

Interim report

January 1 – June 30, 2013

Peter Wågström
President and CEO

Ann-Sofie Danielsson
Chief Financial Officer

Isbjerget Housing Project, Aarhus

Q2 in brief

- Orders received: SEK 17,798 M (15,453)
- Net sales: SEK 13,535 M (13,733)
- Order backlog: SEK 52,079 M (49,116)
- Operating profit: SEK 526 M (512)
- Cash flow before financing:
negative SEK 1,402 M (neg. 2,179)



First six months in brief

- Orders received: SEK 29,474 M (27,176)
- Net sales: SEK 23,620 M (24,392)
- Operating profit: SEK 309 M (373)
- Cash flow before financing:
negative SEK 2,351 M (neg. 3,421)



Auditorium at the Karolinska Institute,
Stockholm, Sweden

NCC Construction Norway

Background

- Impairment losses for a number of projects in the other Buildings segment in the Oslo area totaled SEK 150 M
- The single largest impairment pertained to a project that was part of the acquisition of the company OKK

Changes

- Ongoing review of the organization
- New senior executives
- Ensured compliance with systems and processes



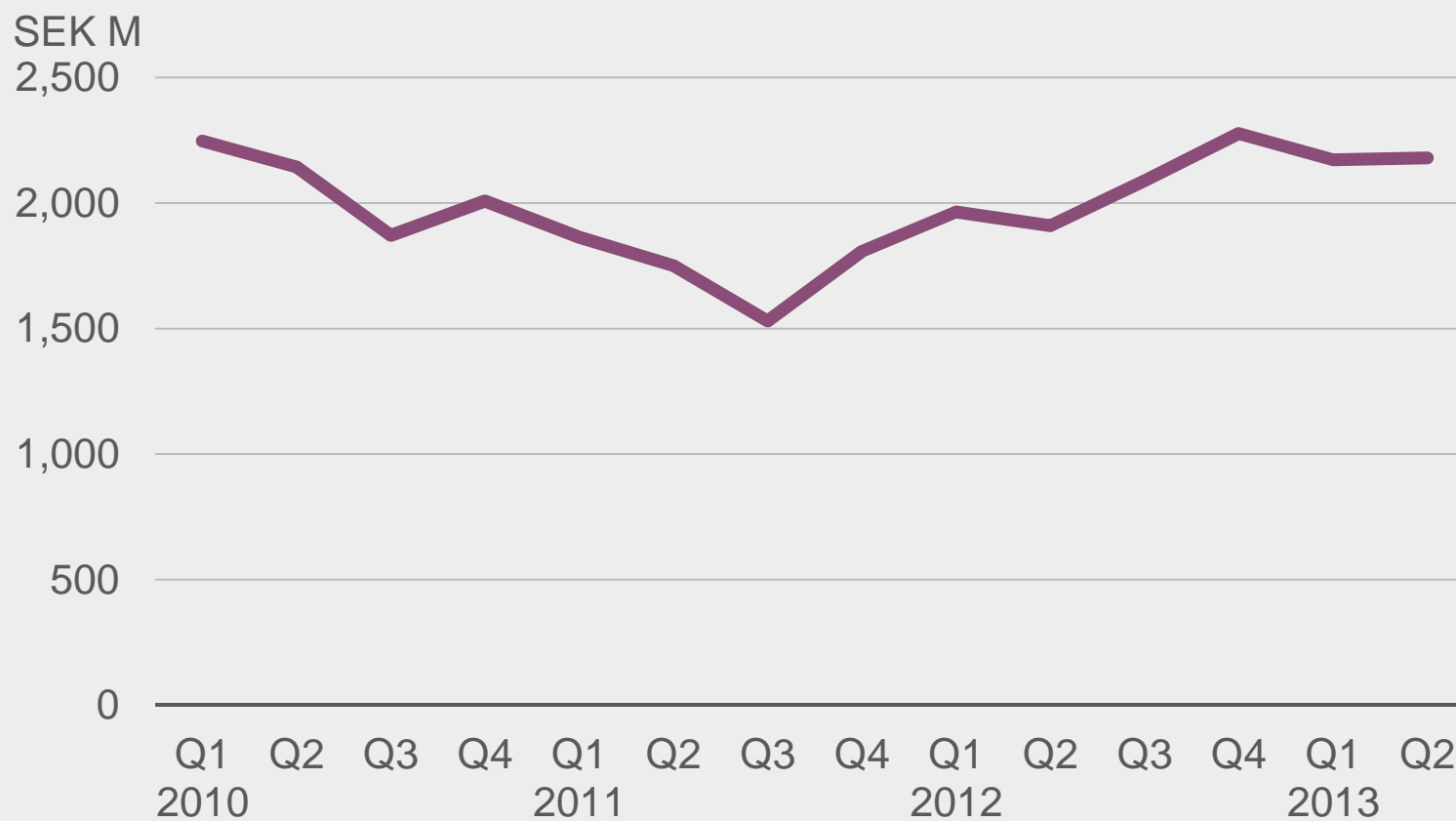
Intensified seasonal pattern...

Profit/loss after financial items



... but stable earnings trend

Rolling 12 months



NCC's Construction units

Market

Q2

- Market weaker than 2012; improvement at the end of the quarter

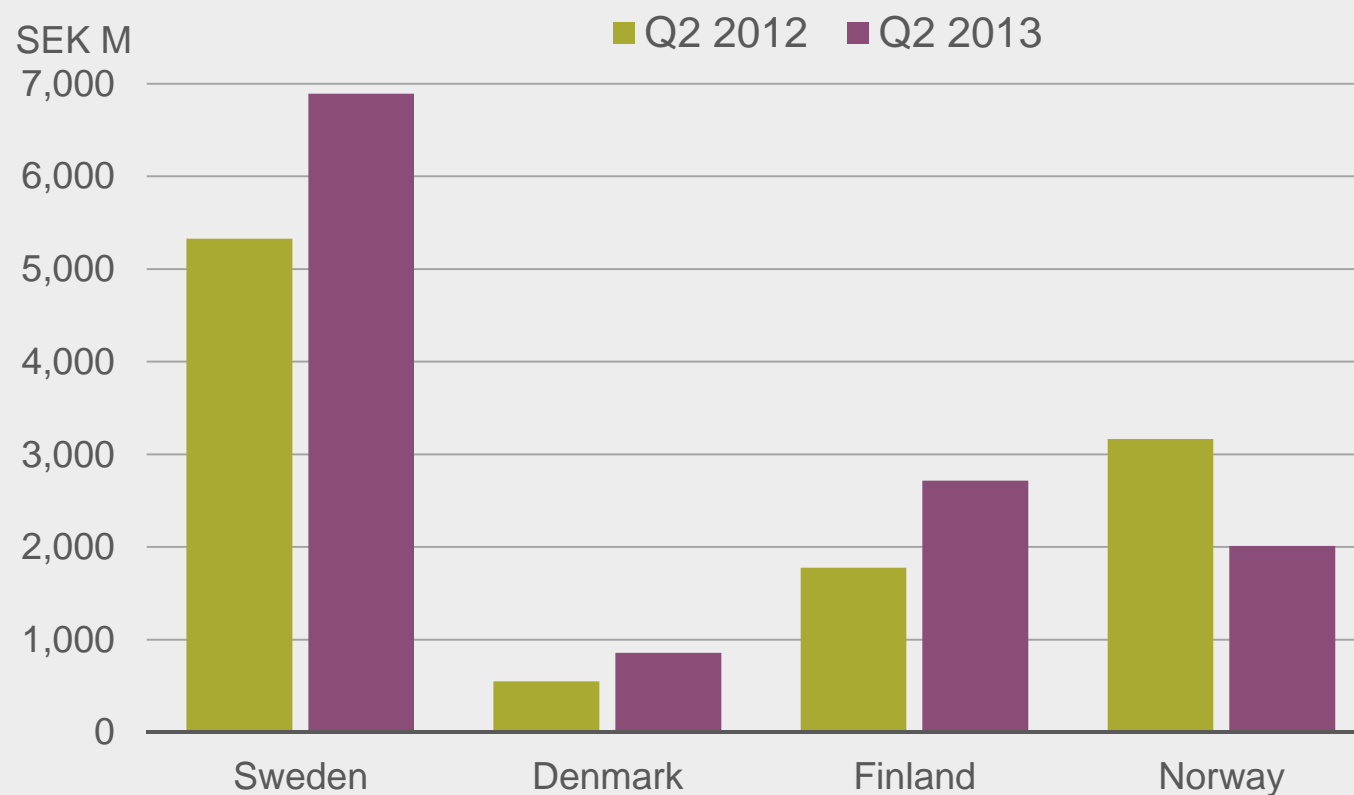
2013

- Improvement during the latter half of the year; full-year in line with 2012
 - Strong construction market in Norway
 - Other markets weaker, particularly in Finland



