

Interim report

January 1 – September 30, 2014

Peter Wågström
President and CEO

Ann-Sofie Danielsson
Chief Financial Officer

Q3 2014 in brief

Orders received

SEK 12,383 M (12,160)

Order backlog

SEK 54,609 M (51,065)

Net sales

SEK 14,796 M (13,129)

Profit after financial items

SEK 881 M (748)



P303 Hageby Backe, Huddinge

January-September 2014 in brief

Orders received

SEK 42,910 M (42,617)

Order backlog

SEK 54,609 M (51,065)

Net sales

SEK 38,106 M (36,749)

Profit after financial items

SEK 1,217 M (929)



Trends in Nordic construction market

Sweden

- Growth in residential

Norway

- Favorable trend in infrastructure

Denmark

- Growth in Copenhagen and Aarhus
– residential and other buildings

Finland

- Challenging market

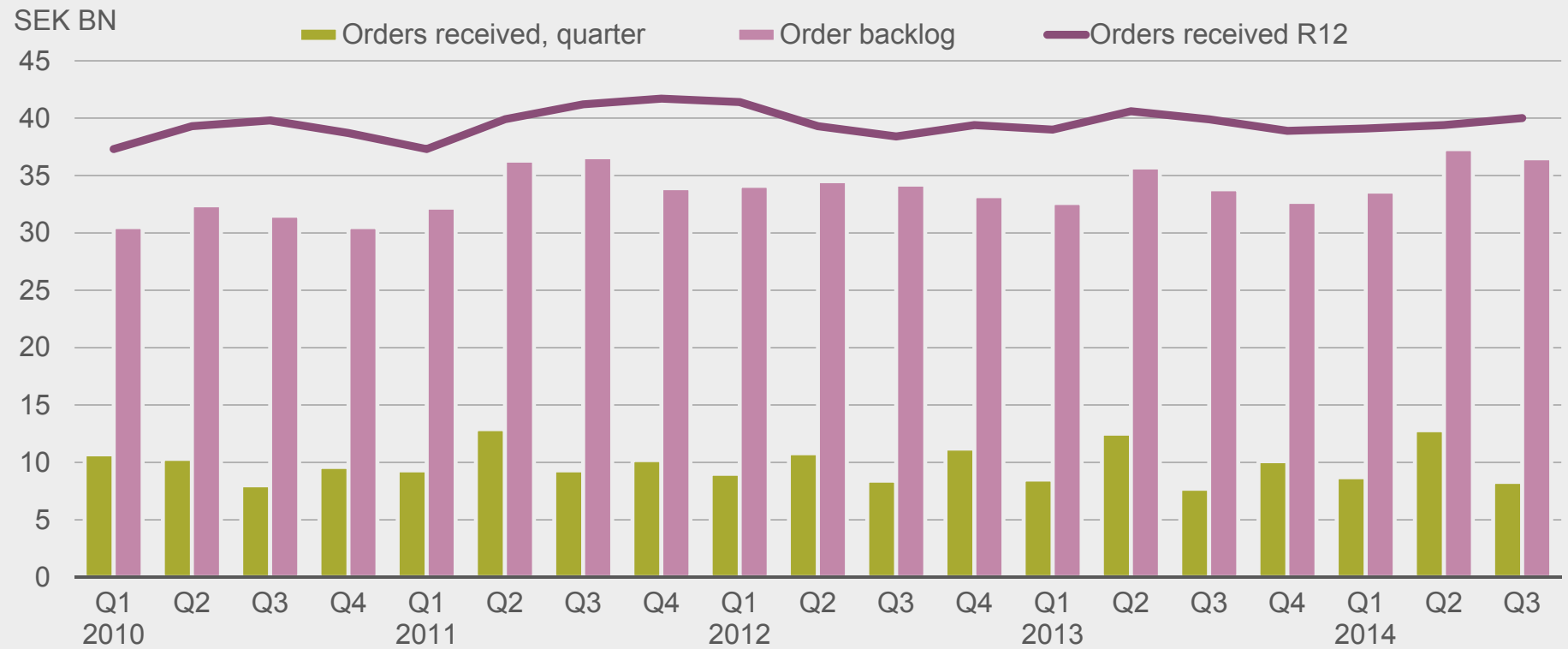
Outlook 2015

- Nordic market growth – stronger
in Sweden and Norway, challenging in Finland



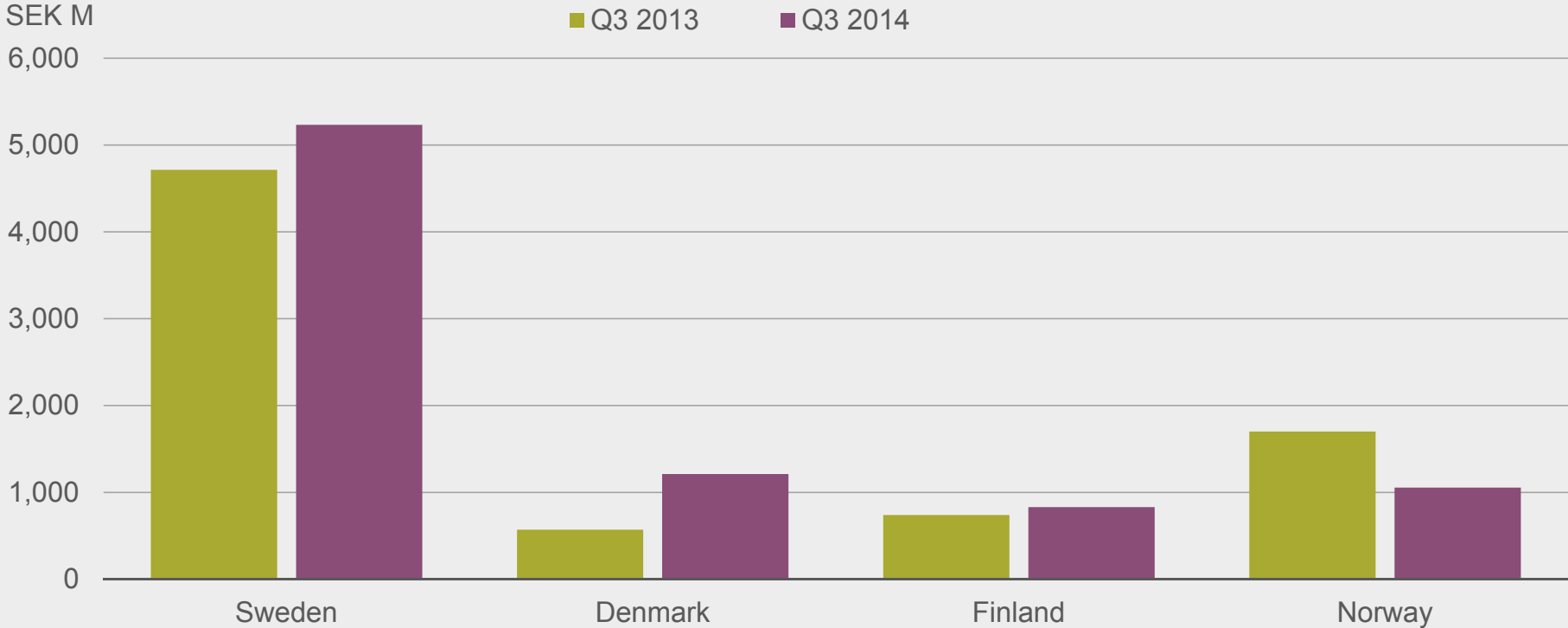
Positive trend orders received

NCC's Construction units



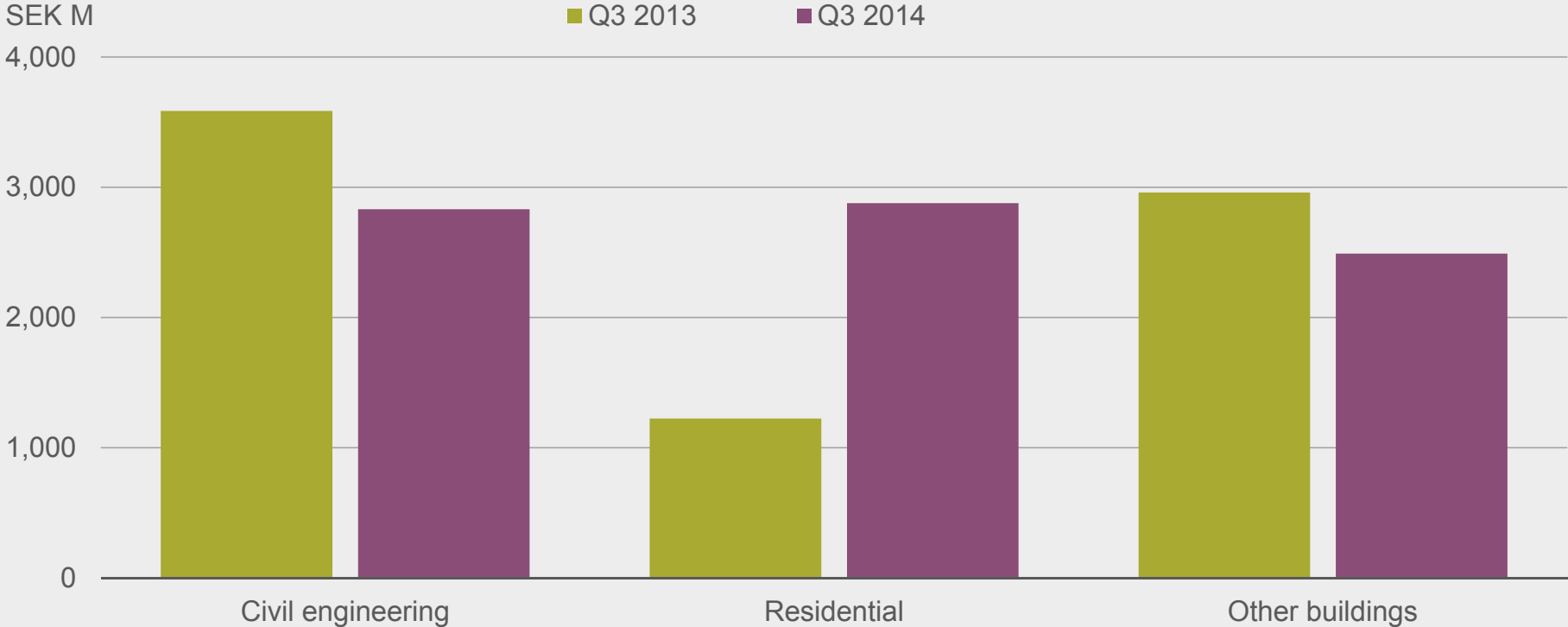
Favorable orders received in Sweden and Denmark

