

A wide-angle photograph of the interior of a large stadium. The seating is red, and the field is green. The roof structure is visible, with a large white light fixture hanging from the center. The text "Interim report January 1 – September 30, 2011" is overlaid in white, serif font.

Interim report  
*January 1 – September 30, 2011*

Peter Wågström  
President and CEO

Ann-Sofie Danielsson  
Chief Financial Officer

Guldfågeln Arena, Kalmar

# Agenda

*Period in brief*

*Market situation*

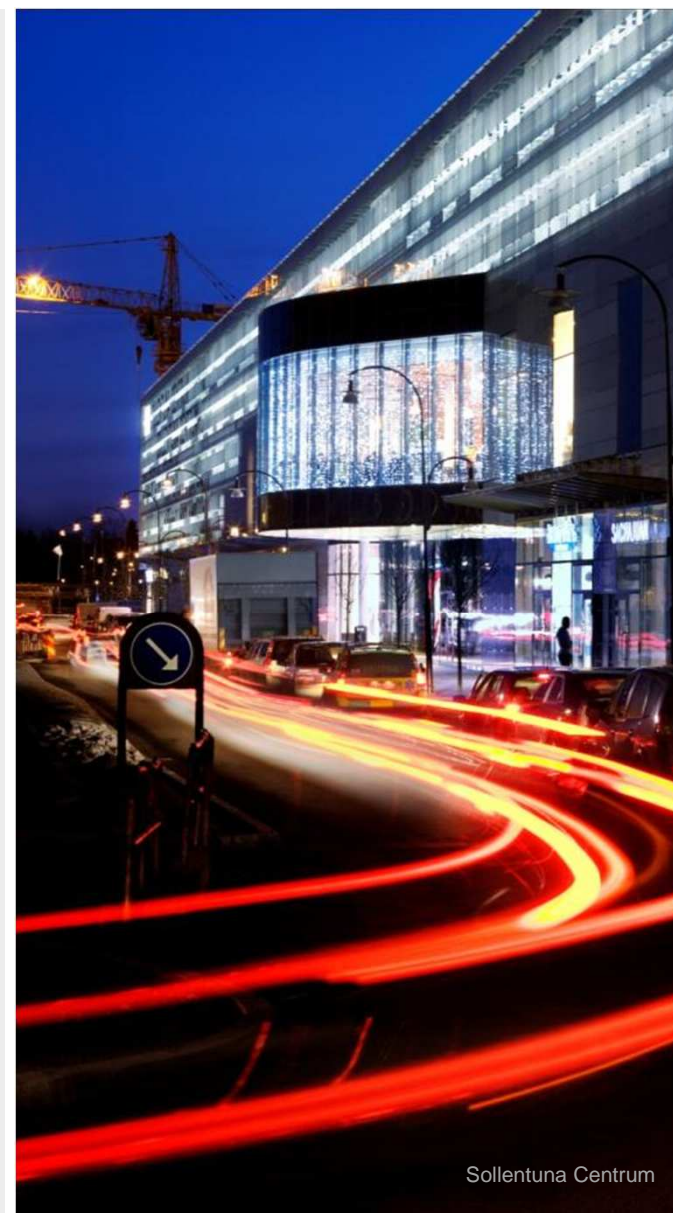
*Earnings and comments by business area*

*Financial position*

*Summary*

## Third quarter in brief

- Orders received on a par with year-earlier period at SEK 12,499 M (12,183)
- Higher net sales  
SEK 13,033 M (12,448)
- Lower profit after financial items  
SEK 553 M (773)
- High order backlog, SEK 49 BN



Sollentuna Centrum

## January-September in brief

- Orders received high at  
SEK 42,935 M (40,788)
- Net sales  
SEK 34,416 M (34,082)
- Order backlog up 22%
- Lower profit after financial items  
SEK 729 M (1,207)



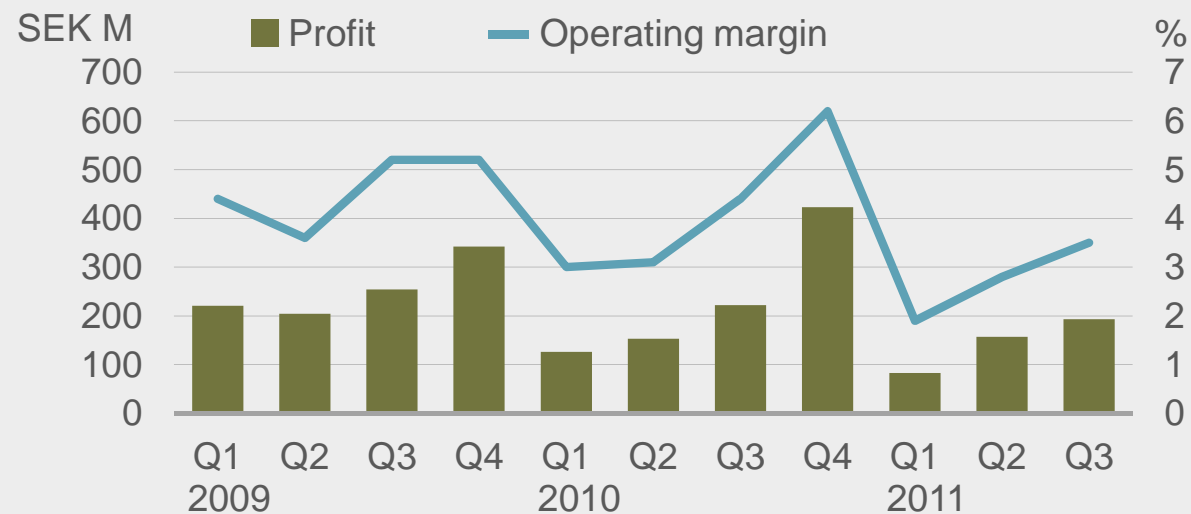
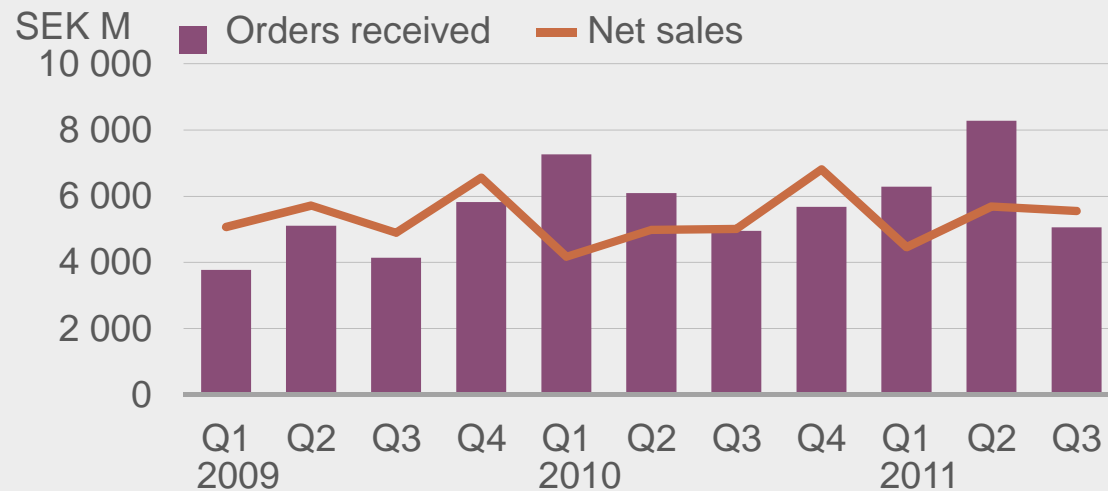
# Market situation

