

Appendix 1

Statement by the Board pursuant to Section 4, Chapter 18 and Section 22, Chapter 19 of the Swedish Companies Act concerning the Board's motion concerning appropriation of profits, as well as the buyback of company shares

The nature, scope and risks of the business

The nature and scope of the business are stipulated in the Articles of Association and the published Annual Report. The activities conducted by the company do not entail any risks other than those that arise or can be anticipated to arise within the industry, or those risks that are generally associated with operating a business. In terms of significant events, these are presented in the Report of the Board of Directors. Apart from these, no other events have occurred that affect the company's ability to pay a dividend or to buy back its own shares.

The financial position of the company and Group

The financial position of the company and Group on December 31, 2013 is described in the most recent Annual Report. The Annual Report also specifies the accounting principles that have been applied in valuing assets, provisions and liabilities. It is apparent from the proposed distribution of unappropriated earnings that the Board proposes that the Meeting approve a dividend of SEK 12.00 per share, divided into two payments, whereby SEK 6.00 will be paid on the first date of payment in April and SEK 6.00 will be paid on the second date of payment in October.

As described in the Annual Report, the company's financial objective is to generate a healthy return to shareholders under financial stability. The Group's profit after tax for the year was MSEK 1,989, corresponding to a return on shareholders' equity of 26 percent. During the year, net indebtedness was reduced by MSEK 811 to MSEK 5,656, corresponding to a debt/equity ratio of 0.7, which is well in line with NCC's financial objective. The company's return on equity and financial position are sound.

The Board is of the opinion that the size of the equity, as reported in the most recent Annual Report, is in reasonable proportion to the scope of the company's operations and the risks that are associated with conducting the operations, taking the dividend motion into account as well as the motion concerning the buyback of shares.

Justification of the motions

In reference to the above and to other information that has been brought to the Board's attention, the Board is of the opinion that a comprehensive assessment of the company's and the Group's financial position entails that the dividend, as well as the buyback of company shares, is justified in view of the demands that the nature, scope and risks in the business place upon the size of the company's and the Group's equity and the funding requirements, liquidity and position in general of the company's and Group operations.

Solna, March 2014

Board of Directors of NCC AB