Orders received, NCC Construction units



Increased orders in residential

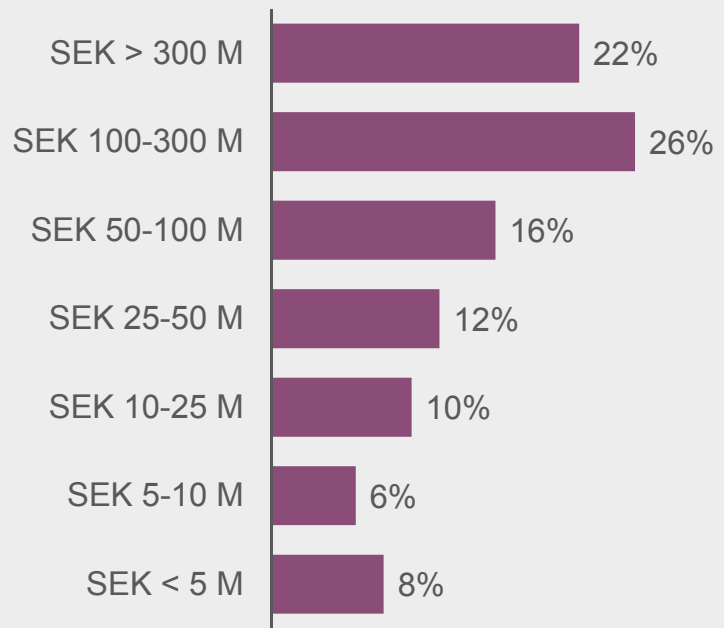
Orders received, NCC Construction units



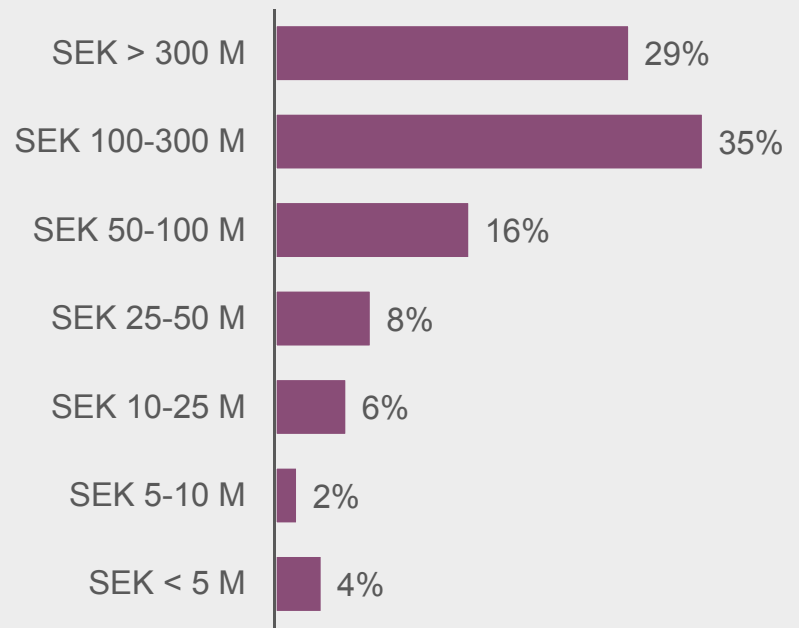
Increased share of mid-sized projects

NCC's Construction units, Q3 2014

Project size, orders received
Total SEK 8.3 BN



Project size, order backlog
Total SEK 36.5 BN

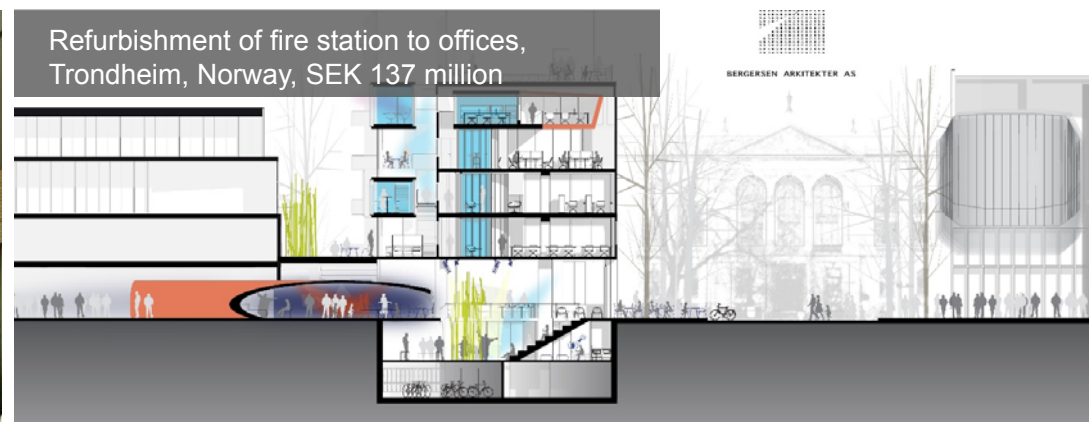


A selection of construction projects in Q3

Frederiks Plads, Aarhus, Denmark,
150 apartments, SEK 283 million



Refurbishment of fire station to offices,
Trondheim, Norway, SEK 137 million



Ystad arena, Sweden,
SEK 205 million



Puijonlaakso, Kuopio, Finland, 153 rental
apartments, SEK 120 million



2014-10-24

NCC AB

Royal College of Music, Stockholm



Trends in stone material, asphalt and road service

The Nordic market

Stone material and asphalt

- Fewer infrastructure projects
- Slightly lower volumes in Q3

Road service

- Stable demand

Outlook 2015

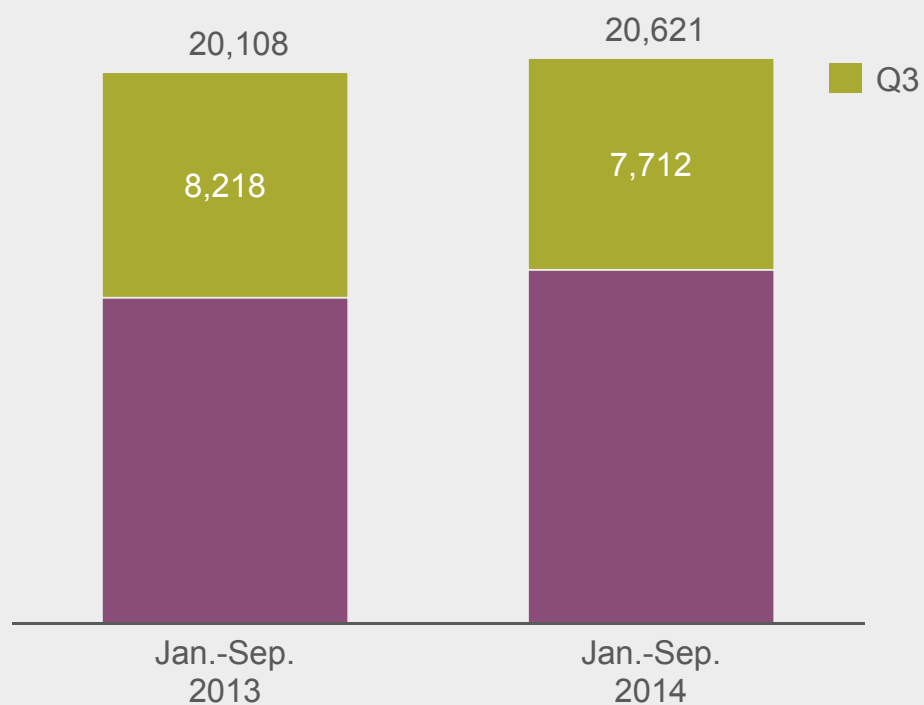
- Higher demand for stone material
- Potential for growth in asphalt



Vestfynske Motorvej, Danmark

Lower volume of stone material in Q3

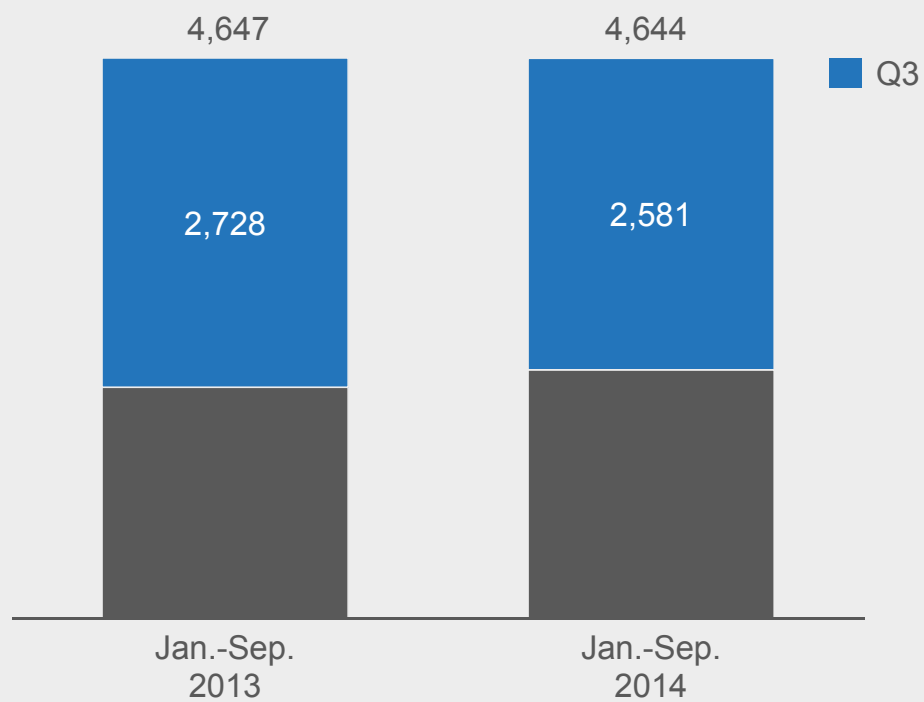
Volumes of stone material sold, thousands of tons



