed to reduced production in addition to pressure on the prices for the segment's products, particularly during the first half of the year.

Manpower at the end of the third quarter was 32% lower than for the same period last year. Two employees have been made redundant, in comparison with 25 at the same period last year. Production-related manpower will be gradually increased during the second half of the yea, in line with the development in sales and the rise in order backlog.

The order intake saw an increase of 45.3% for the quarter, and of 17.3% to date this year compared with the same periods in 2008. The number of completed, unsold units at the end of 2008 was 108. 91 of these units have been sold by the end of Q3 2009. The number of completed, unsold units at the end of Q3 2009 was 78. The order backlog saw an increase of NOK 100 million since year-end, but still remains too low. Efforts are being made to strengthen the order backlog and to optimise operations on the buildings sites.

In Q3, Block Watne carried out a nationwide show weekend and a number of local market activities. In addition, both Hetlandhus and Block Watne took part at the *Bygg Reis Deg* fair 2009.

SEGMENT SWEDEN

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

Amounts in NOK 1,000	**Q3 2009**	Q3 2008	**30.09.2009**	30.09.2008	2008
Operating revenues	218 977	316 179	792 477	1 295 568	1 713 072
Operating expenses	-203 177	-289 508	-727 493	-1 166 518	-1 544 804
Restructuring costs	0	0	0	0	-10 137
EBITDA	**15 800**	**26 671**	**64 984**	**129 050**	**158 131**
Result from associates	-227	-4 324	-6 145	-5 372	-776
Depreciation	-3 003	-3 077	-8 549	-9 782	-13 443
Write-down of goodwill	0	0	0	0	-226 050
EBIT	**12 570**	**19 270**	**50 290**	**113 896**	**-82 138**
Financial income	236	358	435	358	0
Interest cost and other financial expenses	-11 672	-24 436	-44 893	-57 656	-49 521
Change in value of interest swaps	1 033	-12 616	5 376	-3 085	-35 816
Effect of foreign exchange fluctuations	3 892	1 373	-10 774	1 089	24 790
Net financial costs	**-6 511**	**-35 322**	**-49 856**	**-59 295**	**-60 547**
EBT	**6 059**	**-16 052**	**434**	**54 601**	**-142 685**
Tax	-919	4 806	-236	-14 964	4 398
Profit for the period	**5 140**	**-11 246**	**198**	**39 637**	**-138 287**
Operating key figures:					
Operating EBITDA margin	7.2 %	8.4 %	8.2 %	10.0 %	9.8 %*
Operating EBIT margin	5.7 %	6.1 %	6.3 %	8.8 %	9.0 %*
Segment assets	1 998 753	2 398 841	1 998 753	2 398 841	2 257 052
Segment obligations	1 374 436	-1 731 971	1 374 436	-1 731 971	-1 750 300
Order intake	293 212	282 400	972 574	1 072 900	1 189 455
Order backlog	836 060	1 009 049	836 060	1 009 049	717 030
Sick leave	1.7 %	4.3 %	2.8 %	4.3 %	4.2 %
Number of employees	336	571	336	571	457

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

With no real improvements in the turbulent market situation and a significant reduction in manpower and production, turnover and results for Q3 saw a decline. However, the segment has managed to sustain acceptable margins, taking into consideration the market conditions. The order backlog is on the increase and is now at an acceptable level.

Operating revenues for Q3 2009 saw a decline of 30.7% in comparison with Q3 2008. Operating revenues to date this year were 38.8% lower than the same period in 2008. The operating result (EBITDA) for the quarter was down 40.8% and by 49.6% this year to date, when compared with the same periods in 2008.

Manpower has been cut by 41% in comparison with Q3 2008 and the segment has a significantly lower production capacity. The EBITDA margin for the quarter was 7.2%, with 8.2% this year to date. The growth in order backlog will allow the segment to increase the rate of production as they move into Q1 2010.

