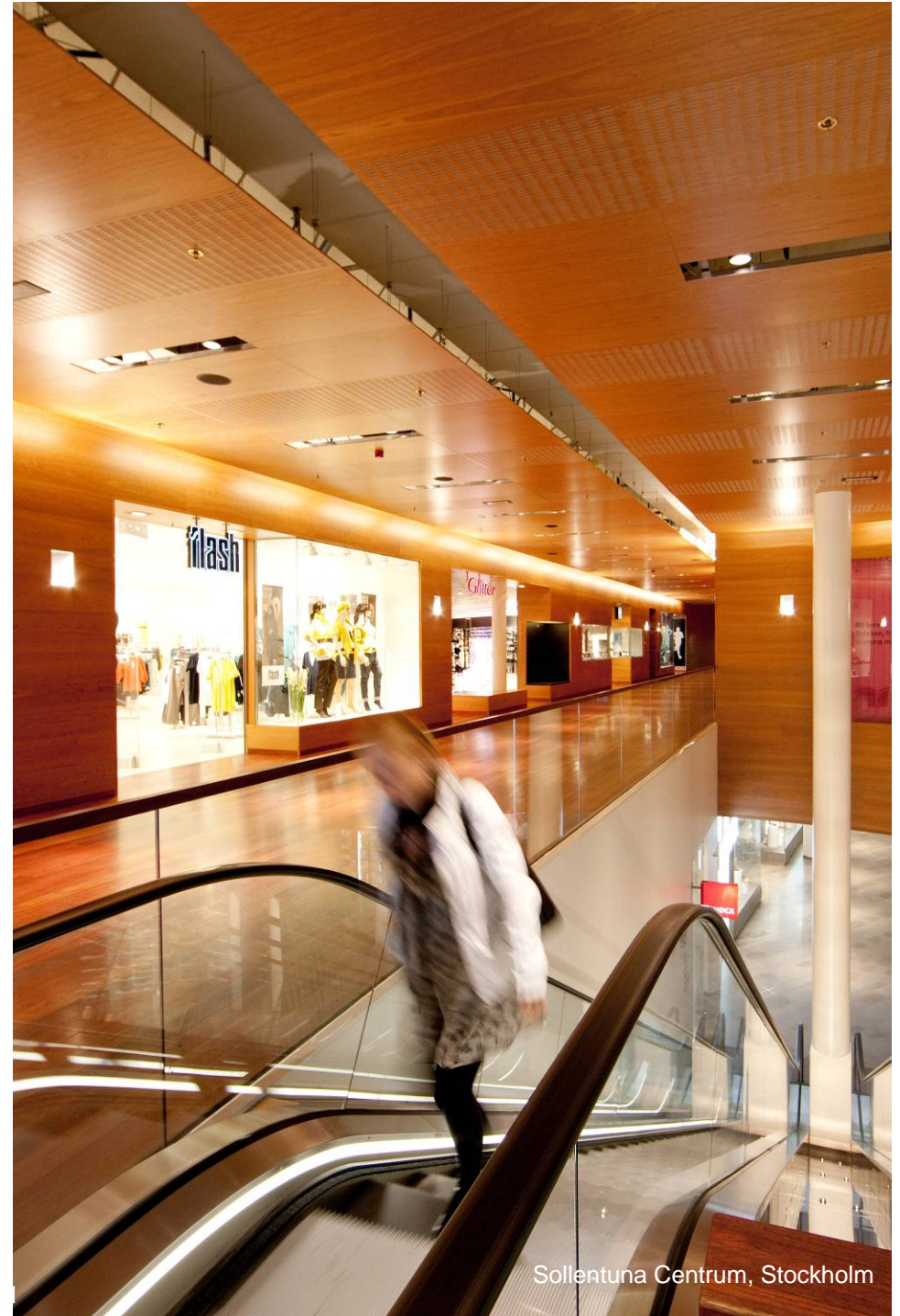




# Year-End Report 2009

Olle Ehrlén  
President and CEO

Ann-Sofie Danielsson  
Chief Financial Officer



Sollentuna Centrum, Stockholm



A modern office interior featuring several bright orange armchairs arranged around a white circular table. In the background, there are white office cubicles, desks with computers, and large windows letting in natural light. The ceiling has recessed lighting and air vents.

2009 in brief

Earnings and market

Orders received and order backlog

Housing sales and construction starts

Earnings and comments by business area

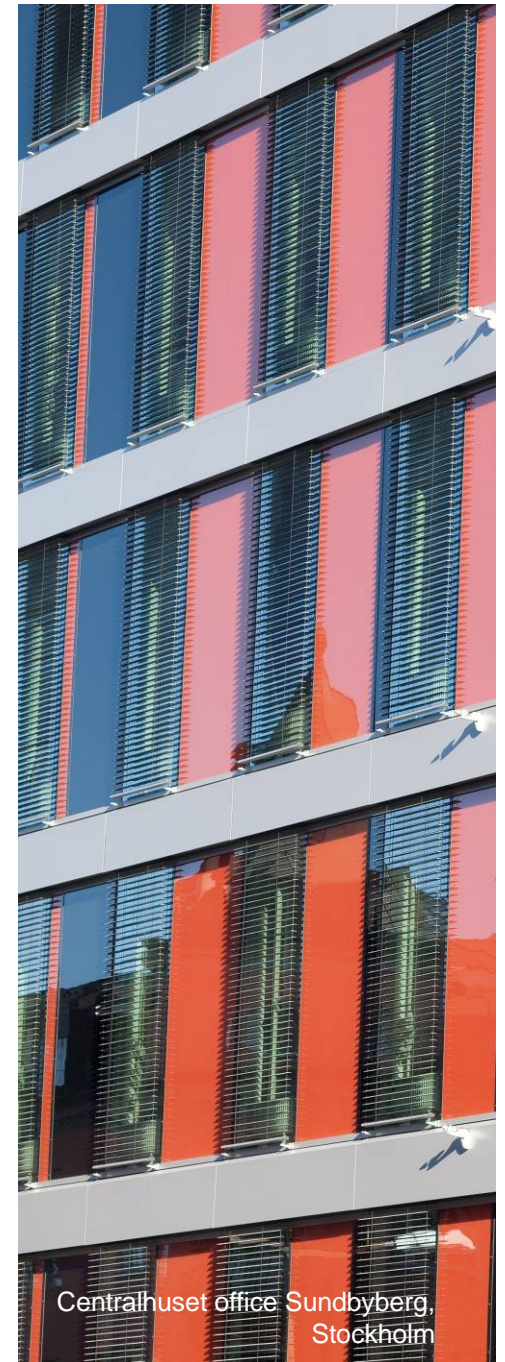
Financial position

Summary



## 2009 in brief

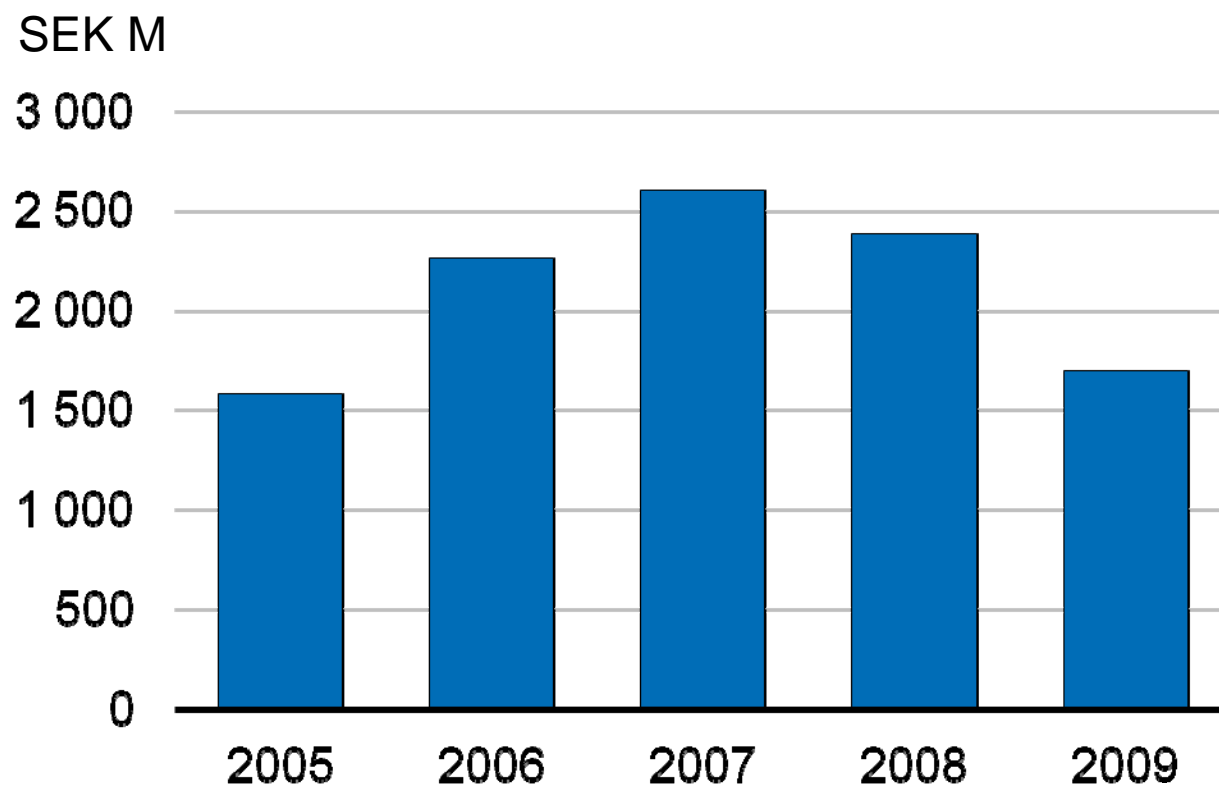
- Lower demand and recession
  - orders received down 11 percent
- Operating profit: SEK 2,150 M (2,219)
- Favorable cash flow and low indebtedness
- Housing market recovered in the second half of the year – healthy sales of housing
- Downward trend in orders received bottomed out in the fourth quarter