Ohkola, Finland

...and lower asphalt volumes

Volumes of asphalt sold, thousands of tons



Vestfynske Motorvej, Danmark

NCC Spuma

Environmentally friendly weed control gets the highest rating of SundaHus



2014-10-24

NCC AB



14

Trends in residential markets

Private customers

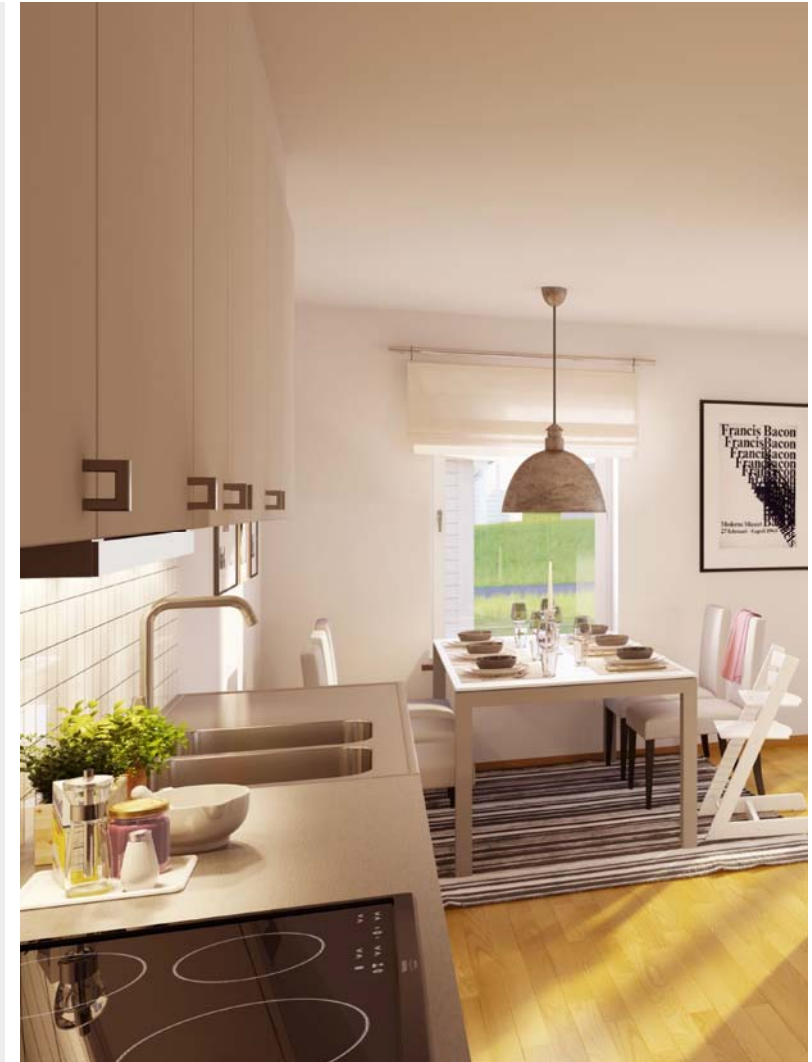
- Favorable market in Sweden, Germany and St. Petersburg
- Challenging market in Finland

Investor markets

- Increased demand for investor packages in Germany and Finland

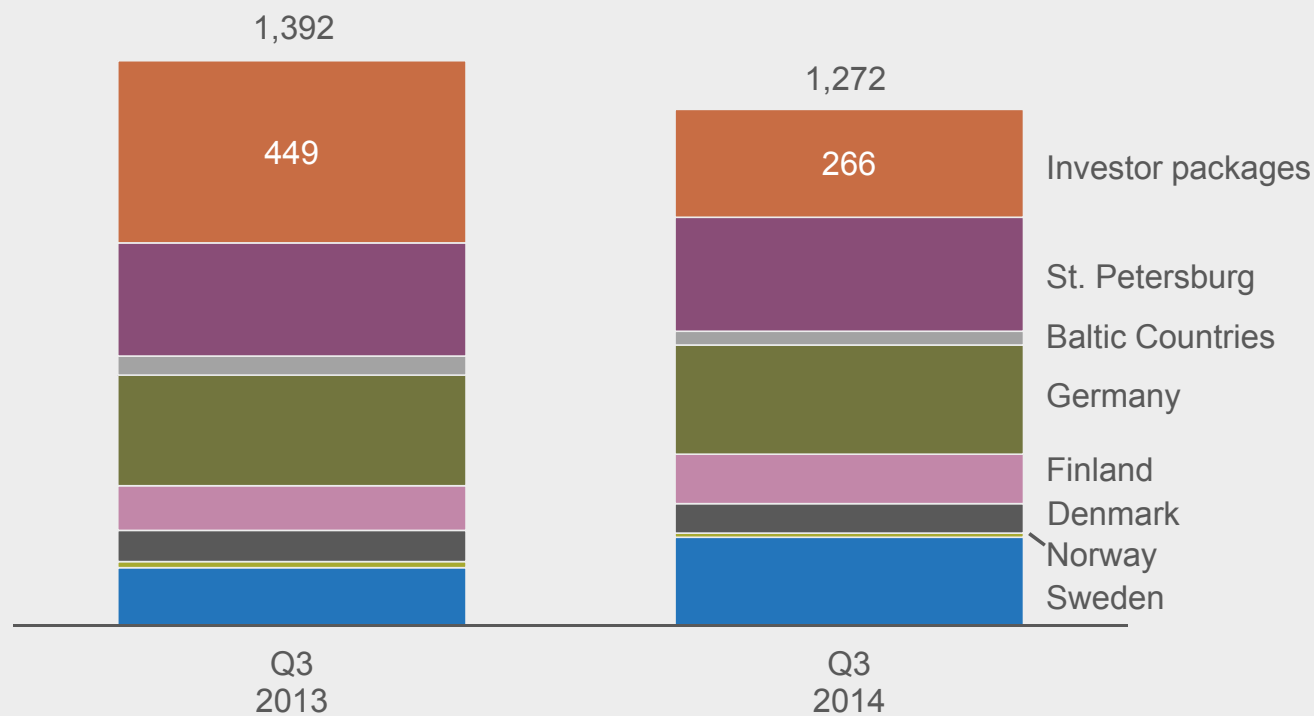
Outlook 2015

- Good demand – especially in Sweden and Germany
- Weak demand in Finland



Higher sales to private customers...

