

2009

Q4

“ 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 Q4 2009

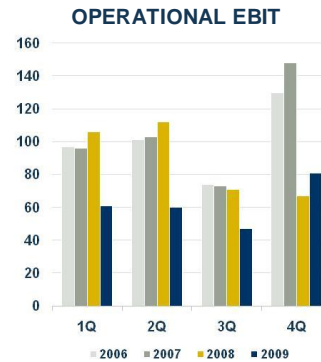
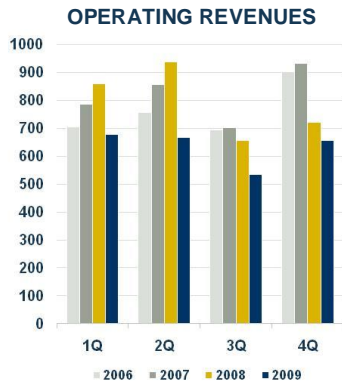
HIGHLIGHTS 4TH QUARTER 2009

- ➔ Operating revenues of NOK 657 million, down 8.9 %
- ➔ Operational EBITDA of NOK 85 million, up 25.0 %
- ➔ EBITDA margin at 12.9 %
- ➔ Order intake of NOK 690 million, up 207 %
- ➔ Order backlog of NOK 1,471 million, up 25.8 %
- ➔ Strong cash flow of NOK 132 million, up 173 %
- ➔ Net interest-bearing debt down by NOK 149 million in the quarter
- ➔ After the end of the quarter, the Group has paid NOK 30 million in an extraordinary instalment on the acquisition debt

KEY FIGURES BWG HOMES GROUP

Amounts in NOK 1,000	Q4 2009	Q4 2008	2009	2008
Operating revenues	656 788	721 062	2 534 496	3 171 525
Operating profit (EBITDA)	85 000	57 884	273 965	368 086
Operating profit (EBIT)	81 370	-168 751	249 554	120 596
Earnings per share	0,43	-3,29	0,97	-1,25
Operational key figures *				
Operational EBITDA	85 000	68 021	273 965	378 223
Operational EBIT	81 370	67 436	249 554	356 783
Operational EBT	54 579	-8 277	138 902	179 279
Operational EBITDA margin	12,9 %	9,4 %	10,8 %	11,9 %
Operational EBIT margin	12,4 %	9,4 %	9,8 %	11,2 %
Operational EBT margin	8,3 %	-1,1 %	5,5 %	5,7 %
Cash flow from operations after interest and tax	132 233	48 379	301 096	-226 225
Order intake	689 933	224 800	2 881 612	2 347 400
Order backlog	1 470 897	1 169 455	1 470 897	1 169 455
Number of employees	826	965	826	965

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



Operating revenues for the 4th quarter of 2009 amounted to NOK 657 million. This is a reduction of NOK 64 million (-8.9 %) when comparing with Q4 2008. Operating revenues for the year 2009 were NOK 534 million, down NOK 637 million (-20.1 % compared with 2008).

The decline in revenues is due to a significant reduction in the production capacity both in Norway and Sweden in 2008 and at the start of 2009. At the end of 2009, manpower was 14 % lower than for the same period in 2008. Revenues for the quarter are considered satisfactory, in particular with regard to the market situation and the reduced production capacity. In 2009, the Group sold a high number of houses that had already been built, yielding a positive effect on revenues.

Profit before depreciation (operational EBITDA) for Q4 2009 was NOK 85 million. This represents an increase of NOK 17 million (25.0 %) compared with Q4 2008. Operational EBITDA in 2009 was 274 million, down NOK 104 million (-27.6 %) from 2008. The improved operating profit in the quarter is mainly attributed to completion of some major housing projects in Block Watne AS, the previous profit estimates for which turned out to be rather conservative. The decline in operating result for 2009 is mainly due to reduced manpower and production capacity and, to a certain degree, to a lower average price for houses sold, particularly during the first half of the year. Operational EBITDA margin for the quarter was 12.9 % compared with 9.4 % in the same quarter 2008. Operating EBITDA margin for 2009 was 10.8 % against 11.9 % in 2008. The decline in margin for 2009 is a result of general pressure on prices in a difficult market, a temporary drop in efficiency and an amount of fixed costs which remain the same, despite production cutbacks.

In comparison with the same period for 2008, the operational EBIT for the quarter totalled NOK 81 million, up NOK 14 million (20.7 %). Operational EBIT for 2009 as a whole came to NOK 250 million, down NOK 107 million (-30.1 %) compared with 2008. Operational EBIT margin for Q4 2009 was 12.4 % compared with 9.4 % in the same period in 2008. Operational EBIT margin for 2009 was 9.8 % compared with 11.2 % in 2008.



