



Interim report

January 1 – September 30, 2016

Lower earnings but favorable orders received by NCC in the third quarter

- Orders received in the third quarter increased to SEK 12,578 M (10,090) and for the report period rose to SEK 40,239 M (35,802).
- Net sales amounted to SEK 13,572 M (13,320) in the third quarter and to SEK 36,415 M (36,848) for the report period.
- Profit after financial items was SEK 471 M (715) in the third quarter and SEK 711 M (1,001) for the report period.
- Profit after tax was SEK 387 M (572) in the third quarter and SEK 584 M (804) for the report period. Profit after tax for remaining and discontinued operations was SEK 387 M (647) in the third quarter and SEK 7,482* M (879) for the report period.
- Earnings per share amounted to SEK 3.54 (5.29) in the third quarter and to SEK 5.36 (7.43) for the report period. Earnings per share for remaining and discontinued operations were SEK 3.54 (5.98) in the third quarter and SEK 69.16* (8.12) for the report period.

Group, SEK M	2016	2015	2016	2015	Oct. 15-	2015
	Jul.-Sep.	Jul.-Sep.	Jan. -Sep.	Jan. -Sep.	Sep. 16	Jan. -Dec.
Orders received	12,578	10,090	40,239	35,802	55,929	51,492
Order backlog	47,219	41,517	47,219	41,517	47,219	41,538
Net sales	13,572	13,320	36,415	36,848	52,683	53,116
Operating profit/loss	503	721	792	1,027	1,426	1,661
Profit/loss after financial items	471	715	711	1,001	1,332	1,623
Net profit/loss for the period	387	572	584	804	1,101	1,321
Net profit/loss for the period after tax for continuing and discontinued operations	387	647	7,482	879	8,723	2,120
Profit/loss per share after dilution, SEK	3.54	5.98	69.16	8.12	80.65	19.59
Cashflow before financing	-106	1,004	-2,533	-1,074	1,874	3,331
Equity/asset ratio, %	18	19	18	19	18	25
Net indebtedness	2,756	9,130	2,756	9,130	2,756	4,552

For definitions of key figures, see www.ncc.group/Investor-relations/Financial-data/Financial-definitions

* In this report, Bonava is reported as a discontinued operation according to IFRS 5 (see accounting policies on page 16 and Note 4) and is included in NCC's income statement up to June 7, 2016. Earnings from discontinued operations comprise Bonava's profit for January 1 to June 7 plus the difference between Bonava's market capitalization on its listing date and Bonava's equity at the spinoff date.

CEO Peter Wågström comments

Earnings in the third quarter were a disappointment, mainly due to impairment losses on projects in Norway. However, it was gratifying to note that NCC's positive order trend continued in the third quarter, with a 25-percent year-on-year rise in orders received. The favorable trend of orders received is now beginning to impact somewhat on sales, which increased slightly in the quarter compared with the year-earlier period.

Favorable market conditions

The outlook for NCC's markets is generally favorable. Orders received in the third quarter were 25 percent higher year-on-year and the increase for the first nine months of the year was 12 percent. In the quarter, orders received were primarily driven by housing and offices, and during the report period also by large-scale civil engineering projects. During the year to date, we have added to our order backlog, which totaled SEK 47.2 billion at the end of the period, a rise of SEK 5.7 billion year-on-year.

Impairment losses bringing down construction operations

As previously communicated, the management of the new business areas, NCC Building and NCC Infrastructure, has scrutinized the Norwegian part of the operations, thus resulting in impairment losses of SEK 290 M on projects in the quarter.

Orders received have increased during the year to date and are now beginning to have an impact, particularly in NCC Building, whose sales rose 9 percent in the quarter. Although orders received by NCC Infrastructure increased in the quarter, the higher order backlog has yet to impact on sales, which matched the year-earlier level. The earnings in these business areas were close to zero in the quarter.

Positive trend in the industrial business

NCC Industry continues to perform better year-on-year, with third-quarter improvements in both earnings and the operating margin. The reasons underlying the earnings improvements were a slightly higher volume of stone materials and asphalt sold year-on-year, an improved product mix and effects of restructuring measures implemented in Denmark in 2015.

Lower earnings in the property development business

Lower net sales and margins led to reduced earnings for NCC Property Development in the quarter. Two new property projects were started, one in Finland and one in Denmark.

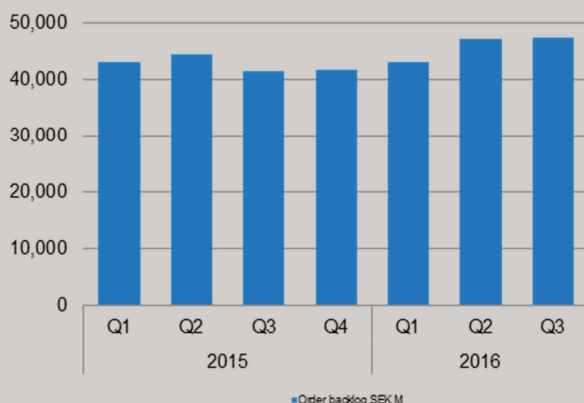
Growth and costs

Our selling and administrative expenses increased during the year, while the favorable orders received have yet to generate growth in sales. Our aim over time is to maintain selling and administrative expenses at around 5 percent of sales and we are now reviewing the Group's cost structure on the basis of this objective.

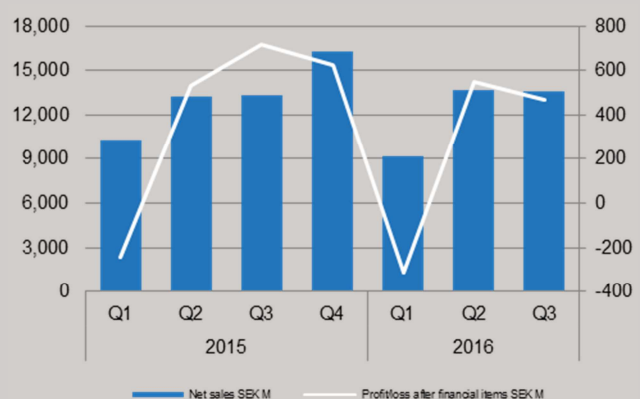


Peter Wågström, President and CEO
Solna, October 28, 2016

Order backlog



Net sales and profit/loss financial items



The diagrams show NCC's performance excluding Bonava.

Group performance

The period January-September 2016

Orders received and order backlog

Orders received increased to SEK 12,578 M (10,090) in the quarter and to SEK 40,239 M (35,802) for the report period. Orders received within NCC Building and NCC Infrastructure in the third quarter were higher as a result of healthy orders received within, for example, housing and roads. Orders received by NCC Industry were higher, mainly for stone materials operations. Orders received during the period were impacted by negative exchange-rate effects of SEK 292 M compared with the year-earlier period.

The Group's order backlog totaled SEK 47,219 M (41,517). Changes in exchange rates increased the value of the order backlog by SEK 1,180 M during the period.

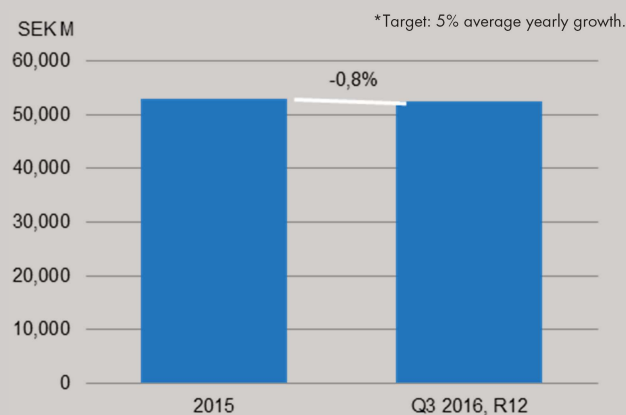
Net sales and earnings

Net sales totaled SEK 13,572 M (13,320) in the quarter. Slightly higher sales in the second and third quarter failed to fully offset the lower first-quarter sales. Net sales for the period totaled SEK 36,415 M (36,848). NCC Building reported higher sales in both the quarter and the period.

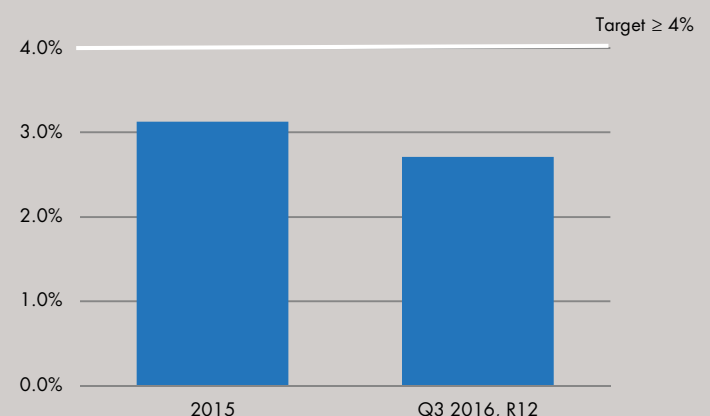
NCC Infrastructure reported lower sales. NCC Industry's sales matched the year-earlier level. Sales reported by NCC Property Development were lower because fewer property projects were recognized in profit in the period. Changes in exchange rates reduced sales in the period by SEK 433 M year-on-year.

NCC's operating profit was SEK 503 M (721) in the quarter and SEK 792 M (1,027) for the report period. The quarter's operating profit was charged with impairment losses for projects in Norway amounting to SEK 290 M, of which NCC Building accounted for SEK 170 M, NCC Infrastructure for SEK 70 M and corporate allocations (the item "other and eliminations") for SEK 50 M. NCC Industry's earnings improved, primarily as a result of better profitability in Swedish and Danish stone materials operations and Swedish asphalt projects. NCC Property Development's earnings declined because more project sales were recognized in profit in the year-earlier period.