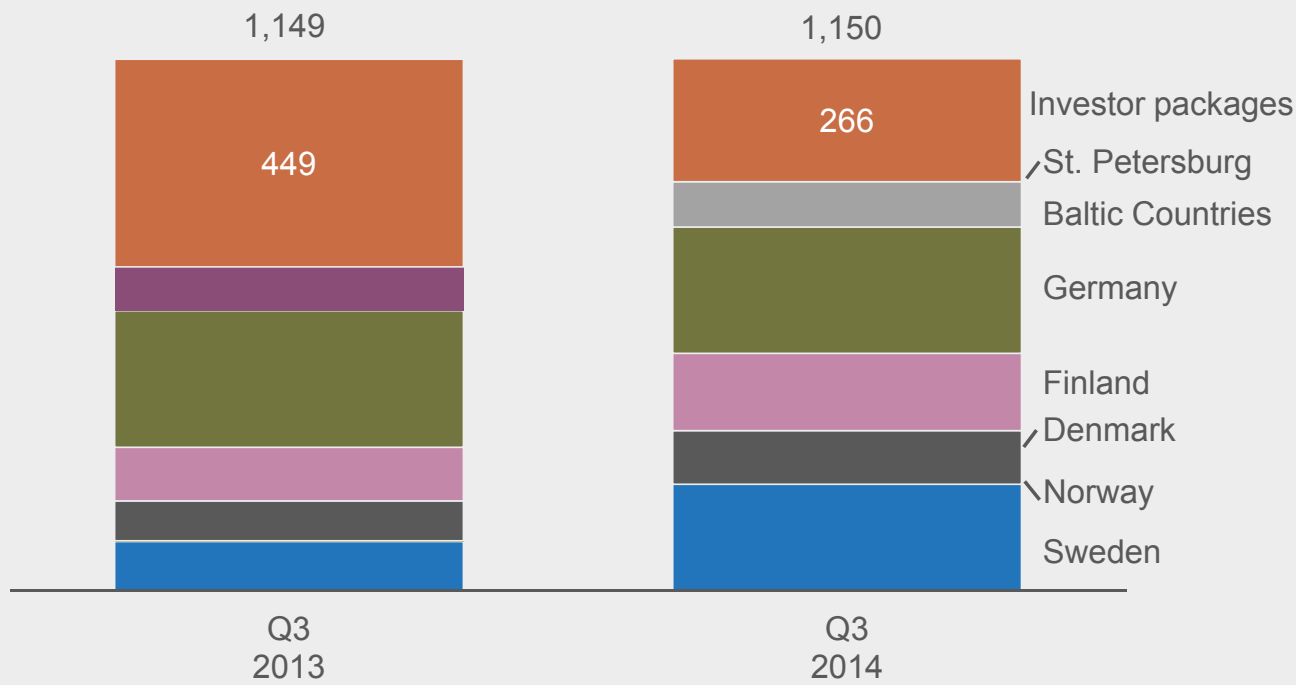
No. of housing units sold



Helsingin Malmi, Finland

...and more starts to private customers

No. of housing starts



Kerbelweg, Hamburg

Some of the started housing projects in Q3

Bisketti, Lauttasaari, Helsinki, Finland
• 44 units



Tollare Torg, Nacka, Sweden
• 82 units



Sulzbach, Frankfurt, Germany
• 47 units

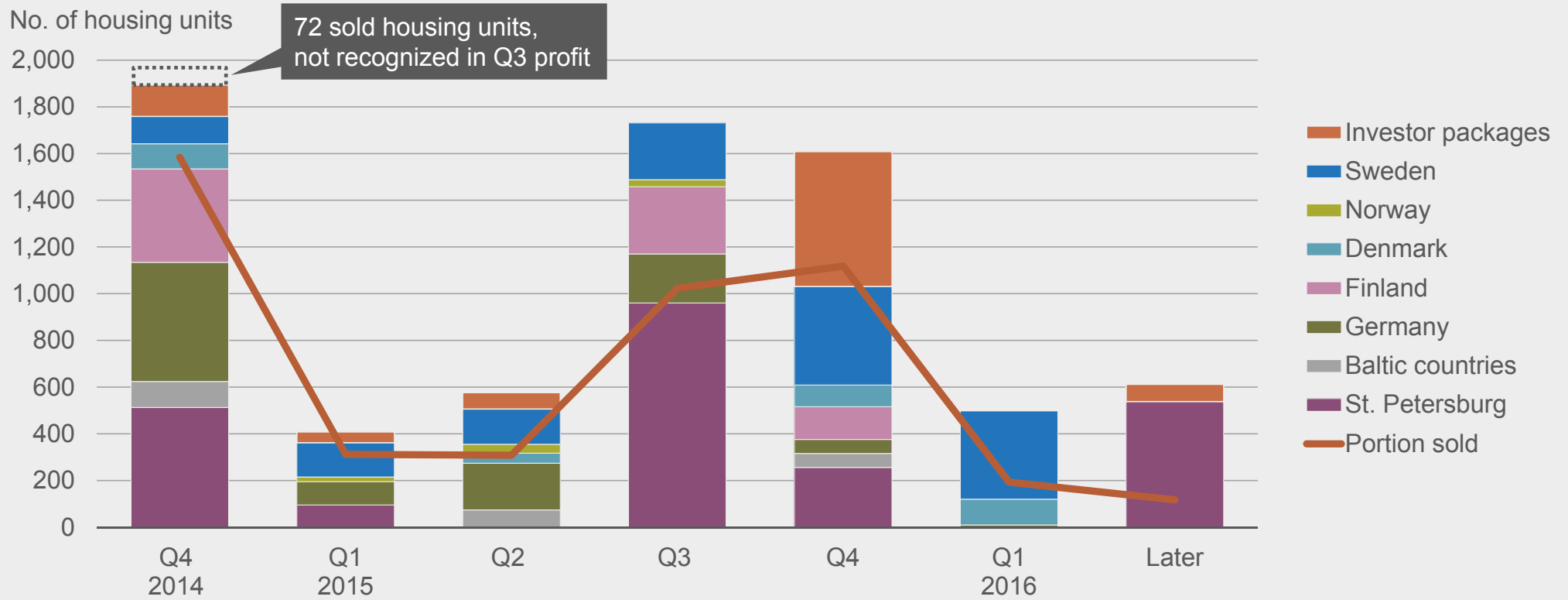


Byhuse I, Havnevig, Copenhagen, Denmark
• 38 units



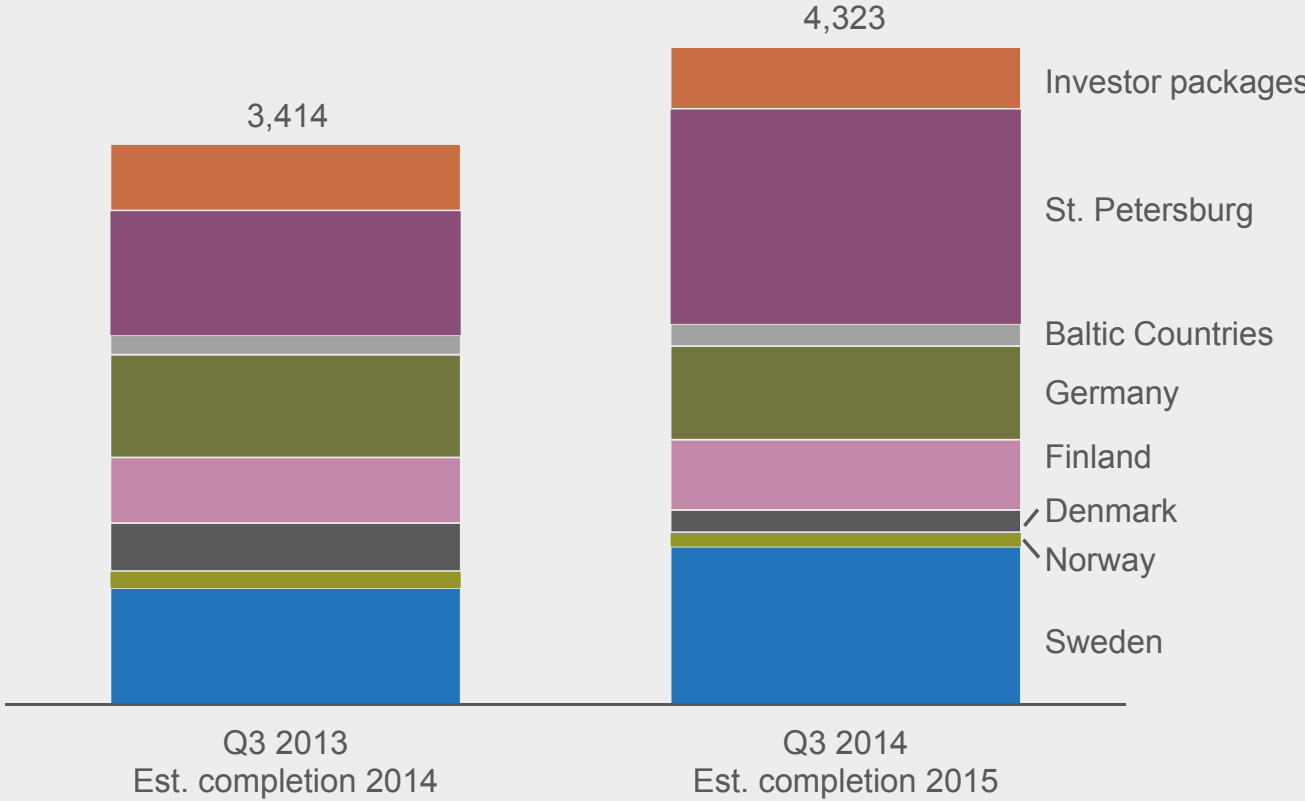
Same trend as previous years

Estimated completion



More housing units to complete 2015

Estimated completions



P303, Hageby Backs, Huddinge

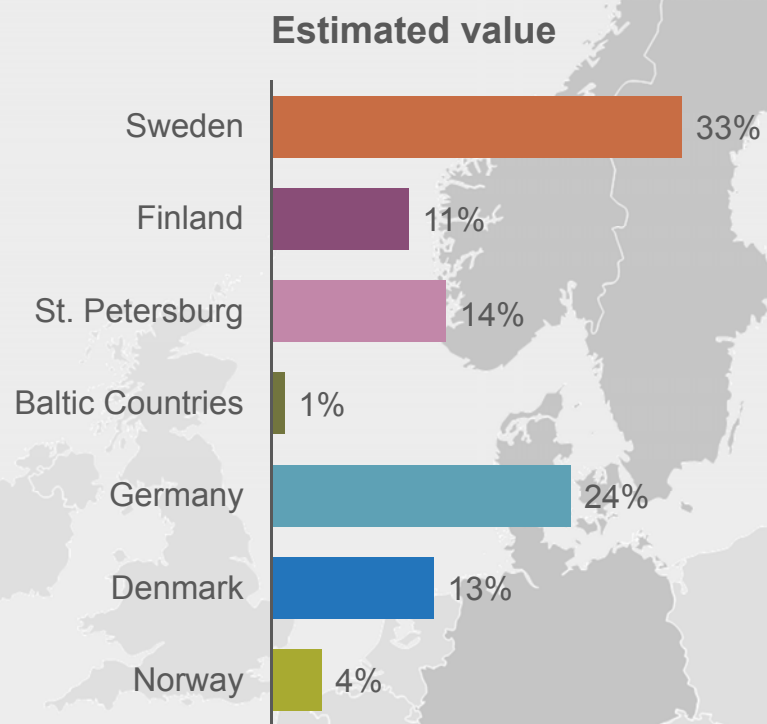
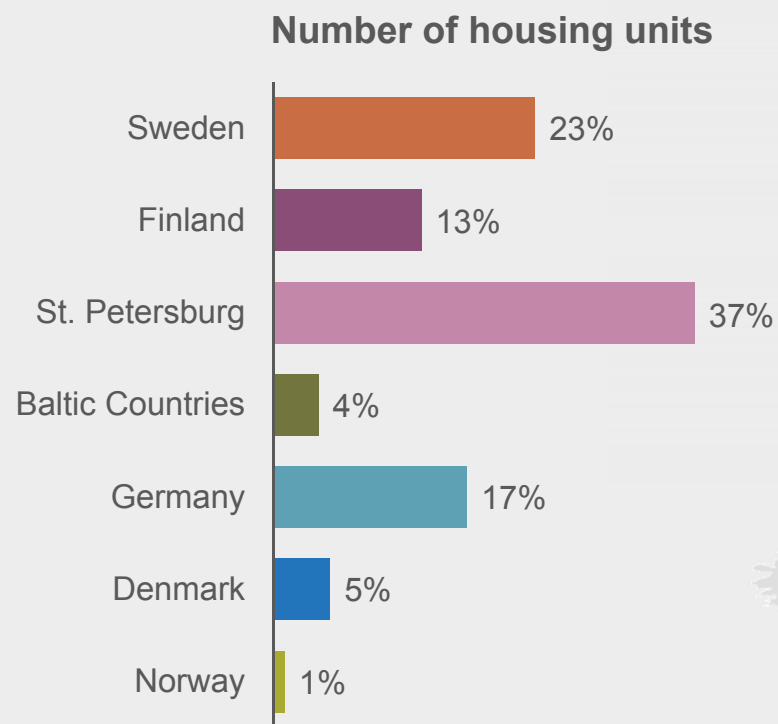
More housing units in ongoing production

	For private customers		For investors		Total	
	Sep. 30, 2014	Dec. 31, 2013	Sep. 30, 2014	Dec. 31, 2013	Sep. 30, 2014	Dec. 31, 2013
Number of housing units						
Ongoing production	6,425	4,831	1,525	1,552	7,950	6,383
Sales rate, %	58	47	100	98	66	59
Completion rate, %	53	49	63	38	55	46



Housing portfolio

*Housing for private customers, ongoing production
September 30, 2014*



Trends in Nordic property market

Investor market

- Increasing interest in the Nordic market
- Finland
 - Cautious investors

Rental market

- Good demand in Sweden
- Stable in Copenhagen and Oslo
- Weaker demand in Finland

Outlook 2015

- Stable interest for Nordic properties



Hyllie, Malmö

Project sales Q3

Project	Type	Price SEK M	Recognized in profit
Vallensbæk Company House III, Vallensbæk	Office	195	Q3 2015



Project starts Q3

Hyllie, Malmö

- 7,300 m² office space
- Leasing rate 40%

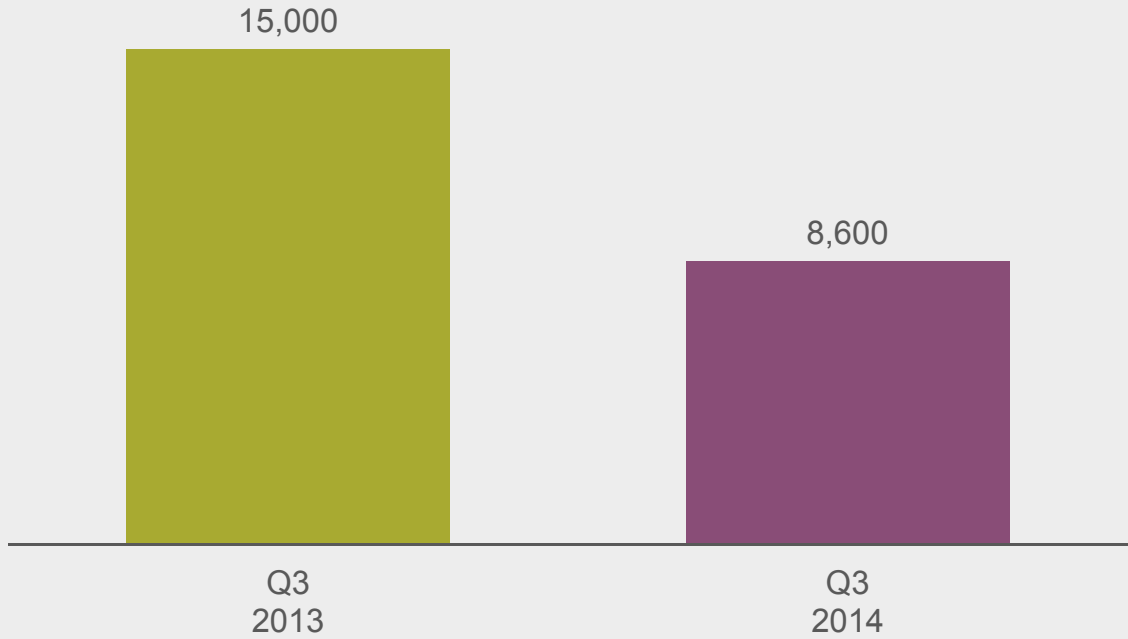
Torsplan 2, Stockholm

- 22,400 m² total space
 - 19,200 m² office space
 - 3,200 m² retail space
- Leasing rate 0%