The order intake for Q4 2009 was NOK 689.9 million, compared with NOK 224.8 million for Q4 2008, an increase of 206.8 %. The order intake for 2009 was NOK 2,881.6 million, compared with NOK 2,347.4 million in 2008, up 22.8 %. 2009 turned out to be a good year for sales, partly due to the low supply of houses on the market and the low interest rates.

The order backlog at the end of Q4 was NOK 1,471 million, an increase of NOK 301 million (25.8 %) compared to year-end 2008. The order backlog shows an increase of NOK 83 million (6.0 %) from Q3.

FINANCIAL FACTORS

CASH FLOW

Amounts in NOK 1,000	Q4 2009	Q4 2008	2009	2008
Net cash flow from operating activities	132 233	48 379	301 096	-226 225
Net cash flow from investment activities	1 316	-2 901	32 281	-20 462
Net cash flow from financing activities	-147 715	-40 301	-292 150	225 332
Net change in cash & cash equivalents	-14 165	5 177	41 227	-21 355
Cash & cash equivalents at end of period	102 379	61 152	102 379	61 152

Net cash flow from operating activities (after payment of interest and tax) for Q4 was positive at NOK 132 million, an improvement of NOK 84 million (173 %) compared with Q4 2008. In Q4, the Group has reduced its debt by a total of NOK 148 million.

During 2009 capital invested in inventories has been reduced by NOK 240 million. Accounts payable have been reduced by NOK 88 million, and accounts receivable have been reduced by NOK 70 million in the year. Net cash flow from operating activities after interest and tax was positive at NOK 301 million in 2009, an improvement of NOK 527 million in comparison with 2008.

NET INTEREST-BEARING DEBT

Amounts in NOK 1,000	2009	30.09.2009	2008
Non-current liabilities to financial institutions	1 137 579	1 233 170	1 309 938
Current liabilities to financial institutions	469 650	537 435	784 340
Other current interest-bearing liabilities	0	0	40 000
Interest-bearing receivable (Gar-Bo settlement)	-21 917	-21 658	0
Bank deposits, cash & cash equivalents	-102 379	-116 546	-61 152
Net interest-bearing debt	1 482 933	1 632 401	2 073 126

Net interest-bearing debt has been reduced by NOK 590 million since year-end 2008 and by NOK 149 million from Q3 2009. In October an extraordinary instalment of NOK 30 million was made on the long-term liabilities. The extraordinary instalment is booked on the loan the Group has in Sweden.

Another extraordinary instalment of NOK 30 million was made in January 2010, in addition to the ordinary instalment of NOK 20 million, also paid in January 2010.

SEK 834 million of the long-term liabilities in Swedish kroner, which on 22 December 2009 totalled SEK 859 million, was converted to NOK in December. Ref. Note 2.

The Group has fulfilled all covenants for Q4 2009.

WORKING CAPITAL

Amounts in NOK 1,000	2009	30.09.2009	2008
Current assets	1 825 358	1 961 321	2 082 067
Current liabilities (non interest-bearing)	-735 697	-783 770	-849 984
Net working capital	1 089 661	1 177 551	1 232 083
Short-term project financing (interest-bearing)	-469 650	-537 435	-824 340
Net working capital including project financing	620 011	640 116	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 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 Q4 are insufficient to warrant reporting as a separate segment. 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	Q4 2009	Q4 2008	2009	2008
Operating revenues				
Norway	392 505	304 350	1 478 541	1 459 376
Sweden	265 019	417 504	1 057 496	1 713 072
Other / eliminations	-736	-792	-1 541	-923
BWG Homes Group	656 788	721 062	2 534 496	3 171 525
Operational EBITDA				
Norway	72 169	36 070	211 594	228 717
Sweden	20 404	39 218	85 388	168 268
Other / eliminations	-7 573	-7 266	-23 017	-18 762
BWG Homes Group	85 000	68 022	273 965	378 223
Operational EBIT				
Norway	71 309	34 593	204 813	221 665
Sweden	17 703	40 153	67 993	154 049
Other / eliminations	-7 642	-7 310	-23 252	-18 931
BWG Homes Group	81 370	67 436	249 554	356 783
Order backlog				
Norway	585 271	452 424	585 271	452 424
Sweden	885 626	717 030	885 626	717 030
BWG Homes Group	1 470 897	1 169 454	1 470 897	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 in Q4 2009.