## January-September 2011

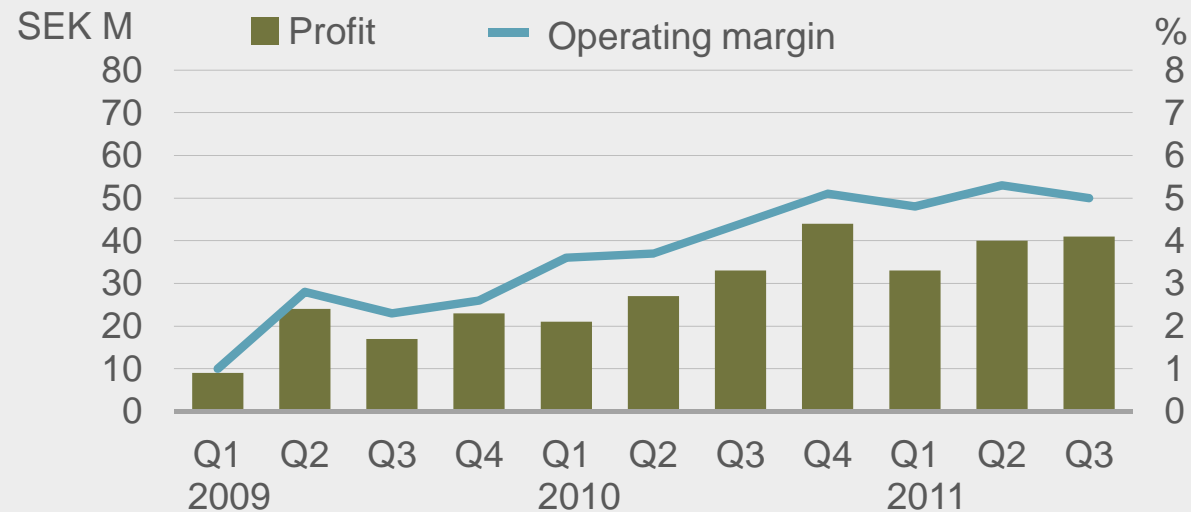
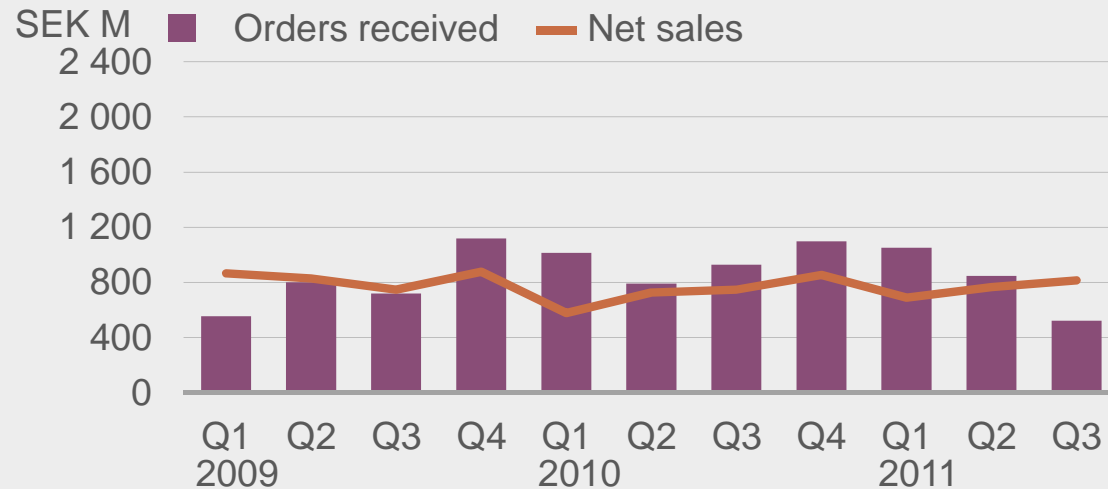
- Healthy demand in the construction market
- Stable market for civil engineering
- Higher demand for aggregates and asphalt
- Satisfactory demand for housing, with stable prices, but taking longer time to sell
- Stable trend in leasing market for commercial properties



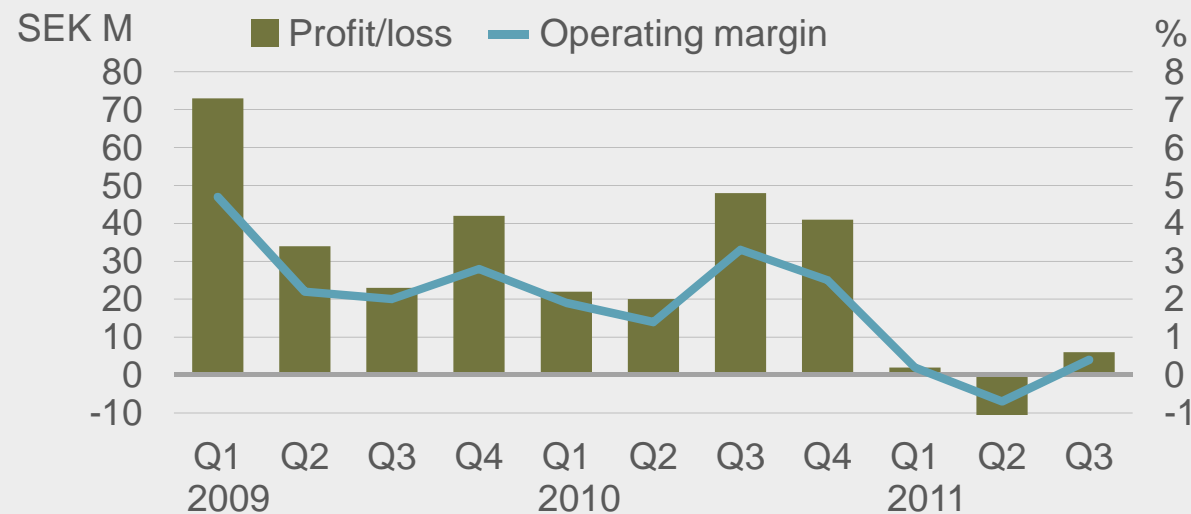
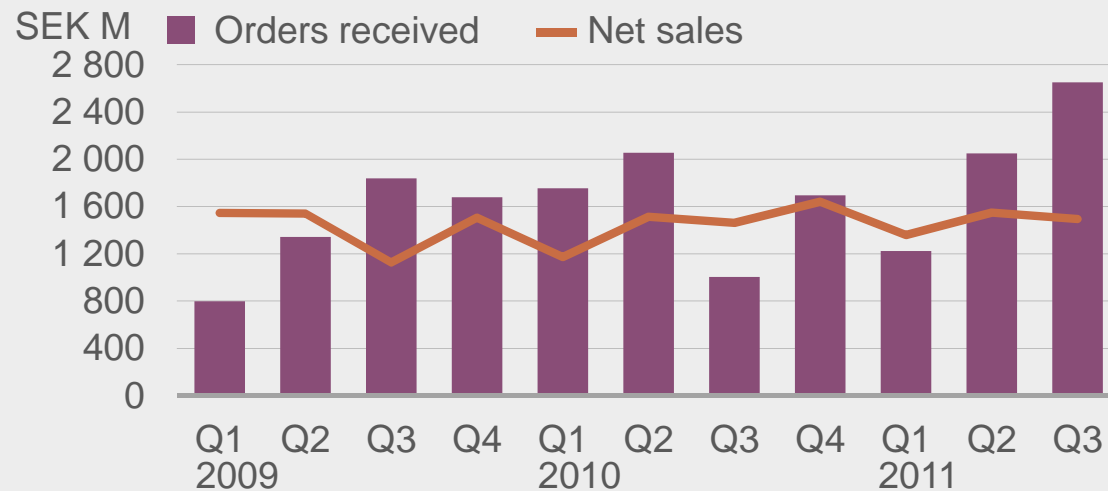
# NCC Construction Sweden