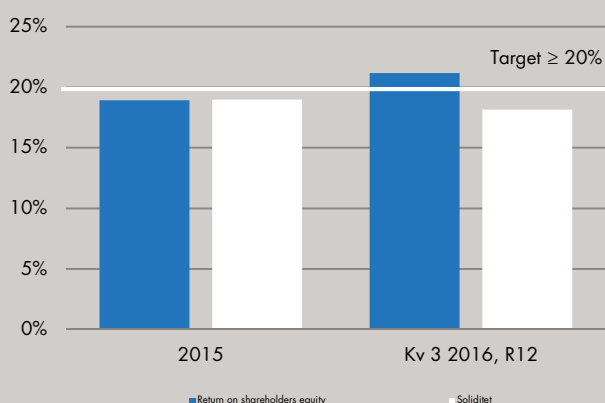
Revenue growth (net sales)*



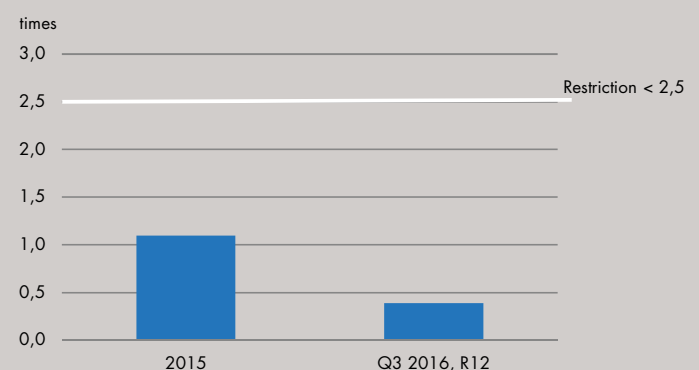
Operating margin



Equity/assets ratio and return on equity



Net indebtedness (excl. pension debt)/EBITDA



The return on equity is calculated based on NCC's profit excluding Bonava, although shareholders' equity has first been adjusted to take into account the capital contribution from NCC to Bonava in the fourth quarter of 2015, which has an impact on average shareholders' equity.

Net financial items amounted to an expense of SEK 81 M (expense: 26). The comparative figure for the year-earlier period does not include the effect of the capital contribution of SEK 5 billion to Bonava prior to its Initial Public Offering (IPO).

Cash flow

The Group's cash flow from operating activities was a negative SEK 1,599 M (neg: 495). Net investments were negative SEK 933 M (neg: 579). Cash flow was charged with SEK 2,333 M (charge: 1,727) for changes in working capital. Cash flow before financing was a negative SEK 2,533 M (neg: 1,074). The change was due primarily to the distribution of Bonava's cash assets and to other changes in working capital. Cash and cash equivalents at the end of the quarter totaled SEK 1,708 M (1,787).

Financial position

Due to the spinoff of Bonava, the Group's net indebtedness declined and amounted to SEK 2,756 M (9,130) at September 30.

The average maturity period for interest-bearing liabilities, excluding pension debt according to IAS 19, was 38 (30) months at the end of the quarter, at which date NCC's unutilized committed lines of credit totaled SEK 4.2 billion (4.8), with an average remaining maturity of 46 (41) months.

The Group's total assets amounted to SEK 26,062 M (40,912) at September 30. Total assets declined by SEK 14,850 M, or 36 percent, year-on-year. The decrease in total assets was due to the spinoff of Bonava.

Capital employed

Capital employed at September 30 amounted to SEK 9,551 M (19,220), with the decline primarily due to the spinoff of Bonava. The return on capital employed, calculated on a 12-month rolling basis, was 18 percent (14).



	2016 Jan. - Sep.	2015 Jan. - Sep.	Oct. 15- Sep. 16	2015 Jan. - Dec.
Net indebtedness, SEK M				
Net indebtedness, opening balance	-4,552	-6,836	-9,130	-6,836
Cash flow before financing	-2,533	-1,074	1,874	3,331
Acquisition/Sale of treasury shares	60		60	
Change of provisions for pensions	-1,009	-573	-189	247
Dividend costs	-72		-72	
Currency exchange differences in cash and cash equivalents	13		13	
Paid dividend		-647	-647	-1,294
Dividend Bonava	5,336		5,336	
Net indebtedness, closing balance	-2,756	-9,130	-2,756	-4,552

Market development

The United Kingdom's planned exit from a weakened EU and the indebtedness of banks are the dominant features of the short-term uncertainty in Europe. This factor, combined with the EU's need of structural reforms and an aging population, will limit growth moving forward. The estimate is that annual growth in the immediate future will be 1.5–2 percent. The Nordic construction market is showing strong growth during 2016 (6 percent), although the rate will then decline significantly in 2017.

Infrastructure

In the wake of large-scale infrastructural programs, the Nordic market will grow by 5 percent this year and next. The major projects are attracting considerable international interest. The large-scale investments will result in total annual growth in Sweden of 2.4 percent during 2016-17. In Norway, the investments are leading to annual growth of 10 percent. In Finland, the market will continue to show low growth up to 2017, despite investments in urbanized areas. In Denmark, growth in investments will decline up to 2017 since the major projects are now being completed.

Construction

In Norway, the downturn in private investments, due to the drop in oil prices, is being offset by increased public pending and continued forcefulness in urbanization. Sweden is displaying robust growth in new production during 2016, with urbanization and a structural housing

deficit as the drivers. Capacity ceilings, increasing interest rates and mortgage prepayment requirements will normalize growth after 2016. In Finland, the market as a whole is estimated to grow sharply in 2016 and then to decline in 2017 while, in such urbanized areas as Helsinki, the market for housing is expected to grow throughout the period up to 2018. In Denmark, growth is occurring in the production of new housing.

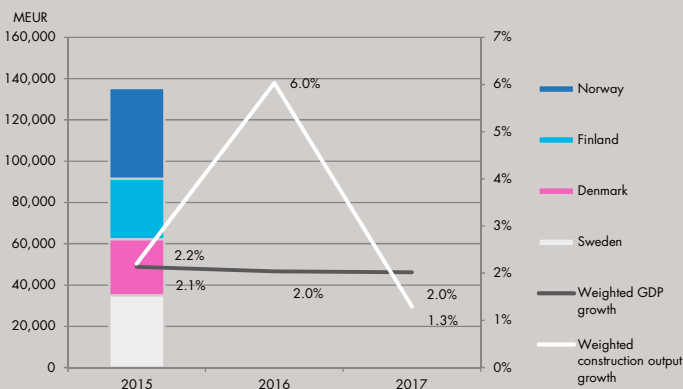
Properties

Good access to capital and low vacancy rates are resulting in an active market in attractive metropolitan areas. Transaction volumes have risen in recent years, with ever increasing interest from major international players. The trend in Stockholm is for continued lower yields and declining vacancy rates. A rising yield is noted in Copenhagen.

Asphalt and stone materials

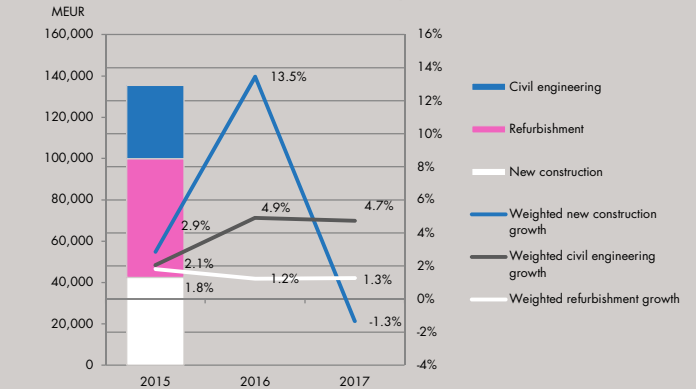
The overall Nordic market is expected to show sharp growth, driven by large-scale civil engineering investments in primarily Sweden and Norway. During the period 2016-17, growth of 5-10 percent is expected in Sweden and Norway. The Finnish market is showing weaker but positive growth, due to urbanization. In Denmark, growth is under pressure from the wait for the start-up of the Fehrman Belt Link, lower volume from the Copenhagen city circle line and public sector investments.

GDP and construction volume, outlook



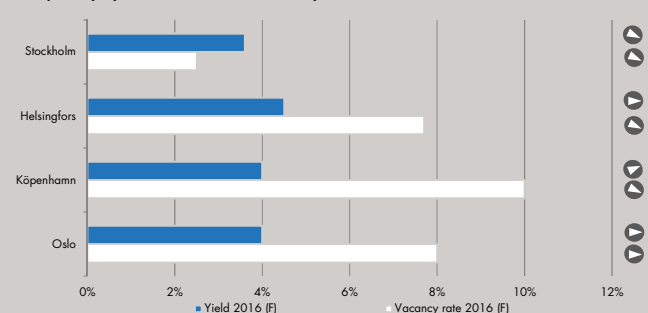
Source: Euroconstruct, NCC.

Construction volume and outlook per segment



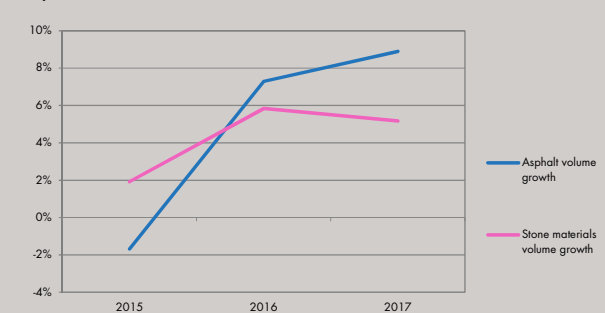
Source: Euroconstruct, NCC.