The order intake saw an increase of 3.8% for the quarter and a reduction of 9.4% to date this year when compared with the same periods in 2008. The demand for the segment's products is on the increase but the market situation remains difficult due to a continuous high level of unemployment. Nationwide show weekends and a number of local marketing activities have been carried out for both brands.

In August, the Group signed an agreement with the Norwegian housing production chain, Mestergruppen, for the delivery of housing modules. This agreement will come into effect from year-end and is expected to help increase production volume in 2010.

The number of completed, unsold units at the end of 2008 was 45. 23 of these units have been sold to date this year. The order backlog saw an increase of NOK 119 million since year-end. Due to the weaker Swedish kroner since year-end, the order backlog has suffered a decline when measured in Norwegian kroner, of NOK 62 million. Ref. Note 4 regarding the effect of foreign exchange rates.

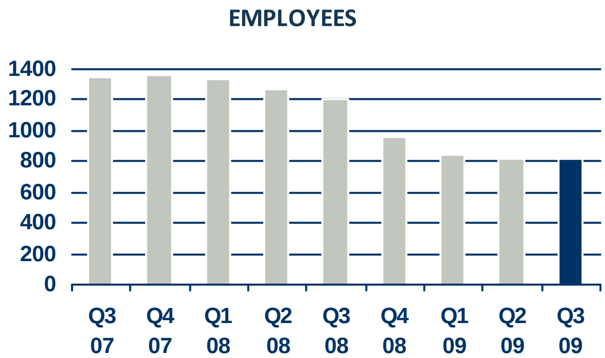
EMPLOYEES

NUMBER OF EMPLOYEES	**30.09.2009**	30.09.2008	2008
Salaried employees	343	459	400
Production employees, carpenters	471	743	565
Total	814	1 202	965

The total workforce reduction in relation to Q3 2008 is 32%, with a further 16% since year-end.

The production workforce will be gradually increased in both Norway and Sweden, in line with the increase in sales and order backlog.

7 accidents resulting in absence from work were registered in Q3 2009, compared with 19 accidents in Q3 2008. None of these accidents resulted in serious injury or permanent harm.



HEALTH, SAFETY AND THE 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. 33 inspections were carried out during Q3 2009.

SHAREHOLDERS

At the end of Q3, the company had 1,325 shareholders, of which 60 were foreign. The foreign shareholders owned 11.8 million shares, corresponding to an ownership share of 12%.

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.

26.8 million shares were sold in Q3 2009. The closing rate on balance sheet date was NOK 10.40.

10 LARGEST SHAREHOLDERS	Number of shares	Holding
Lani Industrier AS	28 210 000	28.70 %
Rasmussengruppen AS	11 805 000	12.01 %
Perestroika AS	3 991 000	4.06 %
Ojada AS	3 509 953	3.57 %
Lani Development AS	3 448 000	3.51 %
Bank of New York, S/A Alpine	2 084 200	2.12 %
Pasab Eiendomsutvikling AS	2 001 000	2.04 %
DnB NOR SMB	2 000 000	2.04 %
MP Pensjon	2 000 000	2.04 %
Datum AS	2 000 000	2.04 %
Total 10 largest shareholders	**61 049 153**	**62.12 %**
Other shareholders	37 226 847	37.88 %
Total no. shares	**98 276 000**	**100.00%**

MARKET AND FUTURE PROSPECTS

The building and construction industry faced declining sales in 2008 with an almost collapse in sales in Q4. All indicators now suggest that the negative trend turned when entering Q2 2009. Even though sales are developing positively there is still a shortfall in new house starts compared to previous years. On the other hand the order stock of the players in the house builder sector is increasing. This should contribute to a growth in number of new starts in 2010 and onwards. The prices on homes have been under pressure in most parts of 2009, but are now stabilised and somewhat turning toward an increase. In total it seems like we are entering a recovery period.