# NCC Construction Denmark

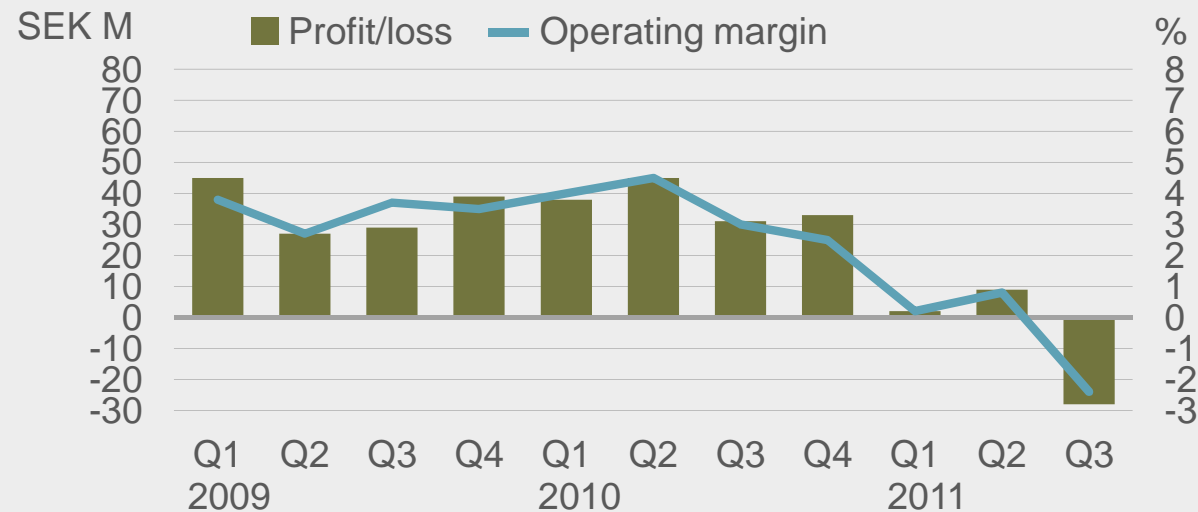
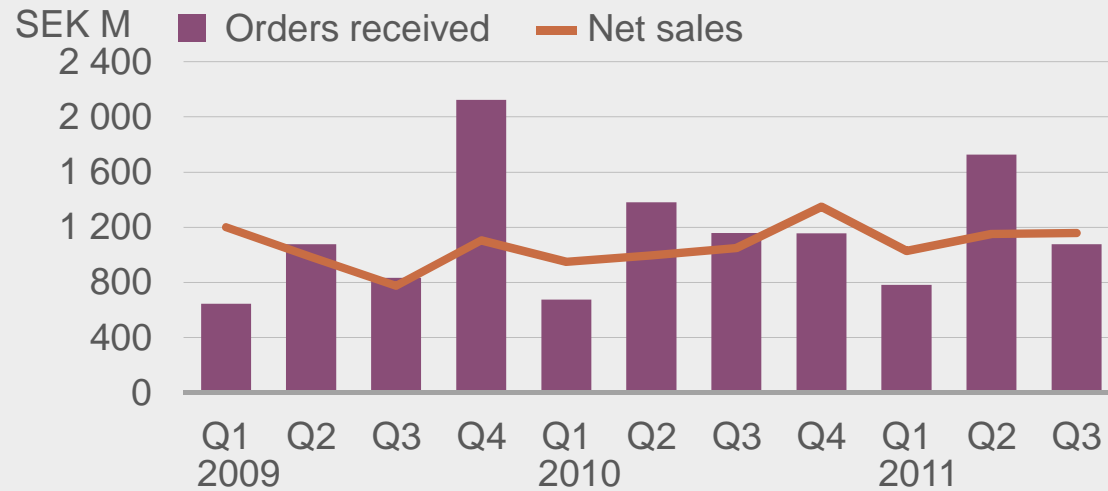


# NCC Construction Finland





# NCC Construction Norway



# Summary

## Construction units

*July-September*

- Favorable orders received
- Higher margin on new projects than average in order backlog
- High order backlog
- Earnings in Sweden nearly on par with year-earlier period
- Continued healthy margin in Denmark
- Weak earnings in Finland and Norway; it will take time before the actions taken have an impact



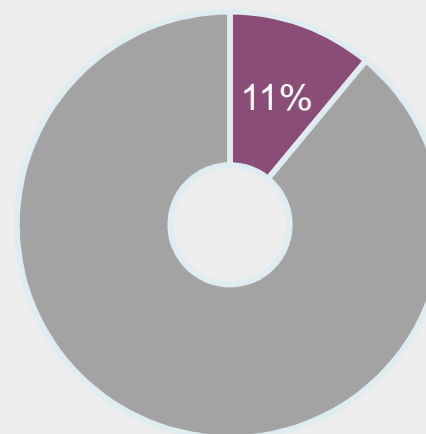
Politikens hus, Copenhagen

# NCC's Construction units

– major orders in Q3 2011

- Technology Center for Cargotecs in Tampere, Finland, SEK 265 M
- Refurbishment of three schools in Espoo, Finland, SEK 440 M (maintenance and property service for 25 years, SEK 295 M)
- School in Trondheim, Norway, SEK 300 M