Property yield and vacancy rate, offices, CBD



Source: Newsec, NCC.

Asphalt and stone volumes, outlook



Source: Euroconstruct, NCC.

NCC Building

The period January-September 2016

Orders received and order backlog

Orders received by NCC Building increased to SEK 6,528 M (4,388) in the third quarter and to SEK 19,753 M (16,652) for the report period. The rise in orders received resulted from the receipt of a number of large-scale projects, including two housing projects and an office property in Sweden. In the third quarter, housing constituted the largest product category within orders received, followed by offices and schools.

During the period, the order backlog increased by SEK 2,337 M to SEK 27,513 M. Compared with September 30, 2015, the order backlog is SEK 4,114 M higher.

Net sales and earnings

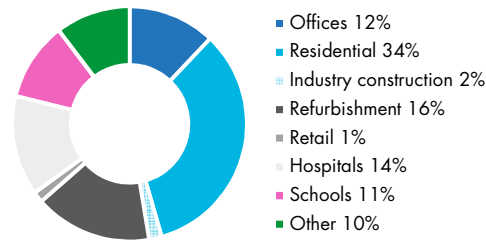
Net sales increased in the third quarter to SEK 6,033 M (5,527) and to SEK 18,271 M (17,648) for the period. Higher sales in the second and third quarter, in all markets, offset lower sales in the first quarter.

NCC Buildings' net sales consist mainly of housing production, followed by refurbishment. The hospital category is expected to increase its share of net sales, as a result of a number of sizeable orders for new hospitals. In terms of sales, Sweden is the largest market and the Swedish proportion of orders received also increased.

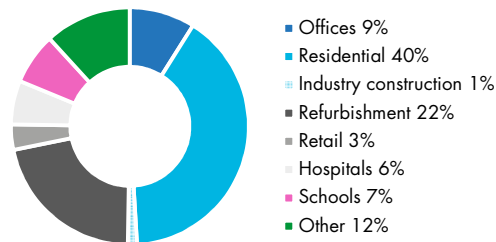
Operating profit declined year-on-year to SEK 1 M (58) in the quarter and to SEK 221 M (319) in the period. The lower profit during the period was due primarily to higher overhead costs and impairment losses on projects. In the third quarter, impairment losses on projects in Norway totaled SEK 170 M.

Product mix

Orders received

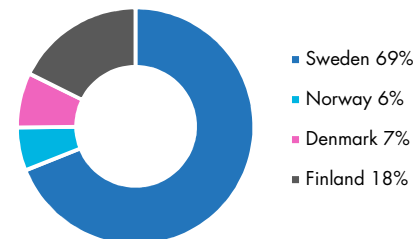


Net sales

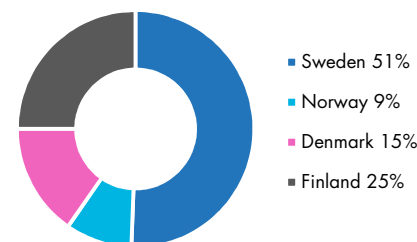


Geographical breakdown

Orders received



Net sales



NCC Building, SEK M	2016 Jul.-Sep.	2015 Jul.-Sep.	2016 Jan.-Sep.	2015 Jan.-Sep.	Oct. 15- Sep. 16	2015 Jan.-Dec.
Orders received	6,528	4,388	19,753	16,652	29,167	26,066
Order backlog	27,513	23,399	27,513	23,399	27,513	25,176
Net sales	6,033	5,527	18,271	17,648	25,624	25,001
Operating profit/loss	1	58	221	319	504	602
Financial target:						
Operating margin, % ¹⁾	0.0	1.0	1.2	1.8	2.0	2.4

¹⁾ Target: operating margin \geq 3.5%

NCC Infrastructure

The period January-September 2016

Orders received and order backlog

Orders received by NCC Infrastructure totaled SEK 3,968 M (3,301) in the quarter and SEK 13,374 M (11,497) during the period. The increase was attributable to a favorable level of orders received in the second and third quarter. The Civil Engineering and Infra Services divisions both showed increases during the period. The rise in orders received by InfraserVICES in the third quarter was mainly due to Swedish earth and groundwork operations, and that in road services operations was due to the receipt of two Finnish operating contracts.

In line with its strategy, NCC is focusing on increasing the share of major civil engineering projects. Due to projects received, the share of roadwork increased during the period. In Sweden and Norway, multiple large-scale civil engineering projects are in the procurement stage.

The order backlog rose by SEK 2,394 M during the period to SEK 16,712 M, up SEK 1,167 M year-on-year

Net sales and earnings

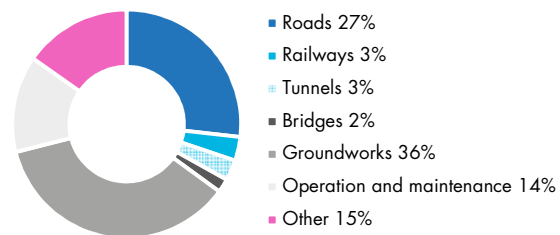
NCC Infrastructure's sales during the period totaled SEK 11,602 M (11,896). The decrease in net sales was accounted for by Civil Engineering.

NCC Infrastructure's net sales consist predominantly of earth and groundworks. Earth and groundworks and operation and maintenance contracts have a major impact on net sales, accounting for more than half. Accordingly, they also have a considerable impact on growth and profitability.

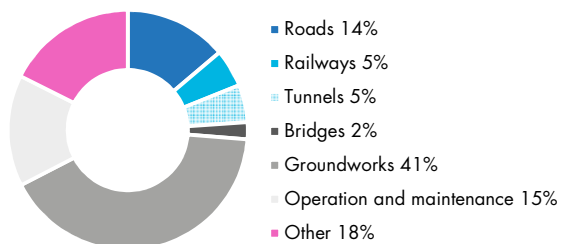
Operating profit declined year-on-year to SEK 3 M (127) in the quarter and to SEK 85 M (279) in the period. The weak earnings for the quarter were mainly due to impairment losses of SEK 70 M on projects in Norway and to weak earnings in InfraserVICES. The lower earnings during the period were due to impairment losses on projects, lower net sales and weaker earnings within InfraserVICES.

Product mix

Orders received

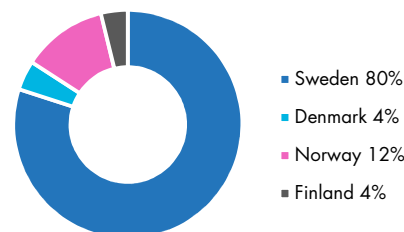


Net sales

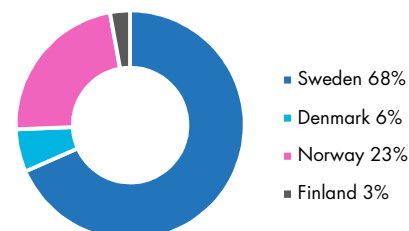


Geographical breakdown

Orders received



Net sales



NCC Infrastructure, SEK M	2016 Jul.-Sep.	2015 Jul.-Sep.	2016 Jan. -Sep.	2015 Jan. -Sep.	Oct. 15- Sep. 16	2015 Jan. -Dec.
Orders received	3,968	3,301	13,374	11,497	17,498	15,621
Order backlog	16,712	15,545	16,712	15,545	16,712	14,318
Net sales	3,986	3,999	11,602	11,896	16,812	17,105
Operating profit/loss	3	127	85	279	275	469
Financial target:						
Operating margin, % ¹⁾	0.1	3.2	0.7	2.3	1.6	2.7

¹⁾ Target: operating margin \geq 3.5%

NCC Industry

The period January-September 2016

Net sales and earnings

Net sales matched the year-earlier period both during the period and in the third quarter. Net sales for the period totaled SEK 7,520 M (7,514). The volume of stone materials sold was marginally higher in all markets apart from Denmark, which noted lower volumes due to the closure of quarries in western Denmark in 2015. The volume of asphalt sold during the period increased in Sweden, Norway and Finland and was somewhat lower year-on-year in other markets. Sales reported by Hercules (foundation engineering) during the period were slightly higher year-on-year, primarily due to high activity in the Swedish market.

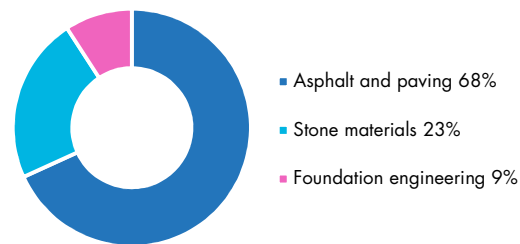
Earnings improved year-on-year and amounted to SEK 442 M (397) in the third quarter and to SEK 407 M (273) for the period. Profit from the asphalt and stone materials divisions improved. Stone materials operations improved as a result of better earnings from projects in Sweden and effects of restructuring measures implemented in Denmark in 2015. Profit from asphalt operations improved in Sweden, Denmark and Norway. Hercules improved its earnings in the Swedish operations.

Capital employed

Capital employed has increased seasonally by SEK 0.9 billion since year-end and amounted to SEK 4.4 billion.

