

A photograph of two young girls with long blonde hair standing in a restaurant. The girl on the left is wearing a red top and a brown jacket, and is holding a plate of food. The girl on the right is wearing a red top and a black jacket. They are both looking towards the right. The background shows a restaurant interior with wooden tables and chairs, and a red flag hanging on the wall.

# Interim report

*January 1 – June 30, 2014*

Peter Wågström  
President and CEO

Ann-Sofie Danielsson  
Chief Financial Officer

Retail Center, Finland

## Q2 2014 in brief

### Orders received

SEK 17,303 M (17,798)

### Order backlog

SEK 56,657 M (52,079)

### Net sales

SEK 13,479 M (13,535)

### Profit after financial items

SEK 576 M (457)



# January-June 2014 in brief

## Orders received

SEK 30,527 M (29,474)

## Order backlog

SEK 56,657 M  
(47,638, Dec. 31 2013)

## Net sales

SEK 23,311 M (23,620)

## Profit after financial items

SEK 336 M (181)



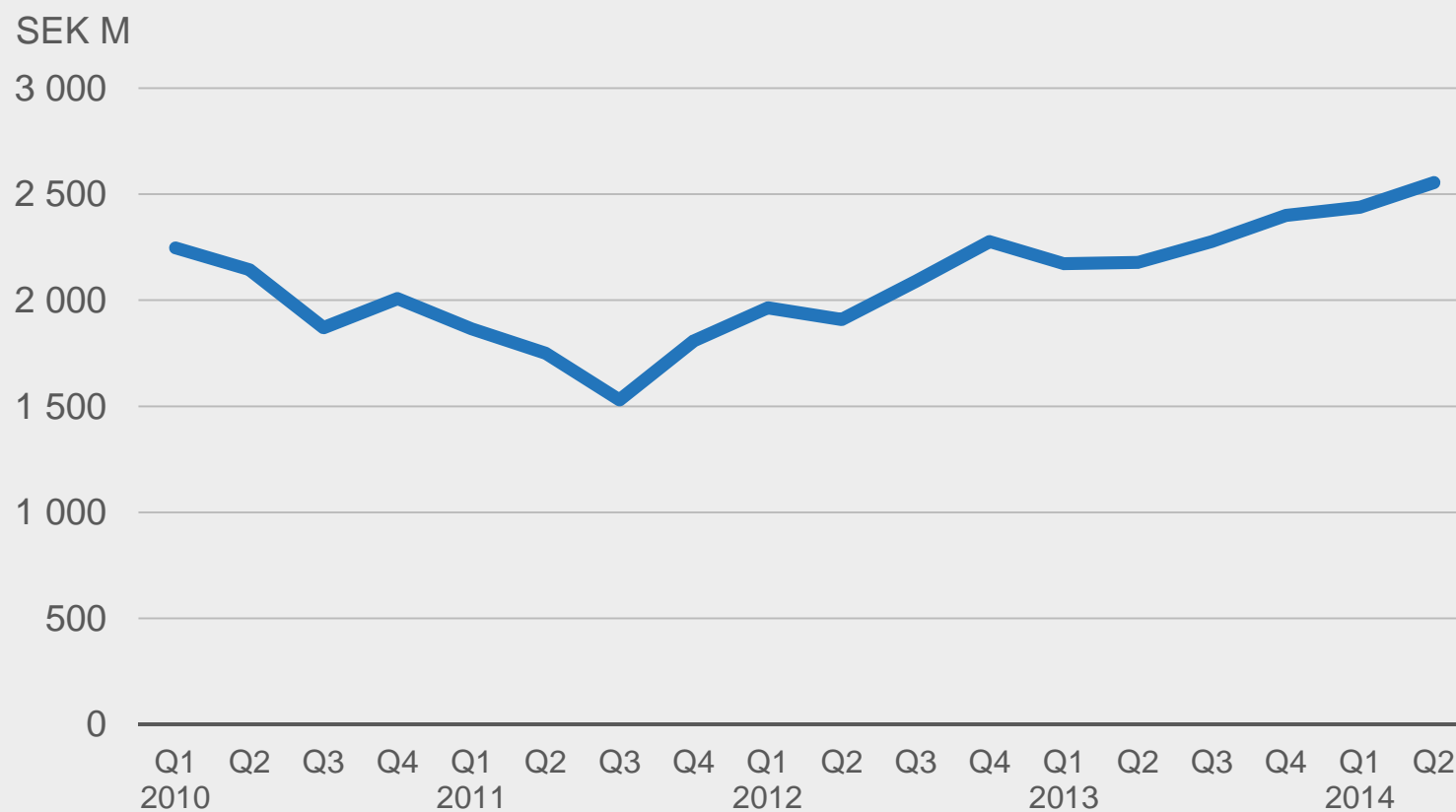
# Strong seasonal pattern...