Amounts in NOK 1,000	Q4 2009	Q4 2008	2009	2008
Operating revenues	392 505	304 350	1 478 541	1 459 376
Operating expenses	-320 336	-268 280	-1 266 947	-1 230 659
EBITDA	72 169	36 070	211 594	228 717
Result from associates	930	554	930	1 397
Depreciation	-1 783	-2 031	-7 704	-8 449
EBIT	71 316	34 593	204 820	221 665
Financial income	1 224	2 814	3 589	6 188
Interest cost and other financial expenses	-8 323	-14 991	-39 493	-55 394
Net financial costs	-7 099	-12 177	-35 904	-49 206
EBT	64 217	22 416	168 916	172 459
Tax	-18 092	-5 895	-47 408	-47 908
Profit for the period	46 125	16 521	121 508	124 551
Operational key figures:				
Operational EBITDA margin	18,4 %	11,9 %	14,3 %	15,7 %
Operational EBIT margin	18,2 %	11,4 %	13,9 %	15,2 %
Segment assets	2 371 140	2 598 229	2 371 140	2 598 229
Segment liabilities	-1 464 872	-1 852 179	-1 464 872	-1 852 179
Order intake	368 200	118 300	1 587 305	1 158 000
Order backlog	585 271	452 424	585 271	452 424
Sick leave	6,8 %	7,9 %	6,8 %	7,9 %
Number of employees	474	503	474	503

Good and increasing sales throughout the year, reduced costs and efficient operations have allowed the segment to sustain strong margins in 2009.

Operating revenues for Q4 2009 show an increase of 29.0% in comparison with Q4 2008. Operating revenues for 2009 as a whole rose by 1.3 % compared with 2008. The operational result (EBITDA) for the quarter was up 100.1 %, but was 7.5 % lower for the year compared with 2008. The EBITDA margin for the quarter was 18.4 % and 14.3 % for 2009. The strong operating result in Q4 is partly a result of completion of major housing projects where previous profit estimates turned out to be rather conservative.

Manpower at the end of Q4 was 6 % lower than for the same period last year. No employees have been made redundant, compared with 32 at the end of 2008. Production-related manpower will be gradually increased through 2010, in line with the sales trends and the growing order backlog.

The order intake rose by 211.2 % in Q4 and by 37.1 % for the year as a whole. The number of completed, unsold units at the end of Q4 2009 was 70. The order intake has risen by NOK 133 million in 2009. Efforts are being made to strengthen the order backlog and to optimise operations on buildings sites.

During Q4, Block Watne has carried out a number of local marketing activities.

**SEGMENT SWEDEN**

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

Amounts in NOK 1,000	Q4 2009	Q4 2008	2009	2008
Operating revenues	265 019	417 504	1 057 496	1 713 072
Operating expenses	-244 615	-378 286	-972 108	-1 544 804
Restructuring costs	0	-10137	0	-10 137
EBITDA	20 404	29 081	85 388	158 131
Result from associates	29	4 596	-6 116	-776
Depreciation	-2 730	-3 661	-11 279	-13 443
Write-down of goodwill	0	-226 050	0	-226 050
EBIT	17 703	-196 034	67 993	-82 138
Financial income	1252	-358	1 687	0
Interest cost and other financial expenses	-12 922	8 135	-57 815	-49 521
Change in value of interest swaps	549	-32 731	5 925	-35 816
Effect of foreign exchange fluctuations	77	23 701	-10 697	24 790
Net financial costs	-11 044	-1 252	-60 900	-60 547
EBT	6 659	-197 286	7 093	-142 685
Tax	4 216	19 361	3 980	4 398
Profit for the period	10 875	-177 925	11 073	-138 287
Operational key figures *:				
Operational EBITDA	20 404	39 218	85 388	168 268
Operational EBIT	17 703	40 153	67 993	154 049
Operational EBITDA margin	7,7 %	9,4 %	8,1 %	9,8 %
Operational EBIT margin	6,7 %	9,6 %	6,4 %	9,0 %
Segment assets	1 933 862	2 257 052	1 933 862	2 257 052
Segment obligations	-1 333 557	-1 750 300	-1 333 557	-1 750 300
Order intake	321 733	106 561	1 294 307	1 189 455
Order backlog	885 626	717 030	885 626	717 030
Sick leave	3,4%	4,1%	3,0%	4,2 %
Number of employees	346	457	346	457

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

Revenues and results fell in 2009 due to a significant reduction in manpower and production capacity done as an adjustment to a demanding market situation. The margins have been sustained through the year, despite the market situation. The order backlog is growing and is now at a satisfactory level.