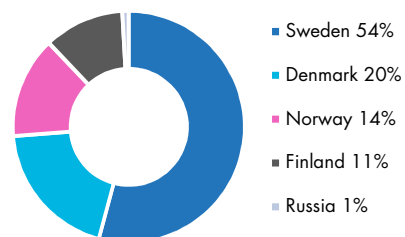
Product mix

Net sales



Geographical breakdown

Net sales



NCC Industry, SEK M	2016 Jul.-Sep.	2015 Jul.-Sep.	2016 Jan.-Sep.	2015 Jan.-Sep.	Oct. 15- Sep. 16	2015 Jan.-Dec.
Orders received	2,760	2,478	8,452	8,458	10,981	10,986
Order backlog	3,338	2,904	3,338	2,904	3,338	2,327
Net sales	3,594	3,540	7,520	7,514	10,578	10,571
Operating profit/loss	442	397	407	273	508	374
Capital employed	4,442	4,253	4,442	4,253	4,442	3,564
Stone materials, tons ¹⁾	7,563	7,373	20,585	20,220	27,871	27,506
Asphalt, tons ¹⁾	2,563	2,451	4,759	4,554	6,344	6,139
Financial targets:						
Operating margin, % ²⁾	12.3	11.2	5.4	3.6	4.8	3.5
Return on capital employed, % ³⁾					12.5	9.4

1) Sold volume

2) Target: operating margin \geq 4%

3) Target: return on capital employed \geq 10%

NCC Property Development

The period January-September 2016

Net sales and earnings

Net sales during the period declined year-on-year to SEK 1,331 M (1,950). During the period, two projects were recognized in profit; the Hyllie office project in Malmö, Sweden, and the retail park in Matinkylä in Espoo, Finland. In addition to Matinkylä, part of a minor, previously completed, property project was also recognized in third-quarter profit. Five projects were recognized in profit in the year-earlier period.

Operating profit was SEK 32 M (140) in the third quarter and to SEK 126 M (218) for the period. Earnings from profit-recognized projects and previous sales contributed to third-quarter profit. In the year-earlier period, projects generating higher profit were recognized in profit.

Property projects

Construction of six projects started during January-September: the CH Vallensbæk 4.1 and Fredriks Plads office projects in Denmark, the Alberga E office project in Finland, the Surpeelto retail park in Finland, and the Arrendal 2 and Vattenbrunnen logistics projects in Sweden.

Leasing during the January-September period was healthy and totaled 47,200 square meters (56,800), of which 10,300 (22,100) pertained to the third quarter.

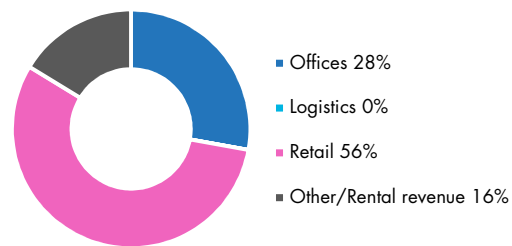
At the end of the quarter, 18 (14) projects were either ongoing or completed but not yet recognized in profit. The costs incurred in all projects amounted to SEK 3.2 billion (3.0), corresponding to a completion rate of 70 (56) percent. The leasing rate was 71 (72) percent. The operating net for the period was SEK 57 M (66), of which SEK 14 M (21) pertained to the quarter.

Capital employed

During the period, capital employed rose SEK 0.5 billion, mainly due to increased production in ongoing projects, and to the start-up of projects. Capital employed totaled SEK 5.0 billion.

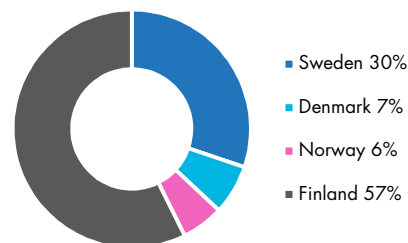
Product mix

Net sales



Geographical breakdown

Net sales



	2016 Jul.-Sep.	2015 Jul.-Sep.	2016 Jan. -Sep.	2015 Jan. -Sep.	Oct. 15- Sep. 16	2015 Jan. -Dec.
NCC Property Development, SEK M						
Net sales	781	968	1,331	1,950	2,808	3,427
Operating profit/loss	32	140	125	218	325	417
Capital employed	5,013	5,175	5,013	5,175	5,013	4,527
Financial targets:						
Operating margin, % ¹⁾	4.1	14.4	9.4	11.2	11.6	12.2
Return on capital employed, % ²⁾					6.7	8.3

1) Target: operating margin \geq 10%

2) Target: return on capital employed \geq 10%

NCC Property Development

Ongoing Property development projects ¹⁾

Project	Type	Location	Sold, estimated recognition in profit	Completion ratio, %	Lettable area (sqm)	Letting ratio, %
CH Vallensbæk 4.1	Office	Vallensbæk		14	6,100	0
Frederiks plads 1	Office	Århus		19	5,000	0
Zenit 2	Office	Århus		72	3,600	16
Total Denmark				28	14,700	3
Alberga E	Office	Helsinki		40	5,800	8
Suurpelto 1	Retail	Espoo		0	4,500	90
Total Finland				23	10,300	42
Arendal 2	Logistics	Gothenburg		83	9,700	100
Mölndal Galleria	Retail	Mölndal	²⁾	42	24,500	48
The SCA House	Office	Mölndal	Q4 2016	91	24,400	100
Tornby 2	Retail	Linköping		74	9,400	99
Torsplan 2	Office	Stockholm	Q1 2017	89	22,700	98
Vattenbrunnen	Logistics	Upplands- Bro		48	6,400	100
Önskebrunnen	Logistics	Upplands- Bro		53	14,200	22
Total Sweden				71	111,300	80
Total				63	136,300	71

Completed Property development projects ¹⁾

Project	Type	Location	Sold, estimated recognition in profit	Lettable area (sqm)	Letting ratio, %
Kolding Retailpark	Retail	Kolding		4,000	54
Roskildevej	Retail	Taastrup		4,000	100
Viborg Retail II+III	Retail	Viborg		900	0
Total Denmark				8,900	71
Aitio 1 Vivaldi	Office	Helsinki		6,100	98
Aitio 2 Verdi	Office	Helsinki		5,000	66
Total Finland				11,100	83
Stavanger Business Park 1	Office	Stavanger		9,200	68
Total Norway				9,200	68
Total				29,200	77

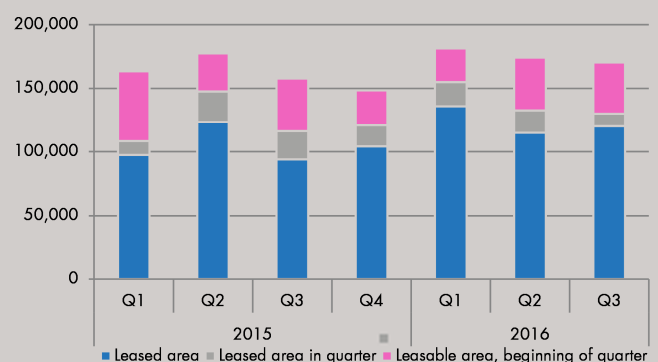
1) The tables refer to ongoing or completed property projects that have not yet been recognized as revenue. In addition to these, NCC is working on leasing (rental guarantees/supplementary sales prices) for five previously sold and profit-recognized property projects, a maximum of approximately SEK 40 M.

2) The project is operated by a project company jointly owned by NCC and Citycon, 50 per cent each. Citycon will acquire NCC's share when the building is completed and the agreed conditions are fulfilled.

Property projects



Leasing



Other

Significant risks and uncertainties

An account of the risks to which NCC may be exposed is presented in the 2015 Annual Report (pages 48-50). This description remains relevant.

Related-party transactions

The companies related to the Parent Company are the Nordstjernan Group, the Axel Johnson Group, the Fast-Partner Group and NCC's subsidiaries, as well as associated companies and joint ventures. The Parent Company's related-party transactions were of a production character. Related-company sales in the third quarter amounted to SEK 802 M (11) and purchases to SEK 251 M (113). For the January-September period, related-company sales amounted to SEK 1,160 M (39) and purchases to SEK 515 M (355).

Seasonal effects

NCC Industry's operations and certain operations in NCC Building and NCC Infrastructure are impacted by seasonal variations due to cold weather. The first quarter is normally weaker than the rest of the year.

Dividend

NCC's Annual General Meeting (AGM) on April 12 resolved to spin off all of the shares of HoldCo Residential 1 AB (publ), Corp. Reg. No. 556928-0380 (Bonava, previously NCC Housing), and to pay a cash dividend of SEK 3.00 per share with November 7, 2016 as the record date. The shares in Bonava was distributed to the shareholders in June.

Repurchase of shares

During the third quarter, NCC AB bought back Series B treasury shares to meet its obligations pursuant to long-term incentive programs and 362,222 Series B shares were held in treasury at the end of the period.

Other significant events

On July 18, NCC bought back bonds with a nominal value of SEK 564 M of the bonds issued by the company. The reason for buying back the bonds was that NCC's financing requirements have declined following the spinoff of Bonava in June 2016.

MAJOR ORDERS IN THE THIRD QUARTER

NCC has begun initial preparations for the construction of the Stockholm Norvik Port. The work mainly involves rock work for port areas and a rail connection on behalf of the Ports of Stockholm. The total order value is estimated at SEK 500 M.

NCC has been commissioned by Swedavia to construct Sky City Office One, a 20,000-square-meter, 11-story office building directly adjacent to Terminals 4 and 5 at Stockholm Arlanda Airport. The order is worth an estimated SEK 460 M.

NCC has been commissioned by Bonava AB to build 97 waterside tenant-owned apartments at the Tollare Marina area in Nacka, Stockholm. The order is worth SEK 279 M.

NCC is to build the new Vannhög and Lillvång School for pupils aged 6-16 years, with accompanying sports facilities, in western Trelleborg, Sweden. The order from the Municipality of Trelleborg is worth SEK 309 M.

NCC, in cooperation with AB Stockholmshem, is to build 350 rental apartments in the Mariehäll city district of Bromma in Stockholm, Sweden. The project also includes a new preschool and commercial premises. The order is worth SEK 574 M.