Centralhuset office Sundbyberg,  
Stockholm

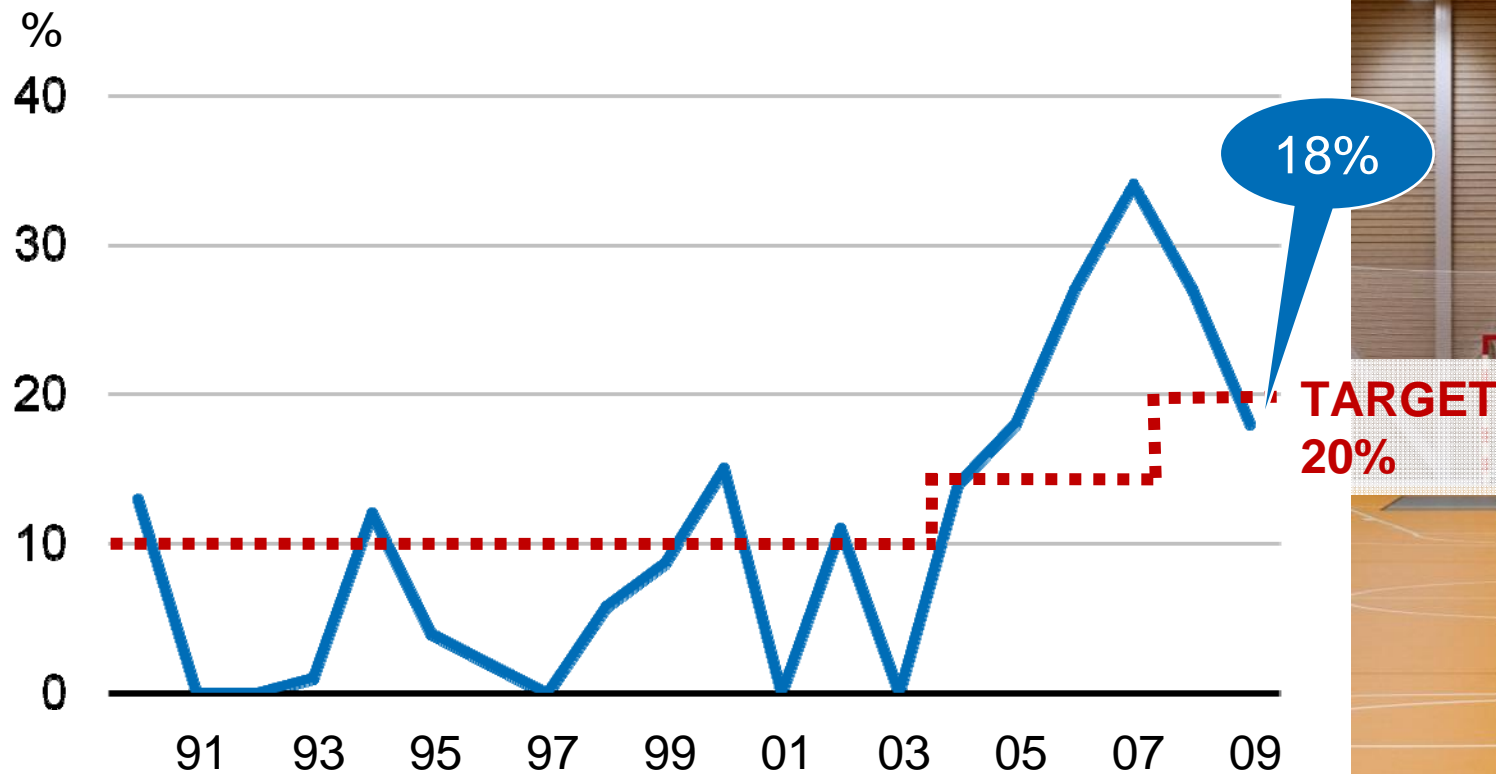
# Earnings impacted by the recession

Profit after financial items

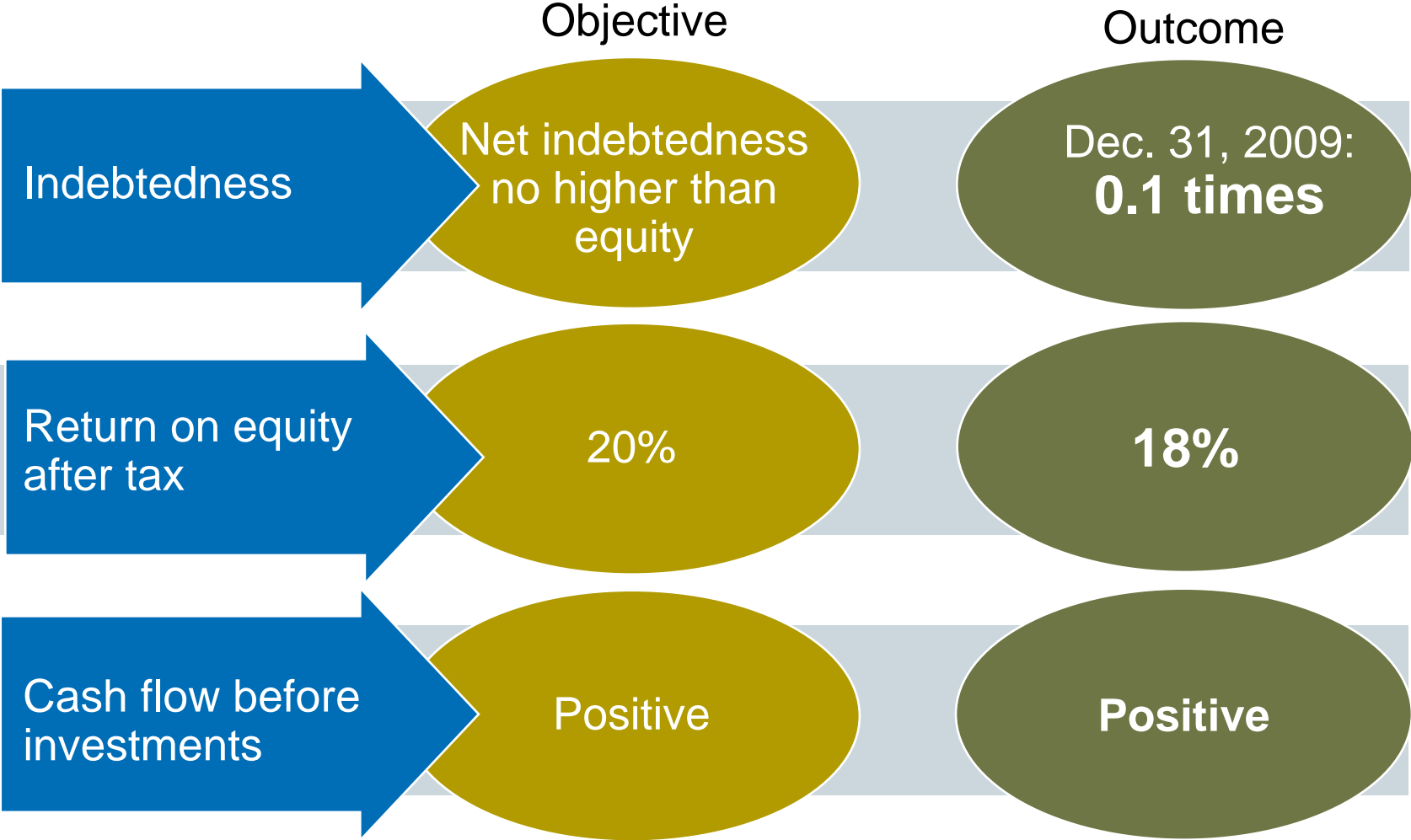


# Almost achieved return objective despite a tough market

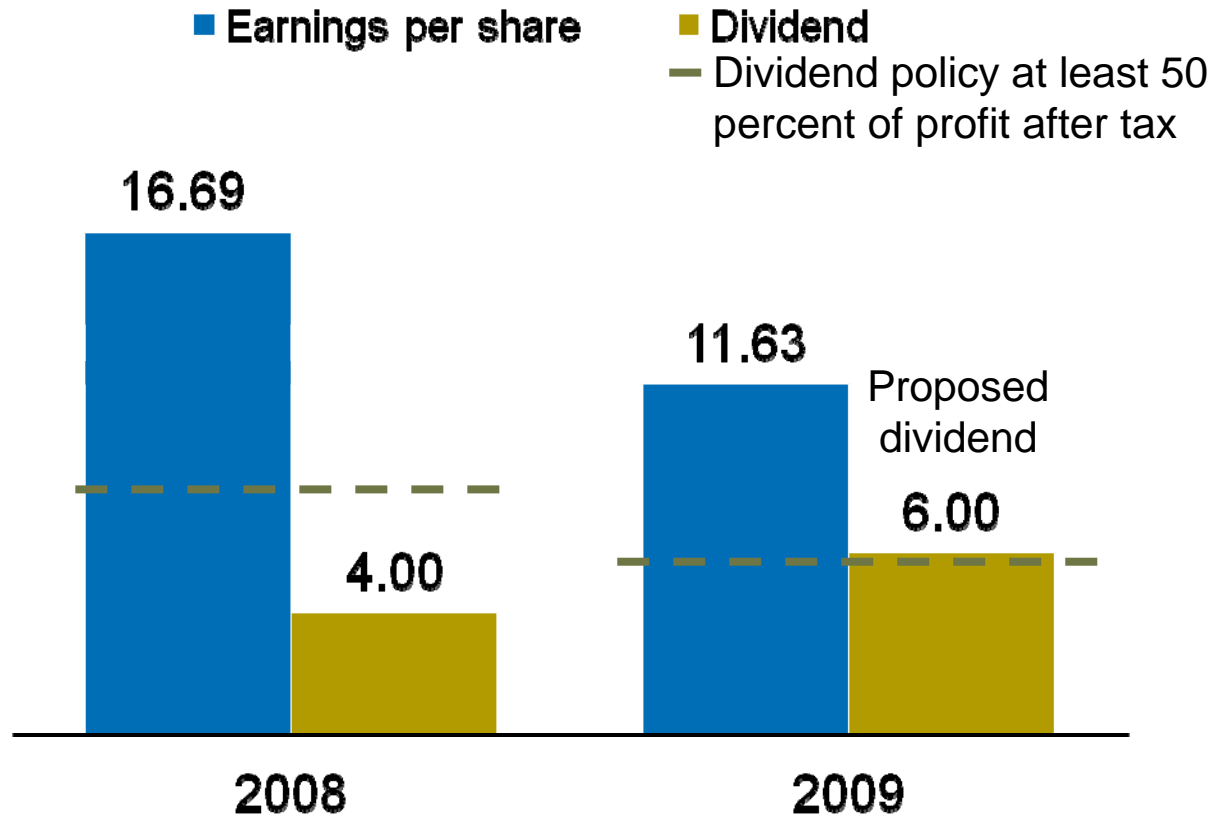
Return on shareholders' equity



# Financial objectives



# Earnings per share and dividend SEK



Tehuset, Borås

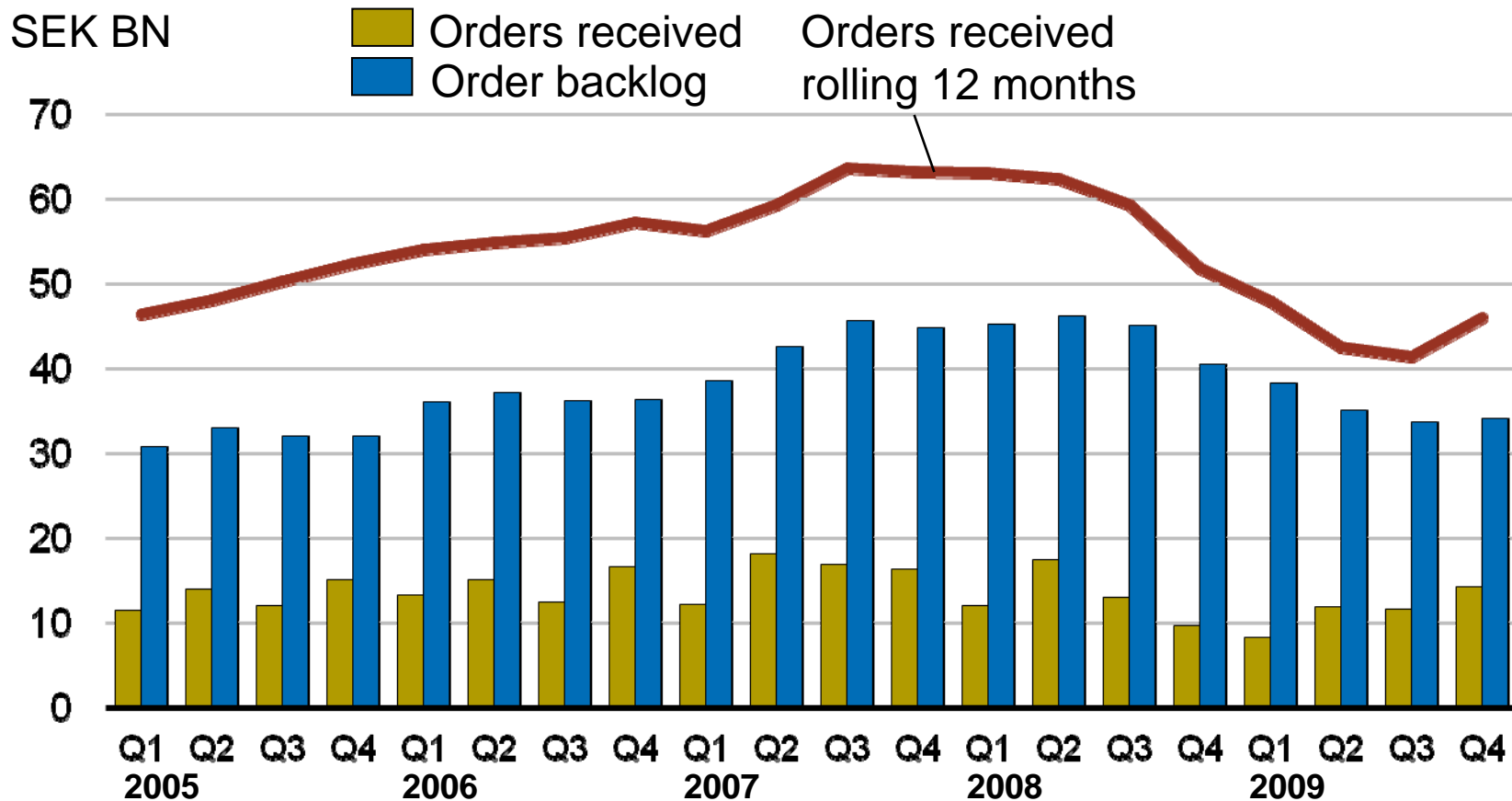


# Construction market to remain weak in 2010...

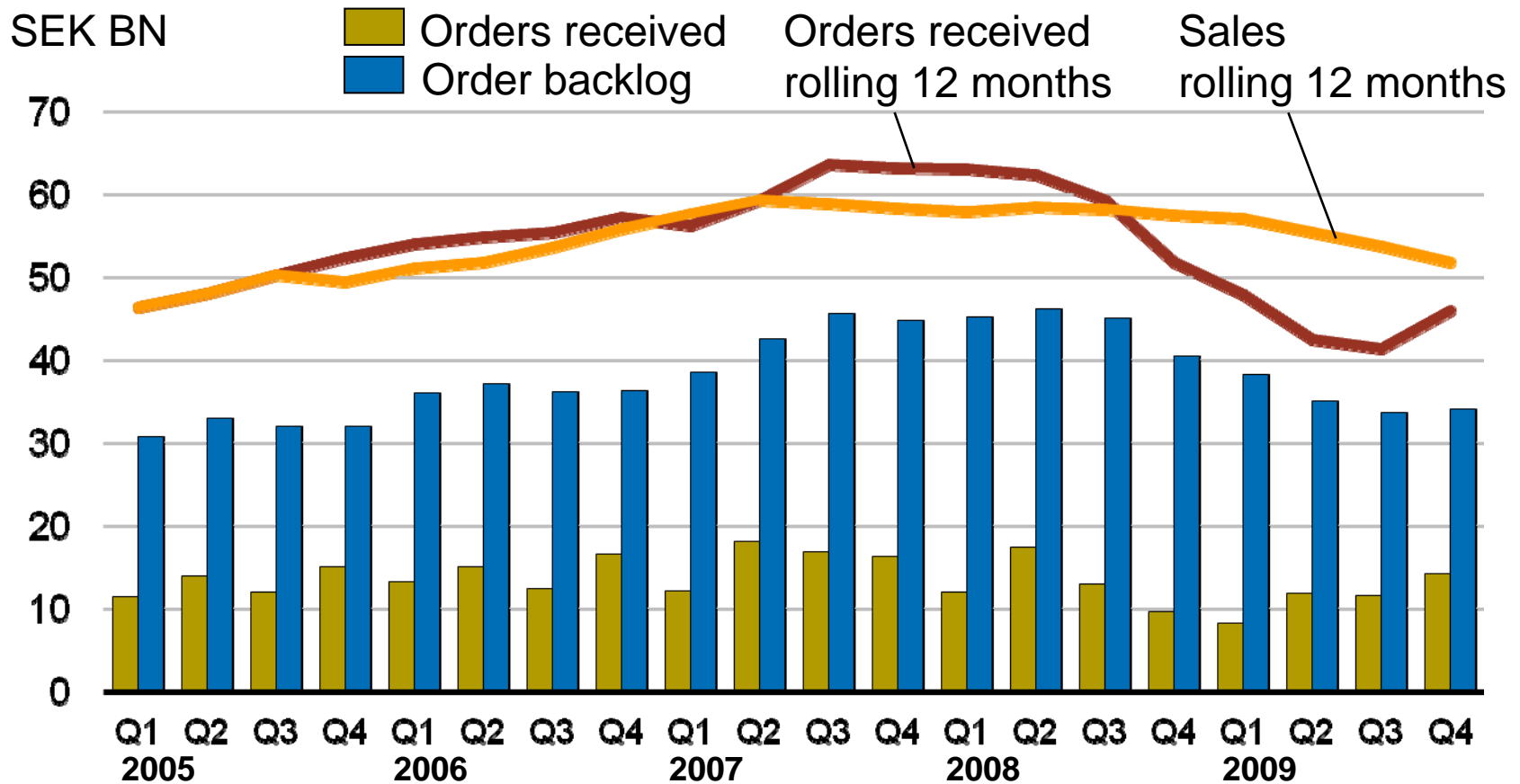
2009	<b>Construction market</b> <ul style="list-style-type: none"><li>• Weak demand for housing, offices and other buildings</li><li>• Public sector less affected than private</li></ul>	<b>Civil engineering market</b> <ul style="list-style-type: none"><li>• Increased share for infrastructure</li><li>• Reduced demand for development work</li></ul>