*Profit/loss after financial items*



# ...and positive earnings trend

*Result after financial items, rolling 12 months*



# Trends in Nordic construction market

## Sweden

- Improved market
- Growth in residential and other buildings
- Infrastructure

## Norway

- Favorable trend in infrastructure

## Denmark

- Growth in Copenhagen and Aarhus
  - residential and other buildings

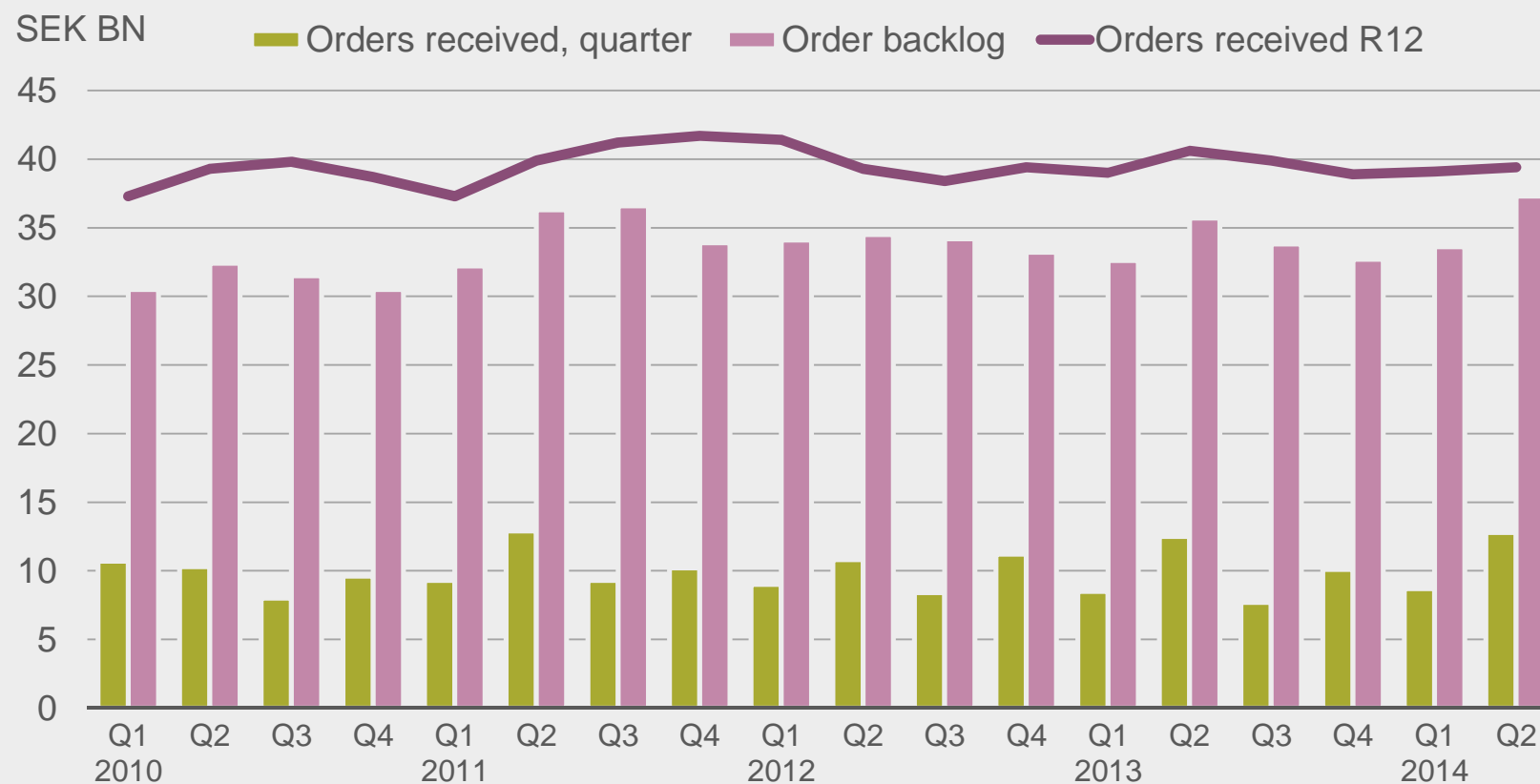
## Finland

- Challenging market



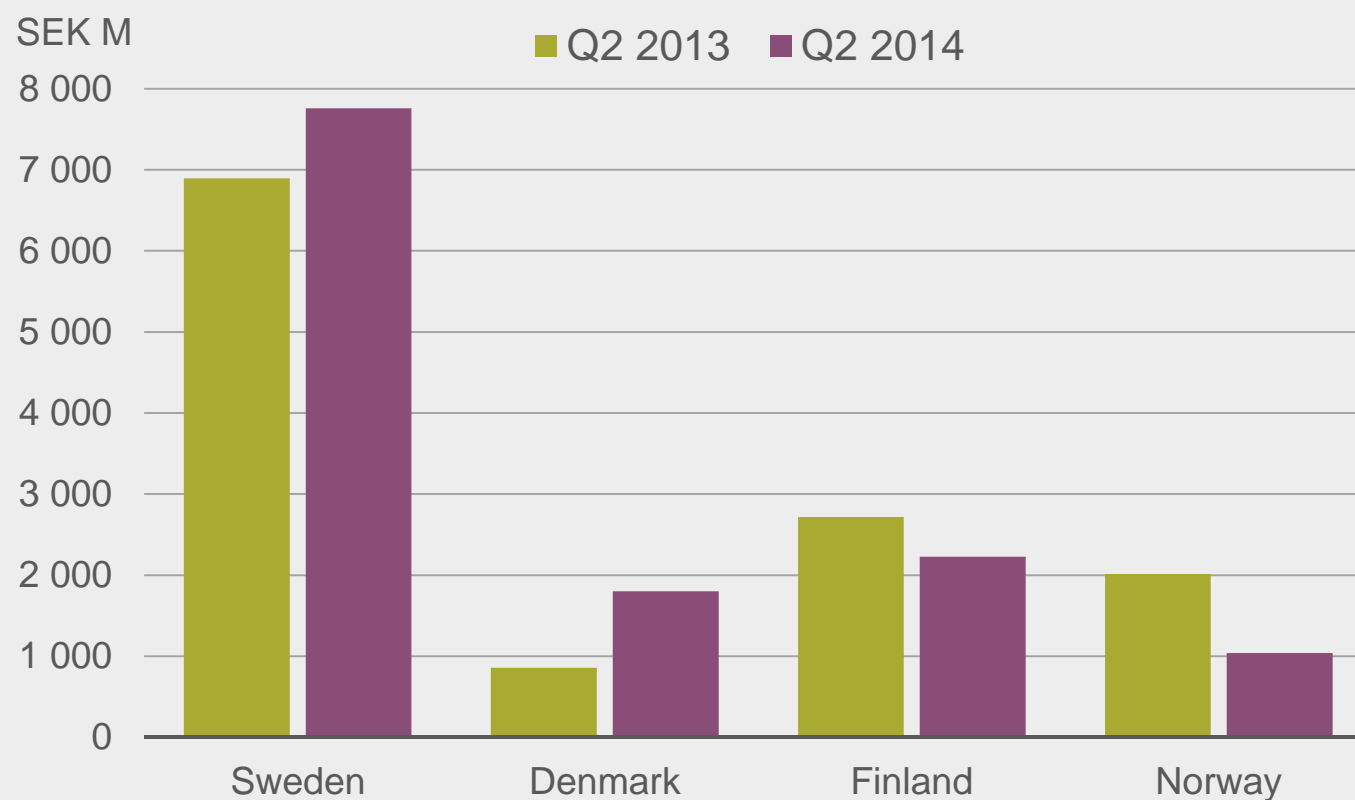
# Order backlog on a historic high level