NCC has been commissioned by Specialfastigheter to build the new environmentally certified district court in Lund, Sweden. The order value is SEK 326 M.

MAJOR PROPERTY SALES IN THE THIRD QUARTER

NCC has sold its share of the Matinkylä Shopping Center project in Espoo, Finland, to its business partner Citycon. The purchase price for NCC's portion of the jointly owned project company is approximately SEK 750 M.

Significant events after the balance sheet date

Harri Savolainen has been appointed Head of Operational Support for the NCC Group. Operational Support is a new function which will include IT and Management Systems, R&D and Purchasing. The aim with the function is to focus and put together areas which are important to support the line organization, especial in digitalization. Harri Savolainen takes on his new position as of January 1st 2017 and will be a member of the Executive Management team. Peter Gjörup, will remain in his current position as Head of Purchasing and will report to Harri, but will as a consequence of the new organizational structure leave the Executive Management team.

Reporting occasions in 2017

Year-end report 2016	January 27, 2017
Interim report, Jan-Mar 2017	April 28, 2017
Interim report, Jan-Jun 2017	July 19, 2017
Interim report, Jan-Sep 2017	October 26, 2017

Signatures

Solna, October 28, 2016

Peter Wågström
President and CEO

This is a translation from the Swedish original

Auditors' review report

NCC AB (publ), corporate identity number 556034-5174

Introduction

We have reviewed the condensed interim report for NCC AB (publ) as at September 30, 2016 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm October 28, 2016
Ernst & Young AB

Mikael Ikonen
Authorized Public Accountant

Condensed consolidated income statement

SEK M	Note 1	2016 Jul.-Sep.	2015 Jul.-Sep.	2016 Jan.-Sep.	2015 Jan.-Sep.	Oct. 15- Sep. 16	2015 Jan.-Dec.
CONTINUING OPERATIONS							
Net sales		13,572	13,320	36,415	36,848	52,683	53,116
Production costs	Note 2	-12,546	-12,055	-33,452	-33,906	-48,230	-48,683
Gross profit		1,026	1,265	2,963	2,942	4,453	4,432
Selling and administrative expenses	Note 2	-542	-557	-2,089	-1,931	-2,923	-2,765
Other operating income/expenses		19	13	-82	15	-103	-6
Operating profit/loss		503	721	792	1,027	1,426	1,661
Financial income		8	5	22	26	35	39
Financial expense ¹⁾		-40	-11	-103	-52	-129	-78
Net financial items		-32	-6	-81	-26	-94	-39
Profit/loss after financial items		471	715	711	1,001	1,332	1,623
Tax		-84	-143	-127	-197	-231	-302
Net profit/loss for the period from continuing operations		387	572	584	804	1,101	1,321
DISCONTINUED OPERATION							
Discontinued operation, net after tax			75	6,898	75	7,622	798
Net profit/loss for the period from discontinued operation	Note 4		75	6,898	75	7,622	798
CONTINUING AND DISCONTINUED OPERATIONS							
Net profit/loss for the period from continuing and discontinued operations		387	647	7,482	879	8,723	2,120
Attributable to:							
NCC's shareholders		383	646	7,478	876	8,715	2,113
Non-controlling interests		4	1	4	3	8	6
Net profit/loss for the period		387	647	7,482	879	8,723	2,120
Earnings per share							
Before dilution							
Net profit/loss for the period, SEK		3.54	5.98	69.16	8.12	80.65	19.59
After dilution							
Net profit/loss for the period, SEK		3.54	5.98	69.16	8.12	80.65	19.59
Earnings per share from continuing operations							
Before dilution							
Net profit/loss for the period, SEK		3.54	5.29	5.36	7.43	10.12	12.19
After dilution							
Net profit/loss for the period, SEK		3.54	5.29	5.36	7.43	10.12	12.19
Number of shares, millions							
Total number of issued shares		108.4	108.4	108.4	108.4	108.4	108.4
Average number of shares outstanding before and after dilution during the period		108.2	107.9	108.1	107.8	108.1	107.9
Number of shares outstanding before dilution at the end of the period		108.1	107.9	108.1	107.9	108.1	107.9

¹⁾ Whereof interest expenses for the period Oct. 15 - Sep. 16, amounting to SEK 101 Mand for the period Jan. - Dec. 2015 amounting to SEK 48 M.

For information about discontinued operations, refer to note 4.

Consolidated statement of comprehensive income

SEK M	Note 1	2016 Jul.-Sep.	2015 Jul.-Sep.	2016 Jan.-Sep.	2015 Jan.-Sep.	Oct. 15- Sep. 16	2015 Jan.-Dec.
Net profit/loss for the period		387	647	7,482	879	8,723	2,120
Items that have been recycled or should be recycled to net profit/loss for the period							
Exchange differences on translating foreign operations		57	1	172	-82	33	-222
Change in hedging/fair value reserve		1	-19	-38	27	11	76
Cash flow hedges		16	-17	72	4	69	1
Income tax relating to items that have been or should be recycled to net profit/loss		-3	8	-7	-7	-18	-17
		71	-27	199	-58	95	-162
Items that cannot be recycled to net profit/loss for the period							
Revaluation of defined benefit pension plans		-352	-401	-991	-543	-181	267
Income tax relating to items that cannot be recycled to net profit/loss for the period		87	88	218	119	40	-59
		-265	-313	-773	-423	-142	208
Other comprehensive income		-194	-340	-575	-482	-47	46
Total comprehensive income		193	307	6,907	397	8,676	2,166
Attributable to:							
NCC's shareholders		188	306	6,903	394	8,669	2,159
Non-controlling interests		5	1	4	3	8	6
Total comprehensive income		193	307	6,907	397	8,676	2,166

Condensed consolidated balance sheet

SEK M	Note 1	2016 Sep. 30	2015 Sep. 30	2015 Dec. 31
ASSETS				
Fixed assets				
Goodwill		1,863	1,825	1,792
Other intangible assets		293	423	439
Owner-occupied properties		784	803	826
Machinery and equipment		2,494	2,473	2,417
Other long-term holdings of securities		122	93	97
Long-term interest-bearing receivables		282	267	354
Other long-term receivables		64	287	307
Deferred tax assets		62	222	204
Total fixed assets		5,964	6,393	6,435
Current assets				
Properties held for future development		2,029	1,969	2,050
Ongoing property projects		1,968	2,513	2,013
Completed property projects		811	389	367
Housing properties held for future development		53	4,335	3,749
Capitalized developing housing costs			1,090	969
Ongoing proprietary housing projects			8,604	6,987
Unsold completed housing units			568	583
Materials and inventories		772	757	696
Tax receivables		350	311	33
Accounts receivable		8,184	7,380	7,083
Worked-up, non-invoiced revenues		2,576	2,190	1,400
Prepaid expenses and accrued income		1,035	1,156	1,262
Current interest-bearing receivables		70	94	106
Other receivables		543	1,376	1,301
Short-term investments ¹⁾		208	158	190
Cash and cash equivalents		1,500	1,629	4,177
Total current assets		20,099	34,519	32,967
Total assets		26,062	40,912	39,402
EQUITY				
Share capital		867	867	867
Other capital contributions		1,844	1,844	1,844
Reserves		-145	-240	-344
Profit/loss brought forward, including current-year profit/loss		2,155	5,452	7,324
Shareholders' equity		4,722	7,923	9,691
Non-controlling interests		13	19	23
Total shareholders' equity		4,735	7,942	9,714
LIABILITIES				
Long-term liabilities				
Long-term interest-bearing liabilities		2,919	6,192	5,887
Other long-term liabilities		93	361	609
Provisions for pensions and similar obligations		1,347	1,158	338
Deferred tax liabilities		686	297	322
Other provisions		1,602	1,841	1,970
Total long-term liabilities		6,647	9,849	9,126
Current liabilities				
Current interest-bearing liabilities		550	3,928	3,154
Accounts payable		4,374	4,221	4,694
Tax liabilities			103	287
Invoiced revenues not worked-up		5,334	5,408	4,244
Accrued expenses and prepaid income		2,889	3,399	4,012
Provisions		26		59
Other current liabilities		1,507	6,063	4,112
Total current liabilities		14,680	23,122	20,562
Total liabilities		21,327	32,970	29,688
Total shareholders' equity and liabilities		26,062	40,912	39,402

1) Includes short-term investments with maturities exceeding three months, see also cash-flow statement.

Condensed changes in shareholders' equity, Group

SEK M	Sep. 30, 2016			Sep. 30, 2015		
	Shareholders' equity	Non-controlling interests	Total shareholders' equity	Shareholders' equity	Non-controlling interests	Total shareholders' equity
Opening balance, January 1¹⁾	9,691	23	9,714	8,847	20	8,867
Total comprehensive income	6,903	4	6,907	394	3	397
Acquisition of non-controlling interests	3		3	-9	-2	-11
Dividends, cash	-324 ¹⁾	-14	-338	-1,294	-1	-1,295
Dividend, Bonava	-11,563		-11,563			
Licensing costs	-56		-56			
Sale of treasury shares	60		60	-18		-18
Performance based incentive program	7		7	3		3
Closing balance	4,722	13	4,735	7,923	19	7,942

¹⁾ The reported amount is the dividend resolved by the Shareholders' Annual General Meeting.

If previous accounting policies for pensions under IAS 19 had been applied, the equity would have been SEK 2,263 M higher and net indebtedness SEK 1,347 M lower at September 30 2016.