	2010 <ul style="list-style-type: none"><li>• No growth in construction investments</li></ul>	2010 <ul style="list-style-type: none"><li>• Some growth – government infrastructure investment</li></ul>
2009	<b>Housing market</b> <ul style="list-style-type: none"><li>• Recovery and price increases during second half year</li><li>• Greater interest in constructing rental apartments</li></ul>	<b>Commercial properties</b> <ul style="list-style-type: none"><li>• Rising vacancies and falling rents in rental market</li><li>• The number of property transactions rose during the second half of the year, but from a low level</li></ul>
	2010 <ul style="list-style-type: none"><li>• Demand for housing assessed as stable or slightly increasing, except in the Baltic countries</li></ul>	2010 <ul style="list-style-type: none"><li>• Challenging market conditions</li></ul>



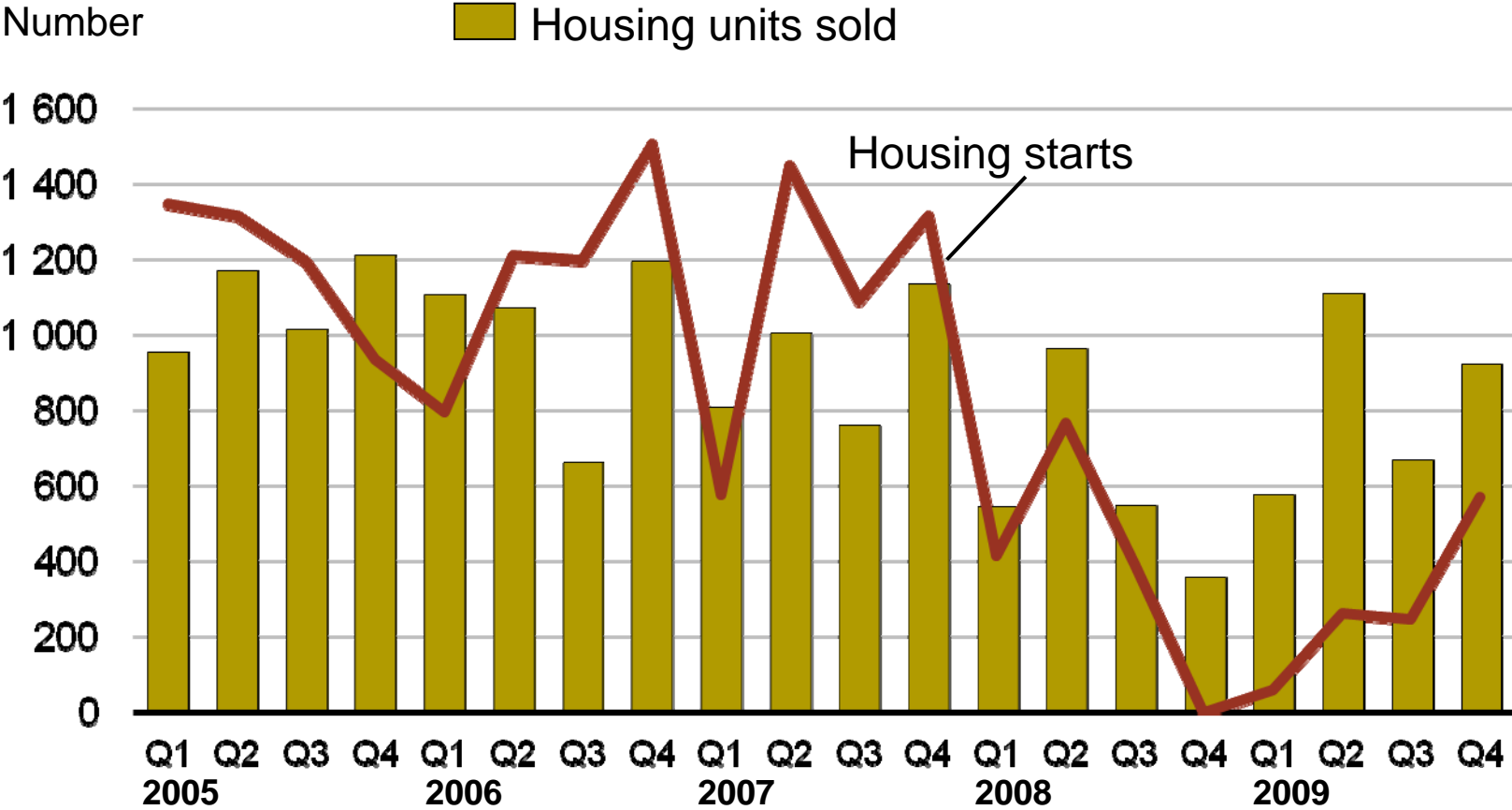
# Orders received match lower comparative figures...