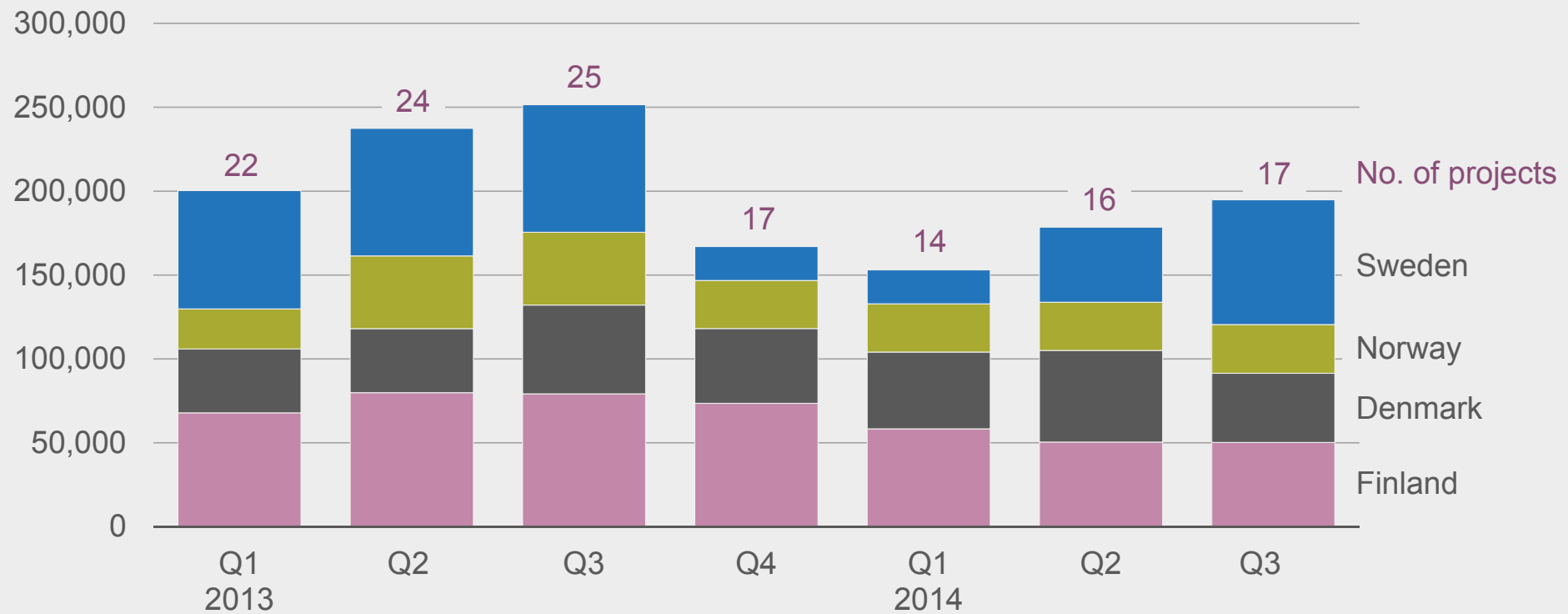
Acceptable leasing rate compared to leasable space

Leased floor space, m²



Sweden – a larger part of the portfolio

Leasable space, m², in ongoing or completed projects not recognized in profit





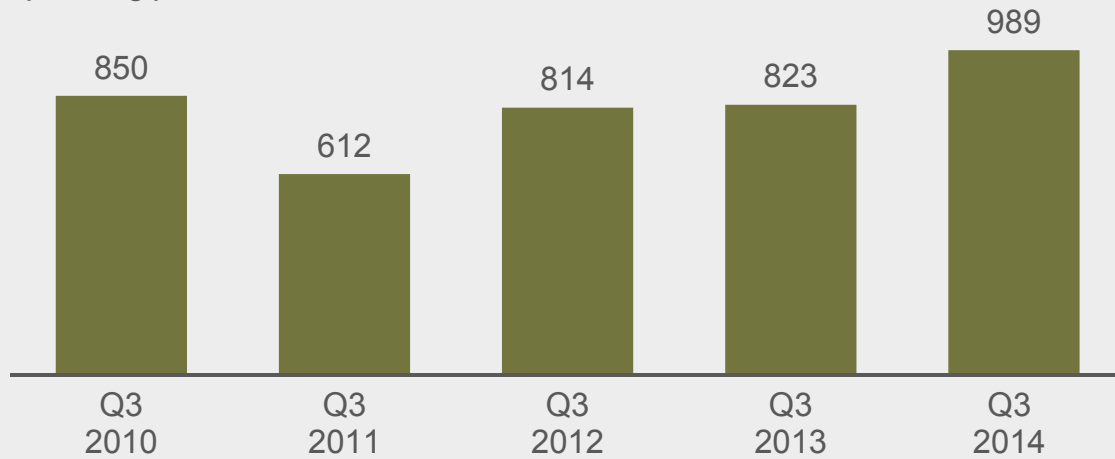
Ann-Sofie Danielsson
Chief Financial Officer

Allermöhe, Hamburg

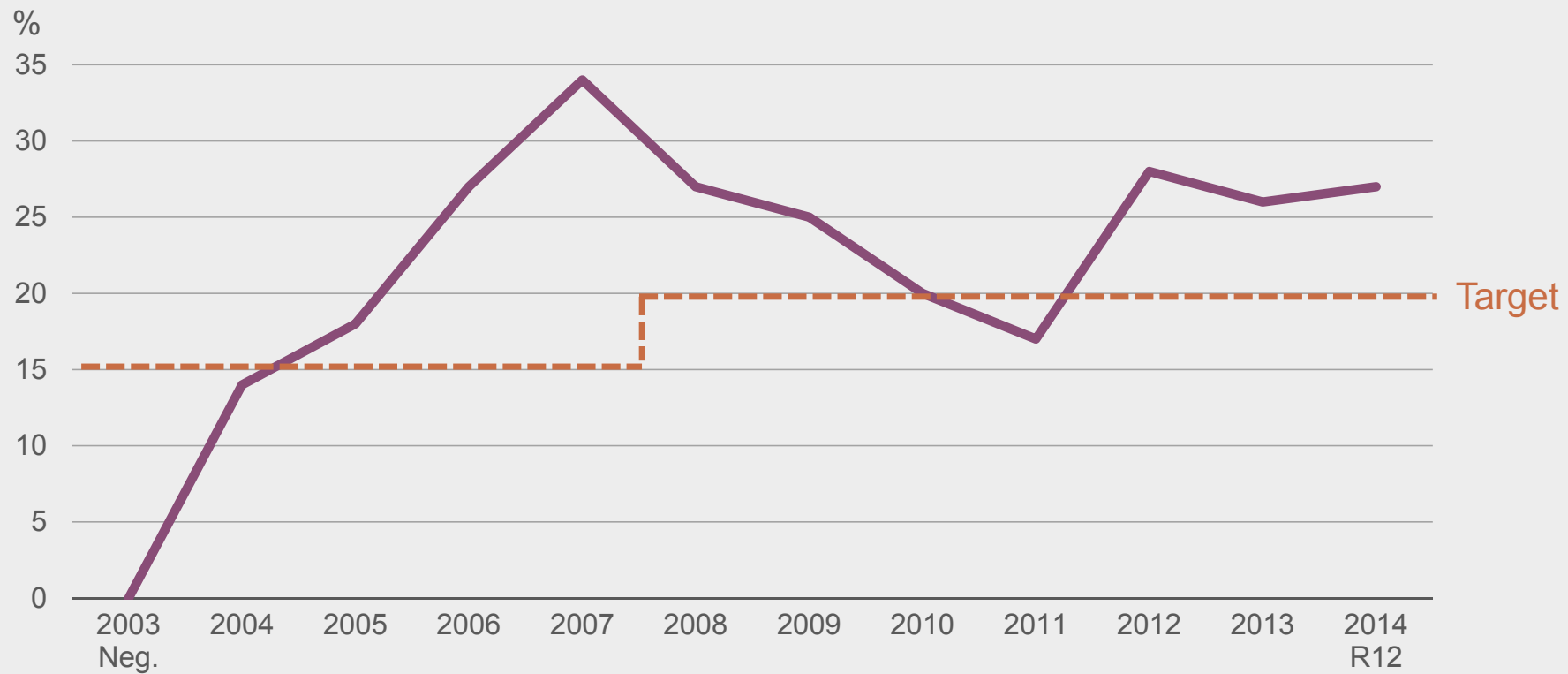
Q3 in brief

- Orders received on a good level
- Improved earnings
- Lower cash flow

Operating profit, SEK M



Return on equity



Income statement

SEK M	Jul.-Sep. 2014	Jul.-Sep. 2013	Oct. 13- Sep. 14	Jan.-Dec. 2013
Net sales	14,796	13,129	59,181	57,823
Gross profit	1,637	1,481	6,091	5,796
Selling and administrative expenses	-653	-670	-3,046	-3,130
<i>Cost ratio</i>	4.4%	5.1%	5.1%	5.4%
Other	4	13	6	14
Operating profit	989	823	3,050	2,679
Financial items	-108	-75	-362	-279
Profit after financial items	881	748	2,689	2,400
Tax on profit for the period	-184	-134	-498	-411
<i>Tax rate</i>	20.9%	17.9%	18.5%	17.1%
Profit for the period	696	614	2,191	1,989