Orders received, projects worth more than SEK 250 M



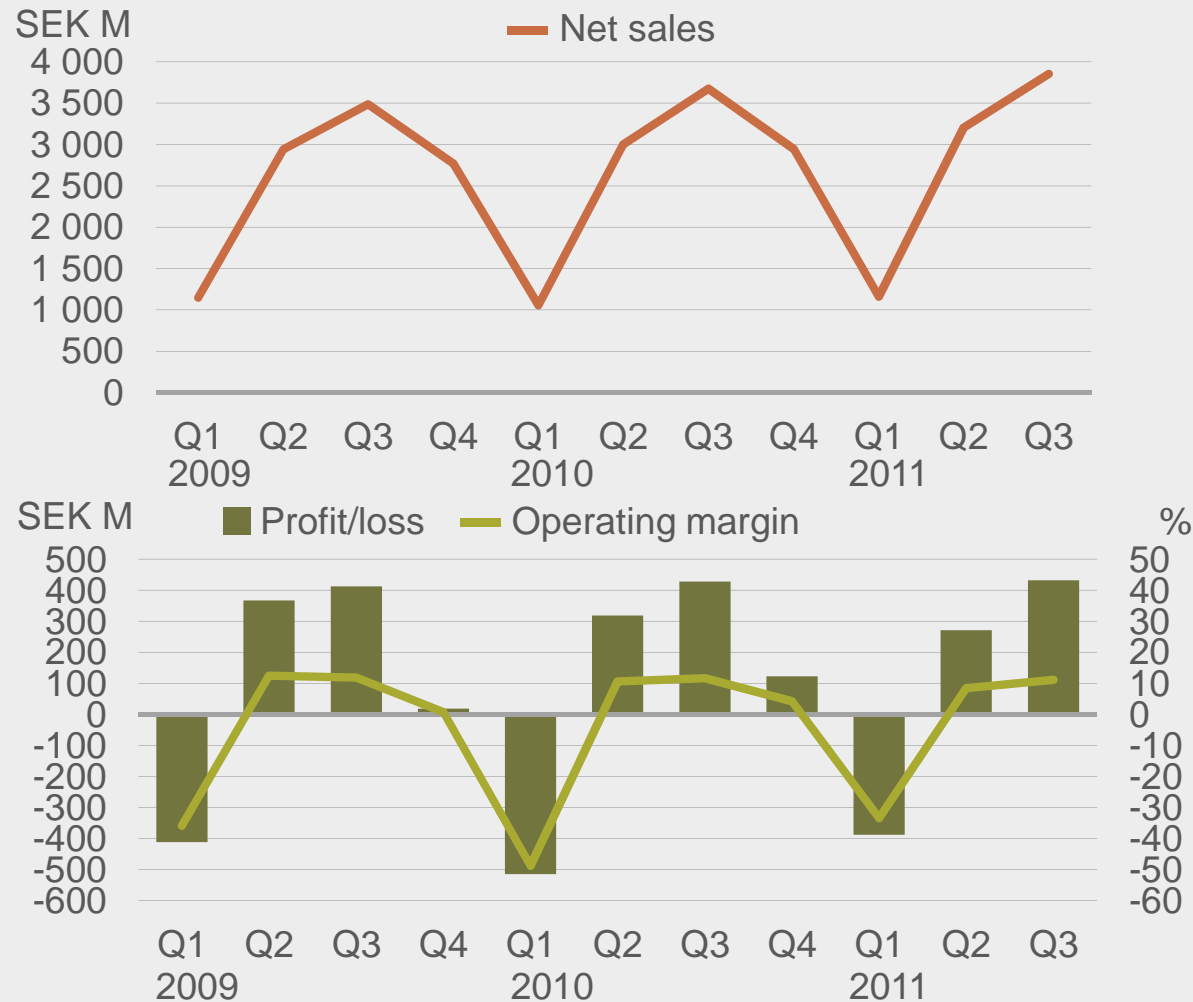
Total SEK 9.3 BN

# Server centers in Luleå for Facebook

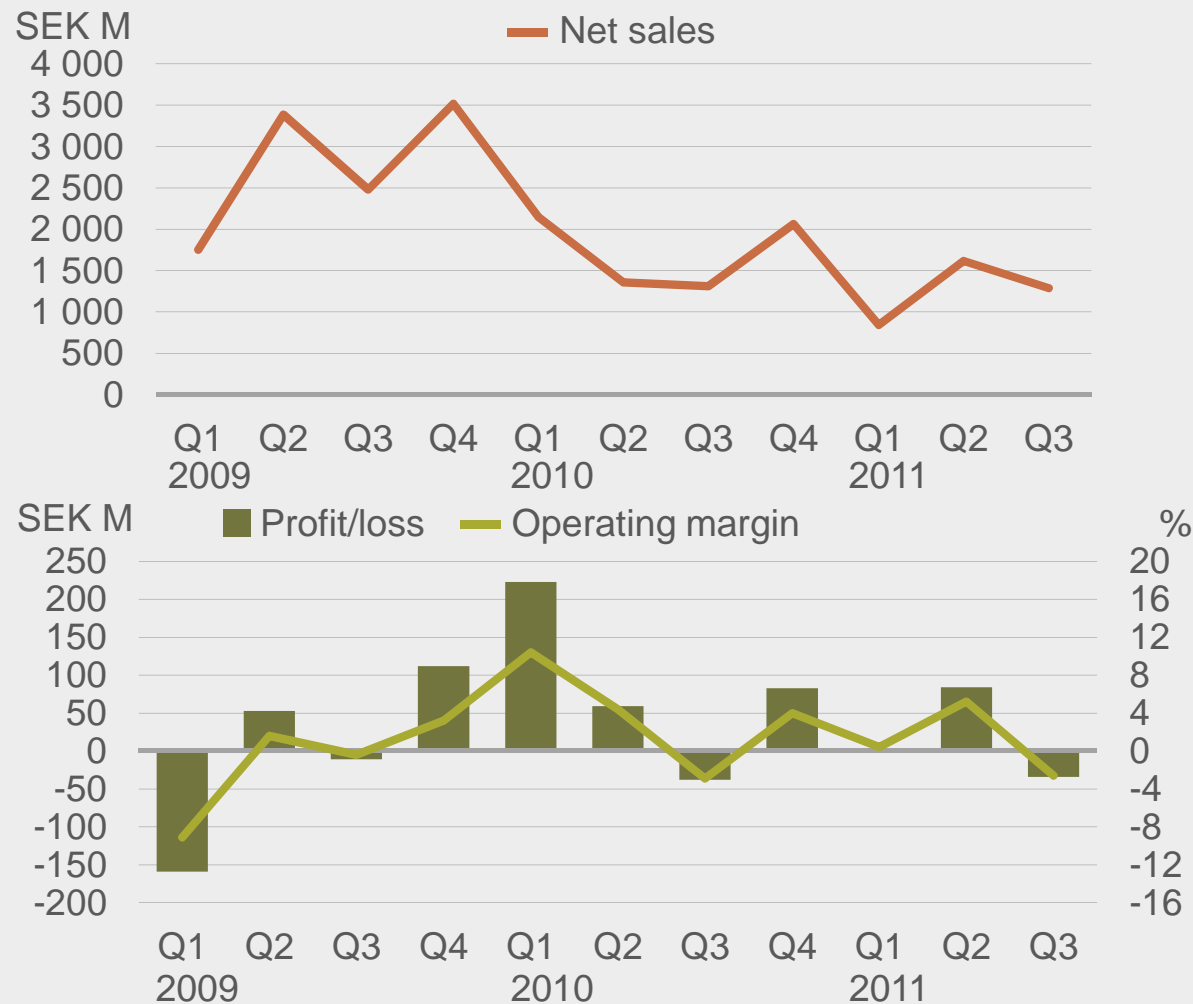
- Joint venture contract, SEK 800 M (50/50)
- First of three planned server centers
- 28,000 m<sup>2</sup>
- Turnkey contract
- Certified according to LEED Gold



# NCC Roads



# NCC Housing



Öbacka strand, Umeå

## Housing units recognized in profit

Number of housing units	Jul-Sept 2011	Jul-Sept 2010	Jan-Sept 2011	Jan-Sept 2010
Sweden	117	68	412	339
Denmark	0	7	6	36
Finland	210	73	582	132
Baltic countries	50	12	75	84
St. Petersburg	0	0	0	0
Norway	24	18	104	31
Germany	145	165	298	393
<b>Total, private customers</b>	<b>546</b>	<b>343</b>	<b>1,477</b>	<b>1,015</b>
Investor market	0	194	332	897
<b>Total</b>	<b>546</b>	<b>537</b>	<b>1,809</b>	<b>1,912</b>