# ...sales trend continues to decrease

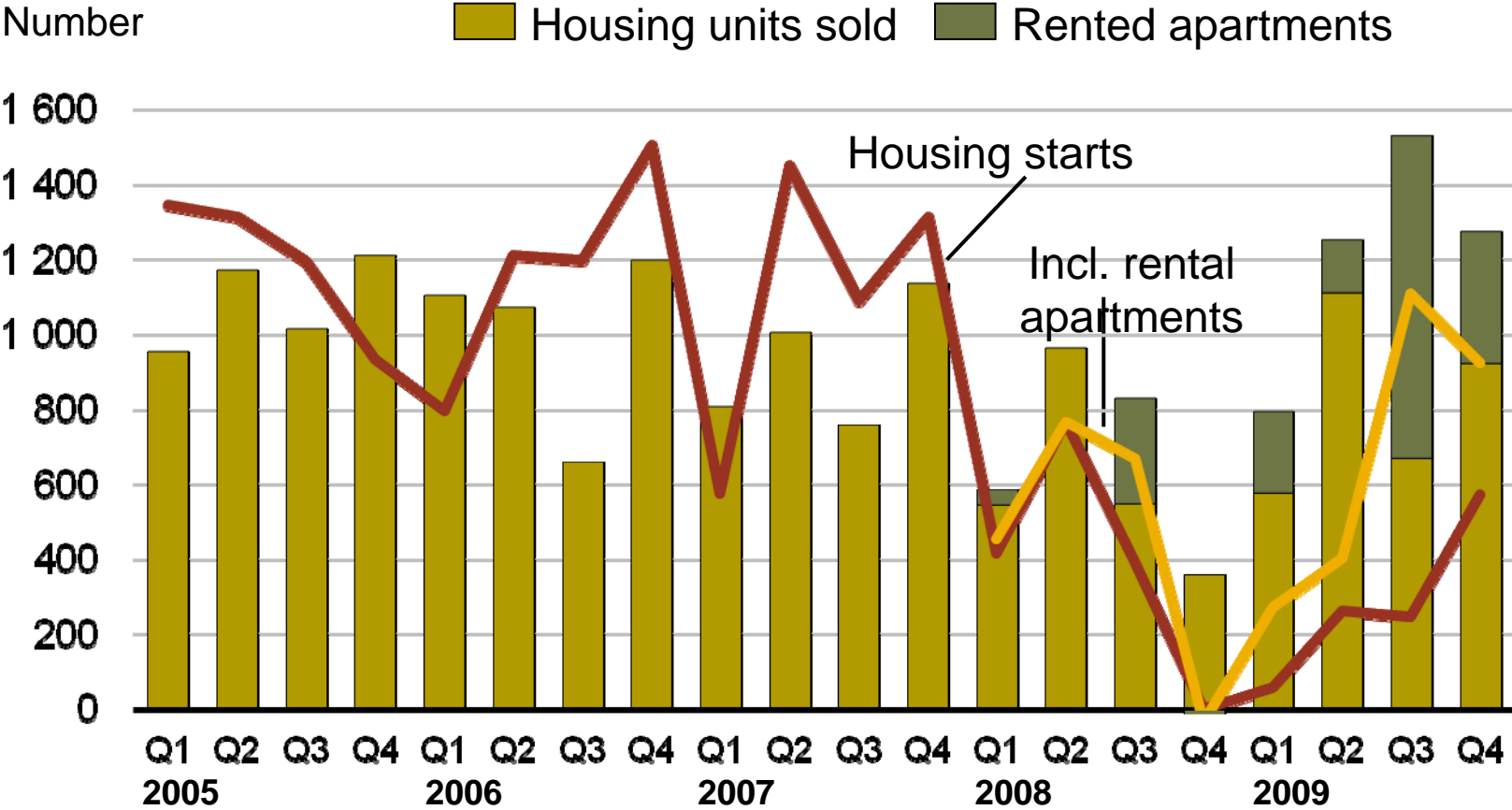


# Sales of housing units exceed housing starts





# Sales of housing units exceed housing starts



# Housing projects

	Sold during the period		Completed but unsold at the end of the period	
	Oct-Dec 2009	Oct-Dec 2008	Dec 31, 2009	Dec 31, 2008
Sweden	259	70	80	137
Denmark	50	4	51	194
Finland	176	54	92	295
Baltic countries	73	25	125	133
Norway	48	3	1	20
Germany	316	202	42	52
<b>Total proprietary units</b>	<b>922</b>	<b>358</b>	<b>391</b>	<b>831</b>
Housing projects*	352	-35	-	-
<b>Total</b>	<b>1,274</b>	<b>323</b>	<b>-</b>	<b>-</b>

\*Sales of housing projects – land with accompanying contracts



Obacka strand, Umeå

# Housing starts

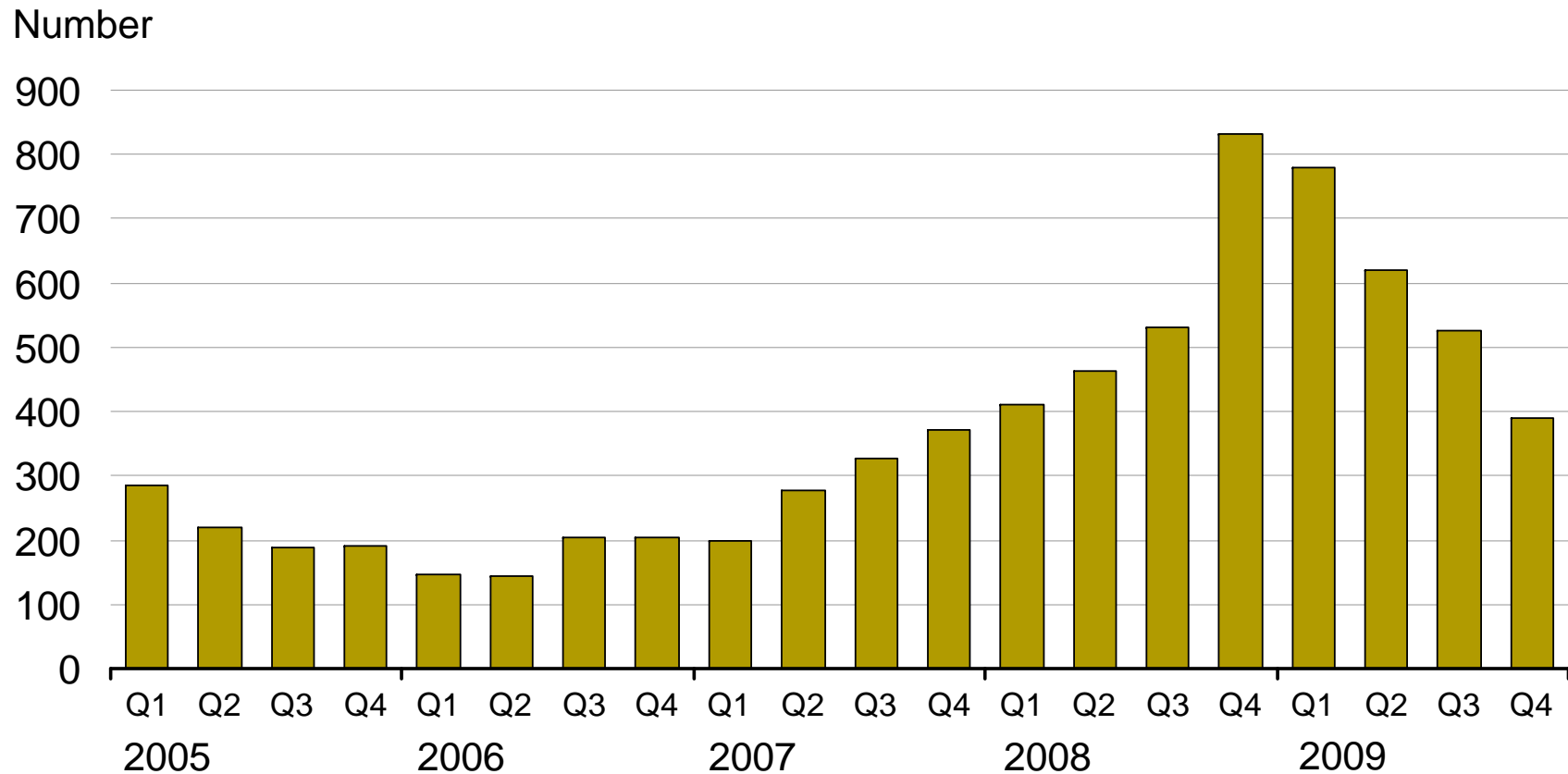
Number of housing units	Started during the period			
	Oct-Dec 2009	Oct-Dec 2008	Jan-Dec 2009	Jan-Dec 2008
Sweden	140	-129	334	202
Denmark	0	1	0	27
Finland	153	-50	191	489
Baltic countries	0	-31	0	-64
Norway	44	0	131	0
Germany	234	208	482	914
<b>Total proprietary units</b>	<b>571</b>	<b>-1</b>	<b>1,138</b>	<b>1,568</b>
Housing projects*	352	35	1,574	284
<b>Total</b>	<b>923</b>	<b>-36</b>	<b>2,712</b>	<b>1,852</b>