The Norwegian market is now showing a more stable, positive development in demand. The Swedish market will remain more difficult due to a sustained high level of unemployment and a more restrictive lending policy among the banks. Going forward we anticipate further volatility in the markets both in Norway and Sweden, but an underlying positive development is expected.

The historically low level of new house starts in 2009 and into 2010 in both Norway and Sweden may result in a shortage of newly built houses. We expect that a pent-up demand for houses will result in increased prices for a period until supply and demand normalise.

The order intake for the Group at the end of Q3 2009 is approximately the same as for the same period in 2008, and the order backlog has seen an increase of NOK 219 million (18.7%) to date this year. This paves the way for a gradual escalation of capacity to increase the production rate in 2010. A continued positive development in the order backlog is decisive to achieve higher volumes and subsequently improve profitability.

BWG Homes has maintained good cash flow and has been able to further reduce its interest-bearing liabilities during the quarter. This provides the Group with the financial strength to allow an increased focus on developing attractive plots of lands with good locations for new housing projects.

The Board of Directors and Group management maintain a significant emphasis on developing profitability and maintaining stable operations.

Oslo, 28 October 2009

Harald Walther Chairman	Eva Eriksson Deputy Chairperson	Hege Bømark	Petter Neslein
Brit Hagelund	Tore Morten Randen	Einar Salbu	Lars Nilsen CEO

BWG HOMES ASA – GROUP

INCOME STATEMENT

Amounts in NOK 1,000	Note	Q3 2009	Q3 2008	30.09.2009	30.09.2008	2008
Operating revenues	**3**	**533 989**	**654 987**	**1 877 708**	**2 450 463**	**3 171 525**
Cost of goods sold	**3**	-329 286	-384 547	-1 192 210	-1 464 782	-1 906 232
Payroll and personnel expenses	**3**	-95 839	-128 245	-318 648	-455 073	-599 557
Restructuring costs		0	0	0	0	-10 137
Other operating expenses		-56 879	-61 712	-177 885	-220 406	-287 513
Result before depreciation and finance (EBITDA)		**51 985**	**80 483**	**188 965**	**310 202**	**368 086**
Result from associates		-227	-4 324	-6 145	-4 529	621
Write-down of goodwill		0	0	0	0	-226 050
Depreciation		-4 957	-5 316	-14 636	-16 326	-22 061
Result before finance (EBIT)		**46 801**	**70 843**	**168 184**	**289 347**	**120 596**
Financial income		1 576	2 084	2 147	6 695	32 632
Interest costs and other financial expenses		-25 257	-41 358	-91 972	-102 761	-167 636
Change in value of interest swaps	**2**	2 408	-10 609	5 964	-5 726	-42 500
Effect of foreign exchange fluctuations	**4**	-3 348	-339	-18 014	-622	24 830
Net financial costs		**-24 621**	**-50 222**	**-101 875**	**-102 414**	**-152 674**
Profit before tax (EBT)		**22 180**	**20 621**	**66 309**	**186 933**	**-32 078**
Tax expense		-3 000	-5 355	-18 681	-51 916	-50 204
Profit for the period		**19 180**	**15 266**	**47 628**	**135 017**	**-82 282**
Earnings per share (NOK)		0.20	0.23	0.52	2.05	-1.25
Diluted earnings per share (NOK)		0.20	0.23	0.52	2.05	-1.25
EBITDA margin		9.7 %	12.3 %	10.1 %	12.7 %	11.6 %
EBIT margin		8.8 %	10.8 %	9.0 %	11.8 %	3.8 %
EBT margin		4.2 %	3.1 %	3.5 %	7.6 %	-1.0 %
Operating key figures *						
Operating EBITDA		51 985	80 483	188 965	310 202	378 223
Operating EBIT		46 801	70 843	168 184	289 347	356 783
Operating EBT		25 528	20 960	84 323	187 556	179 279
Operating EBITDA margin		9.7 %	12.3 %	10.1 %	12.7 %	11.9 %
Operating EBIT margin		8.8 %	10.8 %	9.0 %	11.8 %	11.2 %
Operating EBT margin		4.8 %	3.2 %	4.5 %	7.7 %	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	30.09.2009	30.09.2008	31.12.2008
Assets				
Brandnames		469 409	479 407	501 650
Goodwill		1 908 254	2 156 003	2 021 282
Other intangible assets		3 465	4 449	4 473
Total intangible assets		**2 381 128**	**2 639 859**	**2 527 405**
Property, plant & equipment	**6**	**90 947**	**104 205**	**109 083**
Investments in associates		8 082	66 070	71 753
Other receivables		36 530	5 512	5 511
Total financial assets		**44 612**	**71 582**	**77 264**
Total non-current assets		**2 516 687**	**2 815 646**	**2 713 752**
Construction work in progress	**3, 5**	342 174	428 157	472 393
Other inventories		28 478	42 389	36 548
Land	**3**	1 011 686	1 034 325	1 057 587
Total buildings and land		**1 382 338**	**1 504 872**	**1 566 528**
Trade receivables		431 546	583 893	428 082
Other receivables		30 891	36 461	26 305
Total receivables		**462 437**	**620 354**	**454 387**
Bank deposits, cash & cash equivalents		116 546	55 975	61 152
Total current assets		**1 961 321**	**2 181 201**	**2 082 067**
Total assets		**4 478 008**	**4 996 847**	**4 795 819**
Equity and liabilities				
Total equity		**1 682 137**	**1 709 073**	**1 540 197**
Liabilities				
Pension obligations		20 328	20 329	20 867
Deferred tax		172 058	219 167	201 722
Provision for guarantee obligations		49 110	51 807	48 771
Total provisions		**241 496**	**291 303**	**271 360**
Liabilities to credit institutions		1 233 170	1 262 712	1 309 938
Total other non-current liabilities		**1 233 170**	**1 262 712**	**1 309 938**
Liabilities to credit institutions		537 435	759 278	784 340
Other current interest-bearing liabilities		0	80 000	40 000
Trade payables		213 556	356 621	292 108
Current liabilities - land and projects		312 557	241 315	233 352
Other current liabilities		257 657	296 544	324 524
Total current liabilities		**1 321 205**	**1 733 758**	**1 674 324**
Total liabilities		**2 795 871**	**3 287 774**	**3 255 622**
Total equity and liabilities		**4 478 008**	**4 996 847**	**4 795 819**