Condensed consolidated cash flow statement

SEK M	2016 Jul.-Sep.	2015 Jul.-Sep.	2016 Jan.-Sep.	2015 Jan.-Sep.	Oct. 15- Sep. 16	2015 Jan.-Dec.
OPERATING ACTIVITIES						
Profit/loss after financial items, continuing operations	471	715	711	1,001	1,333	1,623
Profit/loss after financial items, discontinued operations		93	6,934	93	7,874	1,033
Adjustments for items not included in cash flow	-9	129	-6,609	471	-5,920	1,160
Taxes paid	-65	-47	-301	-333	-347	-379
Cash flow from operating activities before changes in working capital	397	890	734	1,232	2,939	3,436
Cash flow from changes in working capital						
Divestment of property projects	696	806	1,000	1,362	2,167	2,529
Gross investments in property projects	-355	-271	-1,263	-1,174	-1,948	-1,858
Divestment of housing projects	-9	1,804	2,522	4,841	7,581	9,900
Gross investments in housing projects	14	-2,453	-3,157	-6,553	-6,329	-9,725
Other changes in working capital	-788	417	-1,436	-204	-1,454	-222
Cash flow from changes in working capital	-444	268	-2,333	-1,727	18	624
Cash flow from operating activities	-46	1,157	-1,599	-495	2,958	4,061
INVESTING ACTIVITIES						
Acquisition/Sale of subsidiaries and other holdings ²⁾	24	0	-476	-8	-425	43
Acquisition/Sale of tangible fixed assets	-67	-148	-395	-498	-554	-657
Acquisition/Sale of other fixed assets	-16	-6	-62	-73	-106	-116
Cash flow from investing activities	-59	-154	-933	-579	-1,084	-730
Cash flow before financing	-106	1,004	-2,533	-1,074	1,874	3,331
FINANCING ACTIVITIES						
Cash flow from financing activities	-708	-26	-158	125	-1,996	-1,713
Cash flow during the period	-813	977	-2,690	-950	-123	1,618
Cash and cash equivalents at beginning of period	2,307	648	4,177	2,592	1,629	2,592
Effects of exchange rate changes on cash and cash equivalents	6	4	13	-13	-6	-32
Cash and cash equivalents at end of period ²⁾	1,500	1,629	1,500	1,629	1,500	4,177
Short-term investments due later than three months	208	158	208	158	208	190
Total liquid assets at end of period	1,708	1,787	1,708	1,787	1,708	4,367

¹⁾ For information about Bonava's impact on the Group's cash flow in each section, see note 4 Discontinued operations.

²⁾ Bonava's cash and cash equivalents are included with SEK -658 M for the January-September period.

Parent Company condensed income statement

SEK M	Note 1	2016 Jul.-Sep.	2015 Jul.-Sep.	2016 Jan.-Sep.	2015 Jan.-Sep.	Oct. 15- Sep. 16	2015 Jan.-Dec.
Net sales		5,482	6,046	16,761	17,854	19,247	20,340
Production costs		-5,220	-5,647	-15,613	-16,282	-17,558	-18,227
Gross profit		262	399	1,148	1,572	1,689	2,113
Selling and administrative expenses		-254	-305	-972	-1,090	-1,309	-1,426
Impairment losses				-88		-88	
Operating profit		8	94	88	483	292	687
Result from financial investment							
Result from participations in Group companies		142	84	881	992	790	901
Result from participations in associated companies		14		30		30	
Result from other financial fixed assets				1	1	1	1
Result from financial current assets		1	5	5	23	12	30
Interest expense and similar items		-21	-47	-75	-94	-88	-107
Result after financial items		144	136	930	1,404	1,037	1,511
Appropriations						144	144
Tax on net profit for the period		-10	-68	-8	-140	-113	-244
Net profit for the period		134	68	922	1,265	1,068	1,411

In 2016, the Parent Company comprises the operations of NCC AB and NCC Sverige AB, which conducts its operations on a commission basis on behalf of NCC AB. In 2015, NCC Boende AB was also included for 11 months, when this operation was conducted on a commission basis on behalf of NCC AB. In the Parent Company, profit is recognized when projects are completed. Costs for the reorganization are included in selling and administrative expenses. The average number of employees was 6,215 (6,459). Buybacks of company shares during the third quarter amounted to SEK 74 M.

Parent Company condensed balance sheet

SEK M	Note 1	2016 Sep. 30	2015 Sep. 30	2015 Dec. 31
ASSETS				
Fixed assets				
Intangible fixed assets		112	232	184
Tangible fixed assets		86	96	105
Financial fixed assets		4,385	6,475	9,745
Total fixed assets		4,583	6,804	10,034
Current assets				
Housing projects			77	
Materials and inventories		42	57	45
Current receivables		3,631	4,633	5,407
Short term investments			100	
Cash and bank balances ¹⁾		6,285	9,719	8,817
Total current assets		9,958	14,587	14,269
Total assets		14,541	21,390	24,303
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity		3,299	7,885	8,037
Untaxed reserves		441	348	441
Provisions		448	493	545
Long term liabilities		2,568	2,918	2,573
Current liabilities		7,785	9,747	12,707
Total shareholders' equity and liabilities		14,541	21,390	24,303

¹⁾ Cash and cash equivalents in the Parent company includes the it's share of funds in a Group bank account, handled by NCC Treasury AB.

Notes

Note 1. Accounting policies

Group

This interim report has been compiled pursuant to IAS 34 Interim Financial Reporting. The interim report has been prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretations of prevailing accounting standards issued by the International Financial Reporting Interpretations Committee (IFRIC), as approved by the EU.

The segment division has been changed compared with the 2015 Annual Report. In other respects, the interim report has been prepared pursuant to the same accounting policies and methods of calculation as the 2015 Annual Report (Note 1, pages 62-68).

The operations of Bonava are recognized in accordance with IFRS 5, Fixed assets held for sale and discontinued operations.

Accordingly, inter-company volumes from Bonava have not been eliminated from the income statement, nor have inter-company gains between Building and Bonava.

Bonava's net after-tax profit is recognized on one line. The order backlog and orders received are not eliminated.

Bonava's profit after net financial items is recognized separately in the cash flow statement, following which Bonava as a whole is included.

Parent Company

The Parent Company has prepared its interim report pursuant to the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

The interim report for the Parent Company has been prepared in accordance with the same accounting policies and methods of calculation as the 2015 Annual Report (Note 1, pages 62-68).

Note 2. Depreciation/amortization

SEK M	2016 Jul.-Sep.	2015 Jul.-Sep.	2016 Jan.-Sep.	2015 Jan.-Sep.	Oct. 15- Sep. 16	2015 Jan.-Dec.
Other intangible assets	-17	-16	-50	-45	-67	-62
Owner-occupied properties	-6	-6	-17	-18	-23	-24
Machinery and equipment	-155	-159	-456	-471	-616	-631
Total depreciation ¹⁾	-178	-181	-523	-534	-706	-717

¹⁾ Excluding impairments. Impairments for the period Oct. -15 to Sep. -16 amounts to SEK 135 M and for the period Jan. - Dec. 2015 to SEK 43 M.

Note 3. Segment reporting

SEK M

July - September 2016	NCC		NCC		Total segments	Other and eliminations ¹⁾	Group
	Building	Infrastructure	Industry	Property Development			
Net sales, external	5,750	3,821	3,237	764	13,572		13,572
Net sales, internal	283	165	357	17	822	-822	
Net sales, total	6,033	3,986	3,594	781	14,394	-822	13,572
Operating profit	1	3	442	32	478	25	503
Net financial items							-32
Profit/loss after financial items							471

July - September 2016	NCC		NCC		Total segments	Other and eliminations ¹⁾	Group
	Building	Infrastructure	Industry	Property Development			
Net sales, external	5,289	3,908	3,172	952	13,320		13,320
Net sales, internal	238	91	367	17	713	-713	
Net sales, total	5,527	3,999	3,540	968	14,033	-713	13,320
Operating profit	58	127	397	140	722	-1	721
Net financial items							-6
Profit/loss after financial items							715

SEK M

January - September 2016	NCC		NCC		Total segments	Other and eliminations ²⁾	Group
	Building	Infrastructure	Industry	Property Development			
Net sales, external	17,346	11,257	6,531	1,281	36,415		36,415
Net sales, internal	925	345	989	50	2,308	-2,308	
Net sales, total	18,271	11,602	7,520	1,331	38,723	-2,308	36,415
Operating profit	221	85	407	126	839	-47	792
Net financial items							-81
Profit/loss after financial items							711

January - September 2016	NCC		NCC		Total segments	Other and eliminations ²⁾	Group
	Building	Infrastructure	Industry	Property Development			
Net sales, external	16,725	11,592	6,631	1,900	36,848		36,848
Net sales, internal	923	304	882	51	2,160	-2,160	
Net sales, total	17,648	11,896	7,514	1,950	39,008	-2,160	36,848
Operating profit	319	279	273	218	1,089	-63	1,027
Net financial items							-26
Profit/loss after financial items							1,001

¹⁾ The figures for the quarter include among others NCC's head office, results from small subsidiaries and associated companies and remaining parts of NCC International Projects, totalling of SEK 54 M (expense: 17). Further, the figures for the quarter includes eliminations of internal profits amount to an expense of SEK 1 M (expense: 1) and other Group adjustments, mainly consisting of differences of accounting policy between the segments and the Group (including pensions) and central risk reserve for projects in Nbrway amount to an expense of SEK 28 M (income: 17).

²⁾ The figures for the period include among others NCC's head office, results from small subsidiaries and associated companies and remaining parts of NCC International Projects, totalling an expense of SEK 143 M (expense: 72), whereof SEK 88 M regard discontinued development and implementation of a joint HR system. Further, the figures for the quarter includes eliminations of internal profits amount to an income of SEK 100 M (expense: 28) and other Group adjustments, mainly consisting of differences of accounting policy between the segments and the Group (including pensions) and central risk reserve for projects in Nbrway amount to an expense of SEK 4 M (income: 37).