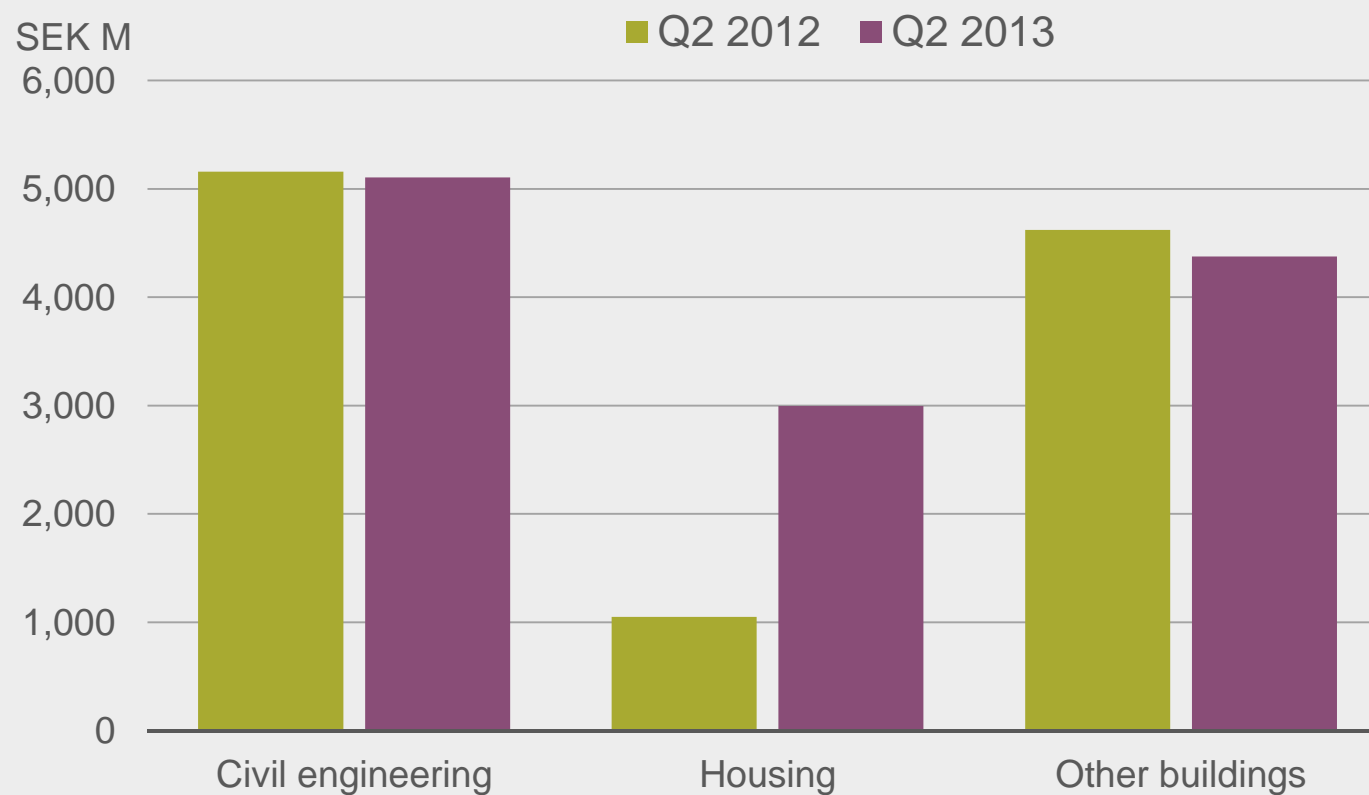
Strong level of orders received for construction operations

Total SEK 12.5 billion (10.8)



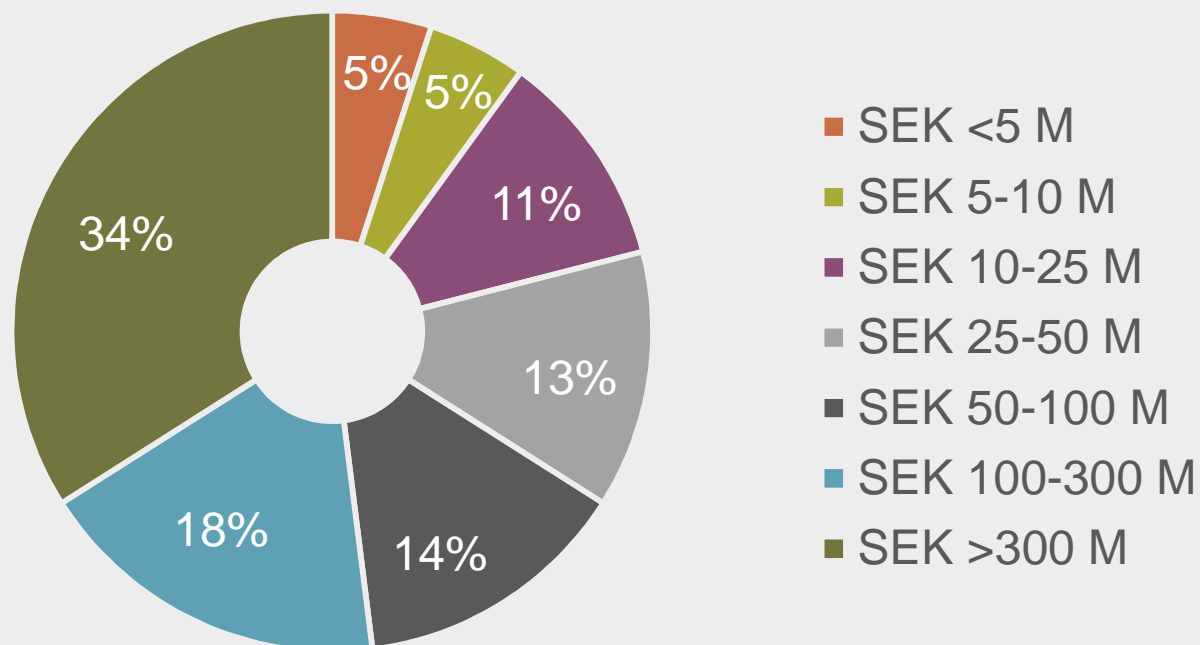
Sharp increase in housing segment

Orders received by NCC Construction units



Increased portion of major projects in orders received

NCC's Construction units



Total: SEK 12.5 billion

Major orders in construction operations

Q2 2013

- Housing units and parking garage at Port of Copenhagen: SEK 379 M
- Concreting works for new suspension bridge on E6 expressway in Narvik: SEK 739 M
- Shopping center with for public transport hub in Matinkylä, Espoo, Helsinki: SEK 1,017 M
- Maintenance plant at SL's new subway depot in Norsborg, Stockholm: SEK 1,021 M



Parking garage, Copenhagen

Train depot for Greater Stockholm Public Transport Company Limited (SL)

- Joint project
- Order valued at SEK 1 billion
- Construction start in June 2013, completion during autumn 2016
- Subway workshop depot, underground washing facility, tracks, electricity, signal system and telecommunications at both ground and underground levels



NCC Roads *Market*

Q2

- Late start to the market due to the long winter
- Increased volume late in the quarter

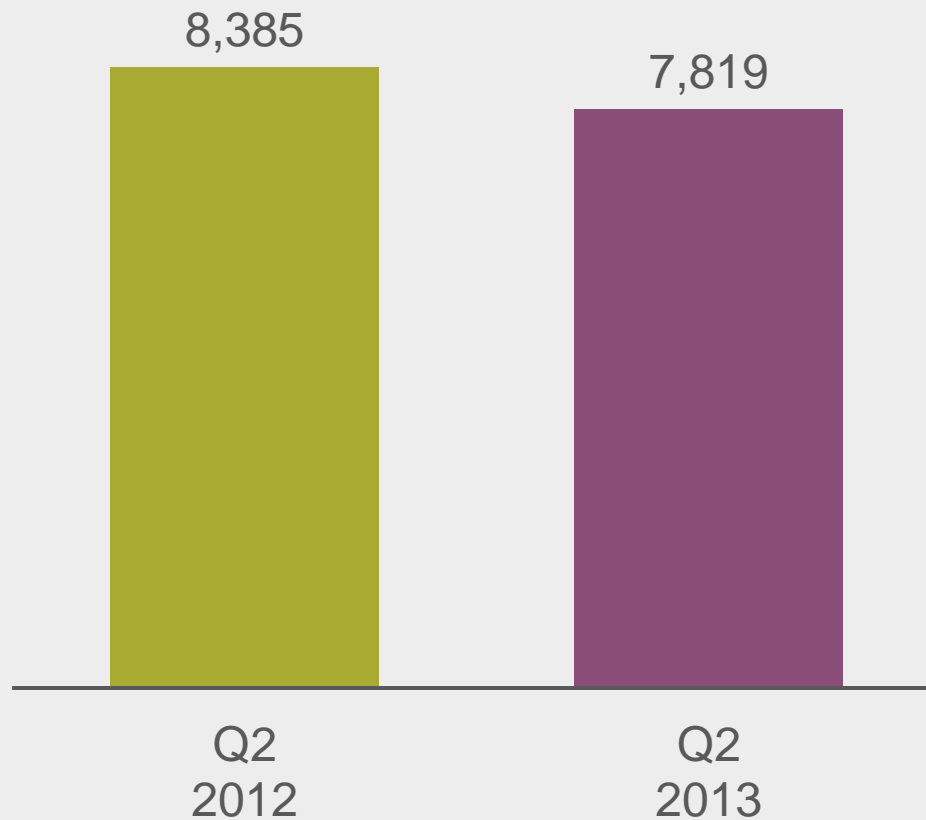
2013

- Market outlook
 - Asphalt on par with 2012
 - Aggregates slightly lower than 2012



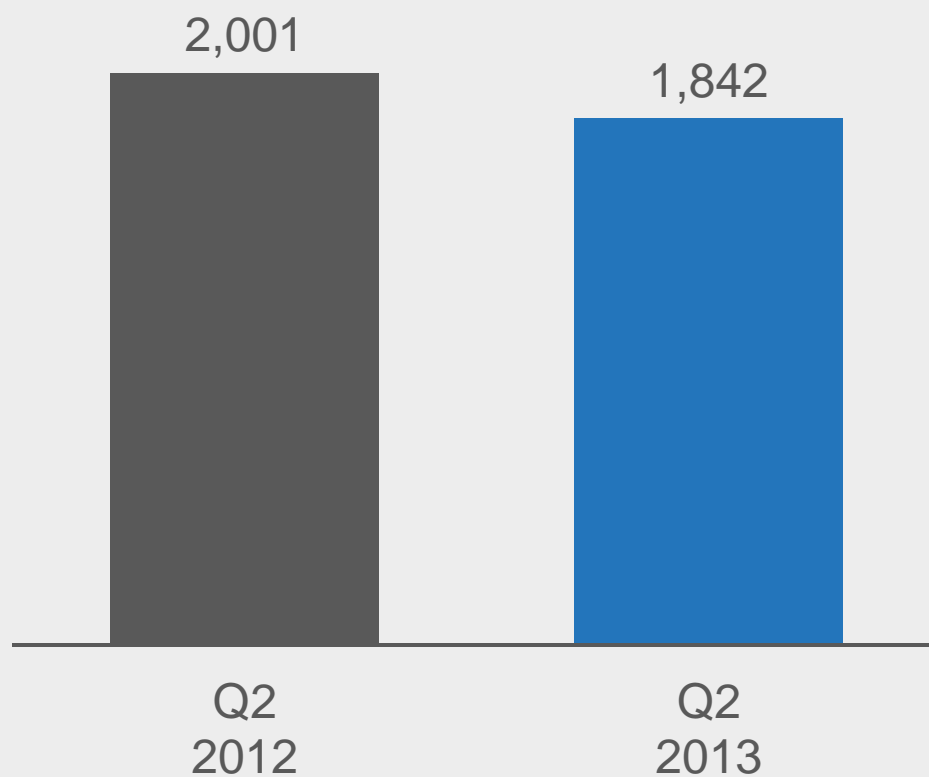
Aggregates lower volume...