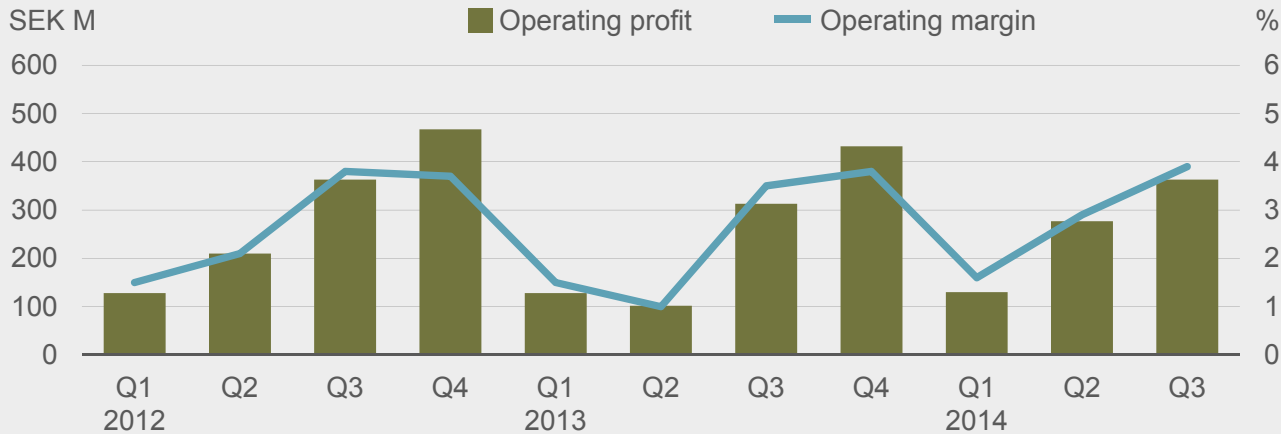
Operating profit per business area

SEK M	Jul.-Sep. 2014	Jul.-Sep. 2013	Oct. 13- Sep. 14	Jan.-Dec. 2013
NCC Construction Sweden	182	192	620	637
NCC Construction Denmark	67	55	249	208
NCC Construction Finland	39	38	152	127
NCC Construction Norway	75	28	180	3
NCC Roads	407	538	379	406
NCC Housing	237	15	921	605
NCC Property Development	36	8	601	713
Other and eliminations	-54	-51	-52	-21
Operating profit	989	823	3,050	2,679

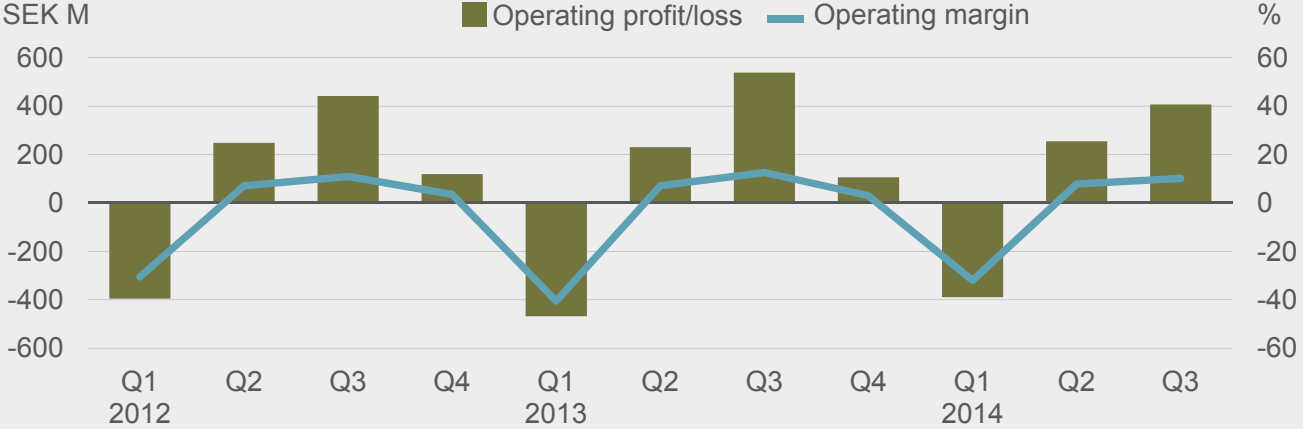
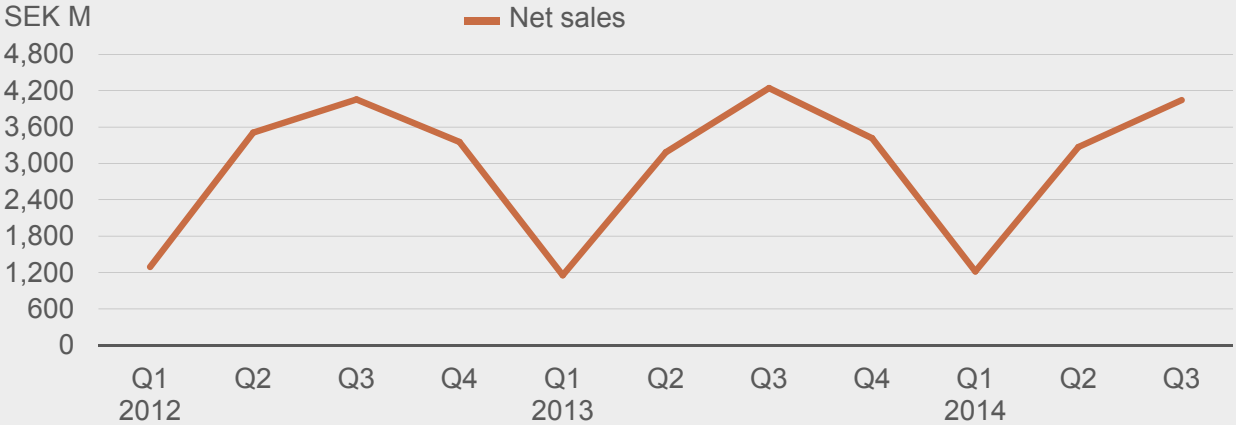
NCC Construction units



- Higher net sales
- Operating margin improved
- Good margins in Denmark and Norway

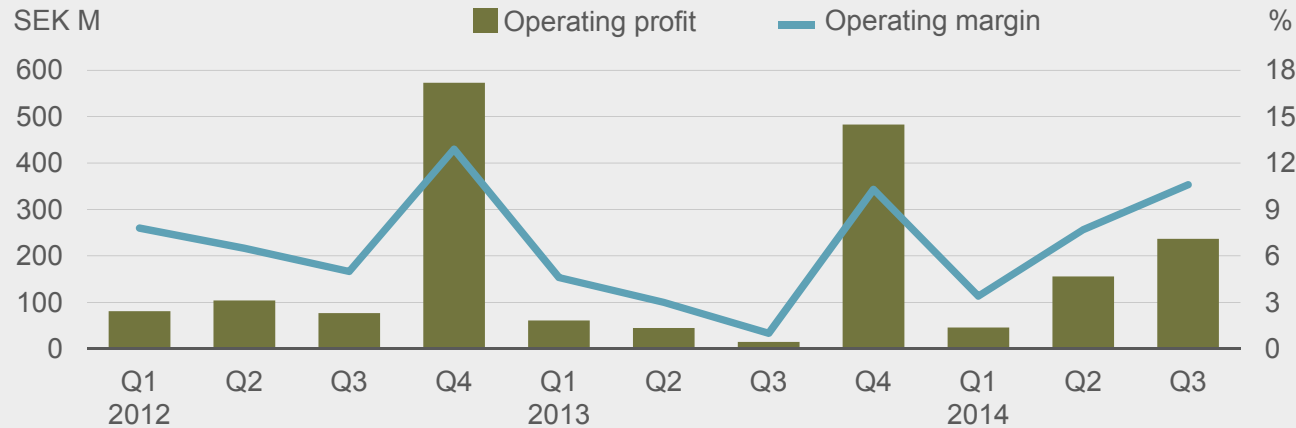
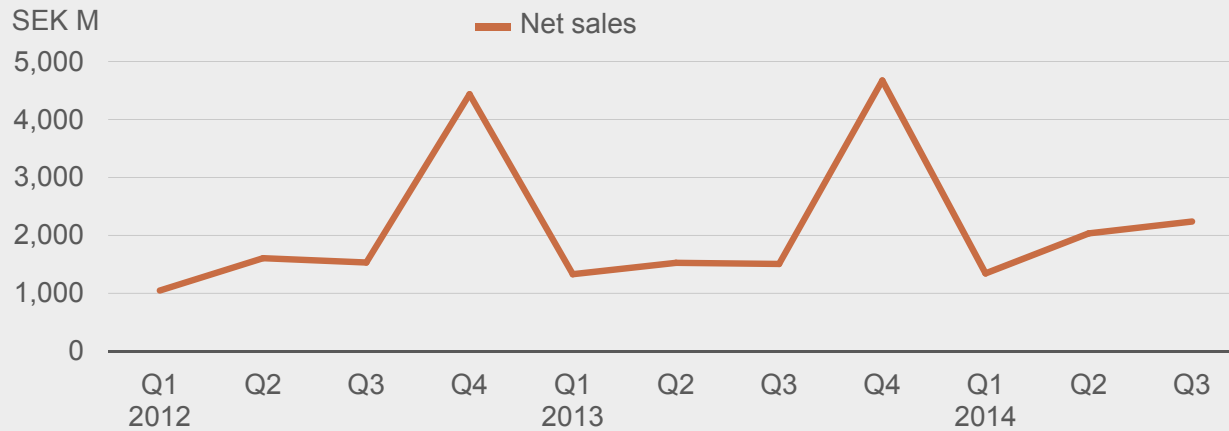