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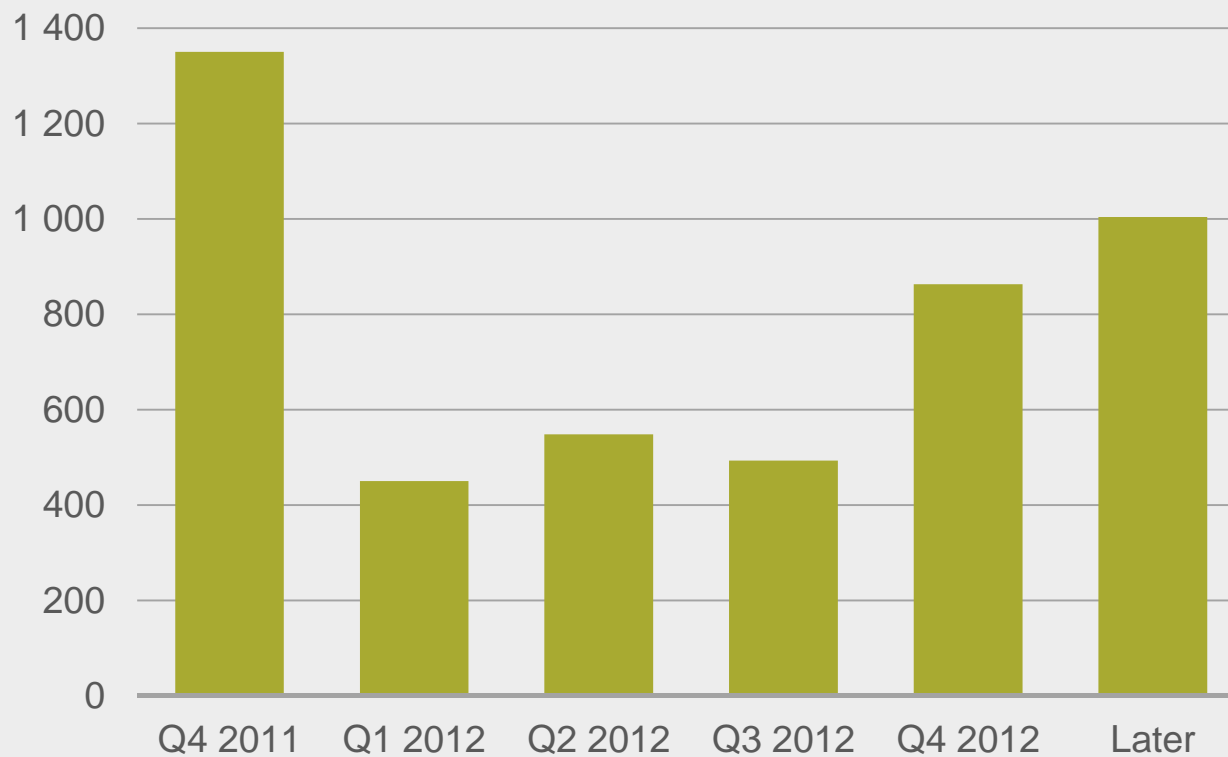
# Housing units sold

Number of housing units	Jul-Sept 2011	Jul-Sept 2010	Jan-Sept 2011	Jan-Sept 2010
Sweden	111	160	405	562
Denmark	10	27	36	56
Finland	156	158	627	653
Baltic countries	22	12	75	84
St. Petersburg	94	12	130	12
Norway	18	42	87	109
Germany	170	189	459	451
<b>Total, private customers</b>	<b>581</b>	<b>600</b>	<b>1,819</b>	<b>1,927</b>
Investor market	0	330	332	727
<b>Total</b>	<b>581</b>	<b>930</b>	<b>2,151</b>	<b>2,654</b>



# Housing units for private customers, estimated completion

Number of units



# Housing starts

Number of housing units	Jul-Sept 2011	Jul-Sept 2010	Jan-Sept 2011	Jan-Sept 2010
Sweden	62	221	662	696
Denmark	0	63	43	63
Finland	150	74	674	756
Baltic countries	88	12	149	32
St. Petersburg	482	0	482	128
Norway	0	40	97	176
Germany	144	186	564	443
<b>Total , private customers</b>	<b>926</b>	<b>596</b>	<b>2,671</b>	<b>2,294</b>
Investor market	61	330	415	727
<b>Total</b>	<b>987</b>	<b>926</b>	<b>3,086</b>	<b>3,021</b>