\*Sales of housing projects – land with accompanying contracts

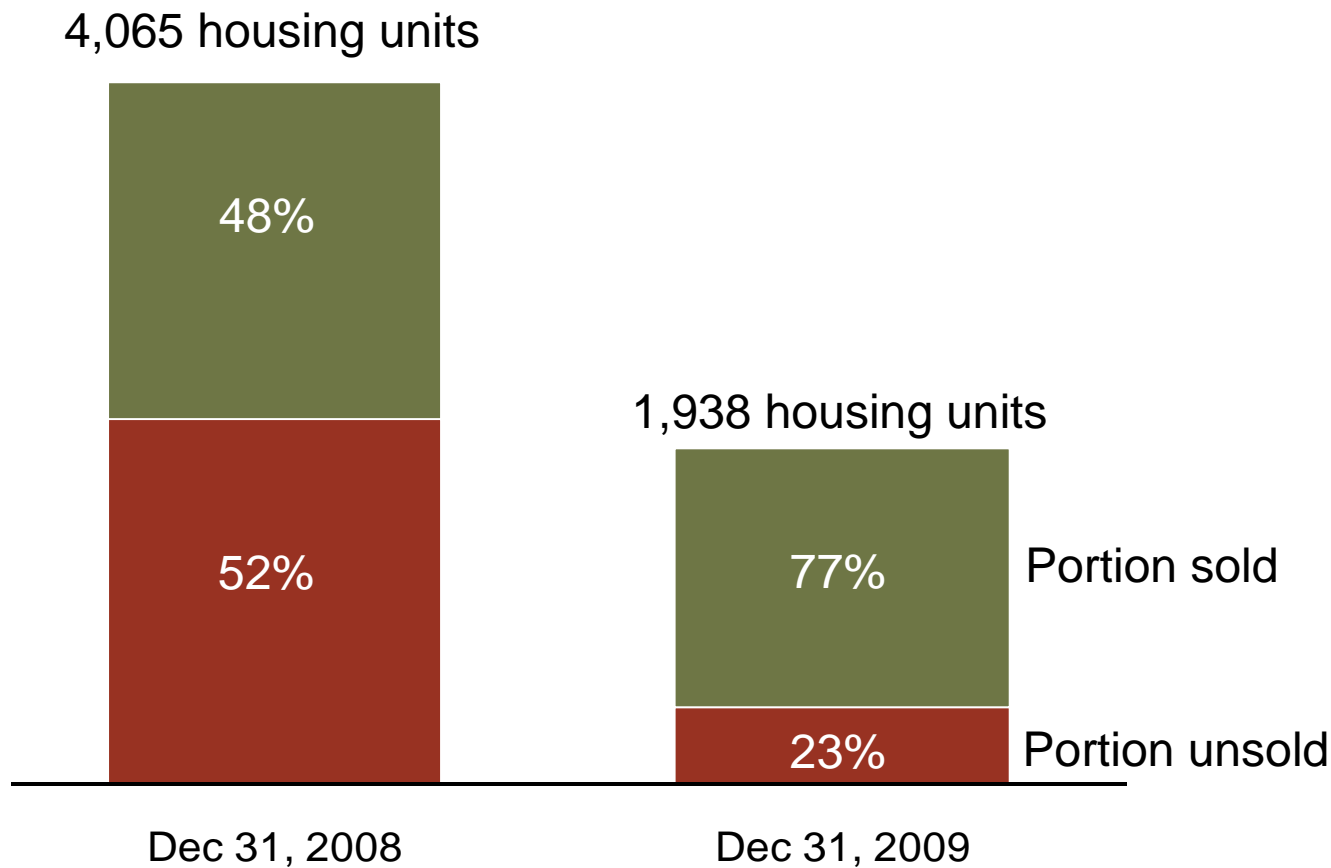




# Number of unsold units at a reasonable overall level

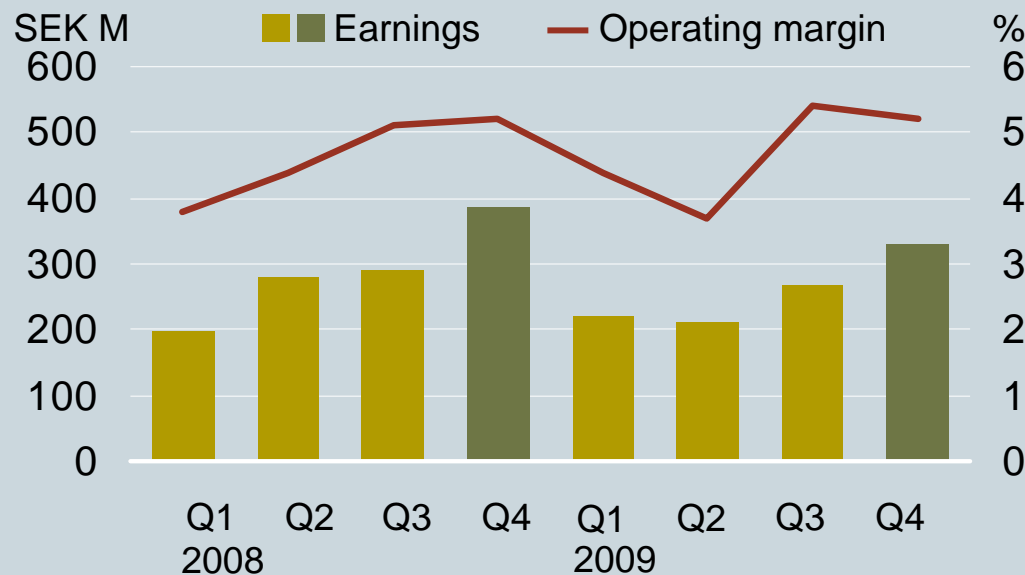


# High sales rate in ongoing housing projects



# NCC Construction Sweden

SEK M	Oct-Dec		Jan-Dec	
	2009	2008	2009	2008
Orders received	5,826	5,232	18,842	25,056
Net sales	6,369	7,354	22,225	24,612
Operating profit	330	385	1,031	1,154
Operating margin	5.2%	5.2%	4.6%	4.7%

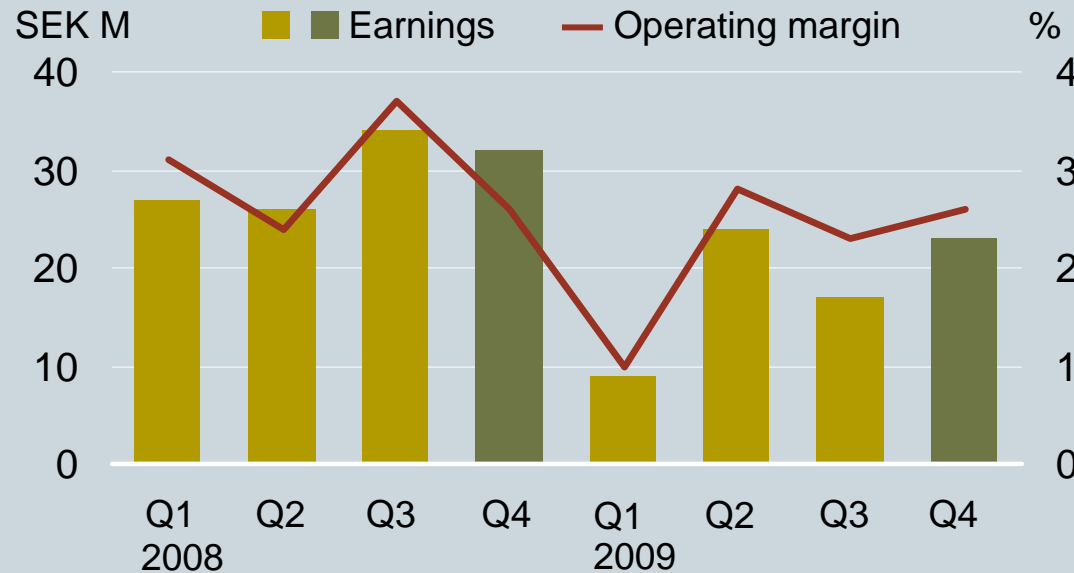


- Favorable earnings
- Lower order backlog ahead of 2010



# NCC Construction Denmark

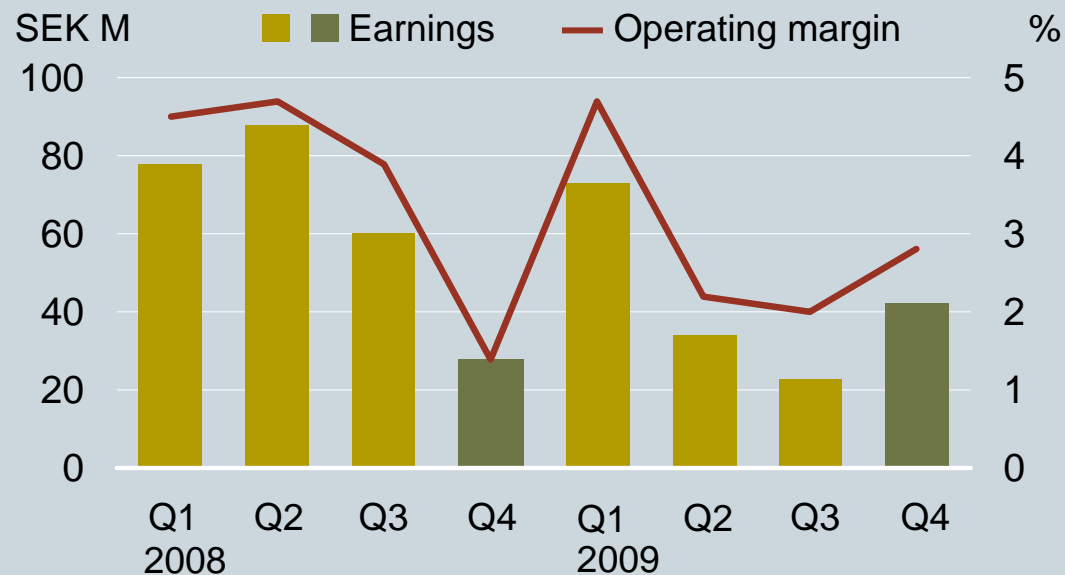
SEK M	Oct-Dec		Jan-Dec	
	2009	2008	2009	2008
Orders received	1,119	606	3,194	3,253
Net sales	878	1,225	3,321	4,079
Operating profit	23	32	72	119
Operating margin	2.6%	2.6%	2.2%	2.9%



- Adaptation to lower volume in 2009

# NCC Construction Finland

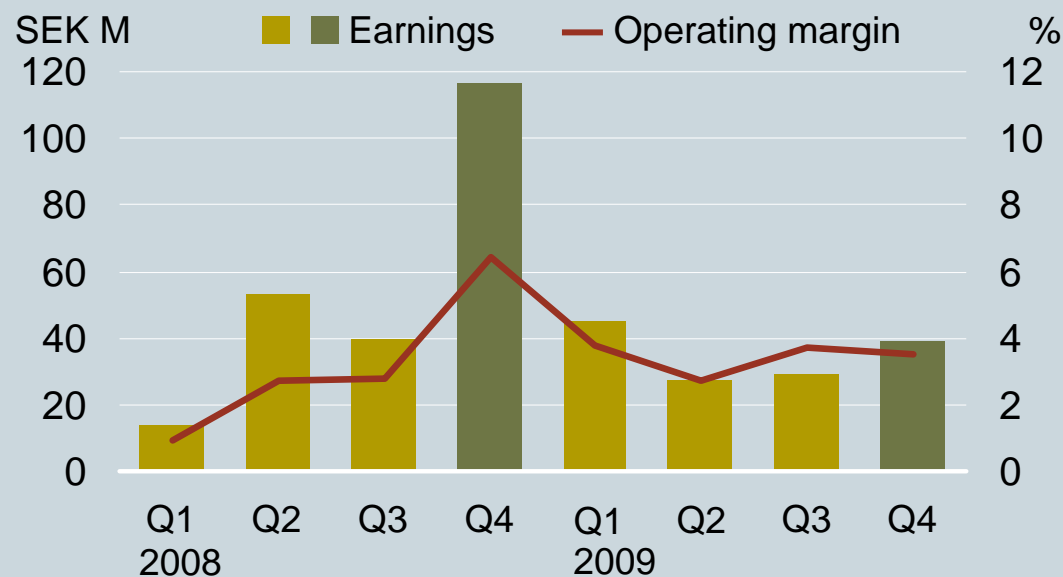
SEK M	Oct-Dec		Jan-Dec	
	2009	2008	2009	2008
Orders received	1,679	981	5,662	5,411
Net sales	1,506	1,955	5,718	7,087
Operating profit	42	28	172	254
Operating margin	2.8%	1.4%	3.0%	3.6%



- Baltic countries have a negative impact on earnings

# NCC Construction Norway

SEK M	Oct-Dec		Jan-Dec	
	2009	2008	2009	2008
Orders received	2,125	489	4,681	3,546
Net sales	1,104	1,841	4,065	6,936
Operating profit	39	117	140	224
Operating margin	3.5%	6.4%	3.4%	3.2%