NCC Roads



Ohkola, Finland

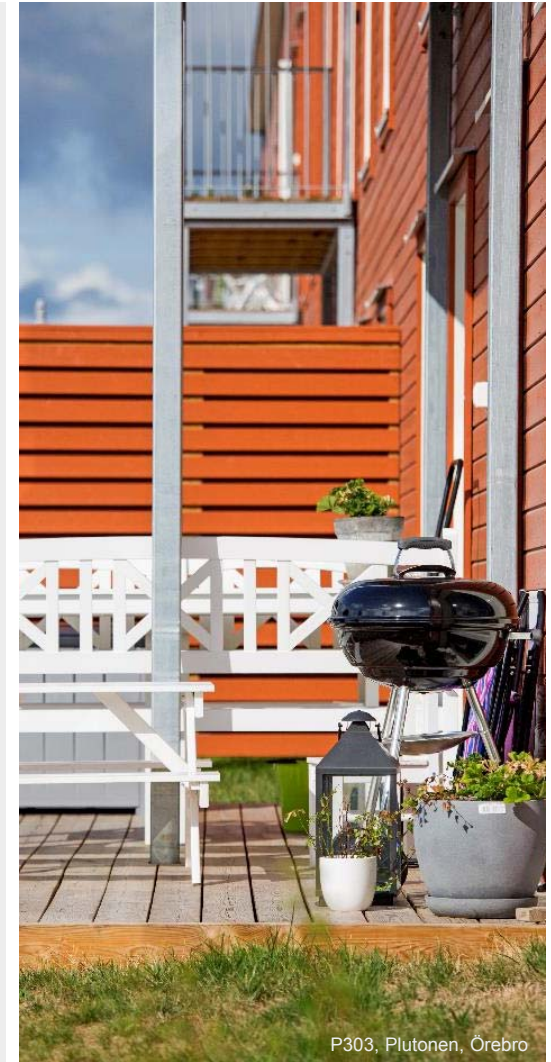
NCC Housing



Kauniaisten Konsuli, Kauniainen

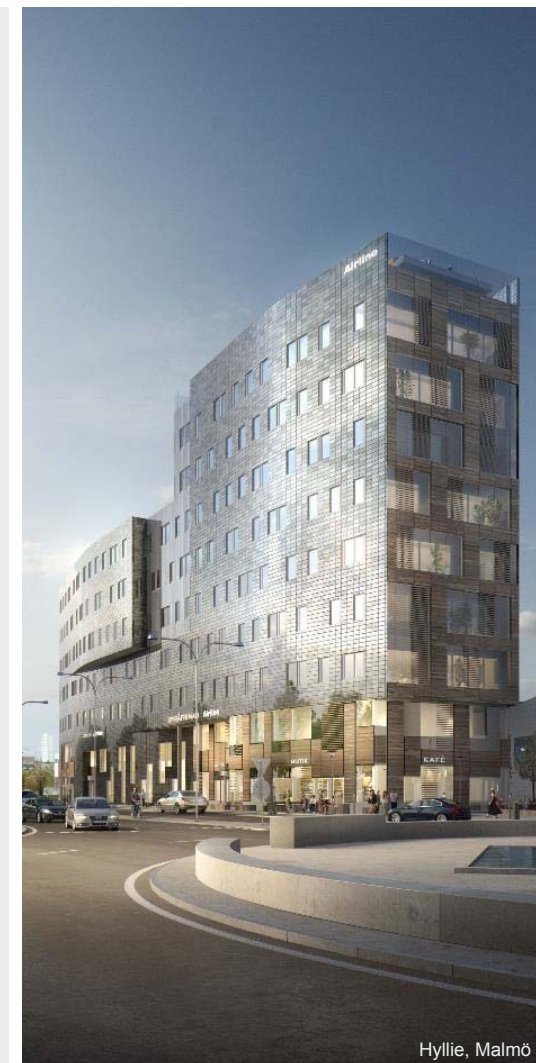
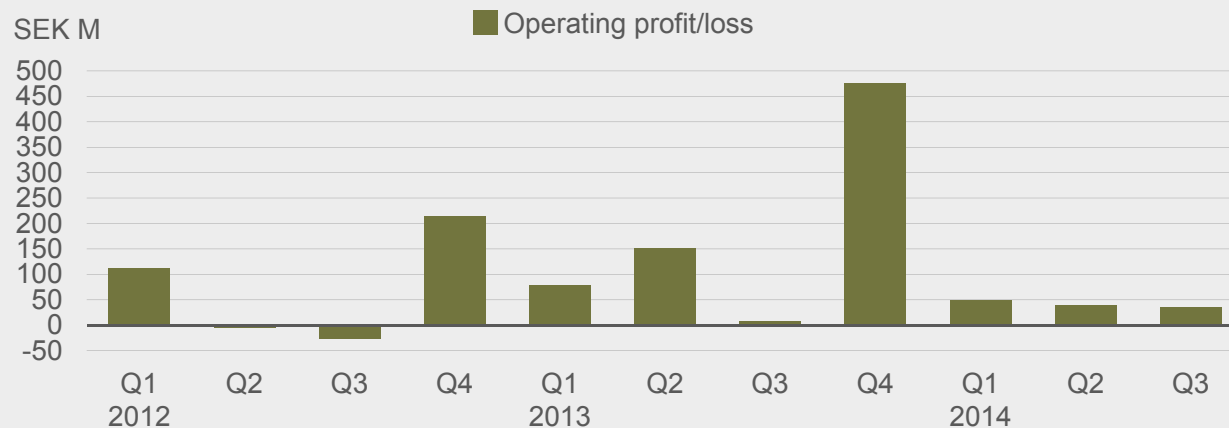
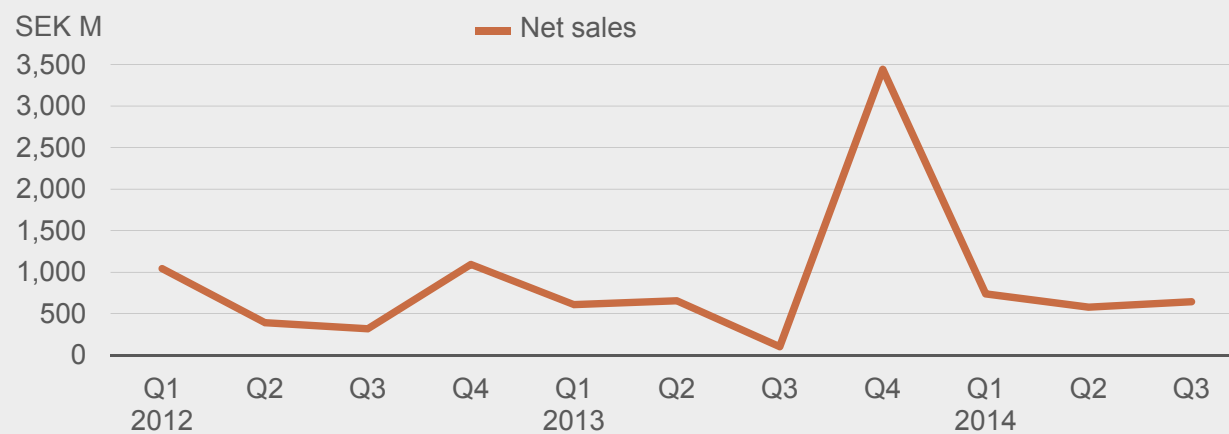
Housing units recognized for profit

Number of housing units	Jul-Sep. 2014	Jul.-Sep. 2013
Sweden	135	144
Denmark	41	34
Finland	114	128
Baltic countries	5	45
St. Petersburg	46	44
Norway	30	22
Germany	176	93
Total, private customers	547	510
Investor packages	507	0
Total	1,054	510