*NCC's Construction units*



# Favorable orders received in Sweden

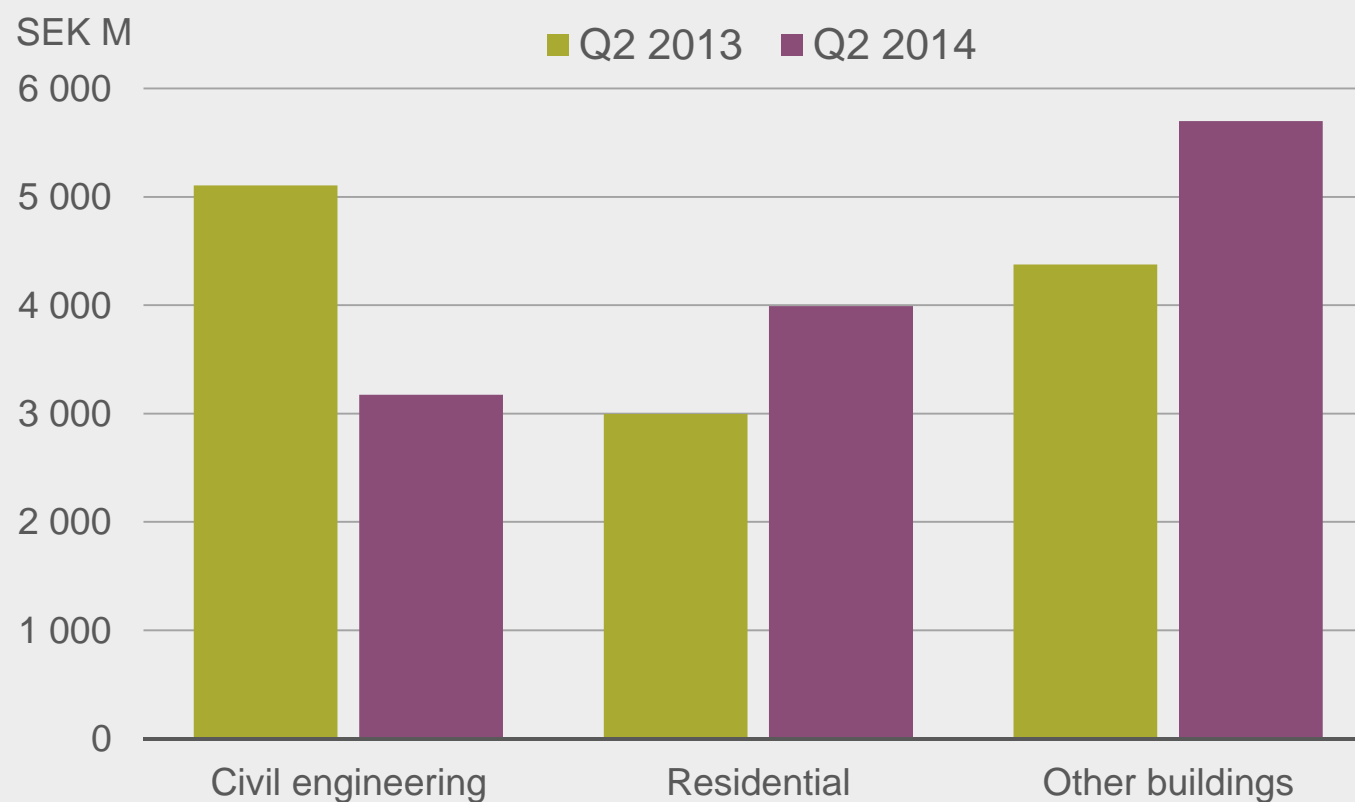
*Orders received, NCC Construction units*





# Increased orders in residential and other buildings

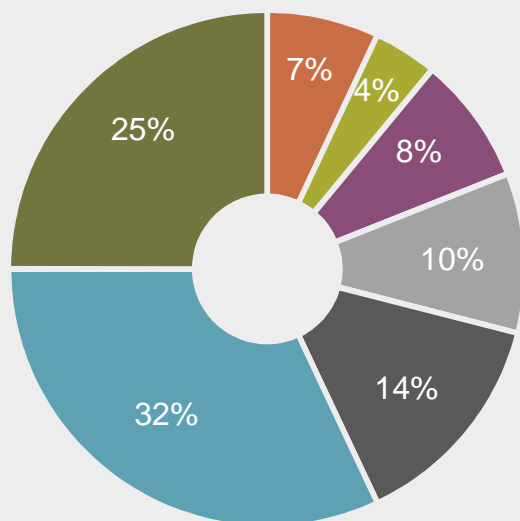
*Orders received, NCC Construction units*



# Increased share of mid-sized projects

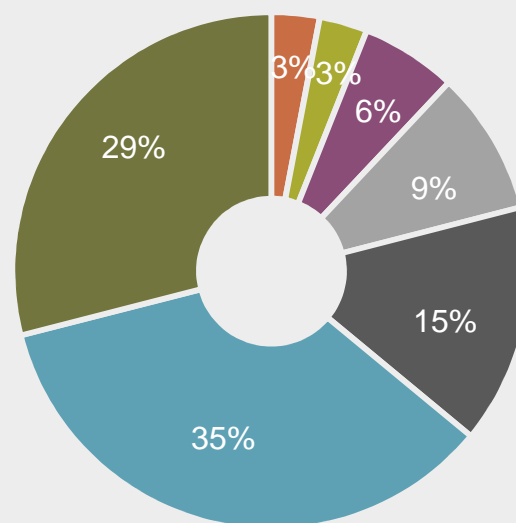
*NCC's Construction units, Q2 2014*

Project size, orders received



**Total SEK 12.8 BN**

Project size, order backlog



**Total SEK 37.3 BN**

- SEK <5 M
- SEK 5-10 M
- SEK 10-25 M
- SEK 25-50 M
- SEK 50-100 M
- SEK 100-300 M
- SEK >300 M

## A selection of construction projects in Q2

Finnbodavarvet, Stockholm, Sweden,  
92 apartments, SEK 275 million



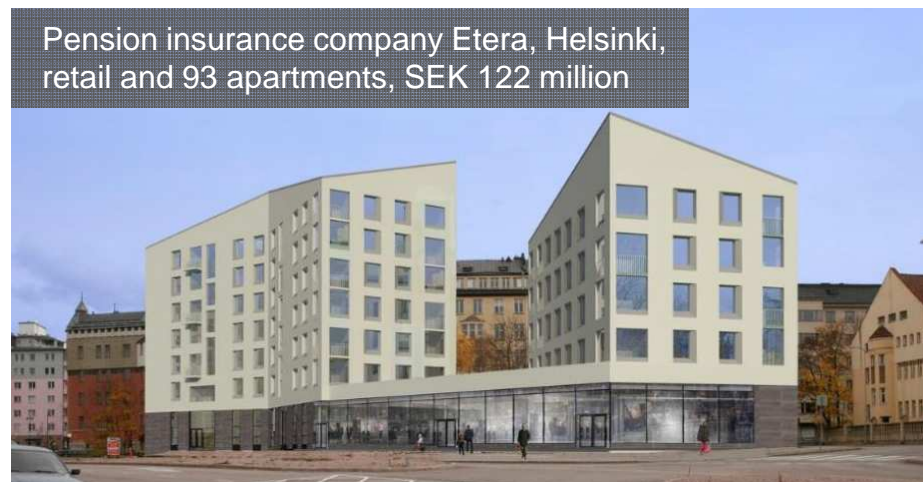
Svealandsbanan railway line, Sweden, 8.5 km  
of double-track railway, SEK 975 million



Research and educational building for the  
University of Tampere, Finland, SEK 430 million



Pension insurance company Etera, Helsinki,  
retail and 93 apartments, SEK 122 million