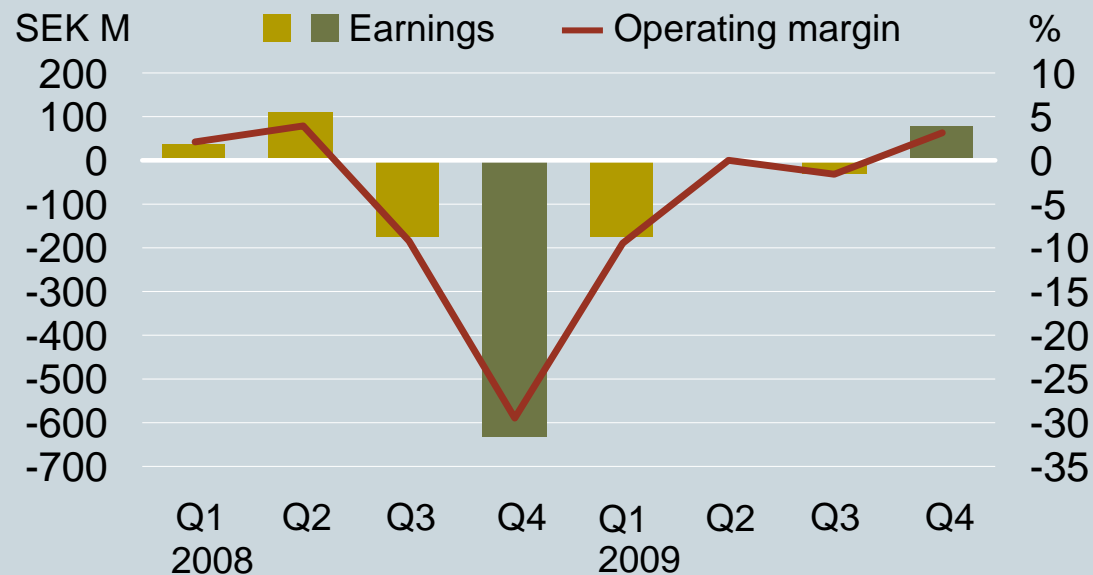


- Sales down nearly 50 percent
- Orders received strong



# NCC Housing

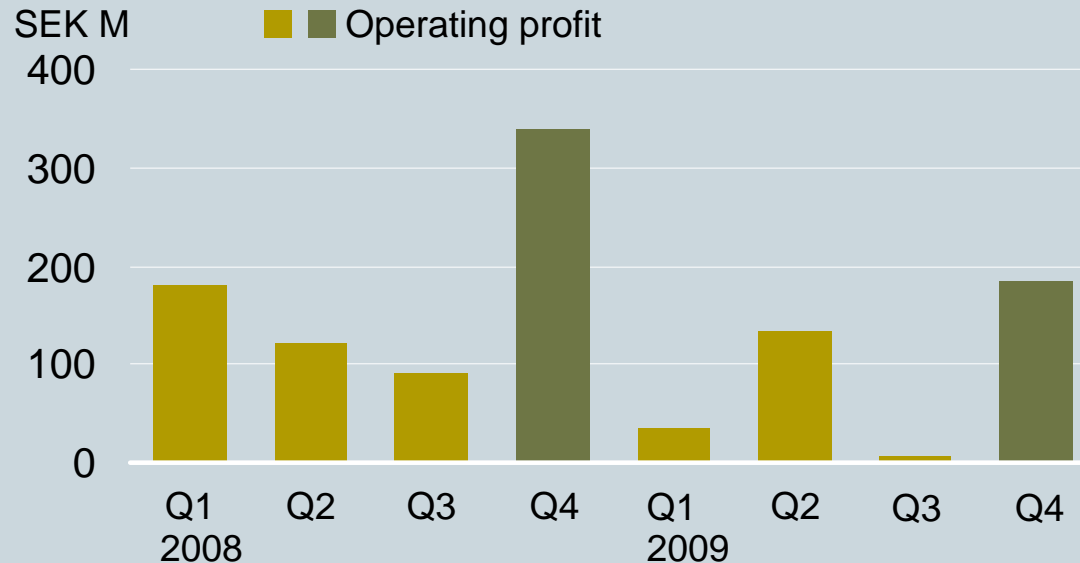
SEK M	Oct-Dec		Jan-Dec	
	2009	2008	2009	2008
Net sales	2,581	2,149	8,996	8,773
Operating profit/loss	79	-633	-126	-660
Operating margin	3.1%	-29.4%	-1.4%	-7.5%



- Strong sales
- Low margins on old projects
- Revised accounting rules for 2010

# NCC Property Development

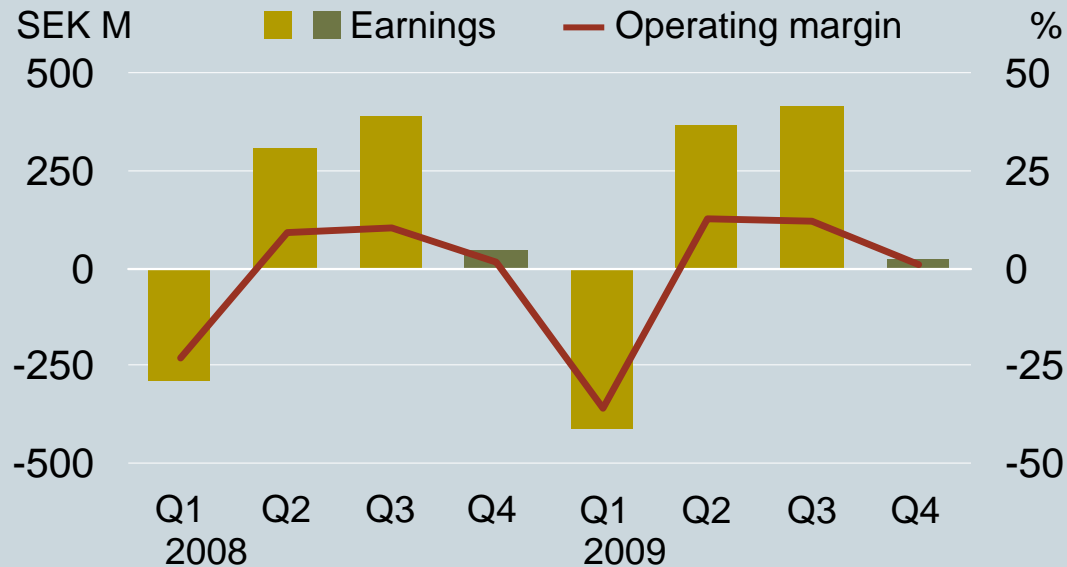
SEK M	Oct-Dec		Jan-Dec	
	2009	2008	2009	2008
Net sales	489	1,071	2,014	2,133
Operating profit	184	340	359	735
Number of projects sold	2	5	12	12
Ongoing projects	14	21	14	21



- Robust earnings in difficult market
- Few projects in portfolio

# NCC Roads

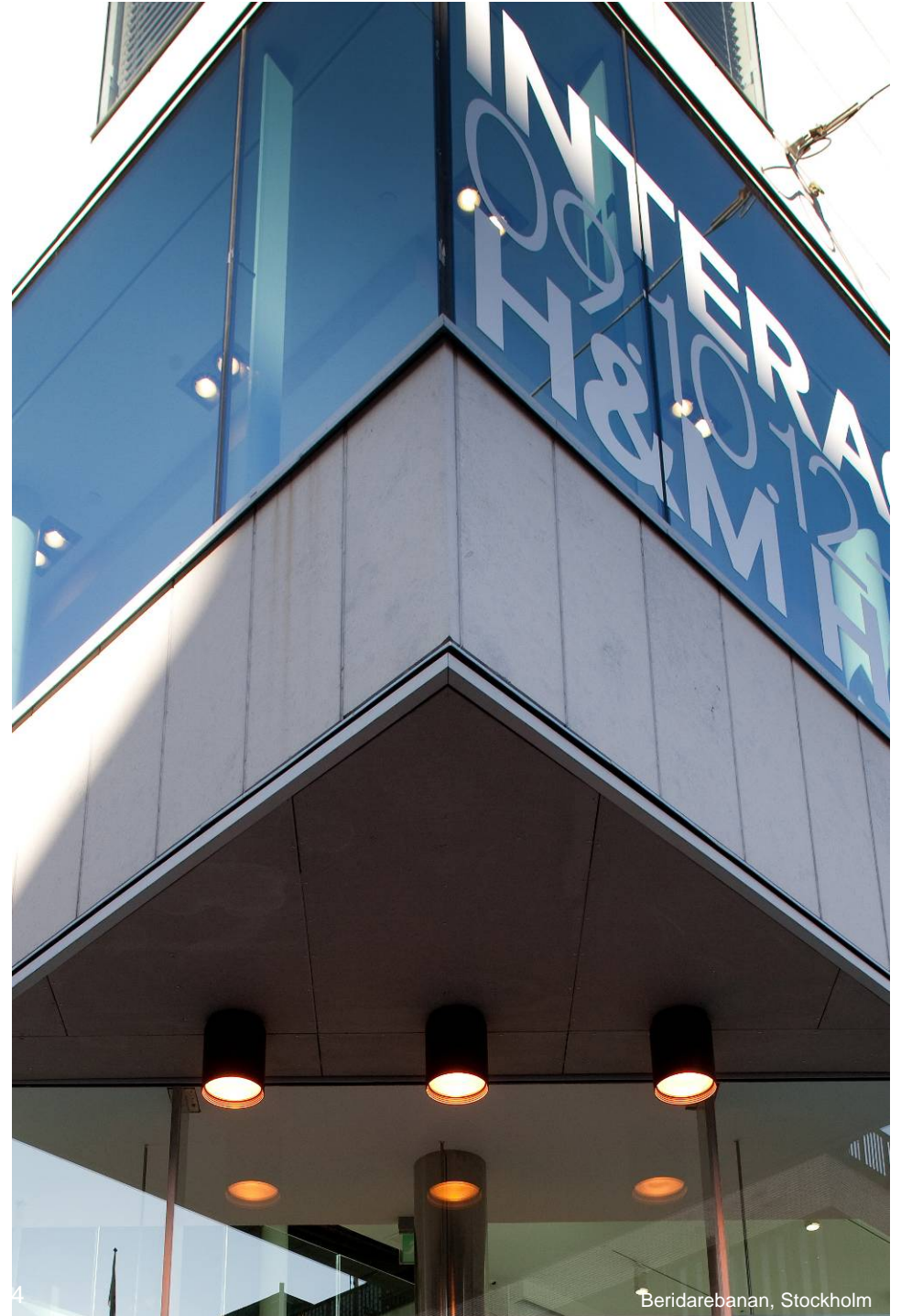
SEK M	Oct-Dec		Jan-Dec	
	2009	2008	2009	2008
Net sales	2,768	3,042	10,338	11,317
Operating profit	19	41	387	446
Operating margin	0.7%	1.3%	3.7%	3.9%