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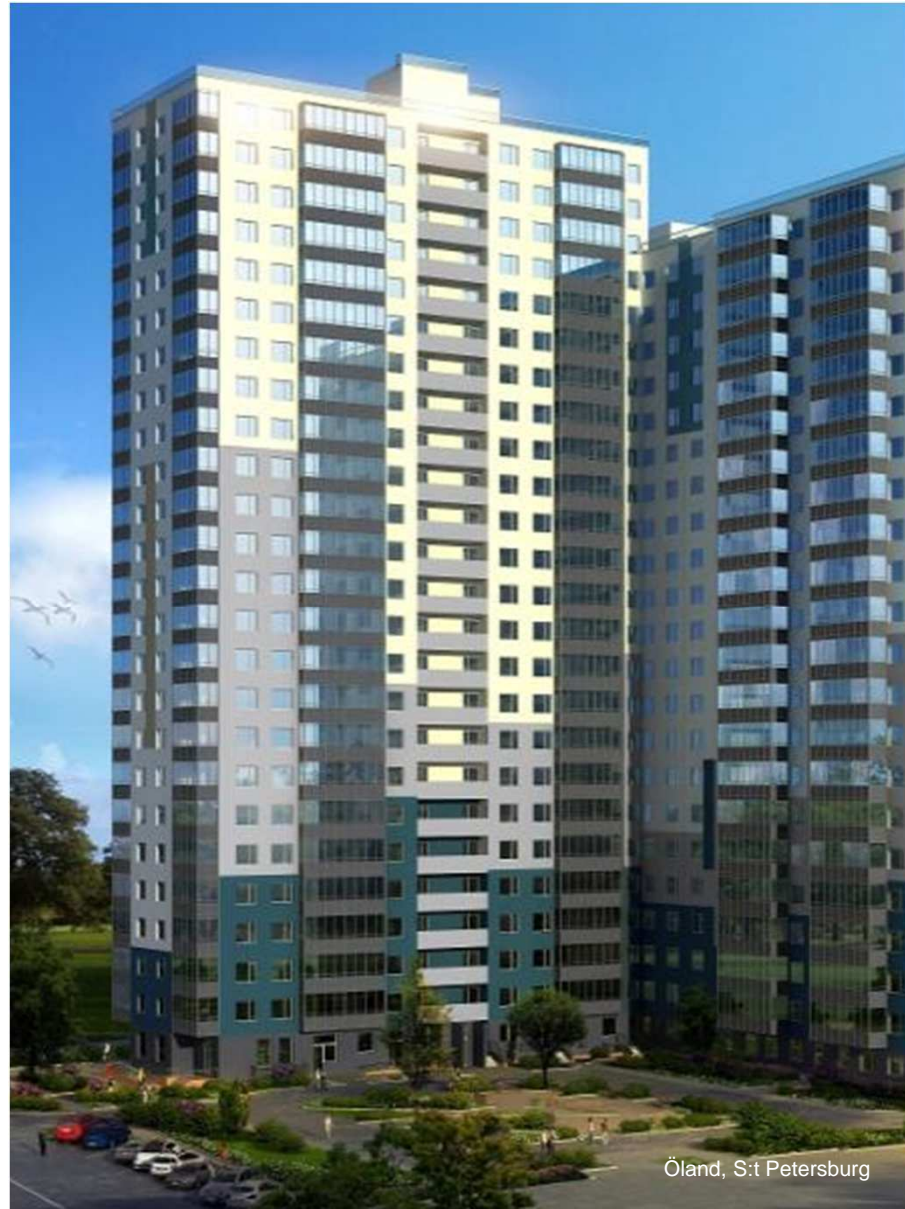
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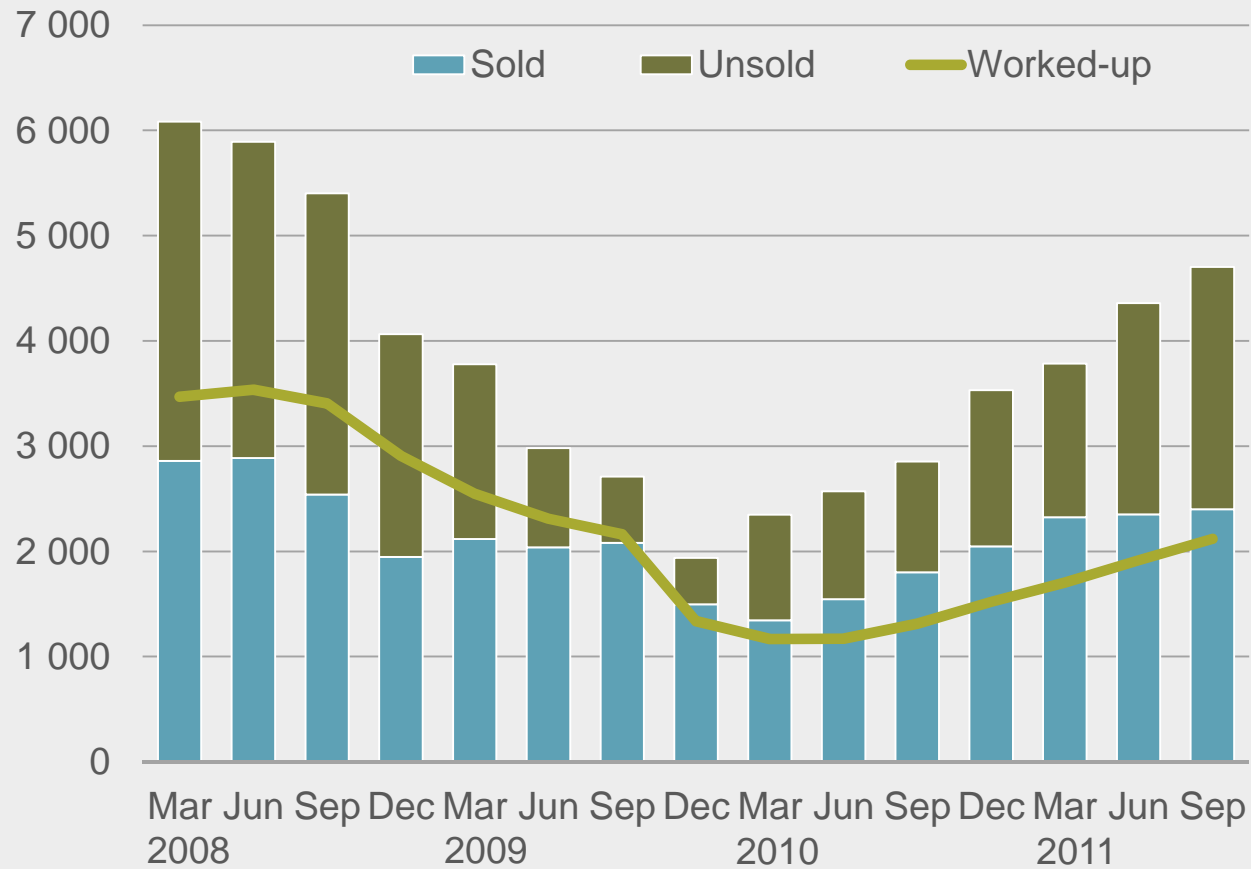
# Project Öland

- Situated outside St. Petersburg close to the subway (20 minutes to the city center)
- 2,641 housing units (135,000 m<sup>2</sup>), 5,000 m<sup>2</sup> of commercial premises
- First phase of 482 units started
- Major interest
- First phase to be completed in 2013
- Entire area scheduled for completion in 2017



# Project portfolio expanding, balanced risk

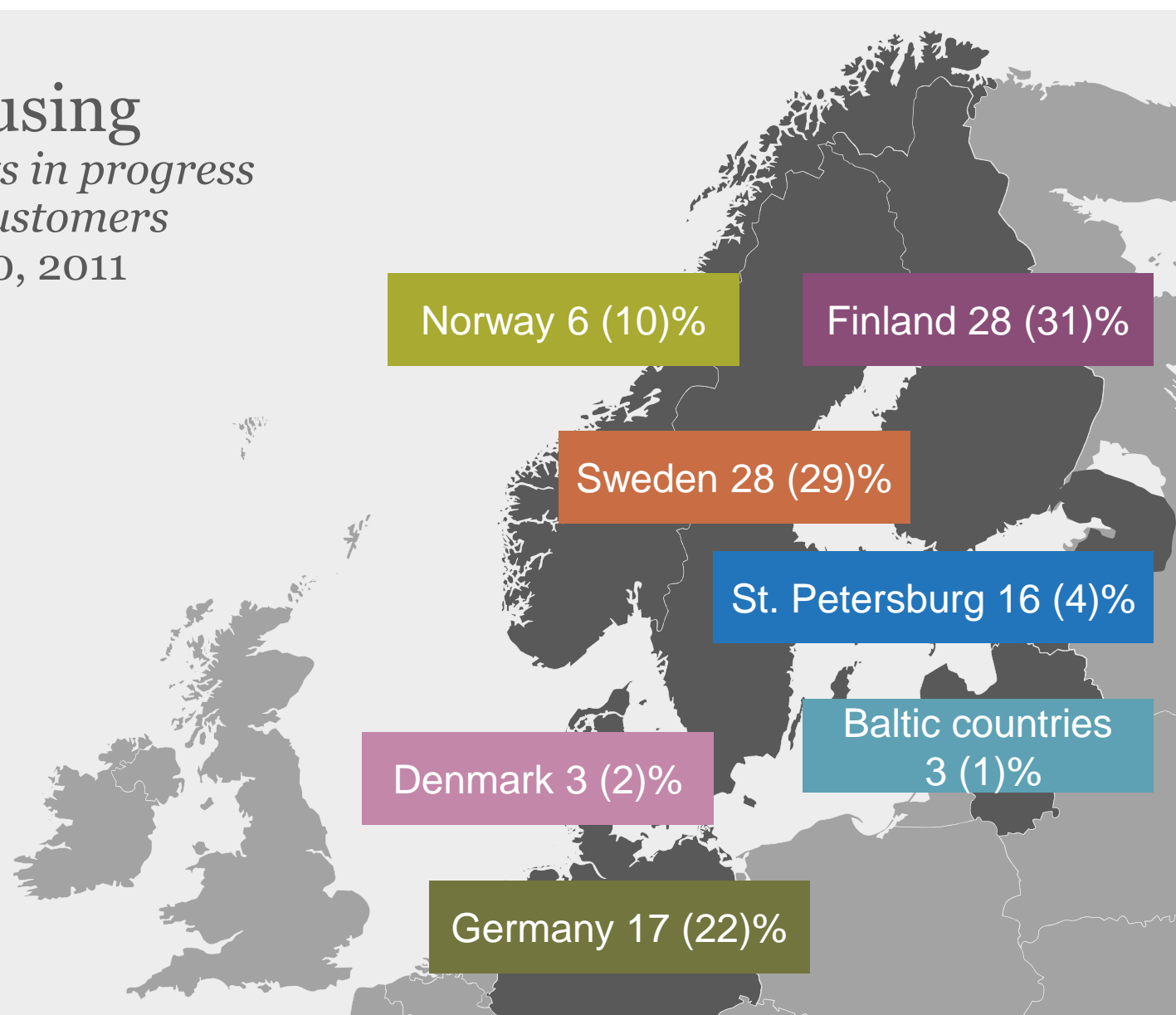
Number of housing units in production for private customers