Operating revenues for Q4 2009 show a decrease of 36.5 % compared with Q4 2008. Operating revenues for 2009 were 38.3 % lower than for 2008. The operational EBITDA for the quarter was down 48.0 %, and down 49.3 % for the year compared with 2008. Operational EBITDA margin was 7.7 % for the quarter and 8.1 % for the year.

The total workforce reduction compared to Q4 2008 is 24.5 %. The workforce has increased by 10 people since Q3.

Order intake rose by 201.9 % in the quarter and by 8.8 % in 2009. The demand for the products is increasing, despite the challenging market situation. Viewing weekends and a number of local marketing activities have been carried out for both brands.

The number of completed, unsold units at the end of 2009 was 21. The order backlog saw an increase of NOK 169 million since year-end. The growth in order backlog will allow the segment to increase the rate of production as they move into Q1 2010.

Due to the weaker Swedish krone since the end of 2008 and into 2009, the order backlog has suffered a decline, when measured in Norwegian kroner, of NOK 75 million. Ref. Note 4 regarding the effect of foreign exchange rates.

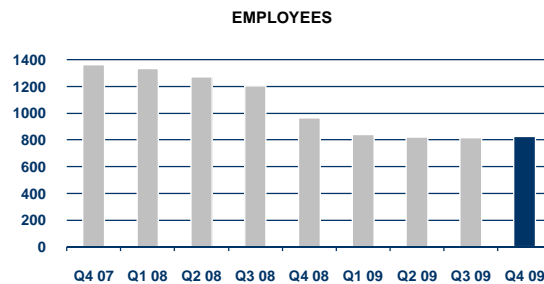
EMPLOYEES

NUMBER OF EMPLOYEES	2009	2008
Salaried employees	351	400
Production employees, carpenters	475	565
Total	826	965

Manpower at the end of 2009 was 14 % lower than at the end of 2008. During Q4 2009, the workforce has increased by 11 employees.

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

Six accidents resulting in absence from work were registered in Q4 2009. One of the accidents resulted in an apprentice carpenter suffering serious fractures with the risk of permanent injury due to failure to follow the proper procedures for materials stored at height. As a result of this incident, the procedures for safety rounds on site have been amended and stricter inspections of material storage facilities have been introduced with immediate effect. None of the other 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 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. 40 inspections were carried out during Q4 2009. A total of 117 inspections were carried out in 2009, with an average of 0.8 instances of non-conformance registered per inspection, compared with 1.1 in 2008. The number of non-conformances has been reduced by 28 % compared with 2008.

The Swedish segment has carried out training for building managers, project managers and engineers in safety and the physical working environment on building sites, and workplace design.

SHAREHOLDERS

At the end of the quarter, the company had 1,377 shareholders, 80 of whom were foreign. Foreign shareholders owned 16.9 million shares, corresponding to an ownership share of 17 %.

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.

29.6 million shares were sold in Q4 2009. Minus the new shares issued, total sale of shares in 2009 was 87.6 million.

The closing price of the BWG share on the balance sheet date was NOK 17.00. The share price has risen by 603 % from the end of 2008 to the end of 2009.

10 LARGEST SHAREHOLDERS	Number of shares	Holding
Lani Industrier AS	28 210 000	28.70 %
Rasmussengruppen AS	11 805 000	12.01 %
Perestroika AS	3 899 000	3.97 %
Lani Development AS	3 448 000	3.51 %
Ojada AS	2 509 953	2.55 %
Bank of New York Mellon SA/Alpine	2 084 200	2.12 %
MP Pensjon	2 000 000	2.04 %
Staff-Gruppen	1 966 334	2.00 %
DnB NOR SMB	1 848 500	1.88 %
JPMorgan Chase Bank	1 703 421	1.73 %
Total 10 largest shareholders	59 474 408	60.52 %
Other shareholders	38 801 592	39.48 %
Total number of shares	98 276 000	100.00 %

DIVIDEND

The Board wants to give priority to repayment of long-term liabilities ahead of paying a dividend. The Board will therefore propose to the annual general meeting that no dividend be paid to the shareholders of the company for the financial year 2009.

MARKET AND FUTURE PROSPECTS

After declining sales from the end of 2006 into 2007, sales of newly built houses have increased in both Norway and Sweden from Q2 2009. The order backlog among housing builders has improved through 2009. Prices of new homes were under pressure in most parts of 2009. At the same time prices of used homes have seen a positive development in the period.