- Lower volume
- Competition-impeding fee of SEK 45 M

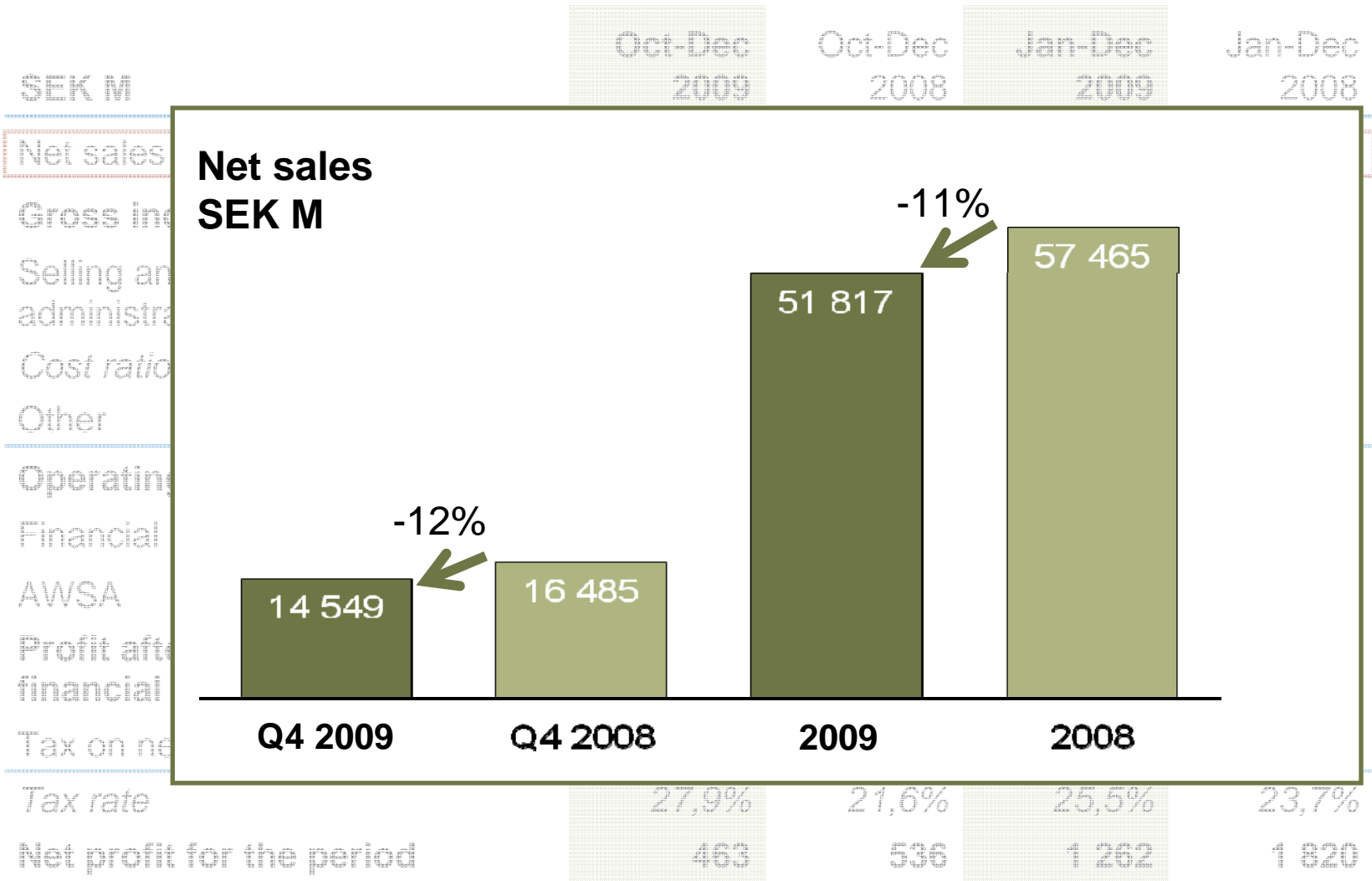


Ann-Sofie Danielsson  
Chief Financial Officer

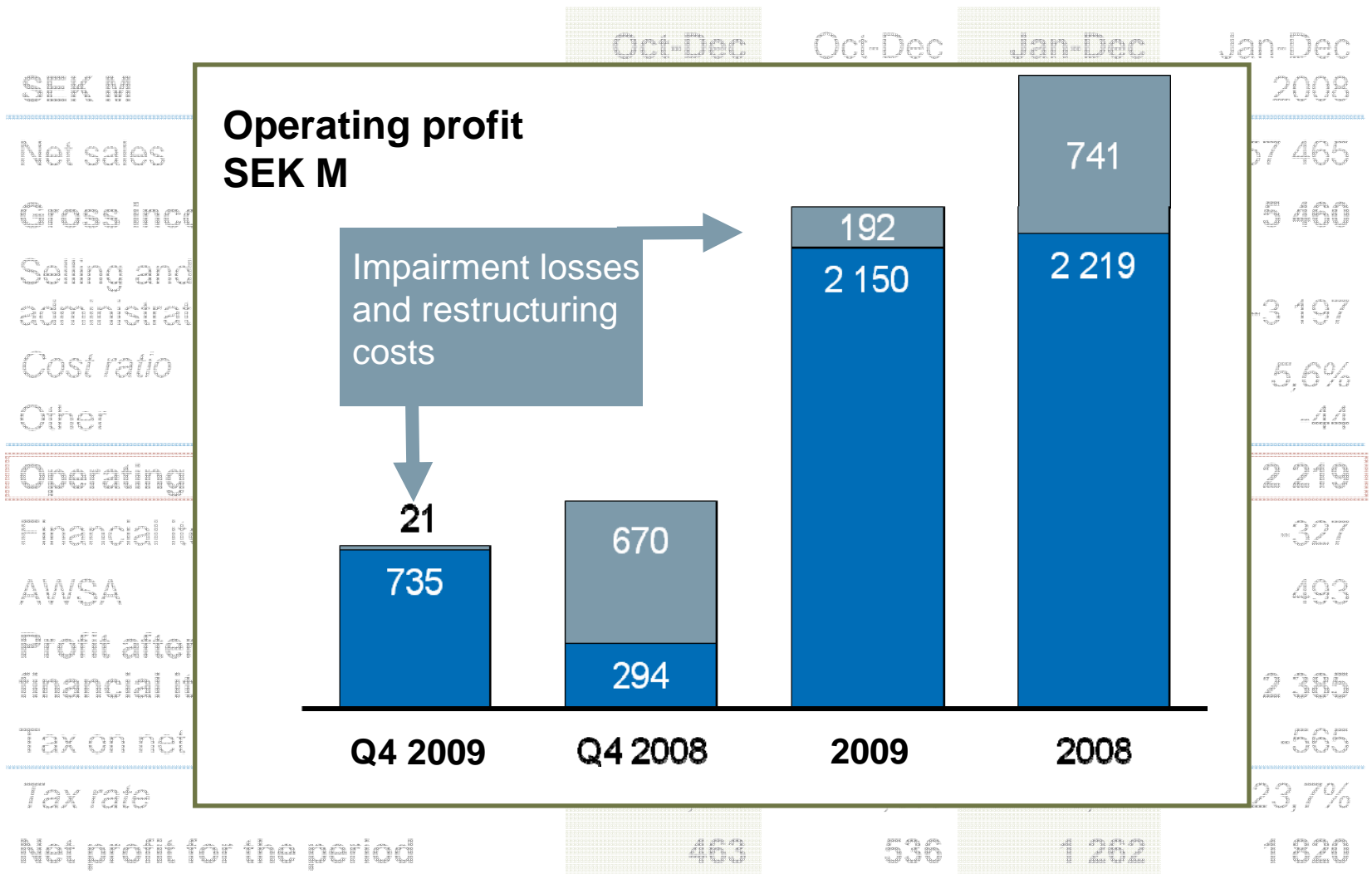




# Income statement



# Income statement



# Income statement

SEK M	Oct-Dec 2009	Oct-Dec 2008	Jan-Dec 2009	Jan-Dec 2008
Net sales				465
Gross income				460
Selling and administrative costs	-93	-104		197
Cost ratio				42,6%
Other				-44
Operating profit				219
Financial items excluding AWSA			-327	327
Profit after financial items			-456	493
Tax on profit				385
Tax rate	27,9%	21,6%	25,5%	23,7%
Net profit for the period	463	536	1 262	1 820

# Strong housing sales affect consolidated earnings

SEK M	Oct-Dec		Jan-Dec	
	2009	2008	2009	2008
<b>SEK M</b>				
Intra-Group gains and sales rate eliminations	-9	-30	133	-91
Group adjustments	61	89	117	196
Competition-impeding fee			-50	
Agreement on NCC International Projects			70	
Head office and other	-33	-75	-154	-158
<b>Other and eliminations</b>	<b>19</b>	<b>-16</b>	<b>116</b>	<b>-53</b>
NCC Construction Sweden	184	340	359	735
NCC Construction Denmark				
NCC Construction Finland				
NCC Construction Norway				
NCC Housing				
NCC Property Development				
NCC Roads	19	41	387	446
Other and eliminations	19	-16	116	-53
<b>Operating profit</b>	<b>735</b>	<b>294</b>	<b>2 150</b>	<b>2 219</b>



# Slimmer balance sheet

SEK BN	31 dec 2009	31 dec 2008
Goodwill	1.8	1.8
Property projects	2.8	3.4
Housing projects	8.4	11.4
Accounts receivables and receivables from property sales	6.8	9.7
Other assets	10.2	
<b>Total assets</b>	<b>30.0</b>	

SEK BN	31 dec	
	2009	2008
Development properties	6.8	7.3
Unsold completed housing	0.9	2.2
Ongoing housing projects with ownership rights	0.6	1.9
<b>Total housing projects</b>	<b>8.4</b>	<b>11.4</b>

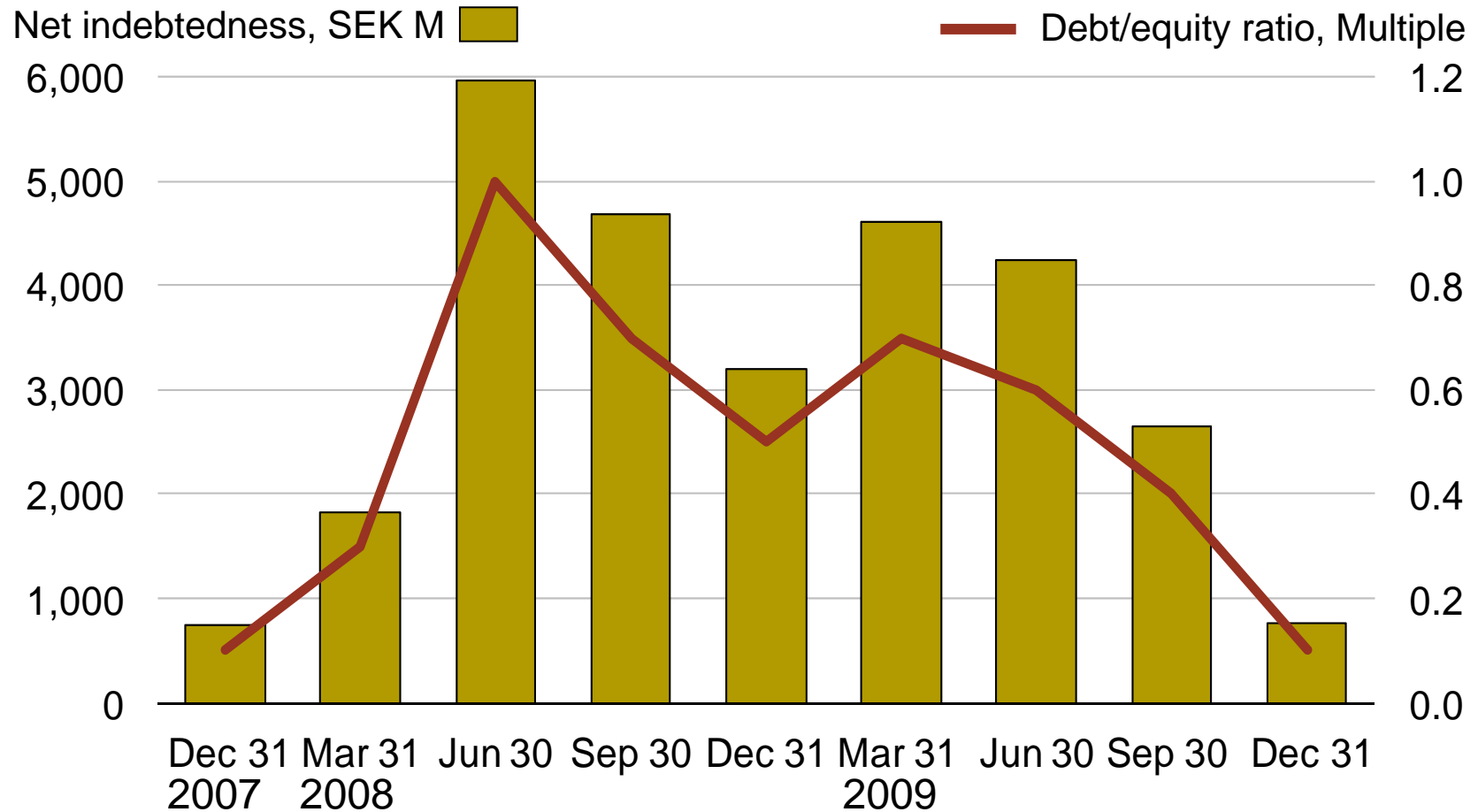
Hamnhuset, Göteborg

# Favorable cash flow...

<b>SEK M</b>	<b>Oct-Dec 2009</b>	Oct-Dec 2008	<b>Jan- Dec 2009</b>	Jan-Dec 2008
From operating activities	982	324	2,499	1,856
From property projects	233	620	938	122
From housing projects	272	-284	2,485	-2,112
Other working capital	470	669	-2,603	262
From investing activities	-61	171	-481	-306
<b>Cash flow</b>	<b>1,896</b>	<b>1,500</b>	<b>2,837</b>	<b>-178</b>