*Volumes of aggregates sold,
thousands of tons*



... and asphalt

*Volumes of asphalt sold,
thousands of tons*



NCC Housing *Market*

Q2

- Best market conditions in Norway and St. Petersburg, Russia
- Continued positive trend in Germany
- Slow recovery in Denmark and Baltic countries
- Some degree of caution in Sweden and Finland; purchase decisions made closer to completion

2013

- Demand is expected to be stable, with essentially unchanged price levels



Öbacka Strand, Umeå

Strong housing sales...

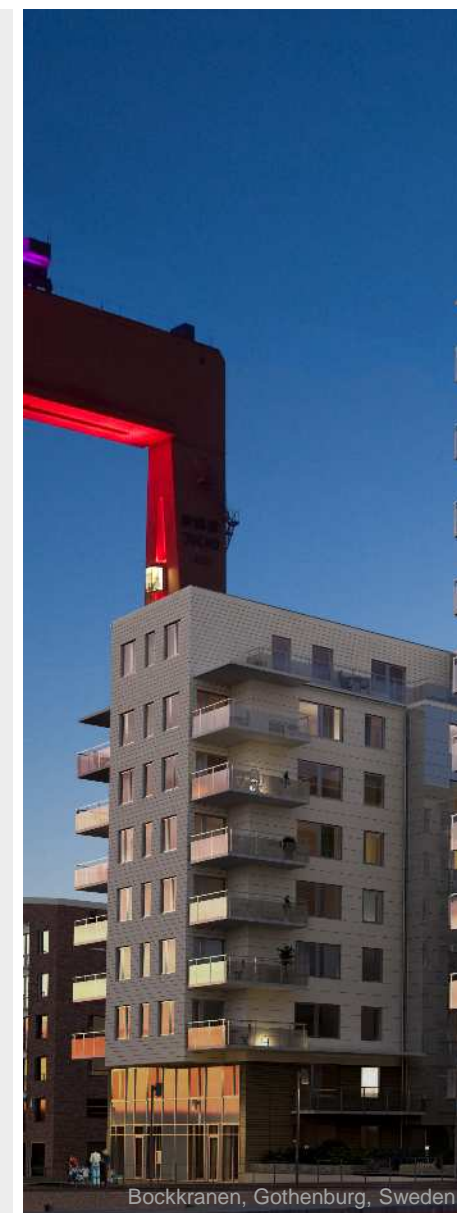
No. of housing units sold	Apr.–Jun.		Jan.–Jun.	
	2013	2012	2013	2012
Sweden	233	161	415	327
Denmark	64	27	114	42
Finland	180	162	366	316
Baltic countries	38	19	78	49
St. Petersburg, Russia	169	191	284	235
Norway	16	28	42	58
Germany	229	127	393	284
Total, private customers	929	715	1,692	1,311
Investor market	319	141	399	284
Total	1,248	856	2,091	1,595

... enable more housing starts

	Apr.–Jun.		Jan.–Jun.	
No. of housing starts	2013	2012	2013	2012
Sweden	173	137	269	379
Denmark	63	17	117	58
Finland	215	186	283	308
Baltic countries	137	42	137	42
St. Petersburg, Russia	545	0	545	0
Norway	21	56	23	56
Germany	307	115	562	384
Total, private customers	1,461	553	1,936	1,227
Investor market	319	323	339	442
Total	1,780	876	2,275	1,669

Fewer completed, unsold housing units

No. of housing units	Jun. 30, 2013	Dec. 31, 2012
Sweden	79	77
Denmark	42	40
Finland	98	152
Baltic countries	31	75
St. Petersburg, Russia	8	11
Norway	5	16
Germany	29	22
Total, private customers	292	393
Investor market	34	0
Total	326	393



Well on the way to achieving target of 7,000 units under construction

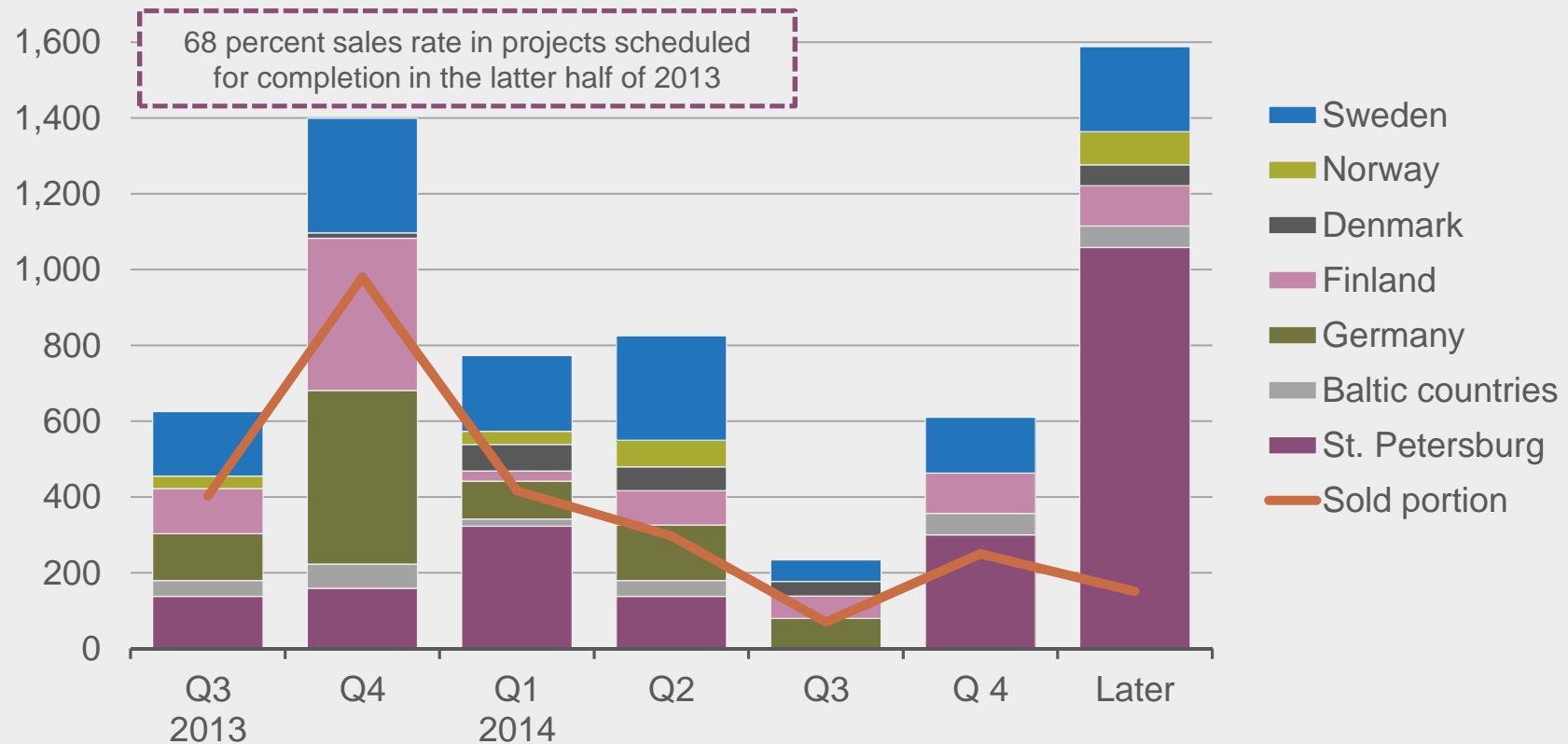
	For private customers		For investors		Total	
	Jun. 30, 2013	Dec. 31, 2012	Jun. 30, 2013	Dec. 31, 2012	Jun. 30, 2013	Dec. 31, 2012
No. of housing units						
Ongoing production	5,444	4,391	1,436	1,377	6,880	5,768
Sales rate, %	47	43	98	96	58	56
Completion rate, %	50	47	40	40	48	45