New starts and the order backlog in the housing sector are still at low levels. Moderate growth is expected in 2010. Population growth combined with few new house starts in 2008, 2009 and early 2010 will result in a tight market in both Norway and Sweden. Few new house starts could result in increased prices also on newly built houses for a period of time until supply and demand rebalance.

The operating conditions for BWG Homes activities are highly positive at the beginning of 2010. Interest rates are still low, unemployment is stable, and demand for new homes is increasing. The order intake for the Group rose by 23 % in 2009, and at year-end the order backlog was up 26 %. The Group has a strong cash flow and has been able to further reduce its interest-bearing liabilities substantially during the year.

Capacity and production rates will gradually be increased in 2010, while maintaining focus on efficient operations and profitability.

Oslo, 10 February 2010

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	Q4 2009	Q4 2008	2009	2008
Operating revenues	3, 8	656 788	721 062	2 534 496	3 171 525
Cost of goods sold	3, 8	-375 131	-441 450	-1 567 341	-1 906 232
Payroll and personnel expenses	3	-121 692	-144 484	-440 340	-599 557
Restructuring costs		0	-10 137	0	-10 137
Other operating expenses	6	-74 965	-67 107	-252 850	-287 513
Earnings before depreciation and finance (EBITDA)		85 000	57 884	273 965	368 086
Result from associates		959	5 150	-5 186	621
Write-down of goodwill		0	-226 050	0	-226 050
Depreciation		-4 589	-5 735	-19 225	-22 061
Earnings before financial items (EBIT)		81 370	-168 751	249 554	120 596
Financial income		2 109	25 937	4 256	32 632
Interest costs and other financial expenses		-29 358	-64 875	-121 330	-167 636
Change in value of interest swaps	2	458	-36 774	6 422	-42 500
Effect of foreign exchange fluctuations	4	-4 111	25 452	-22 125	24 830
Net financial costs		-30 902	-50 260	-132 777	-152 674
Earnings before tax (EBT)		50 468	-219 011	116 777	-32 078
Tax expense		-8 176	1 712	-26 857	-50 204
Net earnings for the period		42 292	-217 299	89 920	-82 282
Earnings per share (NOK)		0,43	-3,29	0,96	-1,25
Diluted earnings per share (NOK)		0,43	-3,29	0,96	-1,25
EBITDA margin		12,9 %	8,0 %	10,8 %	11,6 %
EBIT margin		12,4 %	-23,4 %	9,8 %	3,8 %
EBT margin		7,7 %	-30,4 %	4,6 %	-1,0 %
Operational key figures *					
Operational EBITDA		85 000	68 021	273 965	378 223
Operational EBIT		81 370	67 436	249 554	356 783
Operational EBT		54 579	-8 277	138 902	179 279
Operational EBITDA margin		12,9 %	9,4 %	10,8 %	11,9 %
Operational EBIT margin		12,4 %	9,4 %	9,8 %	11,2 %
Operational EBT margin		8,3 %	-1,1 %	5,5 %	5,7 %

* Operational 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	2009	2008
Assets			
Brands		462 370	501 650
Goodwill		1 883 577	2 021 282
Other intangible assets		3 762	4 473
Total intangible assets		2 349 709	2 527 405
Property, plant & equipment	5	87 799	109 083
Investments in associates		5 567	71 753
Other receivables		36 477	5 511
Total financial assets		42 044	77 264
Total non-current assets		2 479 552	2 713 752
Construction work in progress	3, 8	373 605	472 393
Other inventories		31 987	36 548
Land	3	947 224	1 057 587
Total buildings and land		1 352 816	1 566 528
Trade receivables		346 651	428 082
Other receivables		23 512	26 305
Total receivables		370 163	454 387
Bank deposits, cash & cash equivalents		102 379	61 152
Total current assets		1 825 358	2 082 067
Total assets		4 304 910	4 795 819
Equity and liabilities			
Total equity	8	1 713 450	1 540 197
Liabilities			
Pension obligations		23 755	20 867
Deferred tax		170 942	201 722
Provision for guarantee obligations		53 837	48 771
Total provisions		248 534	271 360
Liabilities to credit institutions		1 137 579	1 309 938
Total other non-current liabilities		1 137 579	1 309 938
Liabilities to credit institutions		469 650	784 340
Other current interest-bearing liabilities		0	40 000
Trade payables		187 336	292 108
Current liabilities - land and projects		291 355	233 352
Other current liabilities		257 006	324 524
Total current liabilities		1 205 347	1 674 324
Total liabilities		2 591 460	3 255 622
Total equity and liabilities		4 304 910	4 795 819

