Mr. Chairman, honorable shareholders, ladies and gentlemen.

2013 will go down in NCC’s history as the company’s second best year ever. In a tough market, we focused on continued efficiency enhancement of the operations, securing our earnings, making the “right” deals and taking the “right” risks. Our determined efforts generated results and we proved that it is possible to make money even in a weaker market.

A particularly good year was noted for our property development business, which during 2013 took the pole position as the largest business area in terms of operating profit. Our sales of housing surpassed the results of previous years and, during the year, we achieved our target of 7,000 housing units in production. Our focus on residential construction in Germany continues to yield healthy results and our Danish construction model also proved its worth during the year.

Despite closing the books on a very good year in terms of earnings, a year during which we exceeded our financial objectives, a great deal of work remains. The areas for improvement include increased profitability – partly in the Swedish section of our construction operations. They also include the international purchasing strategy, an area in which NCC definitely has a lot of value to realize. Roads has its work cut out in the field of road services. Our strategy is to achieve profitable growth and I can state that, in the long term, I want to see higher growth than we noted this year, at the same time as we must work to improve our profitability.

However, improvements are not only about financial figures. Our work environment and safety, our sustainability work and our efforts to cooperate with customers are just as important. These are areas that, if we become truly great, will make a positive contribution to NCC’s earnings.

I believe that companies that have a positive corporate culture and a strong brand are more exciting and fun to work for. They find it easier to attract the best teams. These teams that are needed to build profitability and growth. They are needed for the future. During 2013, we therefore completed work to modernize our vision and our values. It resulted in the launch of a new vision and the addition of a new corporate value at the end of the year. I will return later to what we want to achieve with this.

But first a brief résumé of 2013. Net sales increased 1 percent and operating profit improved 6 percent. And we succeeded in beating the earnings we achieved in the fourth quarter of 2012. So now the fourth quarter of 2013 goes down as the best ever quarter for NCC. I won’t speculate in terms of “all good things come in threes” but obviously it would be a great if that were to happen.

Our financial position is strong and we noted a 26-percent return on shareholders’ equity, thus surpassing the objective of 20 percent. Net indebtedness is well below our target level of 1.5 times shareholders’ equity.
Earnings per share after tax were SEK 18.40. The dividend policy states that not less than 50 percent of profit after tax is to be distributed. The Board of Directors’ proposes that the Annual General Meeting approve a dividend of SEK 12.00 per share, an increase of SEK 2, equal to 65 percent of profit after tax.

NCC’s total return for 2013, meaning the share price plus dividends, was 64 percent. The average for the Stockholm Exchange was 28 percent.

Let’s us now make a status check on our objective for profitable growth within the strategy period; I can state that our sales in the industrial business increased by 2 percent during 2012 and 2013. The aim is to grow at a rate of at least double the Nordic GDP growth rate by the end of the strategy period in 2015. During 2012 and 2013, double the Nordic GDP growth rate was 1.7 percent, which means our current position is slightly better than the target level for this status check. With respect to our construction and civil-engineering business, we have the same target as for the Industry business. Here, our sales rose 2.7 percent.

In our third business, Development, our objective is to have at least 7,000 housing units in production and a retained level in the portfolio of commercial property projects. At year-end, we had 6,383 housing units under construction, an increase of 1,000 units since the start of the strategy period in 2012. The number of commercial property projects has declined from 23 till 17 since the start of the period. This is because we divested and handed over a number of major projects during the year. We have a solid portfolio, where we need to add new projects in the future.

Compared with 2012, profitability in our development business was positive in 2013, with the Property Development business area making a strong contribution. Torsplan in Stockholm is an example of a successful project. Another such project is Triangeln in Malmö.

Let us continue looking at how we performed in 2013; in our strategy, we have assigned priority to three areas.

Firstly, expansion in Norway in all business areas. Thanks to organic growth and acquisitions, our operations in Norway are larger today. In my estimation, conditions in the Norwegian civil engineering market will be favorable during 2014. We are focusing on increasing earnings while securing new profitable orders. NCC has a number of interesting infrastructure projects under way in Norway. Notable examples during the year include the Hålogalandsbron project, where NCC is constructing two connecting bridges and two 170-meter-high concrete pylons or bridge pillars. With its 1,533 meters, this will be the second longest suspension bridge in Norway and it will both increase safety and reduce travel time. We are also building roads on the National Highway 4 project, which is worth nearly SEK 1.2 billion.

The second priority area is establishing a position for us in the civil engineering market in Finland. This is a long-term effort and we are now gradually building competency and competitiveness.

The third area is expansion of the housing development business in all markets. As a result of buoyant sales of housing during the year, NCC was able to start
more housing units and to grow. We sold nearly 5,000 housing units during 2013.

We have part of our housing development business in St. Petersburg, which is a densely populated region experiencing long-term growth. We have long-term plans for this market and we have been active there for more than 40 years. Naturally, we are monitoring developments in the region, due to the prevailing political situation.