A large number also scheduled for completion this year in Q4

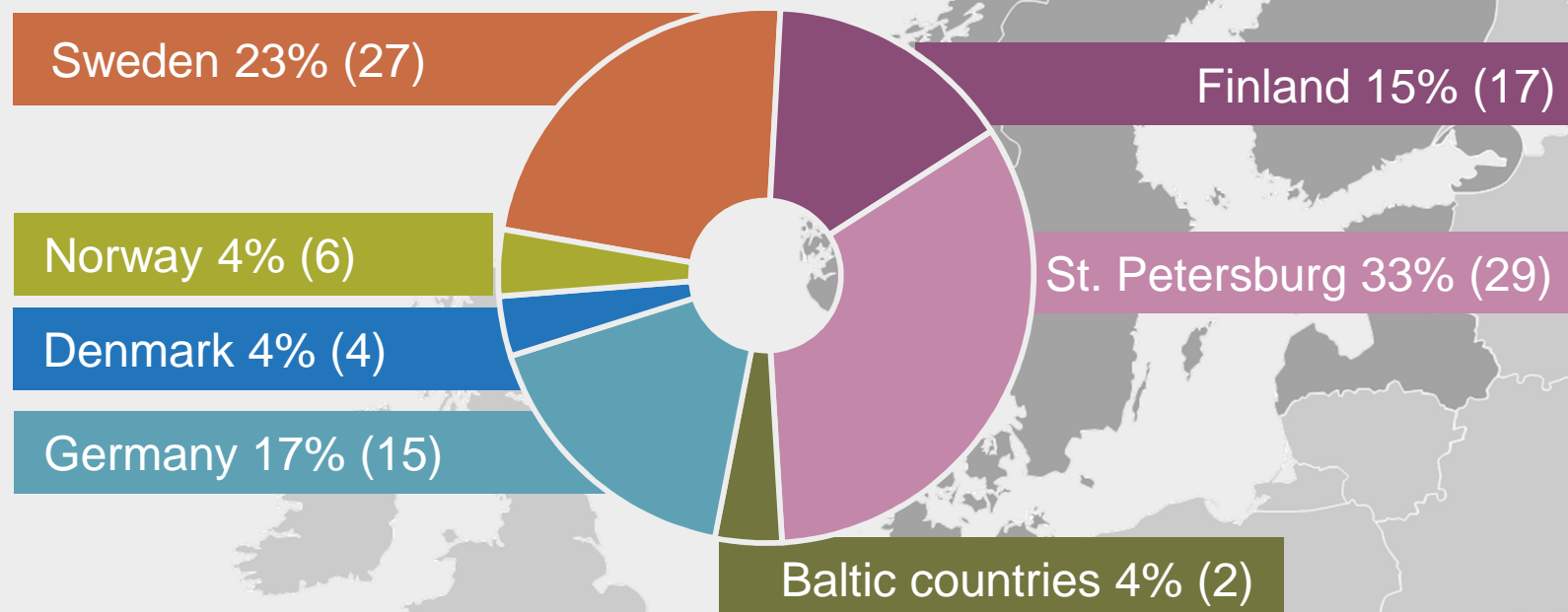
Estimated completion

No. of housing units for private customers



Continuous market adaptation of housing portfolio

*Housing units in progress
for private customers
June 30, 2013 (March 31, 2013)*



NCC Property Development *Market*

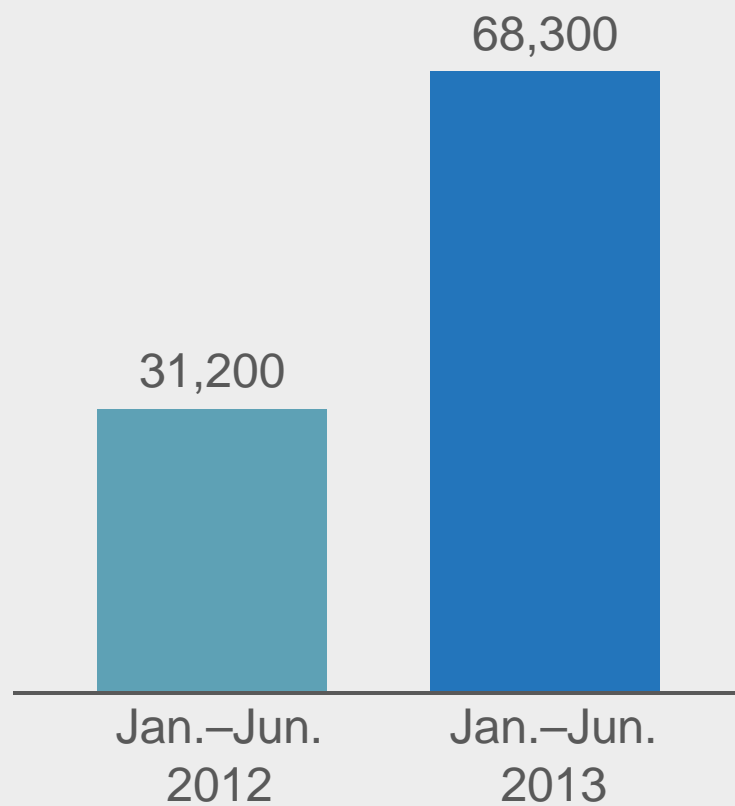
- Longer decision-making processes
- Demand for modern and “green” properties in prime locations
- Stable rents and vacancies



Ullevigatan, Gothenburg, Sweden

Successful leasing

Leased floor space, m²



TeliaSonera chooses NCC's office solution

- Conditional lease
- 50,000 m² modern work environment in Kristineberg, Stockholm, Sweden
- GreenBuilding property, will be certified in accordance with BREEAM
- Construction work scheduled to commence at the beginning of 2014 and occupancy will take place in January 2017



NCC sells office and retail project in Torsplan, Stockholm, Sweden

- Company divestment with an underlying property value of SEK 1,6 billion
- Leasable area: approx. 30,000 m²
- BREEAM certification level: Excellent
- Leasing rate: 84 percent
- Buyer: KLP Properties AB
- Preliminary date of occupancy: end of the fourth quarter of 2013
- Positive impact on earnings on both the date of occupancy and as tenants move in



Torsplan, Stockholm, Sweden

Q2 project starts

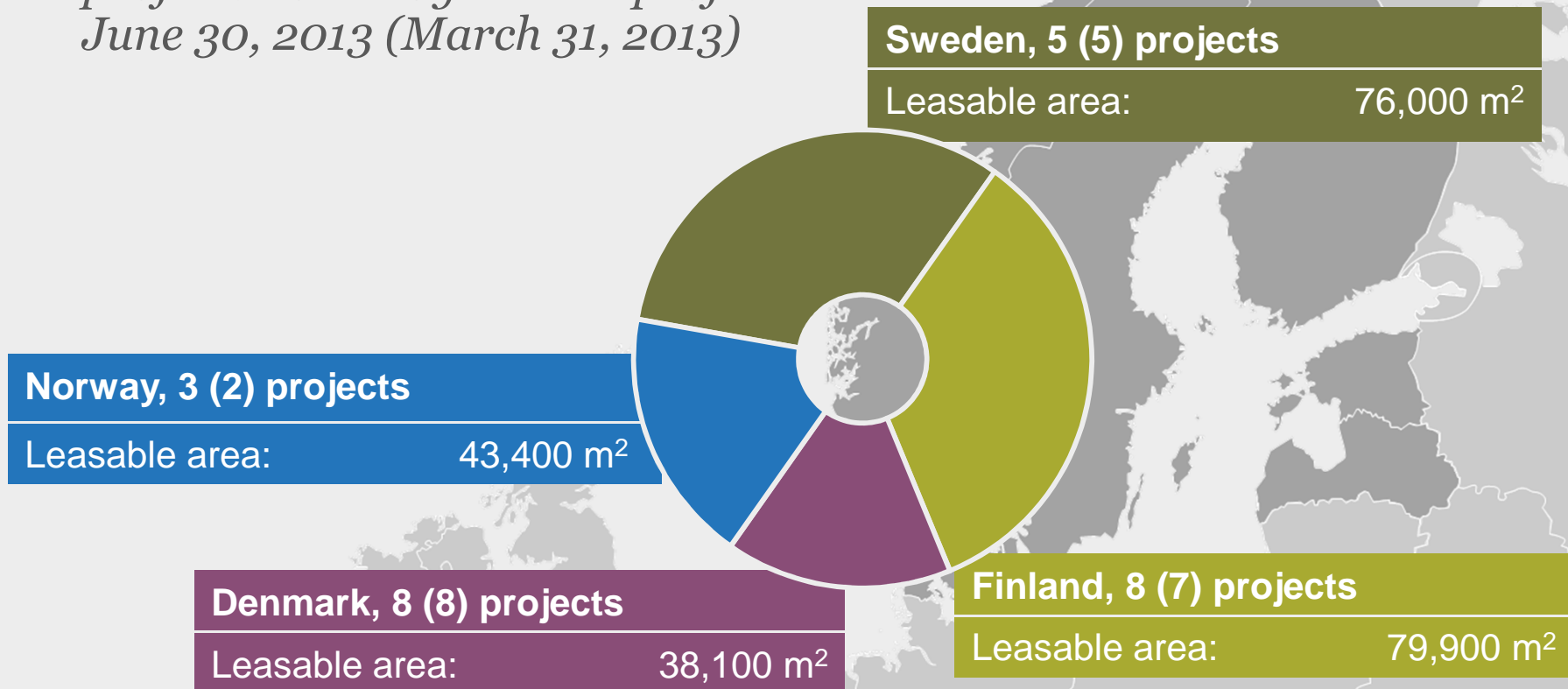
- Office building in Ullevi, Gothenburg, Sweden
 - Leasable area: 20,100 m²
 - Leasing rate: 86 percent
- Office project in Lysaker Polaris, Oslo, Norway
 - Leasable area: 19,500 m²
 - Leasing rate: 72 percent
- Office/Retail project in Matinkylä, Espoo, Finland
 - Leasable area: approx. 25,000 m²
 - NCC's share: 50 percent
 - Leasing rate: 3 percent