Crescendo, Bergen

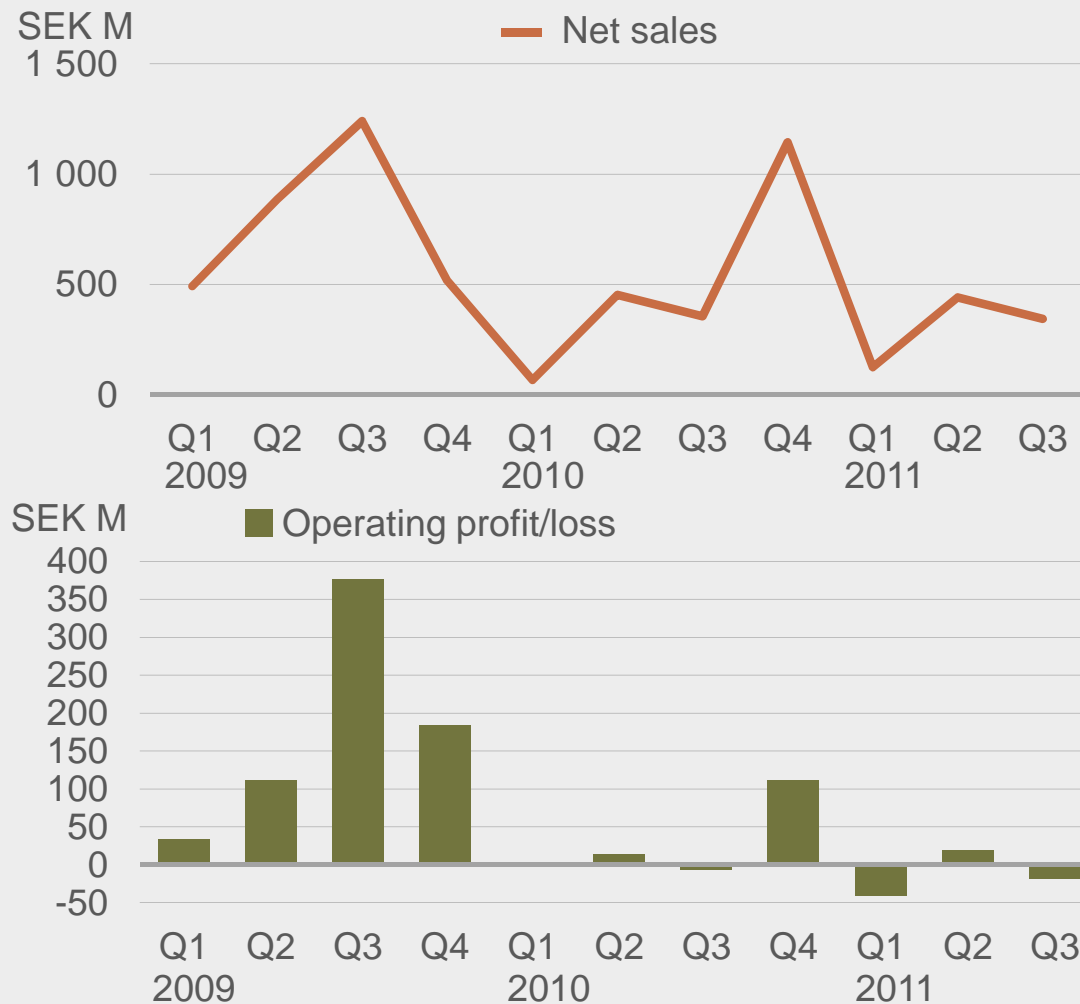
# NCC Housing

*Housing units in progress  
for private customers  
September 30, 2011*





# NCC Property Development



Ullevigatan, Gothenburg

# NCC Property Development

## New projects started in the third quarter

- Office property, Plaza Loiste in Vantaa, Finland (leasable area 6,900 m<sup>2</sup>)
- Shopping center in Hämeenlinna, Finland (leasable area 25,500 m<sup>2</sup>)
- Retail and office property, Torsplan in Stockholm, Sweden (leasable area 30,500 m<sup>2</sup>)
- Office property in Aarhus, Denmark (leasable area 10,500 m<sup>2</sup>)



Köpcenter, Tavestehus, Finland

# Project Torsplan

- Located in the new city district of Hagastaden in Stockholm
- 30,500 m<sup>2</sup>
- BREEAM Excellent and GreenBuilding
- 5-D technology
- Completion in autumn 2013
- Leasing rate 18%
  - 70% of the retail space has been leased



# NCC Property Development

*23 ongoing or completed projects  
(not recognized in profit)*

**Sweden, 7 projects**

Leasable area 97,300m<sup>2</sup>

**Finland, 5 projects**

Leasable area 47,200m<sup>2</sup>

**Denmark, 11 projects**

Leasable area 77,500 m<sup>2</sup>

# NCC Property Development *Leasing*

- 40,000 m<sup>2</sup> leased during the quarter
  - 20,000 m<sup>2</sup> offices
  - 20,000 m<sup>2</sup> retail



OMRON

HÄMEENMAA

ATEA

TEBOIL

KESKO

Checkpoint

Helping Retailers Grow Profitably

BILTEMA



## Unlawful collaboration in Norway

- Unlawful collaboration between NCC and Veidekke
- Happened in two areas in Norway, 2005-2008
- The Norwegian Competition Authority has issued a preliminary ruling – competition-impeding damages of SEK 200 M
- NCC has posted a provision in a considerably lower amount
- NCC will evaluate and respond to the ruling by the Competition Authority
- Thereafter, the Authority will make a definitive decision on the matter

## NCC is a value-governed company

- Extremely clear-cut rules and regulations that cannot be misinterpreted
- Has trained 3,000 managers in competition law and business ethics
- Following the incident, NCC has added to the training package, reviewed processes and focused even more on instilling the company's values