CASH FLOW

Amounts in NOK 1,000	Q4 2009	Q4 2008	2009	2008
Cash flow from operating activities				
Cash flow from operating activities before change in working capital	85 000	57 873	273 965	368 075
Change in inventories	-19 559	-46 626	240 488	-194 552
Change in trade receivables	83 198	161 724	69 609	167 708
Change in trade payables	-23 793	-71 277	-87 694	-128 276
Net change in liabilities related to land	23 453	-7 725	2 810	-191 389
Change in other accruals	18 859	5 927	-11 885	-49 922
Change in working capital items	82 158	42 024	213 328	-396 429
Paid interest	-29 358	-40 045	-121 330	-142 806
Paid tax	-5 567	-11 472	-64 867	-55 065
Net cash flow from operating activities	132 233	48 379	301 096	-226 225
Cash flow from investment activities				
Interest received	1 906	3 669	4 053	7 802
Sale of shares	2 444	-2 525	34 972	300
Purchase of shares	0	-9 590	-2 400	-30 027
Net purchase of capital assets	-3 034	5 545	-4 344	1 463
Net cash flow from investment activities	1 316	-2 901	32 281	-20 462
Cash flow from financing activities				
Increase/decrease (-) current liabilities	-117 415	-15 001	-395 219	413 532
Repayment of non-current liabilities	-30 300	-25 300	-51 200	-56 200
New share capital (net)	0	0	154 269	0
Dividend paid	0	0	0	-132 000
Net cash flow from financing activities	-147 715	-40 301	-292 150	225 332
Net change in cash & cash equivalents	-14 166	5 177	41 227	-21 355
Cash & cash equivalents at end of period	116 546	55 975	61 152	82 507
Cash & cash equivalents at end of period	102 379	61 152	102 379	61 152

RECOGNISED INCOME AND COSTS (COMPREHENSIVE INCOME)

Amounts in NOK 1,000	Q4 2009	Q4 2008	2009	2008
Gain and loss charged directly to equity				
Tax effects of share issue costs	1 991	0	-5 120	0
Translation differences	-12 970	37 775	-72 928	41 117
Other items charged directly to equity	0	10 648	0	10 648
Net result from income statement for period	42 292	-217 299	89 920	-82 282
Total recognised income and expenses for the period	31 313	-168 876	11 872	-30 517

STATEMENT OF CHANGES IN EQUITY

Amounts in NOK 1,000	Q4 2009	Q4 2008	2009	2008
Book equity at start of period	1 682 137	1 709 073	1 540 197	1 702 714
Recognised income and expenses for the period	31 313	-168 876	11 872	-30 517
Transactions with shareholders for the period				
Dividend	0	0	0	-132 000
Capital increase, private placement	0	0	161 380	0
Book equity at end of period	1 713 450	1 540 197	1 713 450	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
Follow-on offering					0
Costs of share issue		1991			1 991
Translation effects			-12 970		-12 970
Result for the period				42 292	42 292
Balance 31.12.09	98 276	1 538 881	-69 304	145 597	1 713 450

**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	1 709 072
Translation effects			37 776		37 776
Dividend				0	0
Effect of group contrib. from previous years				10 648	10 648
Result for the period				-217 299	-217 299
Balance 31.12.08	66 000	1 414 896	3 626	55 675	1 540 197

NOTES TO THE INTERIM FINANCIAL STATEMENTS

GENERAL INFORMATION

BWG Homes ASA Group is domiciled in Norway. The consolidated financial statements for the 4th quarter of 2009 comprise the parent company BWG Homes ASA, its subsidiaries and its participating interests in associates. In Q4 2009, the Group consisted of the same units as in the annual report for 2008.

The interim financial statements were presented by the Board of Directors on 10 February 2010.

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 presented 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 summary 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 million and SEK 450 million. 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. In Q4 2009 they have had a negative effect on the Group result of NOK 4,407,000 and a positive effect on the result for the year of NOK 1,557,000. These hedging contracts will be terminated when the debt is converted on 26 February 2010. (See below).

BWG Homes ASA has had a substantial share of its debt to Nordea established in Swedish kroner within a multi-currency agreement entered into by the subsidiary BWG Homes AB. On the basis of the advantageous developments in the NOK-SEK exchange rate, SEK 834 million of the long-term liabilities in Swedish kroner, which on 22 December 2009 totalled SEK 859 million, has been converted to NOK.