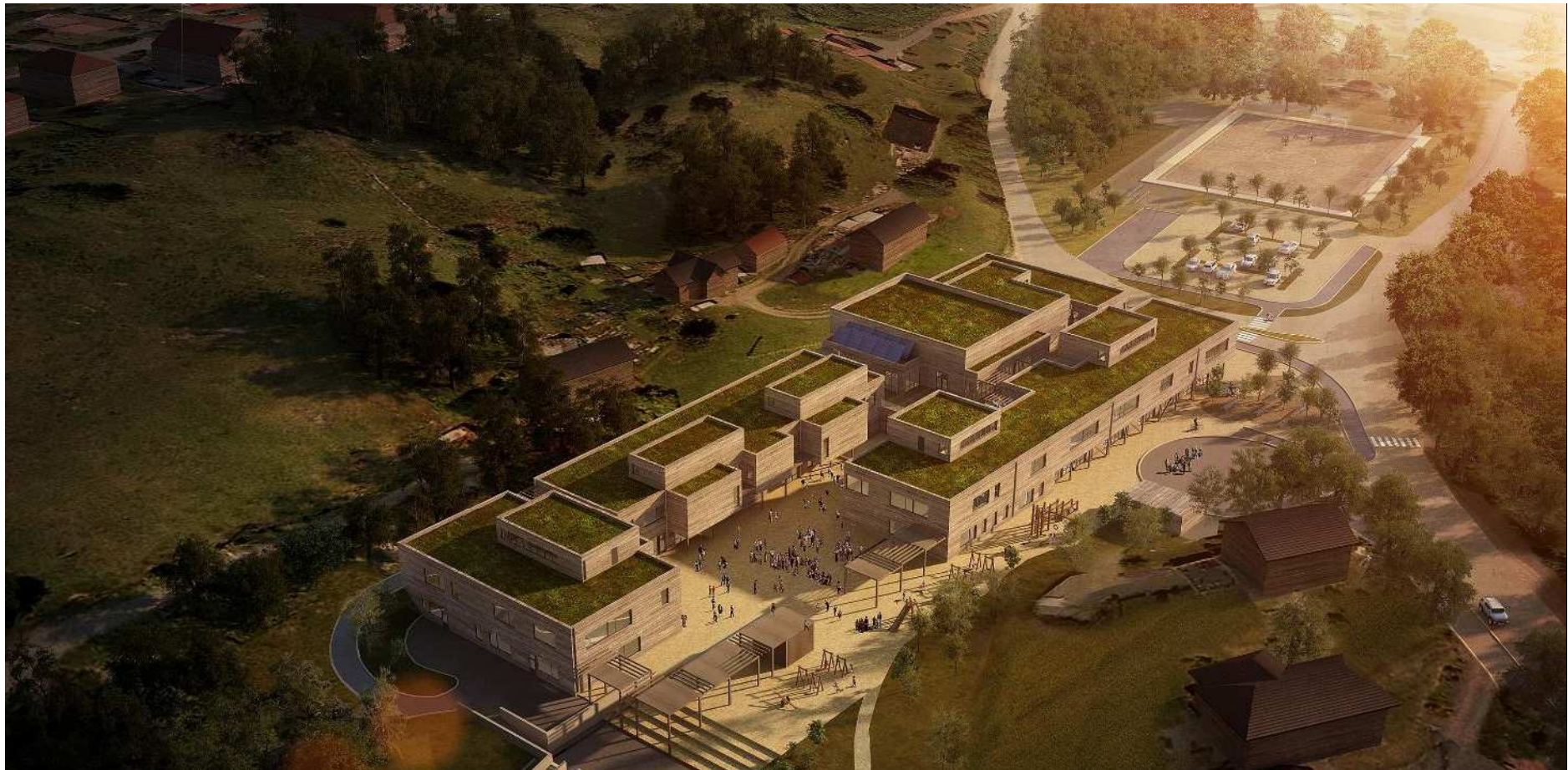


Skånegatan, Gothenburg, Sweden

Well-balanced portfolio

*24 (22) ongoing or completed projects not recognized in profit
June 30, 2013 (March 31, 2013)*





Ann-Sofie Danielsson
Chief Financial Officer

Ulsmåg skole, Bergen, Norway

Q2 in brief

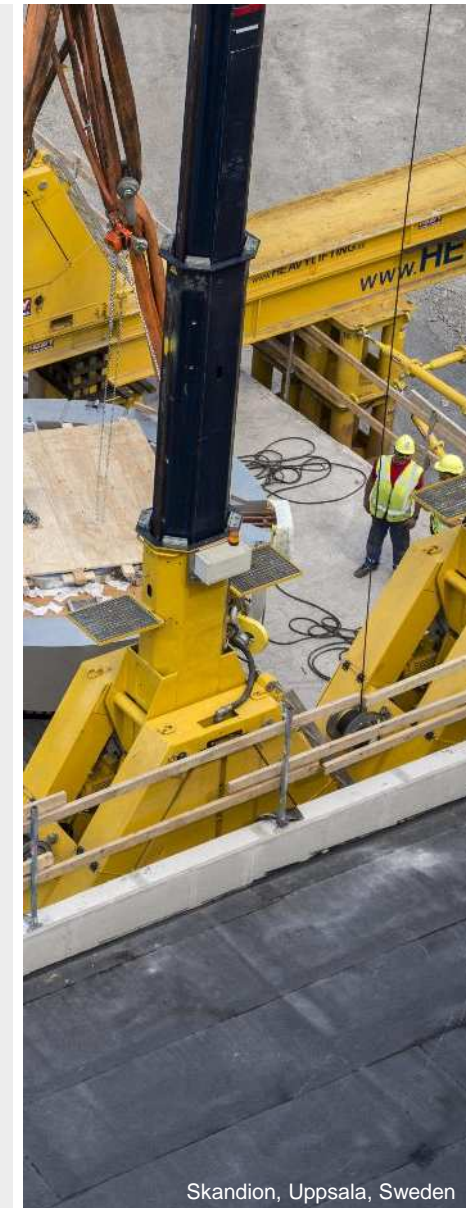
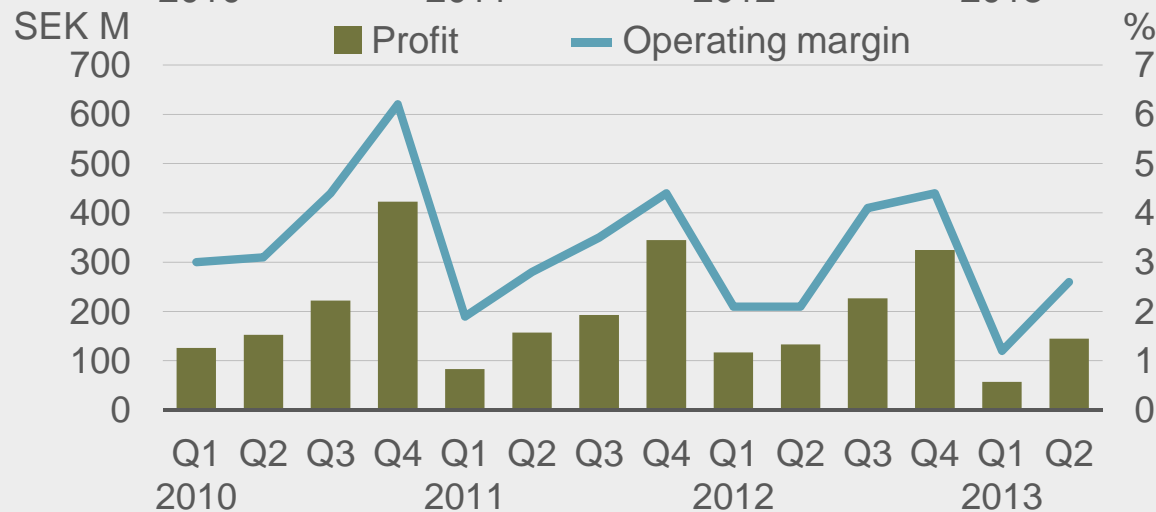
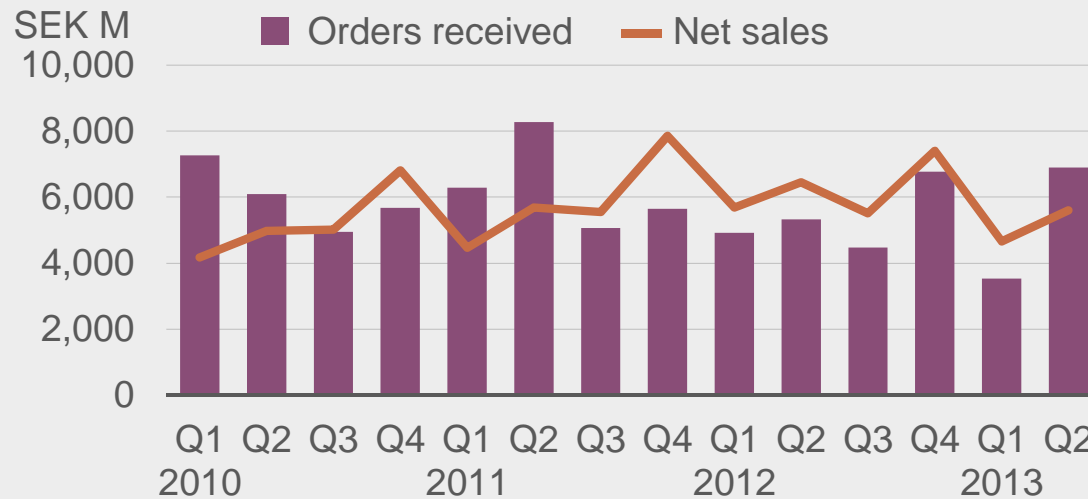
- Strong orders received – high order backlog
- Operating profit: SEK 526 M (512)
- Improved cash flow from operating activities