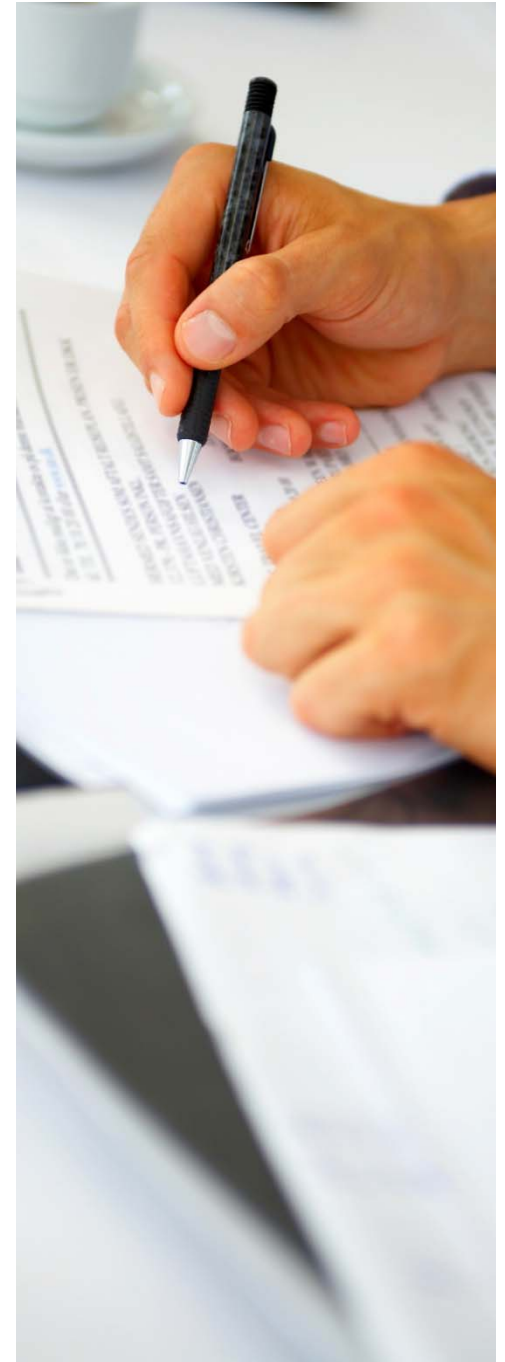
SIKA, Lunda Industriområde

## ... yielded lower net indebtedness



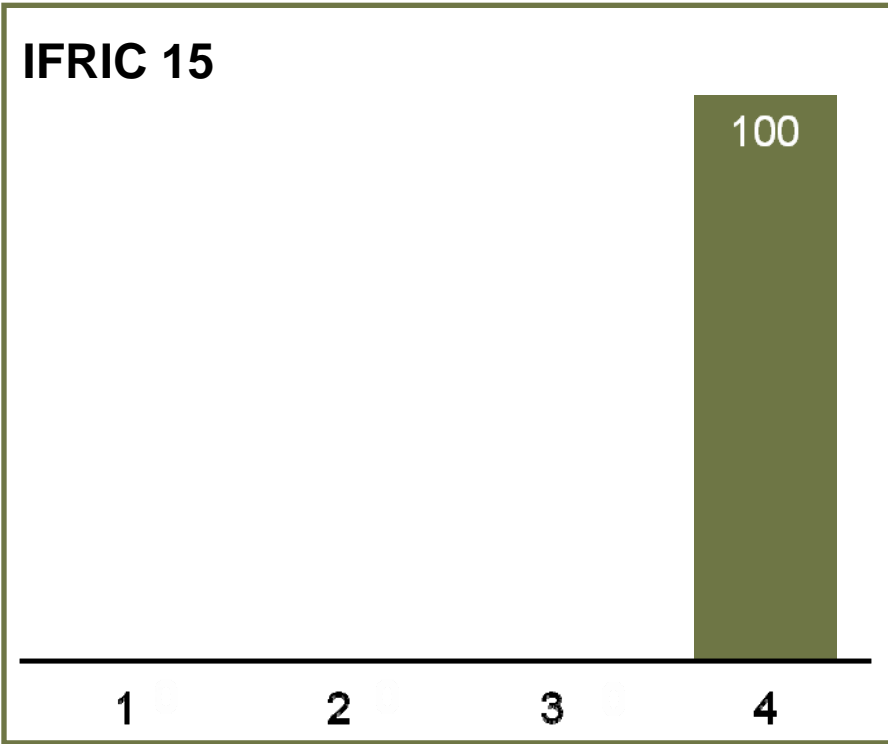
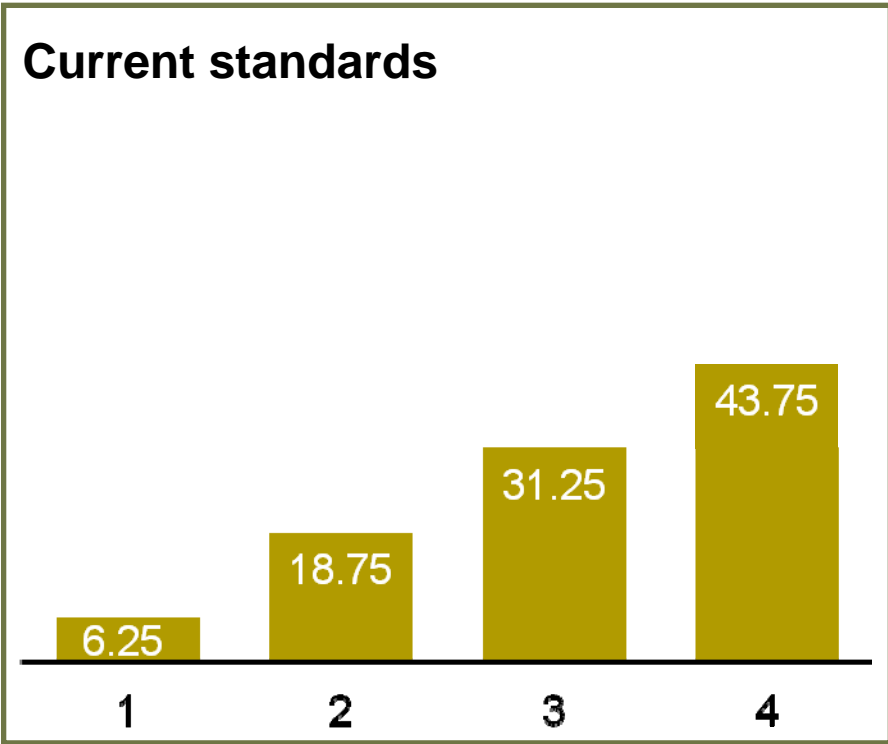
# New accounting policies as of January 1, 2010

- IFRIC 15 – revenue and earnings recognized in connection with occupancy (deferred 1-2 years compared with current rules)
- NCC's assets and liabilities will be affected
- At NCC, NCC Housing is the main business area affected
- Pro forma accounting will be published prior to Q1





# Earnings deferral under IFRIC 15

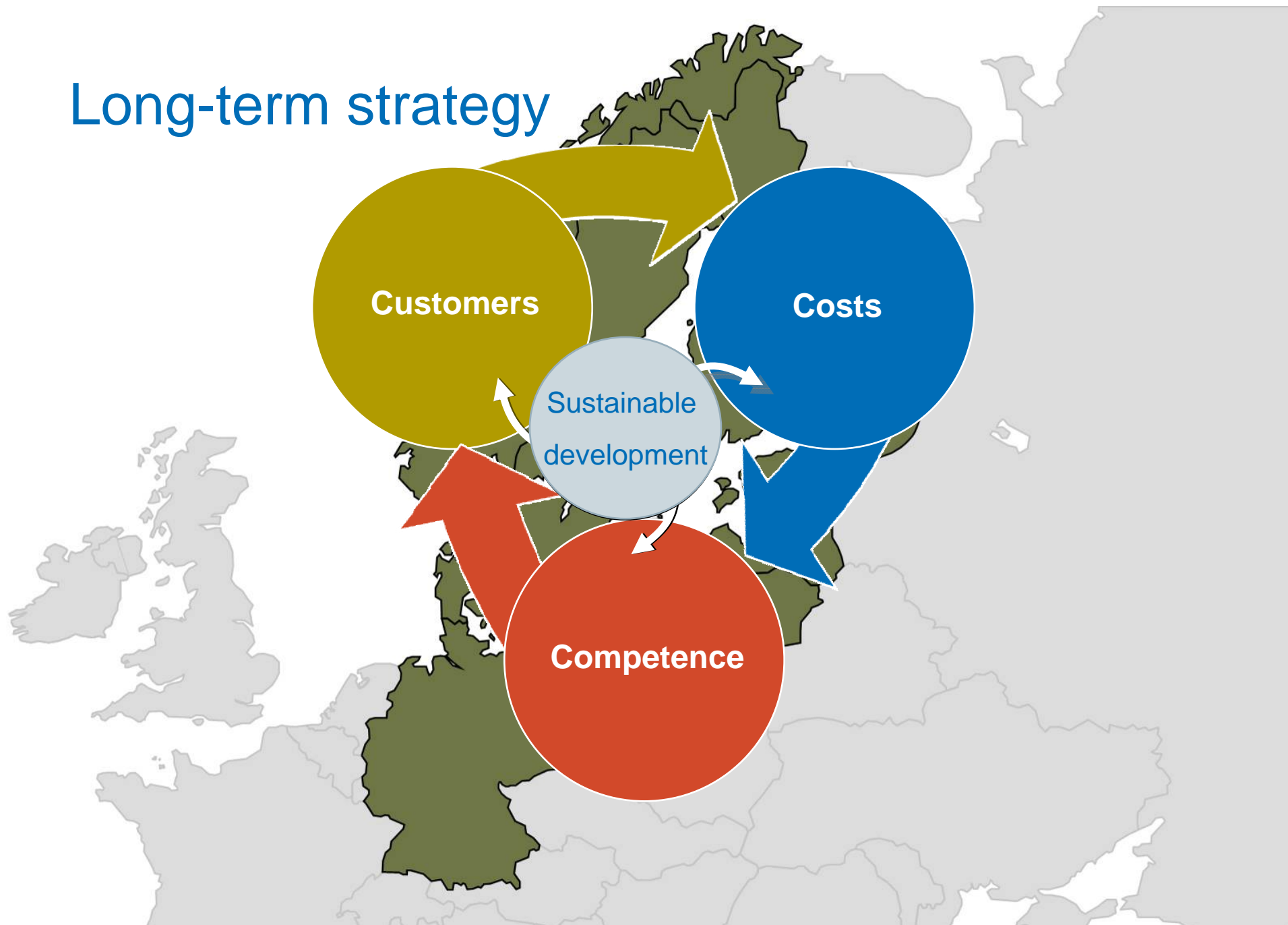


**Assumption:** 100 housing units at SEK 10 M = SEK 1,000 M, EBIT 10 % = SEK100 M

	Period 1	Period 2	Period 3	Period 4
Sales rate	25%	50%	75%	100%
Production/work-up rate	25%	50%	75%	100%



# Long-term strategy



# Summary

- Profit after financial items of SEK 1,694 M (2,385)
- Trend in orders received bottomed out in fourth quarter
- Favorable cash flow and strong financial position
- Weak market outlook for 2010 – civil-engineering market and housing market offer glimmers of hope
- Foundation in place to face difficult challenges







# Contact information

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