# A selection of construction projects in Q2

Havneholmen apartment complex, Aarhus, Denmark, 400 apartments, SEK 725 million



Aabybro School, Aabybro, Denmark, SEK 192 million



School in Elverum and multi hall in Skedsmo, Norway, SEK 154 million



Ris School, Oslo, Norway, SEK 201 million



# Stone material, asphalt and road service

*The Nordic market*

## **Stone material**

- Stable demand in Q2
- A rise in construction – higher demand 2014

## **Asphalt**

- Increased demand in Sweden and Finland
- Potential for growth in 2014

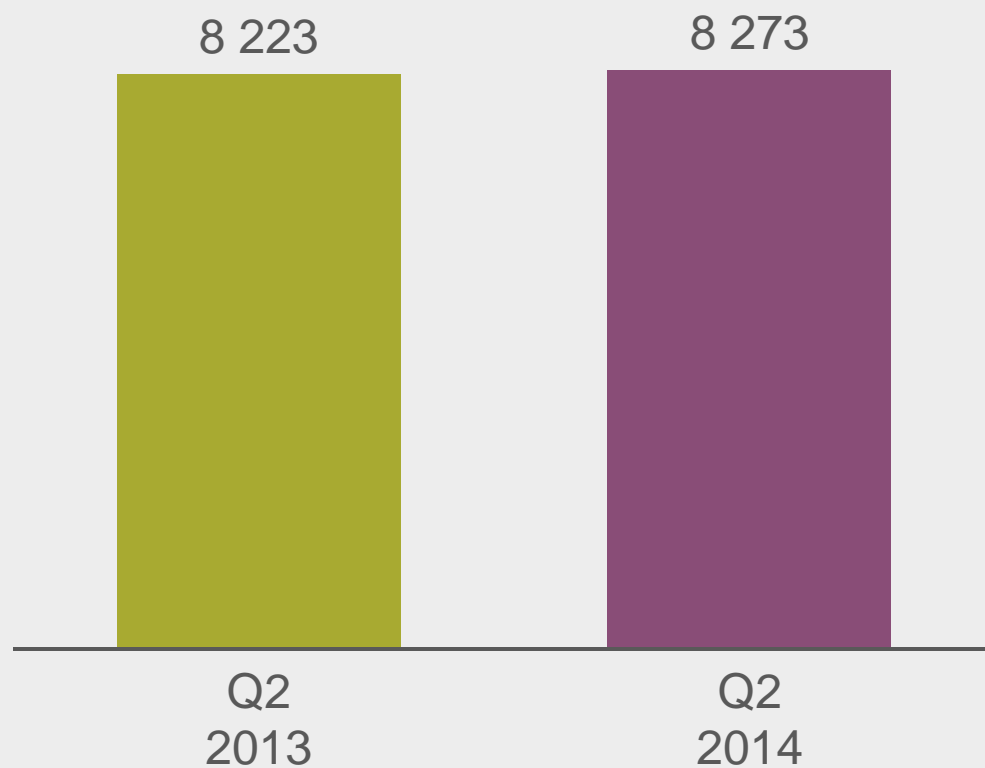
## **Road service**

- Stable demand
- Tough competition



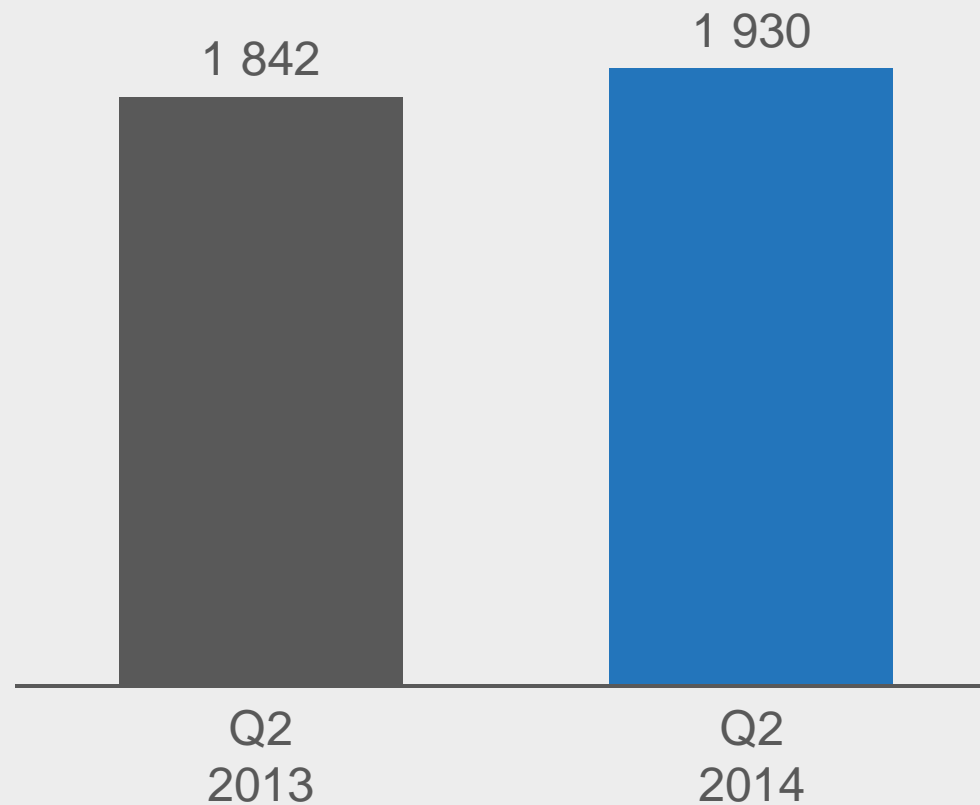
# Stable volume of stone material

*Volumes of stone material sold,  
thousands of tons*



# Higher asphalt volumes

*Volumes of asphalt sold,  
thousands of tons*



# NCC is part of the construction of the first Swedish electric road





# Residential markets

## Private customers

- Favorable market in Sweden, Germany and St. Petersburg
- Challenging market in Finland
- Increasing demand and pricing in Copenhagen