In addition to our three growth areas, we have placed a focus on a number of strategic areas. One of these is the customer – and to become the customer’s first choice. To be able to achieve our target scenario here, we need to work on a number of areas, including finding a way to jointly assess the confidence that our customers have in us. Accordingly, we conducted a joint customer assessment in 2013 for the first time. Another area is to develop our cooperation with customers, both through partnering and other formats. A third area is to develop distinct concepts and clear customer offerings.

Although we have come quite far in some areas, we still have work to do in others. NCC is a broad Group, which requires being able to offer everything from highways to private residences. These offerings may seem wide apart but we must realize that perhaps the same person actually purchases both products. For us, it involves an internal journey to become – One NCC and one image.

In conclusion, if I were to summarize 2013 now that we are halfway through the strategy period, we have improved our positions in all prioritized strategic areas.

I will now return to the future and our more long-term thoughts. To challenge ourselves and provide the organization with further guidance and energy, we conducted an overview of our vision and our values. This resulted in a new vision: To renew our industry and provide superior sustainable solutions. And, we added pioneering spirit to our three current values – honesty, respect and trust. For us, pioneering spirit means being courageous by testing new concepts and work methods and demonstrating the power of initiative and proactivity.

Visions must be converted into tangible actions. We will develop new products, and be a pioneer in applying new methods and work methods, for example, Spuma to combat weeds and using proprietary innovations, as well as those developed by others. It is only through tangible actions that we will be able to show that we have the ability and the desire to drive development in the industry.

Already now, we are involved in showing the way ahead. Notable examples include an app that provides our project managers with access to every project document directly in their mobiles, that we this year became the first company in the world to have a project certified according to new more stringent requirements for ground remediation and that we have developed a completely new climate smart facility that can cope with melting and cleaning large amounts of snow. With this technology, we will be able to avoid dumping contaminated snow. Spuma is an example of our other innovations.

Further proof that we are on the right track that will lead us to the vision is found in the external acknowledgments and awards that we have received. One
of our property development projects, NCC’s Østensjøveien 27 in Oslo, which has a strong eco-profile, was nominated as one of the world’s most sustainable solutions by the global environmental organization, Sustania100.

Other NCC winners include: Fittja People’s Palace, NCC’s concept for the renovation of properties from Sweden’s major building programs of the 1960s and 1970s. The concept, which was awarded first prize in the Swedish section of the Nordic Built Challenge for sustainable renovation, is financially, socially and environmentally sustainable. A key cornerstone is that residents and other local stakeholders will be able to exercise influence over the renovation through a collaboration process. Koggen 2 in Malmö was elected the best BREEAM certified property for the year by Sweden Green Building Council. The bridge construction over the E4 expressway at Rotebro received the environmental award for the year from the Betong magazine. This is the most extensive civil-engineering project in Sweden to be environmentally certified according to CEEQUAL. NCC’s snow-melting facility, SS Terje, won the Norwegian construction industry innovation award. And, PermaVej, a concept to reduce the risk of flooding, won the Danish construction innovation award. In Germany, NCC won the Swedish Business Award for 2013 in the “major companies” category.

While it is naturally gratifying to receive external recognition for what we do, we must do much more if we are to drive renewal and be able to offer the best sustainable solutions. For us at NCC, sustainability is being sustainable from a long-term financial, social and environmental perspective. We must balance and take these three perspectives into account when we drive our operation.

We view sustainability as a business opportunity over and above the responsibility we want to assume for the sustainable development of our operations. During the year, we established long-term environmental goals in which four areas are prioritized: The first is climate and energy, the second is chemicals and sustainable material choices, the third is waste and recycling and the fourth area is environmental certification of buildings and facilities. In tangible terms, this includes increasing the use of processes, products and services that generate zero or low carbon emissions, that we declare the contents of our buildings and products, that no recoverable waste is sent to landfill and that everything we build will be environmentally certified.

A great deal has already happened. If we look at the number of certified projects that we completed, the status is as follows: And, of course, it is through the tangible objects that we build that we achieve renewal. Notable projects that we started last year included: Sweden’s first apartment block with plus-energy technology. A collaboration with the municipal housing company Hifab in Halmstad. Rental apartment buildings with large cultivable balconies and green houses on the roof for self-subsistent households in Malmö. Student apartments at the Royal Institute of Technology, which will be the most modern types of apartments when completed. The building’s glass ceiling will function as a greenhouse, where research can be conducted in, for example, solar cell technology.

We have started selling the apartments in LonaParken, Norway’s first Nordic Swan eco-labelled apartment project and our largest housing project to date in Bergen.
Within infrastructure, a number of interesting sustainability projects are also in progress. One of them is the National Highway 50 - one of Sweden’s largest civil-engineering projects that was completed in 2013. We were able to contribute to the solutions, which are sustainable and generated financial, social and environmental benefits.

Another way to drive renewal is to actually discuss how we will build in the future. What material should we use? Should the buildings last for 100 years or should we find more flexible solutions? How should we utilize our street space in the future and what will our gardens look like? How do we want to shape social areas and communication?