*Code of  
Conduct*



**Ann-Sofie Danielsson**  
Chief Financial Officer



# Income statement

<b>SEK M</b>	<b>Jul-Sep 2011</b>	Jul-Sep 2010	<b>Jan-Sep 2011</b>	Jan-Sep 2010
Net sales	13,033	12,448	34,416	34,082
<b>Gross profit</b>	<b>1,220</b>	<b>1,422</b>	<b>2,849</b>	<b>3,335</b>
Selling and administrative costs	-608	-576	-1,976	-1,933
<i>Cost ratio</i>	4.7%	4.6%	5.7%	5.7%
Other	-1	4	3	4
<b>Operating profit</b>	<b>612</b>	<b>850</b>	<b>876</b>	<b>1,406</b>
Financial items	-59	-77	-148	-199
<b>Profit after financial items</b>	<b>553</b>	<b>773</b>	<b>729</b>	<b>1,207</b>
Tax on profit for the period	-140	-155	-185	-270
<i>Tax rate</i>	25.3%	20.1%	25.4%	22.4%
<b>Profit for the period</b>	<b>413</b>	<b>618</b>	<b>544</b>	<b>937</b>

## Operating profit/loss per business area

<b>SEK M</b>	<b>Jul-Sep 2011</b>	<b>Jul-Sep 2010</b>	<b>Jan-Sep 2011</b>	<b>Jan-Sep 2010</b>
NCC Construction Sweden	193	222	432	501
NCC Construction Denmark	41	33	114	80
NCC Construction Finland	6	48	-3	91
NCC Construction Norway	-28	31	-17	114
NCC Roads	432	428	315	233
NCC Housing	-34	-38	54	244
NCC Property Development	-18	-7	-41	6
Other and eliminations	20	133	23	138
<b>Operating profit</b>	<b>612</b>	<b>850</b>	<b>876</b>	<b>1,406</b>

# Balance sheet

SEK BN	Sep 30, 2011	Dec 31, 2010
Goodwill	1.7	1.6
Property projects	3.9	2.9
Housing projects	10.6	8.7
Accounts receivable and receivables from property sales		
Other assets		

SEK BN	Sep 30, 2011	Dec 31, 2010
<b>Total asset</b>		
Development properties	1.9	1.8
Ongoing property projects	1.7	0.9
Completed property projects	0.3	0.2
<b>Total property projects</b>	<b>3.9</b>	<b>2.9</b>



# Balance sheet

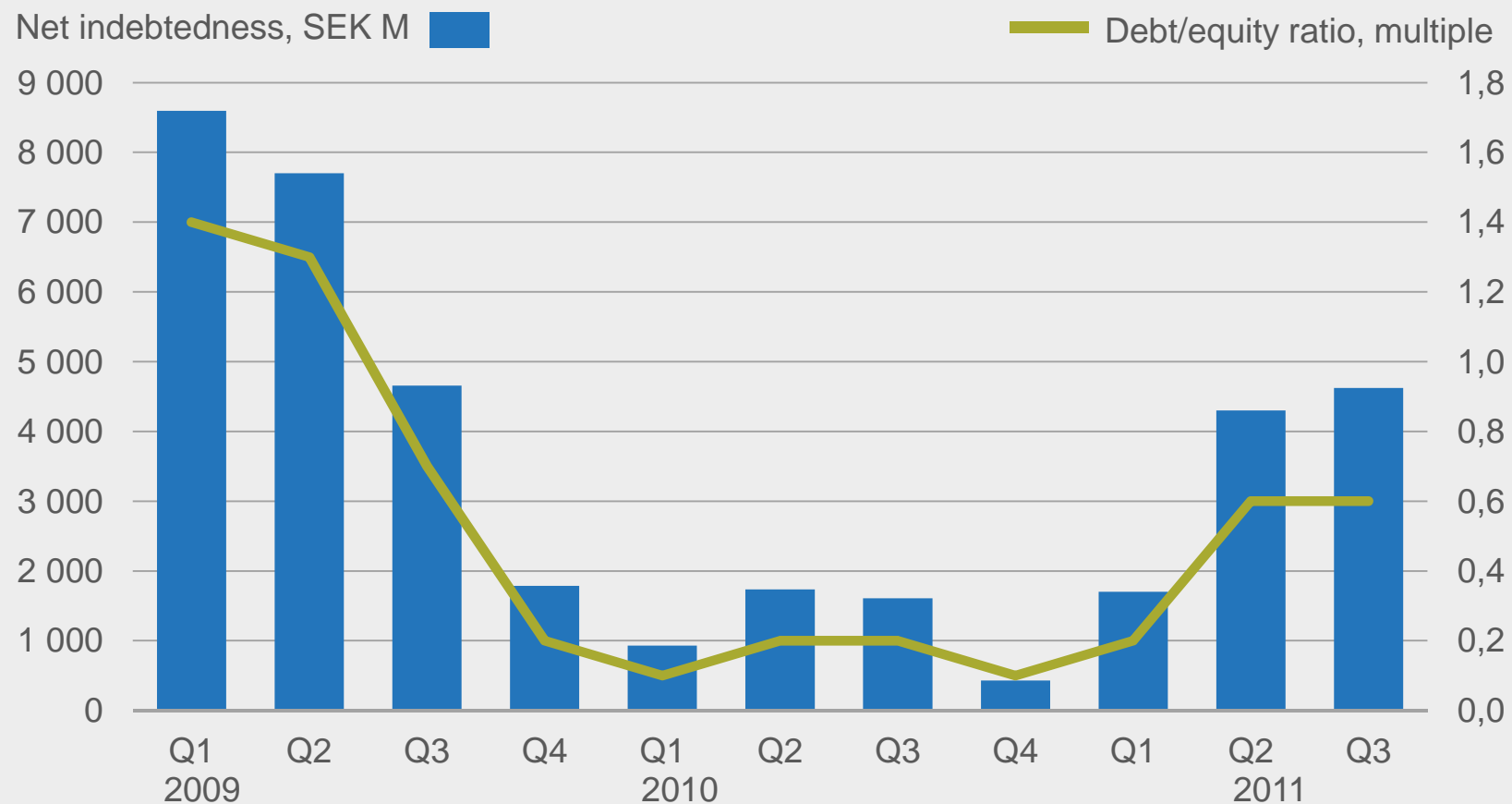
SEK BN	Sep 30, 2011	Dec 31, 2010	
Goodwill	1.7	1.6	
Property projects	3.9	2.9	
Housing projects	10.6	8.7	
Accounts receivable and receivables from property sales	7.7	7.1	
Other assets			
<b>Total assets</b>	<b>SEK BN</b>	<b>Sep 30, 2011</b>	<b>Dec 31, 2010</b>
	Development properties	4.7	5.0
	Development costs	1.0	0.8
	Completed housing units	0.2	0.2
	Ongoing housing projects	4.7	2.7
	<b>Total housing projects</b>	<b>10.6</b>	<b>8.7</b>



## Lower cash flow

SEK M	Jul-Sep 2011	Jul-Sep 2010	Jan-Sep 2011	Jan-Sep 2010
From operating activities	578	1,259	105	1,992
From property projects	-168	-26	-647	-514
From housing projects	-817	-245	-1,948	562
Other working capital	157	-748	-10	-938
Investments	-153	-169	-611	-374
<b>Cash flow before financing</b>	<b>-403</b>	<b>72</b>	<b>-3,110</b>	<b>727</b>

# Net indebtedness at a balanced level



# Summary

# Summary

- Healthy orders received
- Order backlog at historically high level
- Higher margins on new projects
- Impairment losses on land in Denmark and Latvia
- Weak earnings in Norway and Finland
- Solid financial position
- Several commercial development projects started





## Key issues for Q4

- Construction operations in Finland and Norway
- Market-aligned starts of development projects
- Strategy work





## Contact information

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