CASH FLOW

Amounts in NOK 1,000	**Q3 2009**	Q3 2008	**30.09.2009**	30.09.2008	2008
Cash flow from operating activities					
Cash flow from operating activities before change in working capital	**51 985**	**80 483**	**188 965**	**310 202**	**368 075**
Change in buildings & land	36 921	-22 211	260 047	-147 926	-194 552
Change in trade receivables	22 323	-25 586	-13 589	5 984	167 708
Change in trade payables	76 160	-82 111	-63 901	-56 999	-128 276
Net change in liabilities - land	7 824	-43 892	-20 643	-183 663	-191 389
Change in other accruals	953	-35 779	-30 744	-55 848	-49 922
Change in working capital items	**144 182**	**-209 579**	**131 170**	**-438 452**	**-396 429**
Paid interest	-25 257	-42 767	-91 972	-102 761	-142 806
Paid tax	-54 528	0	-59 300	-43 593	-55 065
Net cash flow from operating activities	**116 382**	**-171 863**	**168 863**	**-274 604**	**-226 225**
Cash flow from investment activities					
Interest received	1 576	633	2 147	4 133	7 802
Sale of non-current assets	17 934	0	32 528	2 825	300
Purchase of property, plant & equipment	-474	-8 208	-1 311	-20 437	-30 027
Other investments (net)	-1 200	-850	-2 400	-4 082	1 463
Net cash flow from investment activities	**17 836**	**-8 425**	**30 964**	**-17 561**	**-20 462**
Cash flow from financing activities					
Increase/decrease (-) current liabilities	-137 761	161 631	-277 804	428 533	413 532
Repayment of non-current liabilities	-300	-30 300	-20 900	-30 900	-56 200
New share capital (net)	-27	0	154 270		0
Dividend paid	0	0	0	-132 000	-132 000
Net cash flow from financing activities	**-138 088**	**131 331**	**-144 434**	**265 633**	**225 332**
Net change in cash & cash equivalents	**-3 870**	**-48 957**	**55 392**	**-26 532**	**-21 355**
Cash & cash equivalents at start of period	120 415	104 932	61 152	82 507	82 507
Cash & cash equivalents at end of period	**116 545**	**55 975**	**116 545**	**55 975**	**61 152**