Note 4. Discontinued operations

In June 2016, NCC spun off the shares in Bonava to NCC shareholders and the final price was SEK 106.50 per Series B share and SEK 107.50 per Series A share, resulting in market capitalization of approximately SEK

11.5 billion. The revaluation of assets and liabilities to fair value due to the spinoff of Bonava had an impact of SEK 6,755 M on earnings.

Income statement

	2015 Jul.-Sep.	2016 Jan.-7 Jun.	2015 Jan.-Sep.	Oct. 15 - Sep. 16	2015 Jan.-Dec.
Net sales	2,128	3,243	5,756	10,557	13,070
Production costs	-1,805	-2,710	-4,972	-8,755	-11,017
Selling and administrative expenses	-144	-231	-423	-448	-640
Other operating income/expenses				-35	-35
Operating profit/loss ¹⁾	180	303	362	1,318	1,377
Net financial items ²⁾	-87	-124	-269	-200	-345
Profit/loss after financial items	94	179	94	1,118	1,033
Tax	-19	-36	-19	-252	-235
Net profit/loss for the period from discontinued operation	75	143	75	866	798
Capital gain from disposal of discontinued operation		6,755			
Net profit from discontinued operation after tax	75	6,898	75	866	798
Comprehensive income for operation available for distribution	1	4	3	-7	-8
Earnings per share	0.69	1.32	0.70	7.70	7.08

¹⁾ Includes depreciations/write-downs amounting to a total of SEK 25 M for the period Oct. 15 - Sep. 16 and SEK 45 M for the period Jan. - Dec. 2015.

²⁾ Whereof interest expenses amounting to a total of SEK 179 M for the period Oct. 15 - Sep. 16 and SEK 323 M for the period Jan. - Dec. 2015.

Balance sheet

	2015 30 Sep.	2015 31 Dec.
ASSETS		
Intangible assets	86	84
Fixed assets	111	111
Financial assets	185	241
Deferred tax assets	351	338
Proprietary housing projects	14,717	12,378
Accounts receivable	550	623
Prepaid expenses and accrued income	98	326
Other receivables	809	819
Short-term investments	44	41
Cash and cash equivalents	526	544
Assets held for distribution	17,478	15,506
LIABILITIES		
Long-term interest-bearing liabilities	1,717	2,033
Other long-term liabilities	229	487
Other provisions	313	357
Current interest-bearing liabilities	9,296	3,046
Accounts payable	338	676
Accrued expenses and prepaid income	676	845
Other current liabilities	4,625	3,329
Liabilities attributable to assets held for distribution	17,194	10,773
Net assets held for distribution	284	4,732

Cash flow

	2016 Jan.- Sep.	2015 Jan.-Sep.	Oct 15 - Sep. 16	2015 Jan.-Dec.
Below the effects on cash flow from discontinued operations are stated:				
Cash flow from operating activities before changes in working capital	105	-17	1,081	959
Cash flow from operating activities	-708	-633	416	491
Cash flow from investing activities	-81	-45	-49	-13
Cash flow from financing activities	754	805	-1,351	-1,300
Cash flow during the period from discontinued operations	70	111	95	136

Note 5. Continuing operations

In the interim reports issued during 2016, the comparative figures for 2015 in the balance sheet and cash flow will not be adjusted according to IFRS. Instead, NCC illustrates in a note the way the balance sheet and cash flow would have appeared if Bonava had not been part of NCC.

The comparative figures excluding Bonava are presented below. They have not been prepared in accordance with IFRS and have not been audited or examined by the company's auditors.

Balance sheet

SEK M	2016 Sep. 30	2015 Sep. 30	2015 Dec. 31
ASSETS			
Fixed assets			
Immaterial assets	2,156	2,163	2,147
Material fixed assets	3,278	3,165	3,132
Financial fixed assets	467	667	566
Deferred tax assets	62		
Total fixed assets	5,962	5,994	5,845
Current assets			
Property projects	4,862	4,871	4,430
Accounts receivable	8,184	6,944	6,619
Prepaid expenses and accrued income	1,035	1,058	936
Worked-up, non-invoiced revenues	2,576	2,190	1,394
Other receivables	1,734	9,281	3,357
Short term investments	208	158	190
Cash and cash equivalents	1,500	1,059	3,592
Total current assets	20,099	25,562	20,518
Total assets	26,062	31,556	26,363
TOTAL SHAREHOLDER'S EQUITY	4,735	7,658	4,982
LIABILITIES			
Long-term liabilities			
Long-term interest-bearing liabilities	2,919	4,664	3,865
Other long-term liabilities	93	230	158
Provisions for pensions and similar obligations	1,347	1,093	338
Deferred tax liabilities	686	426	456
Other provisions	1,602	1,594	1,612
Total long-term liabilities	6,647	8,006	6,429
Current liabilities			
Current interest-bearing liabilities	550	1,915	1,900
Accounts payable	4,374	3,997	4,176
Invoiced revenues not worked-up	5,334	5,406	4,239
Accrued expenses and prepaid income	2,889	2,726	3,172
Other short term liabilities	1,533	1,848	1,464
Total short term liabilities	14,680	15,892	14,951
Total liabilities	21,327	23,897	21,380
Total shareholders' equity and liabilities	26,062	31,556	26,363

Cash flow

SEK M	2016 Sep. 30	2015 Sep. 30	2015 Dec. 31
Cash flow from continuing operations before changes in operating capital	629	1,249	2,477
Cash flow from changes in operating capital	-1,625	-1,152	357
Cash flow from investing activities	-220	-535	-717
Cash flow from financing activities	-912	-622	-637
Cash flow for the period	-2,128	-1,060	1,481

Note 6. Fair value of financial instruments

In the tables below, disclosures are made concerning how fair value has been determined for the financial instruments that are continuously measured at fair value in NCC's balance sheet. When determining fair value, assets have been divided into three levels. No transfers were made between the levels during the period.

In level 1, measurement complies with prices quoted on an active market for the same instruments. Derivatives in

level 2 comprise currency forward contracts, cross-currency swaps, interest-rate swaps, oil futures, as well as electricity futures used for hedging purposes. The measurement to fair value of currency-forward contracts, cross currency swaps, oil forward contracts and electricity forward contracts is based on published forward rates in an active market. The measurement of interest-rate swaps is based on forward interest rates prepared based on observable yield curves. NCC has no financial instruments in level 3.

SEK M	Sep. 30, 2016			Sep. 30, 2015			Dec. 31, 2015		
	Level 1	Level 2	Total	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial assets measured at fair value through profit and loss									
Securities held for trading	116		116	77		77	119		119
Derivative instruments		22	22		427	427		419	419
Derivative instruments used for hedge accounting		13	13		24	24		42	42
Total assets	116	35	151	77	451	528	119	461	580
Financial liabilities measured at fair value through profit and loss									
Derivative instruments		92	92		59	59		34	34
Derivative instruments used for hedge accounting		72	72		83	83		123	123
Total liabilities	0	164	164	0	142	142	0	157	157

In the tables below, disclosures are made concerning fair value for the financial instruments that are not recognized at fair value in NCC's balance sheet.

SEK M	Sep. 30, 2016		Sep. 30, 2015		Dec. 31, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Long-term interest-bearing receivables held to maturity	63	64	105	107	104	106
Short-term investments held to maturity	92	93	81	83	71	72
Long-term interest-bearing liabilities	2,919	2,942	6,192	6,238	5,887	5,917
Short-term interest-bearing liabilities	550	556	3,928	3,946	3,154	3,165

For financial instruments recognized at amortized cost - accounts receivables, other receivables, cash and cash equivalents, accounts payable and other interest-free liabilities - the fair value is deemed to match the carrying amount.

Note 7. Pledged assets, contingent liabilities and guarantee obligations

SEK M	2016	2015	2015
Group	30 Sep.	30 Jun.	31 Dec.
Assets pledged	341	1,416	1,257
Contingent liabilities ¹⁾	2,934	1,639	831
Parent company			
Contingent liabilities ¹⁾	13,575	23,780	24,784

¹⁾ Since sureties for companies of the Bonava Group have not been eliminated, sureties still remaining as outstanding in NCC AB on behalf of Bonava companies have been included in this item. Procurement in respect of a formal removal of the sureties from NCC is under way and agreement is expected shortly concerning the responsibility for approximately two thirds of the outstanding volume (collateral for deposits and concession fees). The remaining volume, including collateral for agreements concerning future development, have beneficiaries in the form of municipalities and private-sector companies and these are expected to be finalized during the autumn/winter of 2016/2017. As a result of agreements between NCC AB and Bonava AB, however, NCC AB has been indemnified by Bonava AB for all undertakings.