The conversion was done at an average NOK-SEK exchange rate of 80.30. This has enabled the Group to reduce its liabilities by around NOK 90 million in 2009 as a result of a fall in the NOK-SEK exchange rate from 90.42 at the beginning of 2009.

In technical terms, the currency conversion was achieved by means of currency swaps that will be realised at the next ordinary loan rollover on 26 February 2010. These currency swaps have increased in value by NOK 4,866,000 from the purchase date to the balance sheet date, which has been included in the profit and loss account.

NOTE 3 ESTIMATES

A significant share of the 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 the 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 Q4, fluctuations in forex rates have generated a negative effect on the Group result of NOK 4,111,000 and a negative effect of NOK 22,125,000 for the year as a whole.

NOTE 5 INVESTMENTS

The Group purchased and capitalised machinery, plants and operating equipment totalling NOK 3,034,000 in Q4. The accumulated figure for 2009 amounts to investments of NOK 4,344,000. No significant agreements have been signed relating to the purchase of property.

NOTE 6 TRANSACTIONS WITH RELATED PARTIES

Purchases of services from Flyfort AS worth NOK 1,790,000 were expenced in the quarter. Flyfort AS is a company controlled by the CEO Lars Nilsen. In addition, NOK 60,000 was expensed for purchase of accountancy services from Lani Development AS. Prices were calculated on market-based terms.

NOTE 7 EVENTS AFTER THE BALANCE SHEET DATE

In January 2010, the Group made an ordinary instalment of SEK 25 million. This instalment is on the long-term liabilities in the Swedish segment.

The company has also made an extraordinary instalment of NOK 30 million in January 2010. This instalment reduces the Norwegian acquisition debt. With these payments, the Group will have repaid a total of NOK 60 million in extraordinary instalments in 2009 and to date in 2010, in addition to ordinary instalments of NOK 41 million in the period

NOTE 8 NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

The IFRIC15 (Agreements for the Construction of Real Estate) which is an interpretation related to use of IAS 11/18, was confirmed by the EU in July 2009 and it will be implemented by BWG Homes on 1 January 2010. The change in accounting principle coming from the IFRIC 15 has to be implemented in retrospect, so that figures for 2009 reported in 2010 have to be reworked in line with IAS 8.

To BWG Homes the main consequence of the IFRIC 15 is a change in timing of accounting for income and profit on development projects. In practice, the date of revenue recognition for a considerable proportion of the contracts will be postponed, which means all income (and associated expenses) will be recognised only when the project has been delivered to the customer. There will be no recognition of income based on percentage of completion through the development period even though sale agreements have been entered. In the balance sheet costs on the projects will be accumulated as work in progress and any payments from customers until delivery will be accounted for as prepayments (current liabilities). To BWG Homes the change in principle will only be applicable for the Norwegian business that produces residential development projects (Block Watne).

In the table below reported figures for each quarter of 2009 are presented with changes to the reported figures due to IFRIC 15, and the reworked figures under the new principle. These reworked figures will be reported as comparable figures when BWG Homes reports its financials in 2010. The figures presented in the following have not been audited.

The financial reporting for the business segment Norway (Block Watne) for the quarters of 2009 will be adjusted as follows:

NOK 1,000	Q1 2009			Q2 2009			Q3 2009			Q4 2009		
	Reported	Changes	Reworked	Reported	Changes	Reworked	Reported	Changes	Reworked	Reported	Changes	Reworked
Operating rev.	387 908	-105 008	282 900	383 105	75 765	458 870	315 023	17 812	332 835	392 505	-27 158	365 347
Costs of g. sold	-243 593	68 666	-174 927	-233 054	-35 526	-268 580	-188 408	-25 502	-223 460	-206 844	1 821	-205 023
Payroll exp.	-68 583	3 468	-65 115	-77 572	-213	-77 359	-61 613	-257	-61 870	-80 860	-1 826	-82 686
Other oper. exp.	-26 186	0	-26 186	-23 299	0	-23 299	-24 303	0	-24 303	-32 632	0	-32 632
EBITDA	49 546	-32 873	16 673	49 180	40 026	89 632	40 699	-7 498	33 201	72 169	-27 163	45 006
Deprec., results from associates	-2 067	0	-2 067	-1 976	0	-1 976	-1 878	0	-1 878	-853	0	-853
EBIT	47 479	-32 873	14 606	47 204	40 026	87 656	38 821	-7 498	31 323	71 316	-27 163	44 153
Net fin. costs	-11 769	0	-11 769	-9 427	0	-9 427	-7 609	0	-7 609	-7 099	0	-7 099
EBT	35 710	-32 873	2 837	37 777	40 026	78 229	31 212	-7 498	23 714	64 217	-27 163	37 054
Tax	-9 999	-9 205	-794	-10 578	-11 207	-21 904	-8 739	2 099	-6 640	-18 092	7 653	-10 439
Profit for the period	25 711	-23 669	2 042	27 199	28 819	56 324	22 473	-5 398	17 075	46 125	-19 510	26 615