RECOGNISED INCOME AND COSTS (COMPREHENSIVE INCOME)

Amounts in NOK 1,000	**Q3 2009**	Q3 2008	**30.09.2009**	30.09.2008	2008
Gain and loss charged directly to equity					
Share issue costs	-27	0	-7 111	0	0
Translation differences	-6 273	3 653	-59 958	3 341	41 117
Other items charged directly to equity	0	0	0	0	10 648
Net result from income statement for period	19 180	15 266	47 628	135 017	-82 282
Total recognised income and expenses for the period	**12 880**	**18 919**	**-19 441**	**138 358**	**-30 517**

STATEMENT OF CHANGES IN EQUITY

Amounts in NOK 1,000	**Q3 2009**	Q3 2008	**30.09.2009**	30.09.2008	2008
Book equity at start of period	**1 669 257**	**1 690 154**	**1 540 197**	**1 702 714**	**1 702 714**
Recognised income and expenses for the period	12 880	18 919	-19 441	138 358	-30 517
Transactions with shareholders for the period					
Dividend	0	0	0	-132 000	-132 000
Capital increase, private placement	0	0	161 380	0	0
Book equity at end of period	**1 682 137**	**1 709 073**	**1 682 137**	**1 709 073**	**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**
Follow-on offering					0
Costs of share issue		-27			-27
Translation effects			-6 273		-6 273
Result for the period				19 180	19 180
Balance 30.09.09	**98 276**	**1 536 890**	**-56 334**	**103 305**	**1 682 137**

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**
Translation effects			3 652		3 652
Dividend				0	0
Result for the period				15 266	15 266
Balance 30.09.08	**66 000**	**1 414 896**	**-34 150**	**262 326**	**1 709 073**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

GENERAL INFORMATION

BWG Homes ASA Group is domiciled in Norway. The consolidated financial statements for Q3 2009 comprise the parent company BWG Homes ASA, its subsidiaries and the Group's participating interests in associates.
In Q3 2009, the Group consisted of the same units as presented in the 2008 Annual Report .

The interim financial statements were presented by the Board of Directors on 28 October 2009.

NOTE 1 CONFIRMATION OF FINANCIAL FRAMEWORK

The interim 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 accounts have been prepared in accordance with the rules contained in IAS 34. The accounting principles used in this interim 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 interest costs related to project activities (qualifying assets) directly in the income statement, 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 are not reworked.

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 Q3 2009, this has generated a positive earnings effect of NOK 2,408 thousand, and NOK 5,964 thousand to date this year.

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 impact 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 Q3, fluctuations in forex rates have generated a negative effect on the Group result of NOK 3,348 thousand and a negative effect of NOK 18,014 thousand to date this year.

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 in line with requirements in IAS 8.

NOTE 6 INVESTMENTS

The Group purchased and capitalised machinery, plants and operating equipment totalling NOK 474,000 in Q3. The accumulated figure for the first three quarters amounts to investments of NOK 1,311,000. No significant agreements have been entered relating to the purchase of property.

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. 820 employees and an annual turnover of NOK 3.2 billion in 2008.

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 Q4 2009: 11 February 2010

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