Summary of key figures

	2016 Jul.- Sep.	2015 Jul.- Sep.	Oct. 15- Sep. 16	Oct. 14- Sep. 15	2015 Jan.- Dec.	2014 Jan.- Dec.	2013 Jan.- Dec.	2012 ³⁾ Jan.- Dec.	2012 Jan.- Dec.
Profitability ratios									
Return on shareholders equity, % ¹⁾⁴⁾	27	22	27	22	26	22	26	28	23
Return on shareholders equity, % ¹⁾⁵⁾	120	22	120	22	26	22	26	28	23
Return on capital employed, % ¹⁾⁴⁾	18	14	18	14	17	14	15	17	15
Return on capital employed, % ¹⁾⁵⁾	62	14	62	14	17	14	15	17	15
Financial ratios at period-end									
EBITDA % ⁴⁾	5.1	7.4	17.1	5.5	6.2	5.8	5.9	5.6	5.6
EBITDA % ⁵⁾	5.1	7.4	6.0	5.5	6.2	5.8	5.9	5.6	5.6
Interest-coverage ratio, % ¹⁾⁴⁾	8.4	6.0	8.4	6.0	7.1	6.4	7.8	7.5	7.0
Interest-coverage ratio, % ¹⁾⁵⁾	28.6	6.0	28.6	6.0	7.1	6.4	7.8	7.5	7.0
Equity/asset ratio, %	18	19	18	19	25	23	22	20	23
Interest bearing liabilities/total assets, %	18	28	18	28	24	26	25	26	24
Net debt, SEK M	2,756	9,130	2,756	9,130	4,552	6,836	5,656	6,467	6,061
Debt/equity ratio, times	0.6	1.1	0.6	1.1	0.5	0.8	0.7	0.8	0.7
Capital employed at period end, SEK M	9,551	19,220	9,551	19,220	19,093	18,935	18,345	17,285	18,241
Capital employed, average	15,401	18,660	15,401	18,660	18,672	18,531	18,005	15,755	16,632
Capital turnover rate, times ¹⁾	3.9	3.2	3.9	3.2	3.3	3.1	3.2	3.6	3.4
Share of risk-bearing capital, %	21	20	21	20	25	23	23	21	25
Closing interest rate, %	2.8	2.7	2.8	2.7	2.8	2.8	3.3	3.6	3.6
Average period of fixed interest, years	0.7	0.7	0.7	0.7	0.9	1.1	1.2	1.1	1.1
Per share data									
Profit/loss after tax, before dilution, SEK ⁴⁾	3.54	5.98	18.14	16.25	19.59	17.01	18.40	17.62	17.51
Profit/loss after tax, after dilution, SEK ⁴⁾	3.54	5.98	18.14	16.25	19.59	17.01	18.40	17.62	17.51
Profit/loss after tax, before dilution, SEK ⁵⁾	3.54	5.98	80.65	16.25	19.59	17.01	18.40	17.62	17.51
Profit/loss after tax, after dilution, SEK ⁵⁾	3.54	5.98	80.65	16.25	19.59	17.01	18.40	17.62	17.51
Cash flow from operating activities, after dilution, SEK	-0.43	10.73	27.36	28.82	37.65	12.47	23.46	-0.24	-0.24
Cash flow before financing, after dilution, SEK	-0.97	9.30	17.33	21.82	30.88	5.32	15.40	-8.61	-8.61
P/E ratio ¹⁾⁴⁾	10	16	10	16	13	15	11	8	8
P/E ratio ¹⁾⁵⁾	3	16	3	16	13	15	11	8	8
Dividend, ordinary, SEK					3.00	12.00	12.00	10.00	10.00
Dividend yield, %					1.1	4.9	5.7	7.3	7.3
Shareholders' equity before dilution, SEK	43.69	73.45	43.69	73.45	89.85	82.04	80.24	70.58	82.97
Shareholders' equity after dilution, SEK	43.69	73.45	43.69	73.45	89.85	82.04	80.24	70.58	82.97
Share price/shareholders' equity, %	514	344	514	344	293	301	262	193	164
Share price at period-end, NCC B, SEK	224.80	252.40	224.80	252.40	263.00	246.80	209.90	136.20	136.20
Number of shares, millions									
Total number of issued shares ²⁾	108.4	108.4	108.4	108.4	108.4	108.4	108.4	108.4	108.4
Treasury shares at period-end	0.3	0.6	0.3	0.6	0.6	0.6	0.6	0.4	0.4
Total number of shares outstanding at period-end before dilution	108.1	107.9	108.1	107.9	107.9	107.8	107.8	108.0	108.0
Average number of shares outstanding before dilution during the period	108.2	107.9	108.1	107.8	107.9	107.8	107.9	108.2	108.2
Market capitalization before dilution, SEK M	24,295	27,166	24,295	27,166	28,369	26,574	22,625	14,706	14,706
Personnel									
Average number of employees	14,205	17,265	14,205	17,265	17,872	17,669	18,360	18,175	18,175

1) Calculations are based on the rolling 12 month period.

2) All shares issued by NCC are common shares.

3) The amounts are adjusted for change in accounting policy regarding IAS 19.

4) When calculating the key figure the profit arising from the dividend of Bonava, SEK 6 755 M has been excluded.

5) When calculating the key figure the profit arising from the dividend of Bonava, SEK 6 755 M has been included.

For definitions of key figures, see www.ncc.gro/up/investor-relation/financial-data/financial-definitions.

NCC in brief

NCC is one of the leading Nordic construction and property development companies. With the Nordic region as its home market, NCC is active throughout the value chain – developing and building commercial properties and constructing housing, offices, industrial facilities and public buildings, roads, civil engineering structures and other types of infrastructure. NCC also offers input materials used in construction and accounts for paving and road services. NCC creates future environments for working, living and communication based on responsible construction operations that result in sustainable interaction between people and the environment.

Vision

We will renew our industry providing superior sustainable solutions.

Business concept – responsible enterprise

NCC develops and builds future environments for working, living and communication. Supported by its values, NCC and its customers jointly identify needs-based, cost-effective and high-quality solutions that generate added value for all of NCC's stakeholders and contribute to sustainable social development.

Core values

The company's values and Code of Conduct function as the backbone for the way NCC works and operates. They also jointly serve as a compass for how employees are to conduct themselves and act in everyday situations, and provide guidance when decisions have to be made.

- HONESTY
- RESPECT
- TRUST
- PIONEERING SPIRIT

Organization

NCC conducts integrated construction and development operations in the Nordic region. The company has three businesses – Industrial, Construction and civil engineering and Development – and as of January 1, 2016 is organized in four business areas.



NCC Building



NCC Infrastructure



NCC Industry



NCC Property
Development

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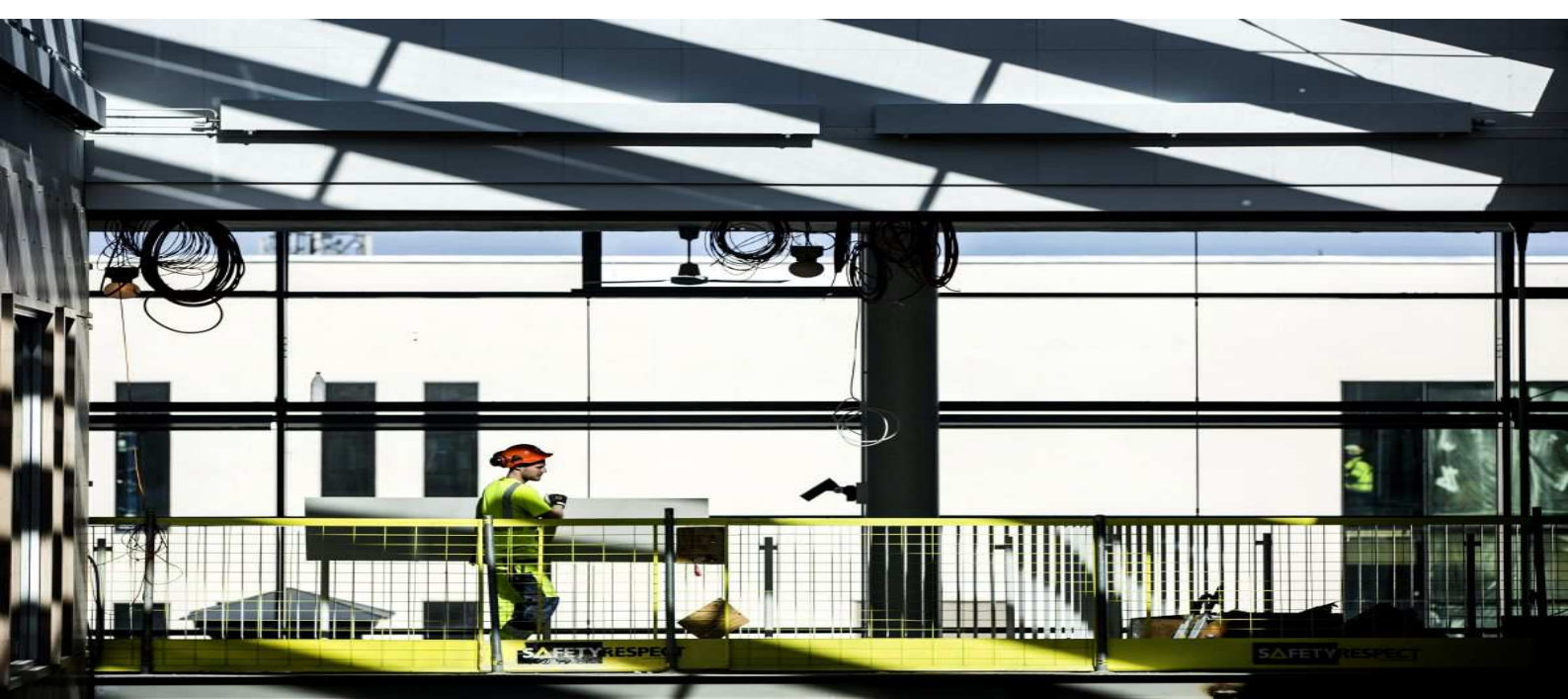
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Information meeting

An information meeting with an integrated Internet and telephone conference will be held on October 28 at 8:30 a.m. CET at Tändstickspalatset, Västra Trädgårdsgatan 15 in Stockholm. The presentation will be held in English. To participate in this teleconference, call +46 8 519 993 55 (SE), +44 203 194 05 50 (UK), +1 855 269 26 05 (US) or +49 692 222 290 46 (DE) five minutes prior to the start of the conference. State "NCC."

This is the type of information that NCC could be obligated to disclose pursuant to the EU Market Abuse Regulation. The information was issued for publication through the agency of the contact person set out above on October 28, 2016 at 7:00 a.m. CET.



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