Dome of Visions is a dome-shaped building developed by NCC in Denmark. The dome represents a protective climate shell for a garden and a resource efficient, timber, single-family house. The objective of the Dome is to gain new experience about alternative designs and material, and to create a meeting place for dialog and discussions about construction in the future.

Responsible and sustainable purchasing is a key issue for us. Today, the Group’s total purchase of goods and services amount to about SEK 38 billion. In 2013, we took several steps toward making purchasing more efficient. We established a central purchasing function that will coordinate and control purchasing in the Group, with the ambition of increasing the volume of our international purchasing. Our ultimate objective is that it will account for a quarter of total purchasing volume. Today, we purchase 6 percent through direct imports outside the Nordic region. To monitor and develop our international suppliers, NCC will focus on audits of social responsibility, the environment and quality.

Another area in which we can take the lead and renew is in industrialization, one of the largest challenges in the industry. One of the advantages of being a major company is that we have financial strength and expertise in developing platforms and concepts. Germany is a country where we have made great progress and have many examples of efficient production of housing units.

We have developed platforms not only within housing but in several areas of operations. Today, we can offer everything from sports centers, nursing homes and offices to logistics facilities, roads, bridges and housing. This means that we can build for many more people and more cost efficiently than if we were to start from the beginning on every occasion.

To renew involves not only efficiency enhancements and innovation of our products. It is also about people. If we are to achieve our vision of driving renewal – and leading development in sustainability, a crucial factor is competent and committed employees.

We are a knowledge-intense organization, where education/training and competency development are central issues. A new initiative in addition to Tekniksprånget and the other collaborations already in progress is a new high school program with Kunskapsgymnasiet. In the coming autumn, the technical studies program will commence at three different locations. Here are a few voices from students at the International Kunskapsgymnasiet in Stockholm.
Not only education but also diversity contributes to creativity and innovation. We want to generate creative teams and workplaces and we believe that creativity comes from a diversity of backgrounds, expertise, experiences and ideas — regardless of ethnicity, gender, age, religion or sexual orientation.

One area is that we are working hard to increase the proportion of women at NCC. In NCC’s Group Management, the company has gone from having one woman to four of 13 members. In our Property Development business, the number of women has increased from two of a total of nine members to four of a total of ten in company management. Our Swedish construction operations have established four tangible goals, including that at least 40 percent of our trainees must be women and that women will account for at least 30 percent of company management groups. With women in management positions at all levels in the company, it will be easier to recruit more women.

We also working actively to increase the proportion of employees with another ethnic background. One example is that in Finland, we have participated in an integration project with the City of Helsinki, where individuals who had immigrated were offered education and trainee positions to be able to work in construction and civil-engineering projects.

The Sumak project in Malmö, which concluded last year, is another example. It is based on a change process for companies and organizations that want to work with values, attitudes and diversity to develop more inclusive workplaces. The tool used is communication, food and culture. 365 employees from NCC, the auditing company PwC and employees of the western inner-city district of Malmö City participated in the project.

Another very important issue is our work environment and safety effort. Since our employees must feel they have a safe and secure workplace, we have a zero vision for worksite accidents. This is one of by far the main issues for the Group. The work environment issue is a standing item on the agenda in Group management and the Board. We focus a great deal of effort on training about attitudes and behavior and how worksite accidents can be avoided.

One example is, the “Silent Book” which was relaunched during the year. It helps us to do things the right way in a simple and easy manner, regardless of language. In 2013, NCC received a national work-environment award in Denmark for its work on safety culture, which led to a halving of the number worksite accidents at NCC’s Danish worksites in 2012.

At the beginning of September, NCC arranged Awareness Day for the third year in succession. At 9:00 a.m. on September 4, all work was halted at all of NCC’s workplaces in all countries, to hold joint talks and discussions about the work environment and safety. I was in Norway and visited our new head office and the Lysaker Polaris project. This year, several members of the Board of NCC and our principal owner Nordstjernan participated in discussions at various worksites. Between 2011 and June 2013, we reduced worksite accidents by 27 percent.

Although this is good, it is not enough. If we examine the results in 2013, accident frequency declined slightly but unfortunately we also suffered one death last year – this time at one of our contractors. This should not happen.
If we look at the trend in statistics, the curve is turning downwards but not fast enough. We must never stop focusing on safety. I reiterate, at NCC, we have a zero vision respect to workplace accidents. We will get there.

I hope you understand how important our employees are to me and NCC. But, how do they feel about working at NCC? Every year, we also conduct an employee survey and have received good ratings over the years. The results of the 2013 survey indicate that NCC is better than the industry index in most markets. I am happy about this, because as I said before, satisfied employees will lift NCC's business and help us to achieve our objectives.

Allow me to conclude where I started and say that we are now putting another good year for NCC behind us. A year in which we have demonstrated our strength as a company. At the same time, there is no scope for sitting still. We must stay on our toes at all times to meet and utilize the challenges and opportunities that are ahead of us.

This will be captured in our new vision: We want to propel renewal in our industry – and lead the way in sustainability. With tangible actions, we will be the company in our industry that leads the way. I am convinced that we have the opportunities and we must now utilize them. I am looking forward to another exciting year.

Thank you!