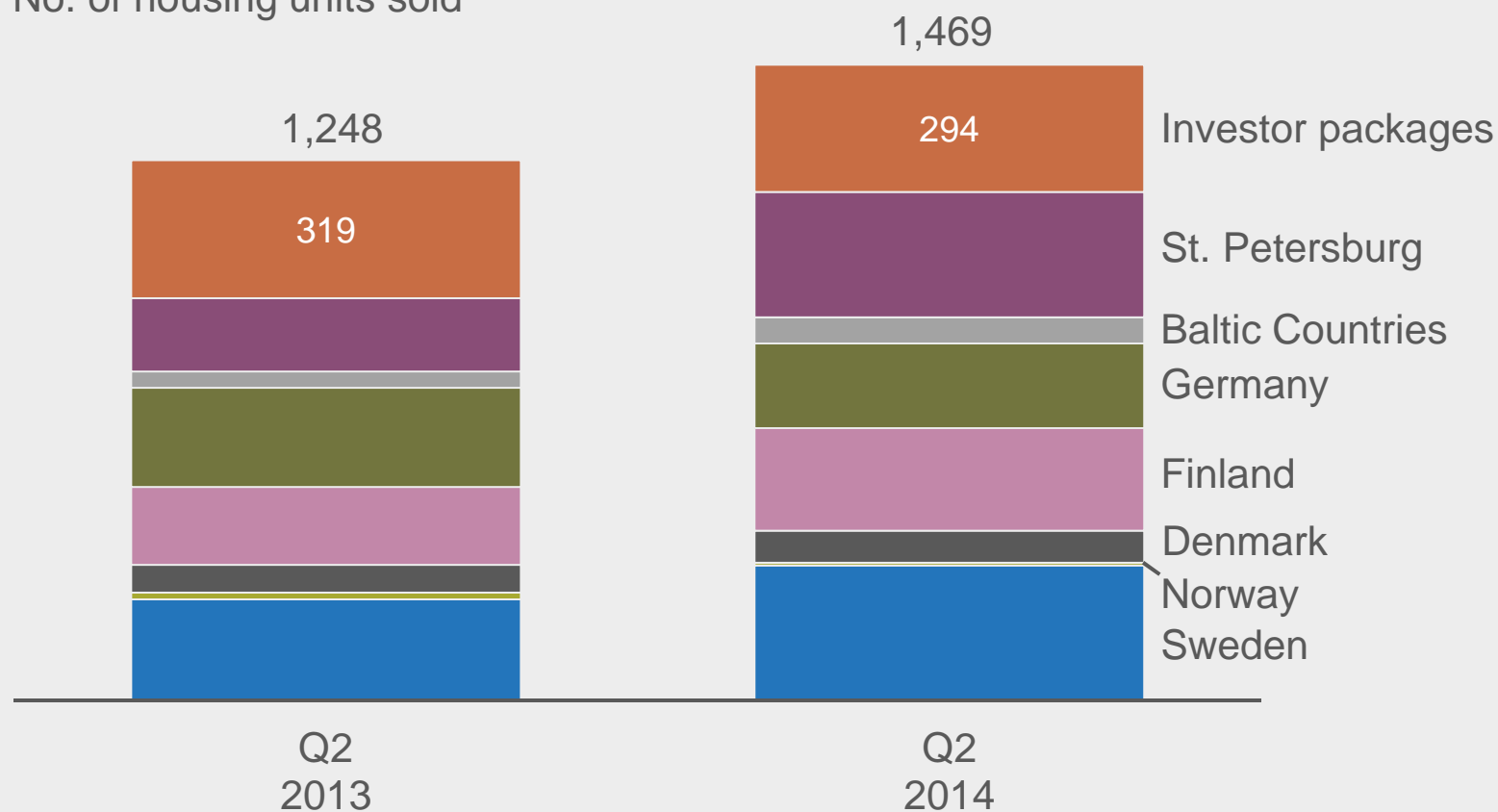
## Investor markets

- Increased demand for investor packages in Sweden and Germany
- Opportunities in Finland



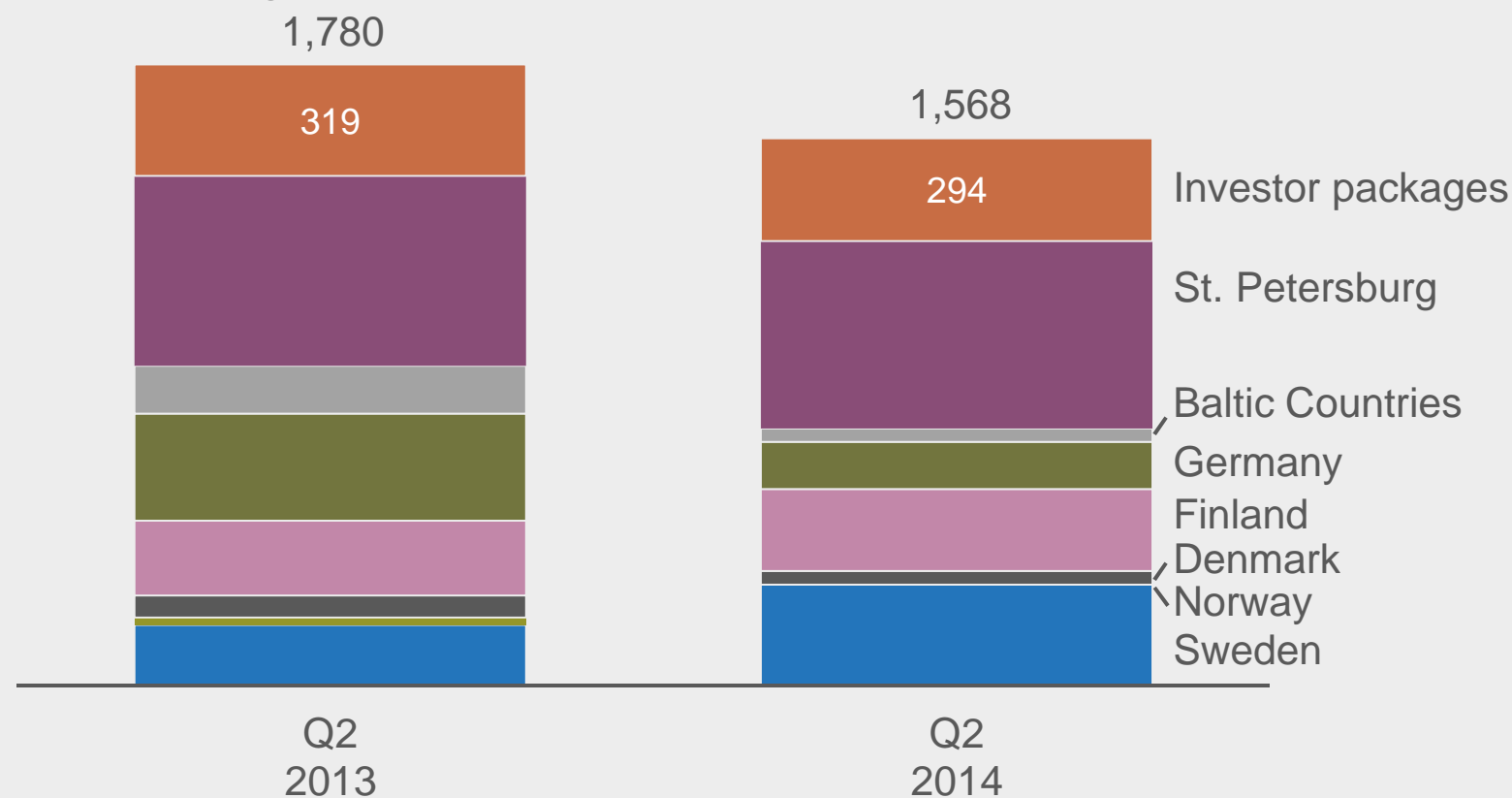
# Continued healthy residential sales ...