The income statement for BWG Homes Group for the quarters of 2009 will be adjusted as follows:

NOK 1,000	Q1 2009			Q2 2009			Q3 2009			Q4 2009		
	Reported	Changes	Reworked	Reported	Changes	Reworked	Reported	Changes	Reworked	Reported	Changes	Reworked
Operating rev.	676 860	-105 008	571 852	666 859	75 765	742 624	533 989	17 812	551 801	656 788	-27 158	629 630
Costs of g. sold	-441 666	68 666	-373 000	-421 258	-35 526	-456 784	-329 286	-25 502	-354 338	-375 131	1 821	-373 310
Payroll exp.	-104 958	3 468	-101 490	-117 851	-213	-118 064	-95 839	-257	-96 096	-121 692	-1 826	-123 518
Other oper. exp.	-58 495	0	-58 495	-62 511	0	-62 511	-56 879	0	-56 879	-74 965	0	-74 965
EBITDA	71 741	-32 873	38 868	65 239	40 026	105 265	51 985	-7 498	44 487	85 000	-27 163	57 837
Deprec., results from associates	-10 834	0	-10 834	-4 763	0	-4 763	-5 184	0	-5 184	-3 630	0	-3 630
EBIT	60 907	-32 873	28 034	60 476	40 026	100 502	46 801	-7 498	39 303	81 370	-27 163	54 207
Net fin. costs	-60 088	0	-60 088	-17 166	0	-17 166	-24 621	0	-24 621	-30 902	0	-30 902
EBT	819	-32 873	-32 054	43 310	40 026	83 336	22 180	-7 498	14 682	50 468	-27 163	23 305
Tax	2 338	-9 205	11 543	-18 019	-11 207	-29 226	-3 000	2 099	-901	-8 176	7 653	-523
Profit for the period	3 157	-23 669	-20 512	25 291	28 819	54 110	19 180	-5 398	13 782	42 292	-19 510	22 782

The full year effects for 2009 for the Norwegian operations (Block Watne) and for the BWG Homes Group is presented below:

NOK 1,000	Block Watne full year 2009			BWG Homes Group full year 2009		
	Reported	Changes	Reworked	Reported	Changes	Reworked
Operating rev.	1 478 541	-38 589	1 439 952	2 534 496	-38 589	2 495 907
Costs of g. sold	-871 899	9 909	-861 990	-1 567 341	9 909	-1 557 432
Payroll exp.	-288 628	1 172	-287 456	-440 340	1 172	-439 168
Other oper. exp.	-106 420	0	-106 420	-252 850	0	-252 850
EBITDA	211 594	-27 508	184 086	273 965	-27 508	246 457
Deprec., results from associates	-6 774	0	-6 774	-24 411	0	-24 411
EBIT	204 820	-27 508	177 312	249 554	-27 508	212 046
Net fin. costs	-35 904	0	-35 904	-132 777	0	-132 777
EBT	168 916	-27 508	141 408	116 777	-27 508	89 269
Tax	-47 408	7 749	-39 659	-26 857	7 720	-19 108
Profit for the period	121 508	-19 759	100 749	89 920	-19 759	70 161

The changes in the income statement will lead to changes in the following balance sheet items: Work in progress, accounts receivables, prepayments from customers, deferred tax and book value of equity. The change in accounting principle will have an implementation effect on equity reducing book value of equity with NOK 40 million on 1.1.2009, and the book value of equity at year-end 2009 will be reduced with NOK 60 million.

Reworked accumulated figures for the quarters of 2009 are disclosed on the bwghomes.no web site, see the Download center.

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 2.5 billion in 2009.

BWG Homes ASA is listed on the Oslo Stock Exchange, with ticker BWG. The 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 Q1 2010: 11 May 2010
Result Q2 2010: 26 August 2010
Result Q3 2010: 4 November 2010
Result Q4 2010: 15 February 2011

Annual general meeting: 27 May 2010

IR CONTACT PERSONS:

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