Income statement

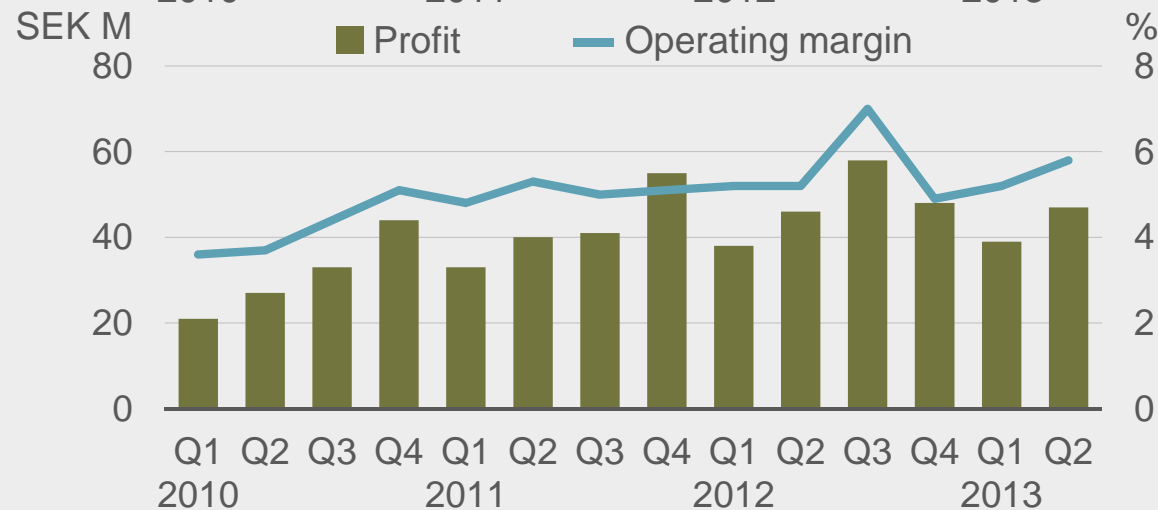
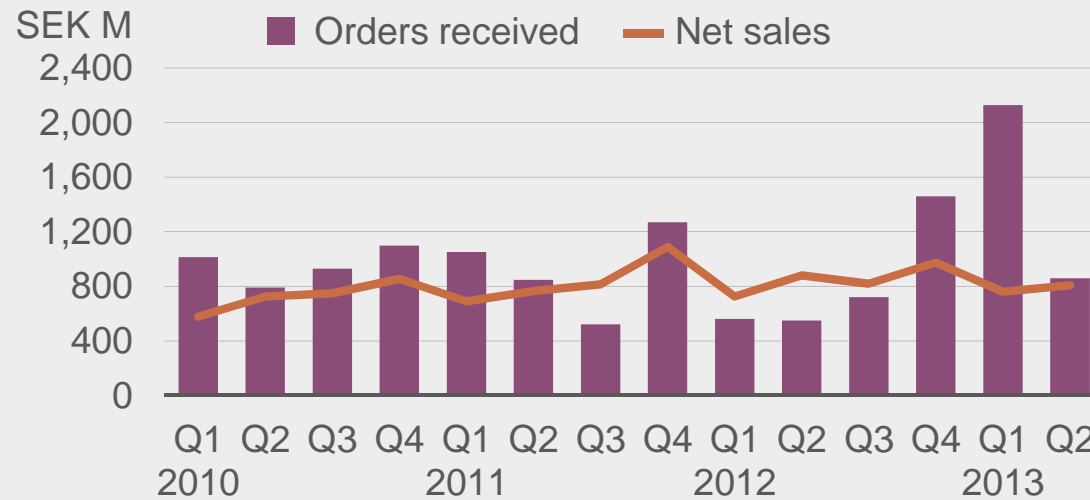
SEK M	Apr.–Jun. 2013	Apr.–Jun. 2012	Jul. 2012– Jun. 2013	Jan.–Dec. 2012
Net sales	13,535	13,733	56,454	57,227
Gross profit	1,361	1,286	5,540	5,495
Selling and administrative expenses	-836	-774	-3,096	-2,988
<i>Cost ratio</i>	6.2%	5.6%	5.5%	5.2%
Other	0	0	9	12
Operating profit	526	512	2,454	2,519
Financial items	-69	-61	-274	-241
Profit after financial items	457	451	2,179	2,277
Tax on profit for the period	-93	-107	-337	-367
<i>Tax rate</i>	20.4%	23.7%	15.5%	16.1%
Profit for the period	365	343	1,841	1,910

NCC Construction Sweden

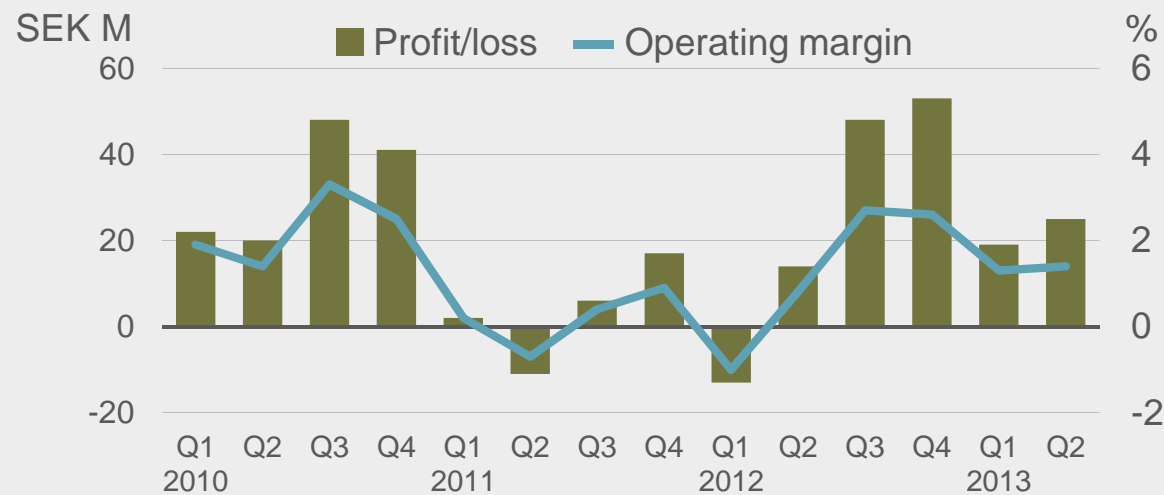
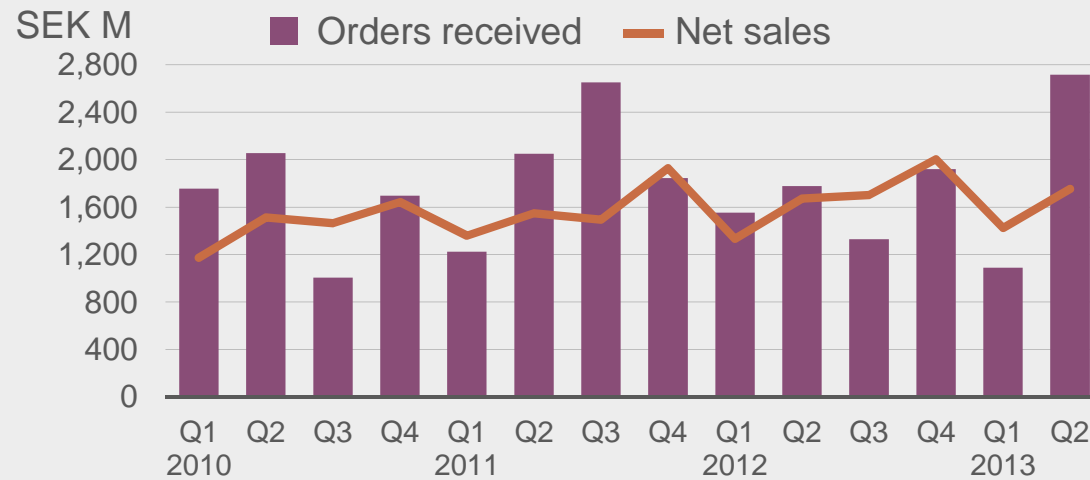


Skandion, Uppsala, Sweden

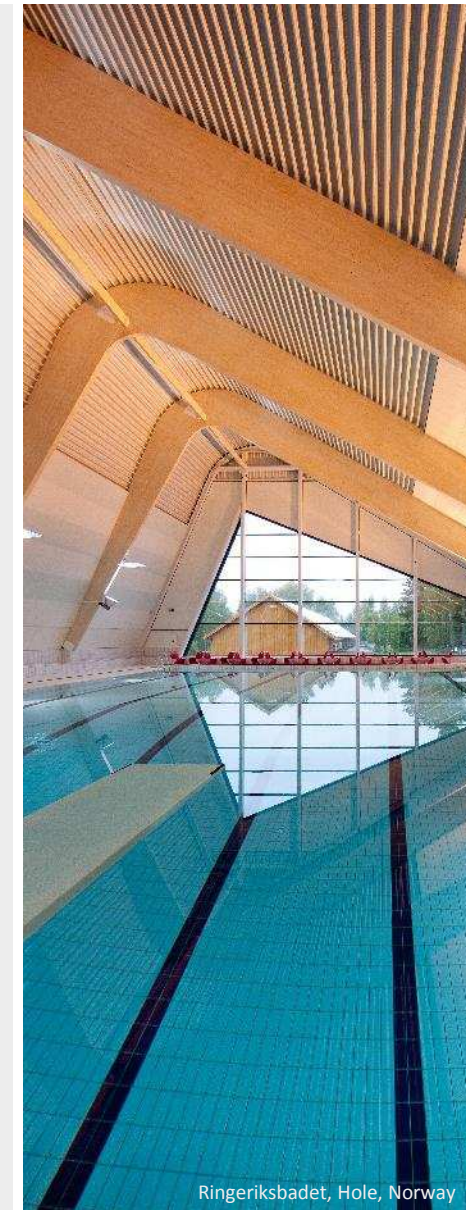
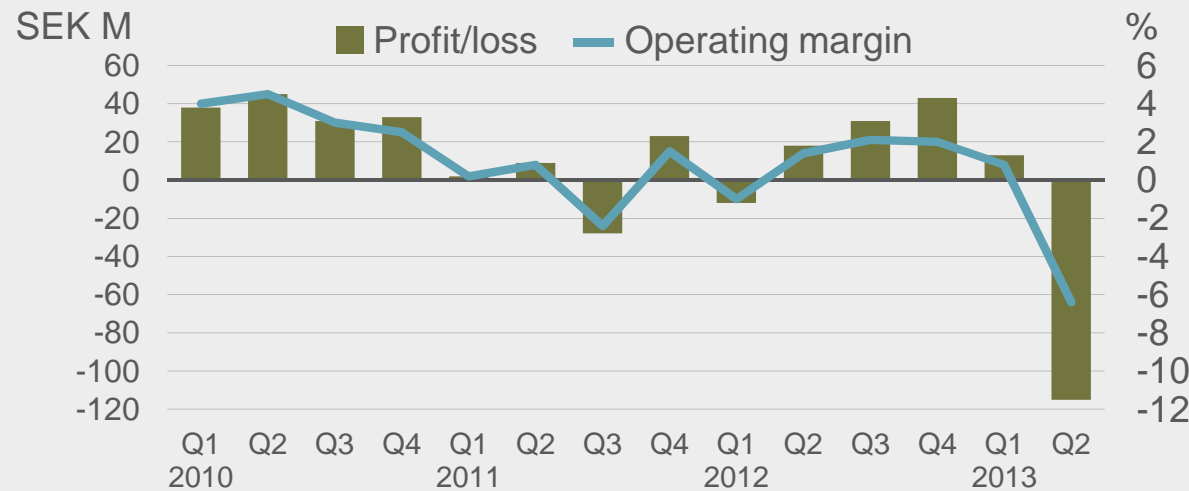
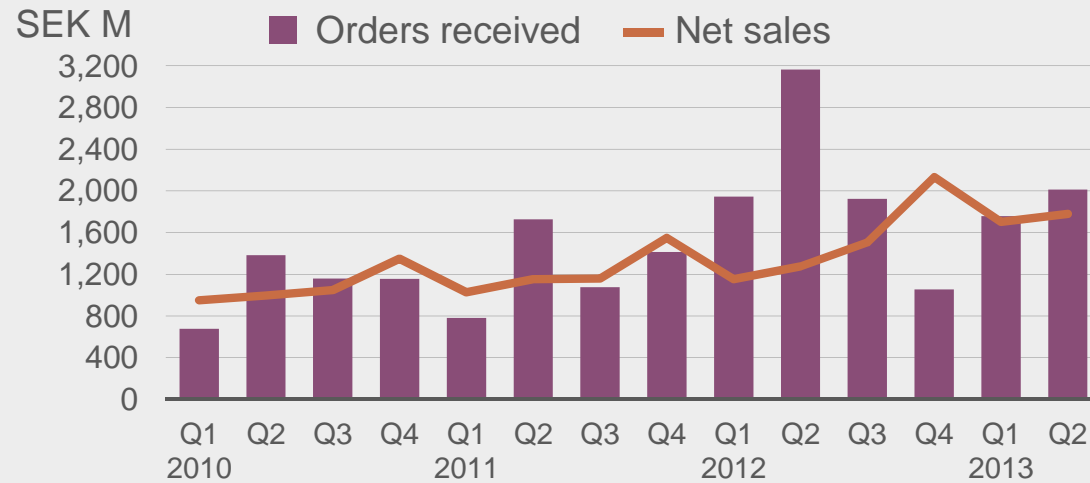
NCC Construction Denmark