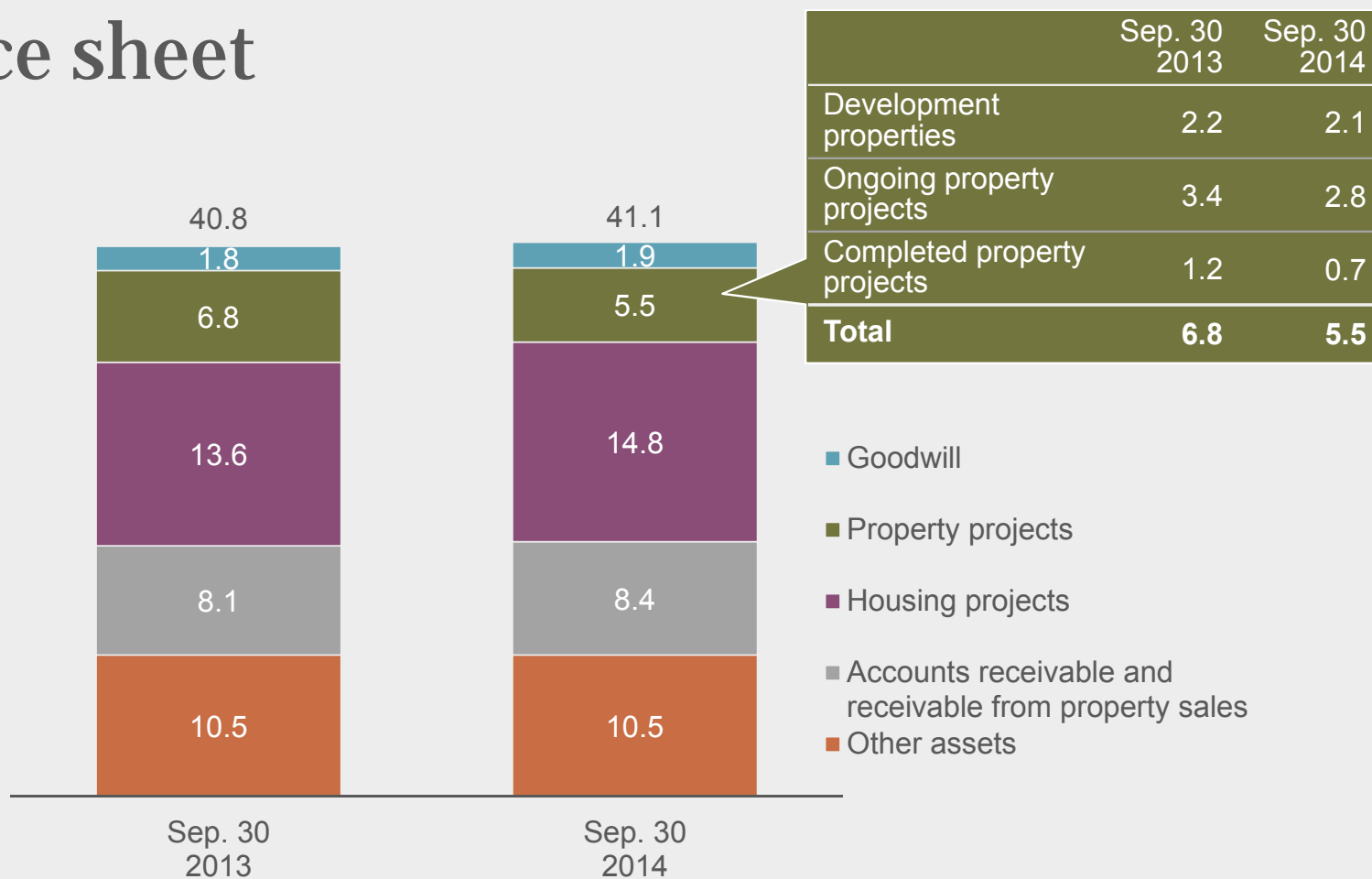
P303, Plutonen, Örebro

NCC Property Development



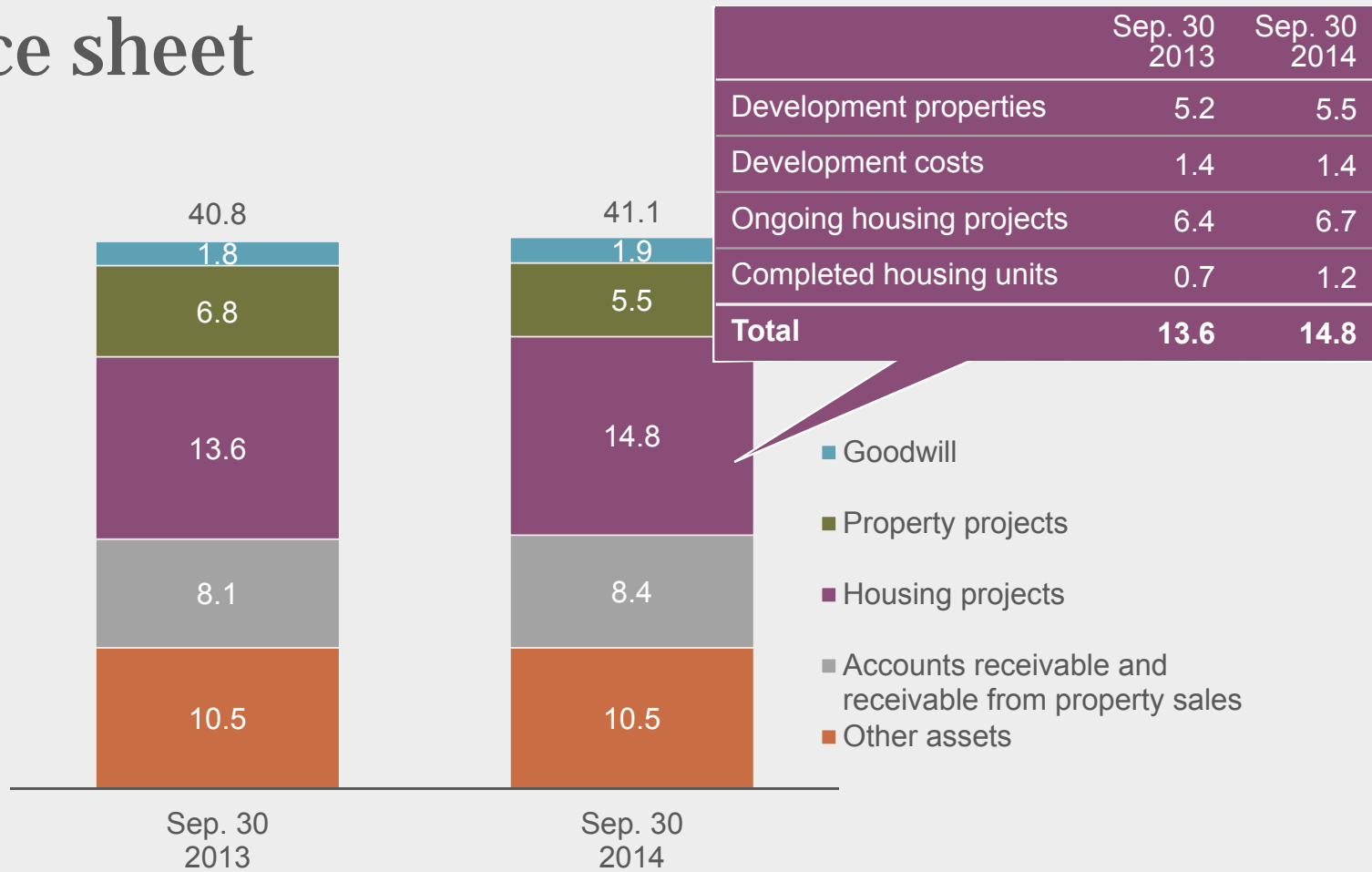
Balance sheet

SEK BN



Balance sheet

SEK BN



Completed housing not profit recognized

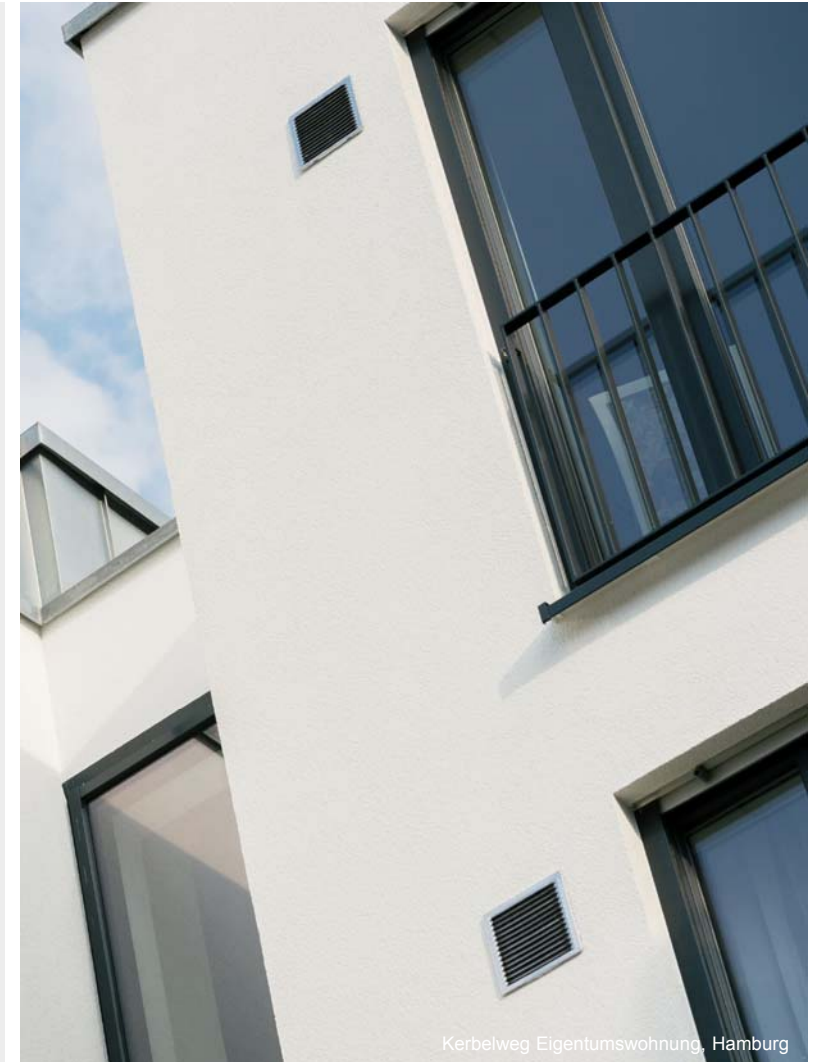
No. of housing units	Sep. 30 2014	Sep. 30 2013
Sweden	121	61
Denmark	18	27
Finland	118	89
Baltic countries	18	28
St. Petersburg	69	12
Norway	35	18
Germany	46	28
Total, private customers	425*	263

*Of the completed 72 (19) were sold and 69 (62) are show houses



Dividend – two payments

	SEK M
April 10	647
October 31 (record date October 28)	647
Total	1,294



Kerbelweg Eigentumswohnung, Hamburg

Lower cash flow

SEK M	Jul.-Sep. 2014	Jul.-Sep. 2013	Jan.-Sep. 2014	Jan.-Sep. 2013	Jan.-Dec. 2013
From operating activities	963	830	846	690	2,321
From property projects	-335	-492	-336	-1,324	280
From housing projects	-498	-775	-1,821	-2,045	-845
Other working capital	-578	394	-947	687	775
Investing activities	-180	-185	-596	-587	-870
Cash flow before financing	-627	-227	-2,854	-2,579	1,661

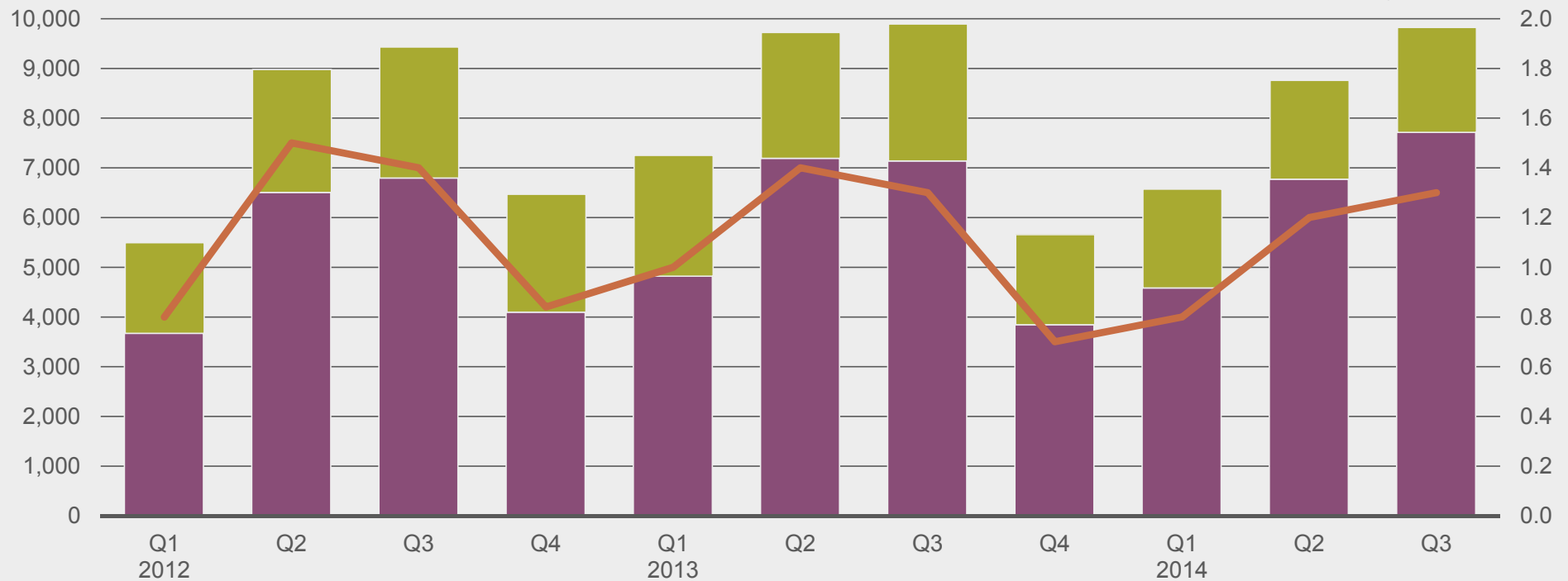


Tyresö Aquarena

Net indebtedness

Net indebtedness, tenant housing and housing associations, SEK M

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



Net indebtedness

SEK M	Jul.-Sep. 2014	Jul.-Sep. 2013	Jan.-Sep. 2014	Jan.-Sep. 2013
Net indebtedness opening balance	-8,760	-9,722	-5,656	-6,467
Cash flow	-627	-227	-2,854	-2,579
Sale/acquisition of treasury shares	0	0	0	-28
Change in pension liabilities	-435	56	-666	239
Dividend	0	0	-647	-1,080
Other changes	-1	0	0	21
Net indebtedness closing balance	-9,823	-9,893	-9,823	-9,893



Jernbanen Porsgrunn, Norway



Summary Q3 2014

- Improved earnings in Housing
- Orders received on a good level
- Strong order backlog
- Lower earnings in Roads

Overall a positive quarter



Capital Markets Day

- November 25 in Stockholm
- Focus on residential, Construction Sweden and Denmark
- Followed by a debate on housing policy
- Register before November 18 on ncc.se/investor_relations



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