No. of housing units sold



# ...created a platform for starts on a high level

No. of housing starts



# Some of the started housing projects in Q2

**Skandi Klubb, St. Petersburg**

- 348 units



**Västra Orgeln 3, Uppsala**

- 75 units



**Bertta-Kulta, Vantaa, Finland**

- 60 units



**Strandhusene (Beachhouses), Islands Brygge, Copenhagen**

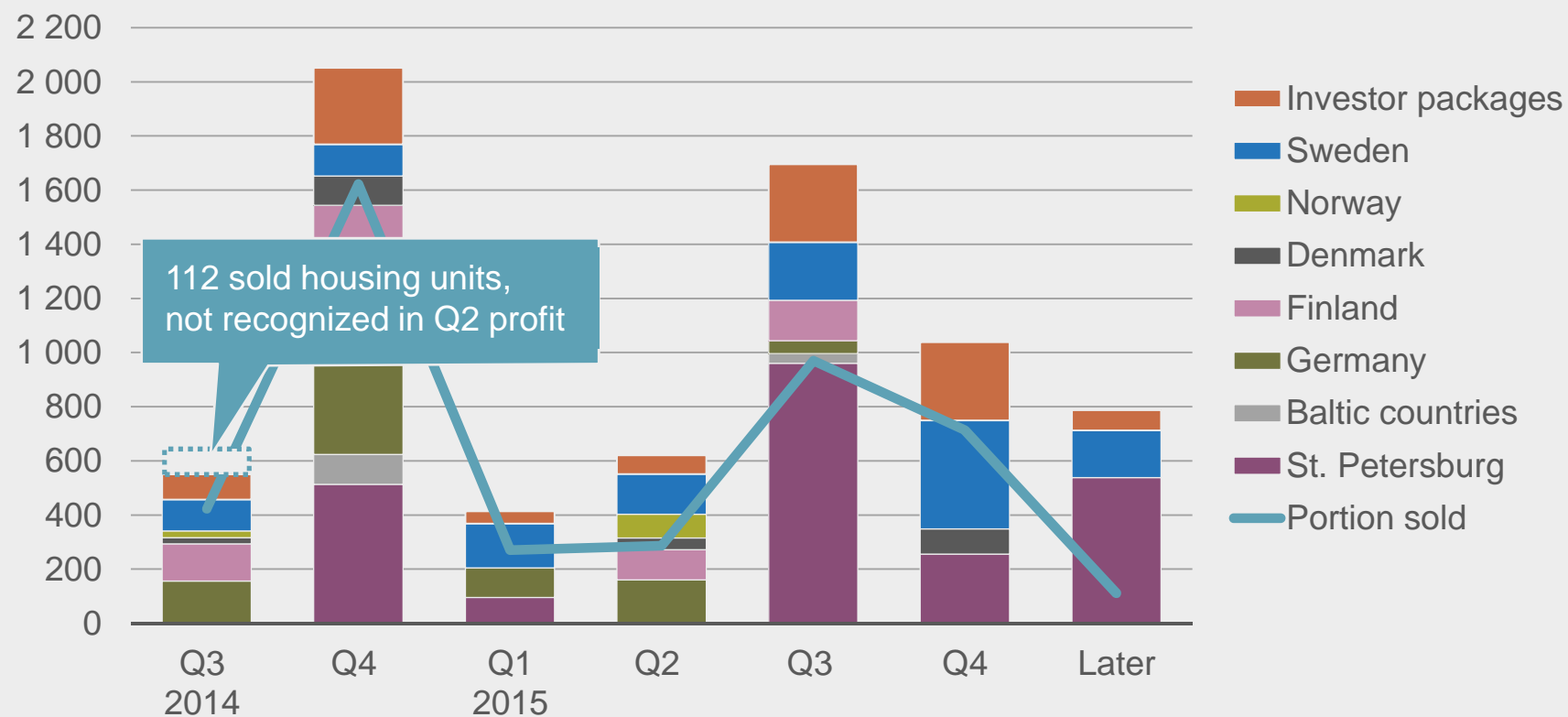
- 26 units



# Same trend as previous years

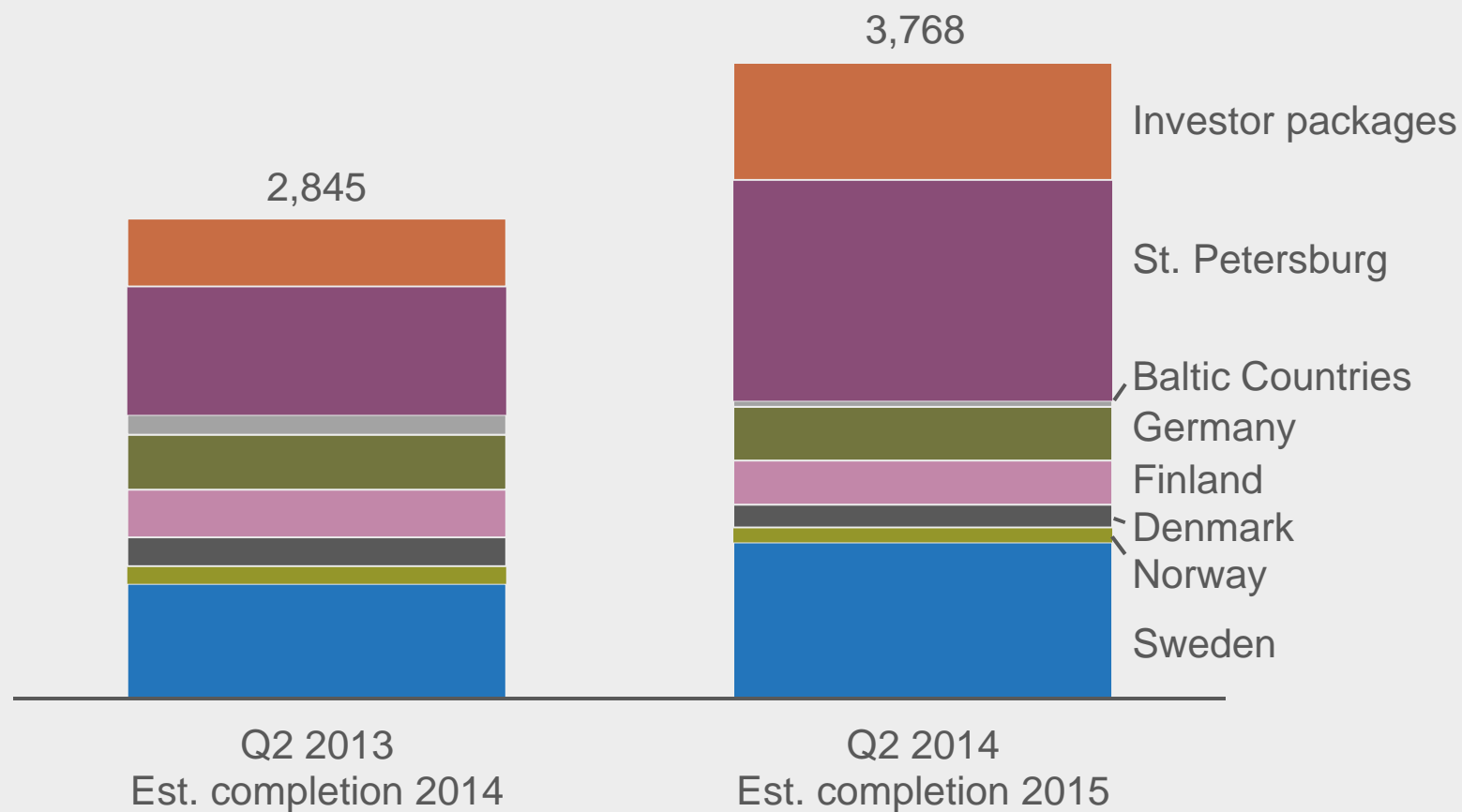
## *Estimated completion*

No. of housing units



# More housing units to complete 2015

*Estimated completions*



# More housing units in ongoing production

	For private customers		For investors		Total	
	Jun. 30, 2014	Dec. 31, 2013	Jun. 30, 2014	Dec. 31, 2013	Jun. 30, 2014	Dec. 31, 2013
<b>Number of housing units</b>						
Ongoing production	<b>6,014</b>	4,831	<b>1,600</b>	1,552	<b>7,614</b>	6,383
Sales rate, %	<b>54</b>	47	<b>100</b>	98	<b>64</b>	59
Completion rate, %	<b>50</b>	49	<b>50</b>	38	<b>50</b>	46