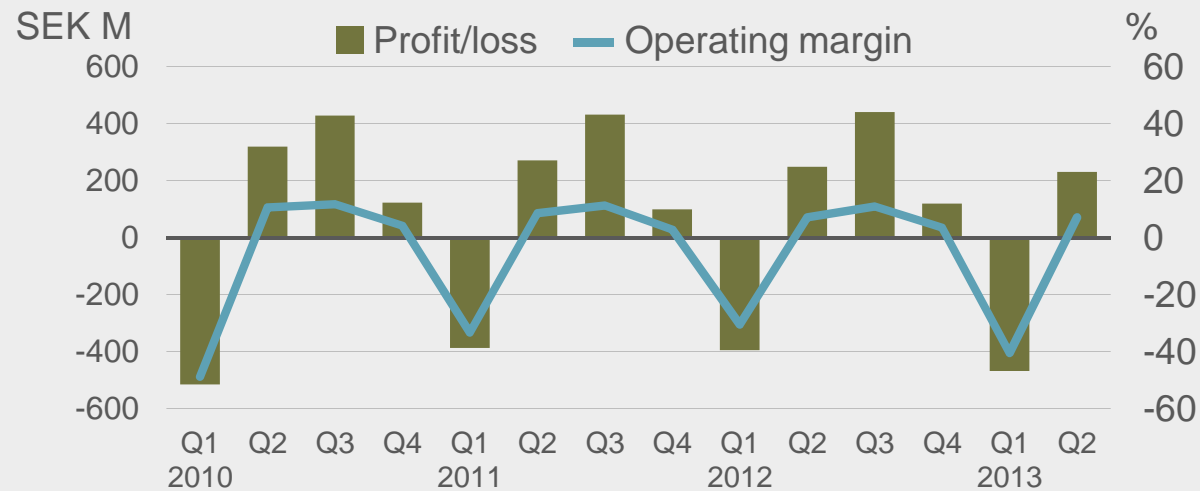
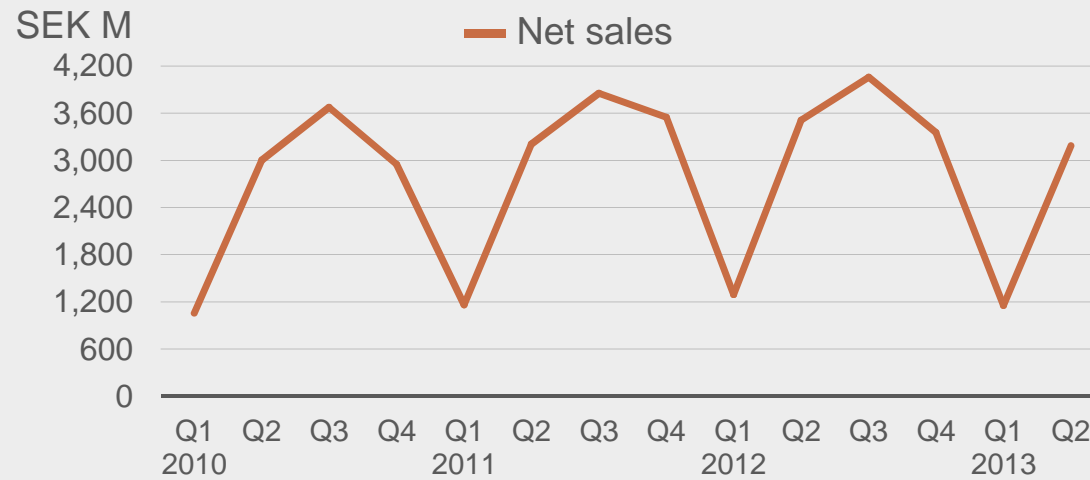
NCC Construction Finland



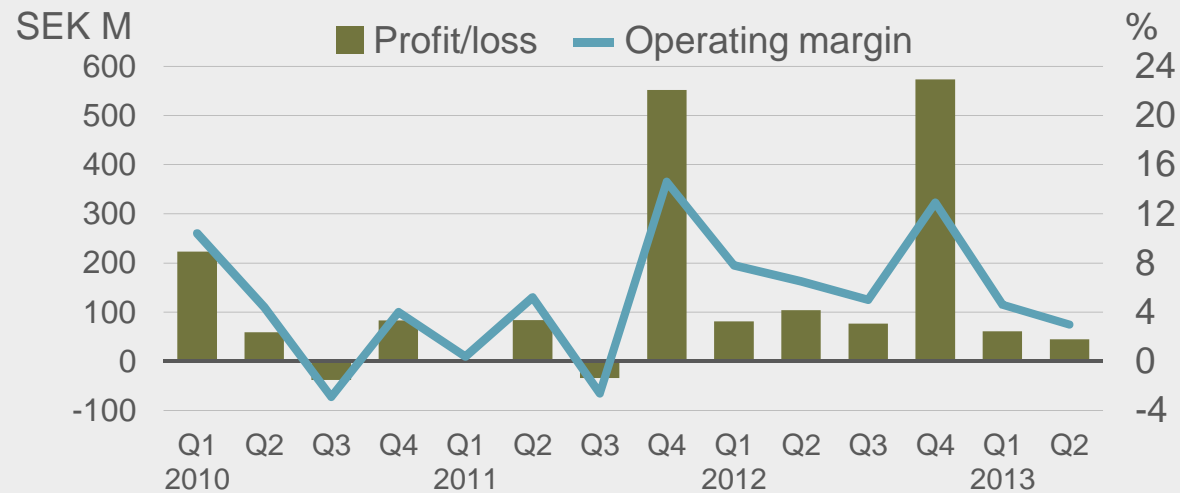
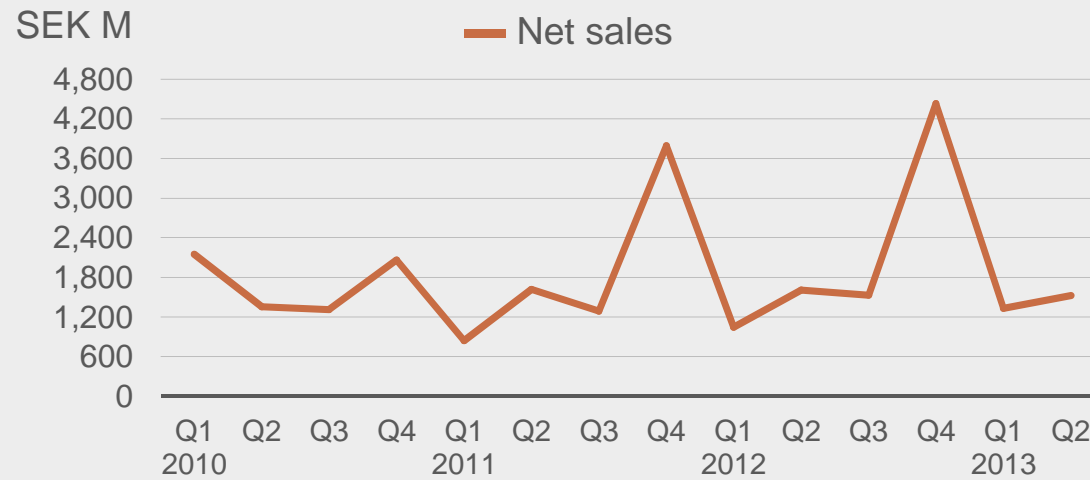
NCC Construction Norway



NCC Roads



NCC Housing



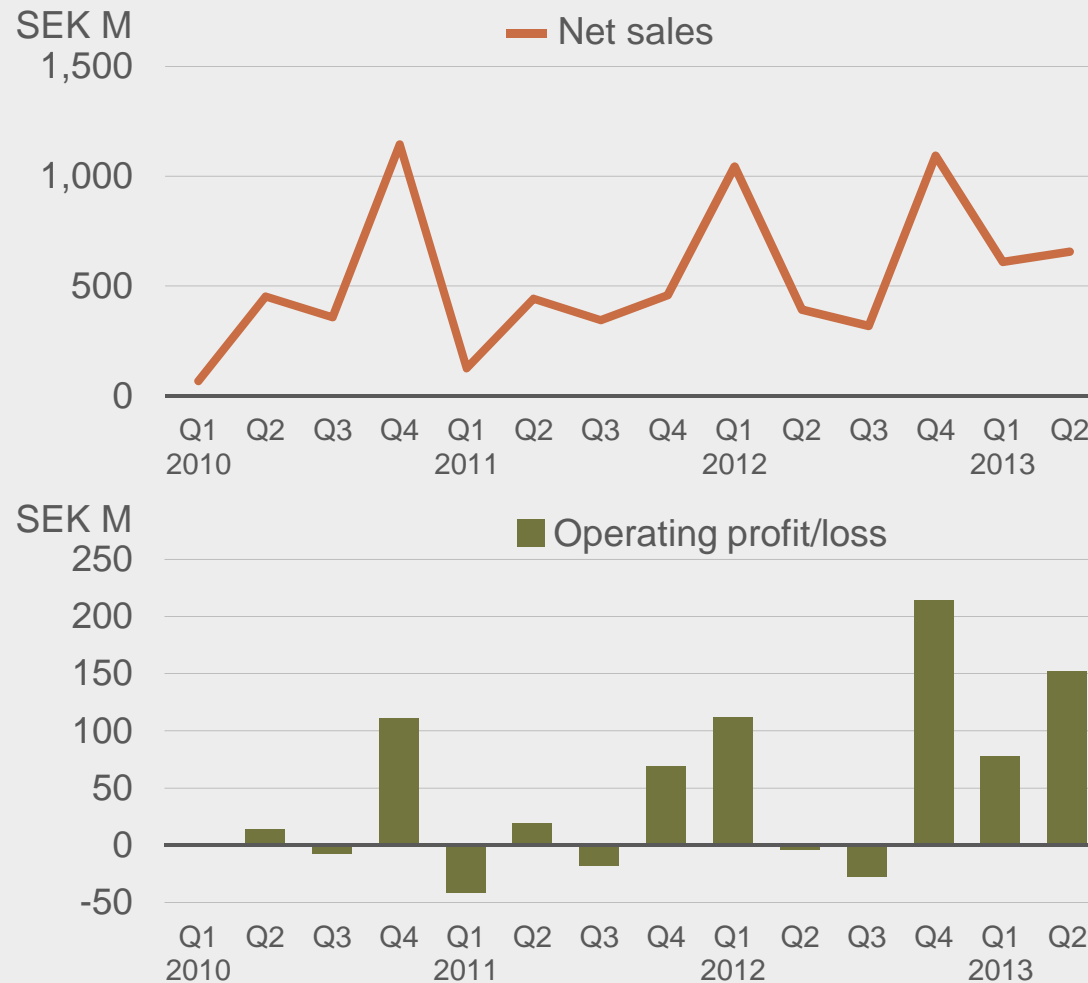
Öland, St. Petersburg, Russia

Housing units recognized in profit

No. of housing units	Apr.–Jun. 2013	Apr.–Jun. 2012
Sweden	145	121
Denmark	13	29
Finland	176	211
Baltic countries	41	38
St. Petersburg, Russia	18	6
Norway	62	58
Germany	89	116
Total, private customers	544	579
Investor market	243	141
Total	787	720



NCC Property Development



Operating profit/loss per business area

SEK M	Apr.–Jun. 2013	Apr.–Jun. 2012	Jan.–Dec. 2012
NCC Construction Sweden	145	134	801
NCC Construction Denmark	47	46	189
NCC Construction Finland	25	13	101
NCC Construction Norway	-115	17	74
NCC Roads	230	249	417
NCC Housing	45	104	835
NCC Property Development	152	-4	295
Other and eliminations	-5	-45	-192
Operating profit	526	512	2,519

Balance sheet

SEK BN	Jun. 30, 2013	Dec. 31, 2012
Goodwill	1.8	1.8
Property projects	6.2	5.3
Housing projects	13.0	11.7
Accounts receivable and receivables from property sales	0.0	0.0

SEK BN	Jun. 30, 2013	Dec. 31, 2012
Development properties	5.2	5.4
Development costs	1.3	1.3
Ongoing housing projects	5.7	4.2
Completed housing units	0.8	0.8
Total housing projects	13.0	11.7



Gigantium, Aalborg, Denmark

Cash flow

SEK M	Apr.–Jun. 2013	Apr.–Jun. 2012	Jul. 2012– Jun. 2013	Jan.–Dec. 2012
From operating activities	-54	451	2,277	2,458
From property projects	-593	-374	-1,499	-928
From housing projects	-637	-776	-1,445	-2,046
Other working capital	95	-1,229	1,719	489
Investing activities	-211	-251	-916	-906
Cash flow before financing	-1,402	-2,179	138	-932



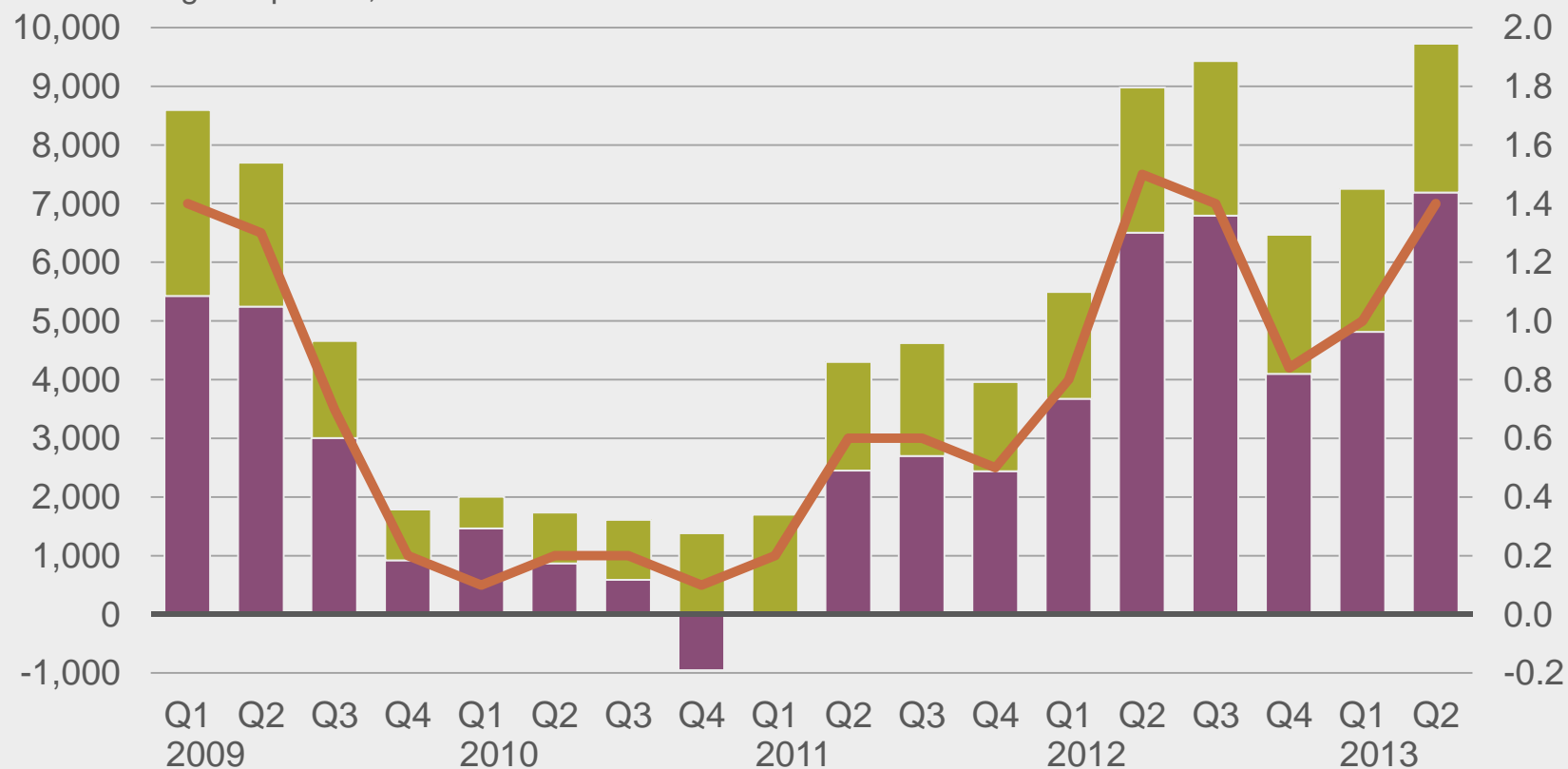
Damsundsbrua, Norway

Net indebtedness

Net indebtedness, tenant owners associations and housing companies, SEK M

Net indebtedness excl. tenant owners associations and housing companies, SEK M

Debt/equity ratio





Ullevigatan, Gothenburg, Sweden

Summary of Q2

- Signs of improvement in the market
- Strong level of orders received
- High order backlog
- Earnings on par with year-earlier period
- Impairment losses for projects in Norway
- Favorable sales of housing units
- Healthy earnings and high leasing rates for NCC Property Development



Amager Bakke, Copenhagen, Denmark



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