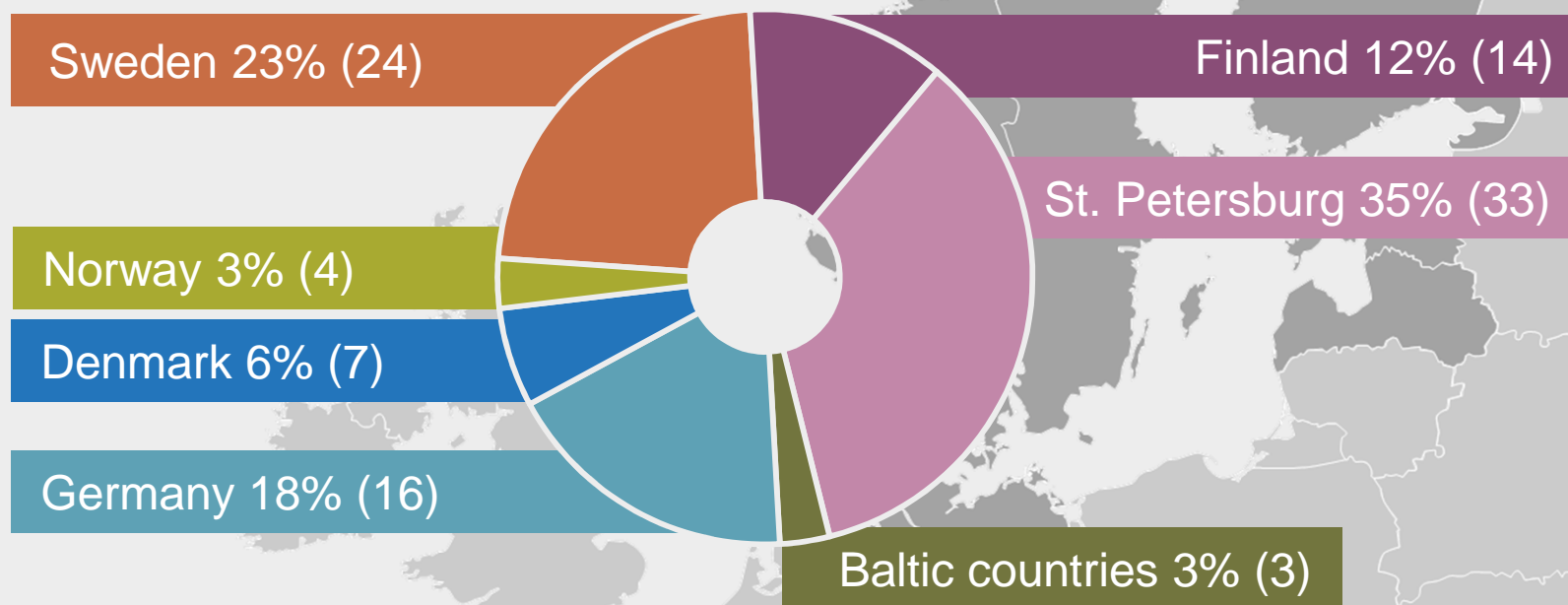


p404, Hageby Backe

# Housing portfolio – market adjustment Q2

*Housing for private customers,  
ongoing production*

*June 30, 2014 (December 31, 2013)*





# Nordic property market

## Investor market

- Increasing interest in the Nordic market
- Finland
  - Cautious investors

## Rental market

- Demand for green and flexible offices
- Weaker demand in Finland



Vallensbaek Company Park, Copenhagen

# Project sales Q2

Project	Type	Price SEK M	Recognized in profit
Ullevi Park 4, Gothenburg	Office	860	Q4 2015
SCA office, Mölndal	Office	868	Q4 2016



Ullevigatan, Gothenburg

## Project starts Q2

### CH Vallensbaek Company Park 3

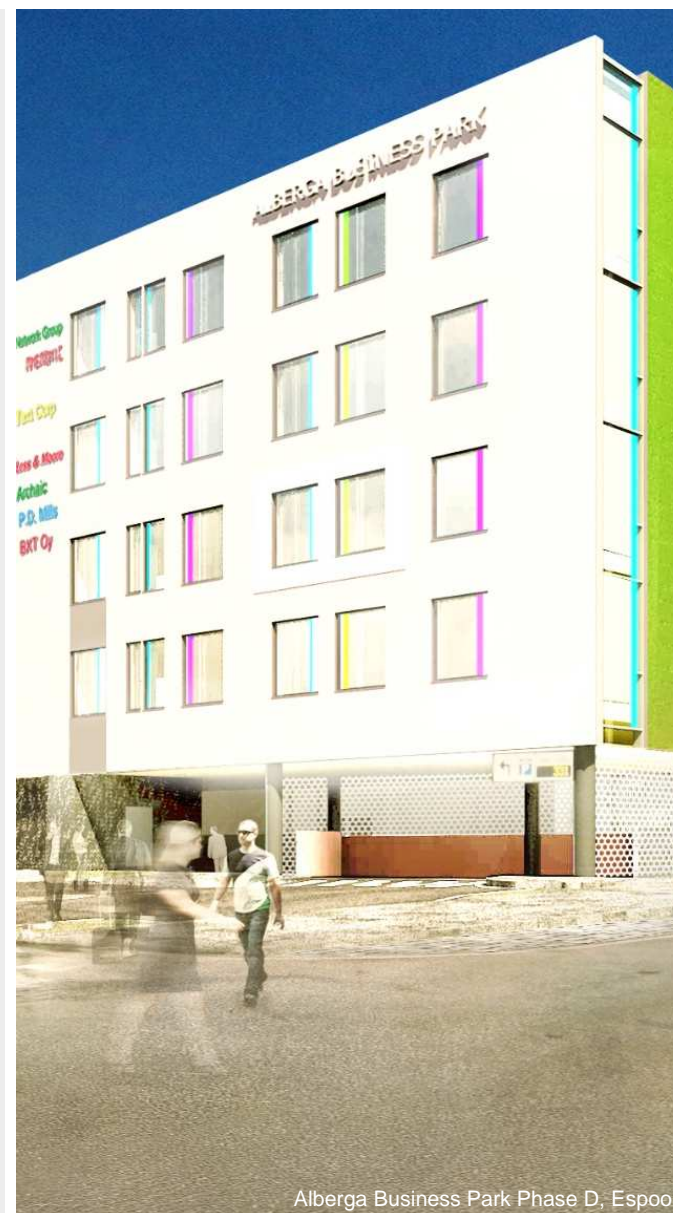
- 8,800 m<sup>2</sup> office space
- Leasing rate 50%
- Sold in Q3, recognized in Q2 2015

### Alberga Business Park D

- 5,300 m<sup>2</sup> office space

### SCA Building

- 24,400 m<sup>2</sup> office space

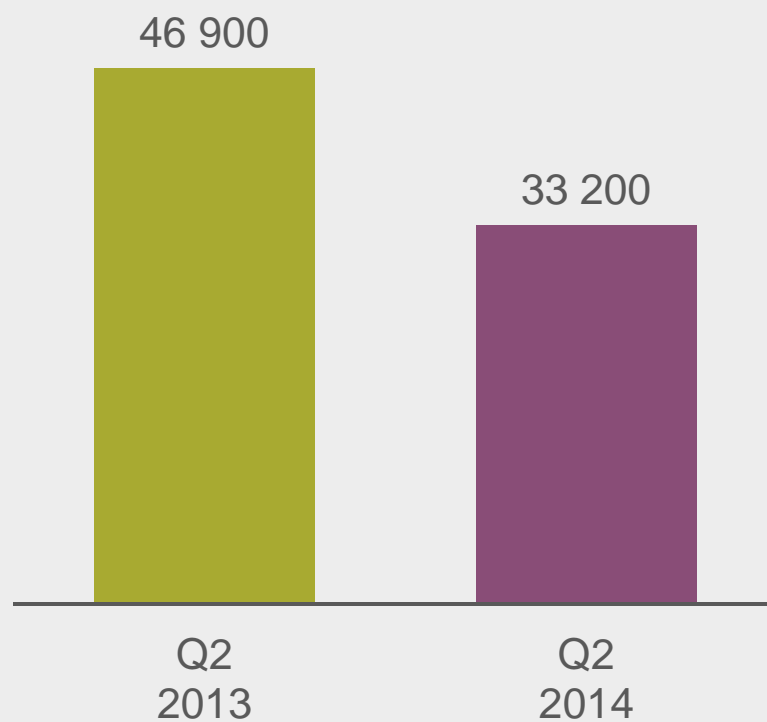




Torsplan, Stockholm

# Good leasing rate compared to leasable space

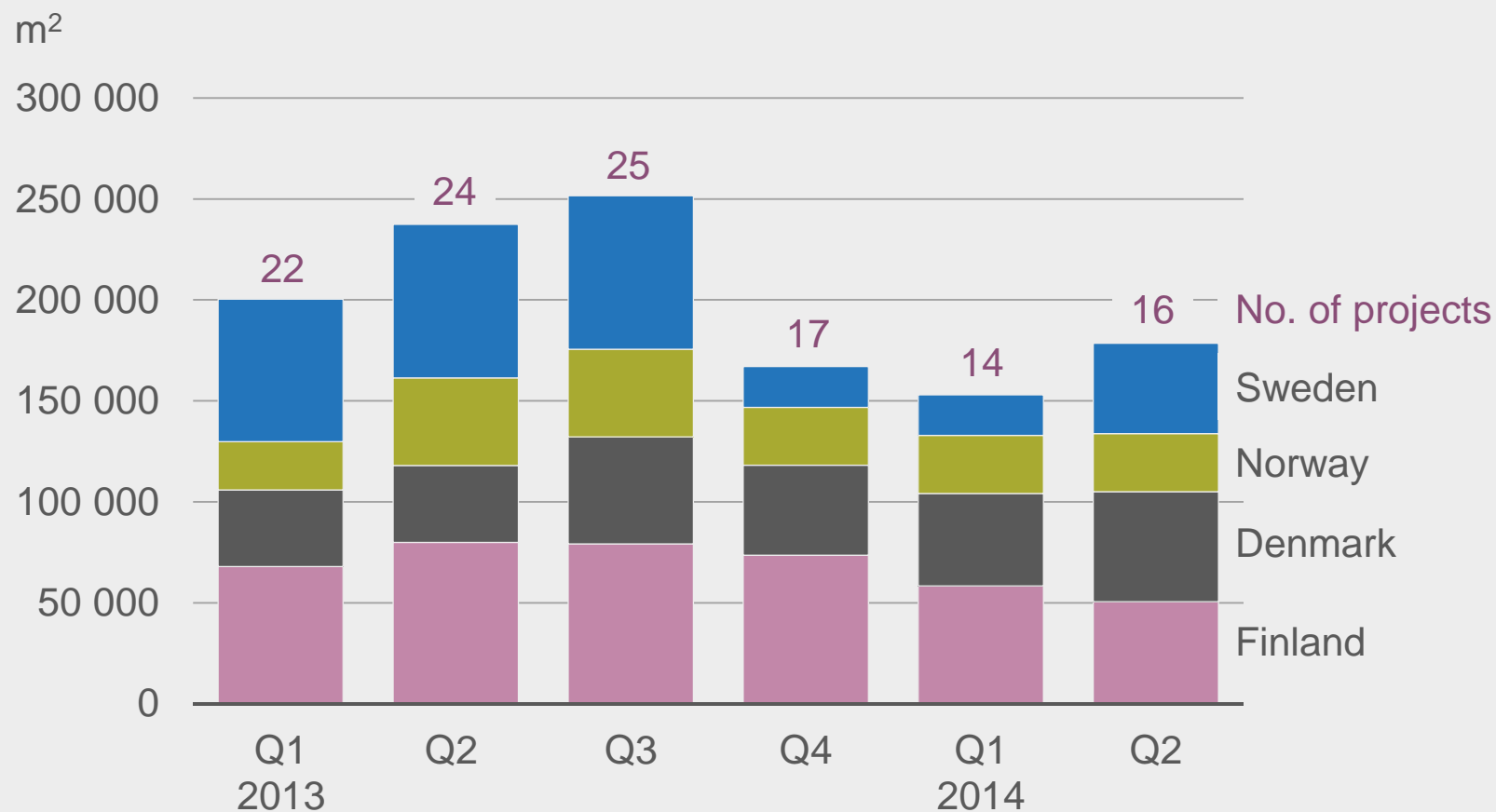
*Leased floor space, m<sup>2</sup>*



SCA office, Mölndal

# Geographic distribution

*Leasable space, m<sup>2</sup>, in ongoing or completed projects not recognized in profit*





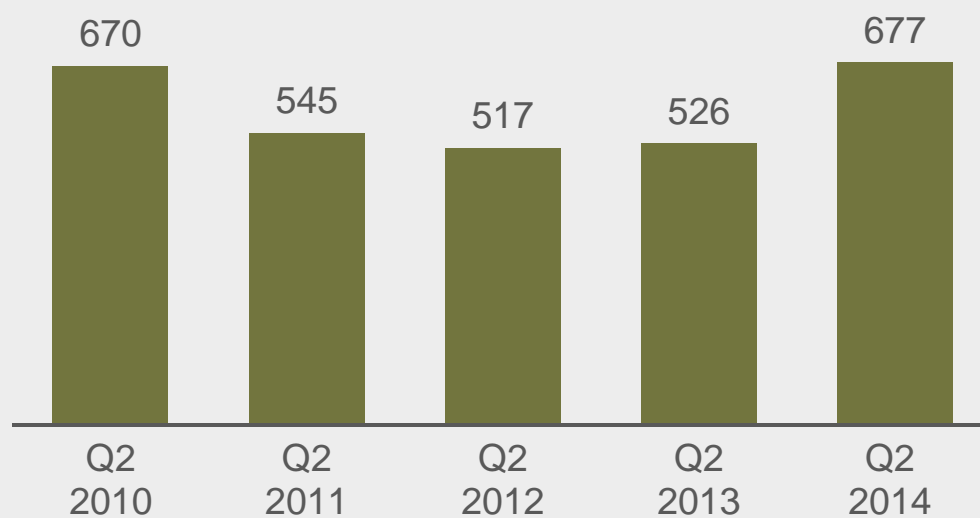
Ann-Sofie Danielsson  
Chief Financial Officer

Swan Label housing, Stockholm

## Q2 in brief

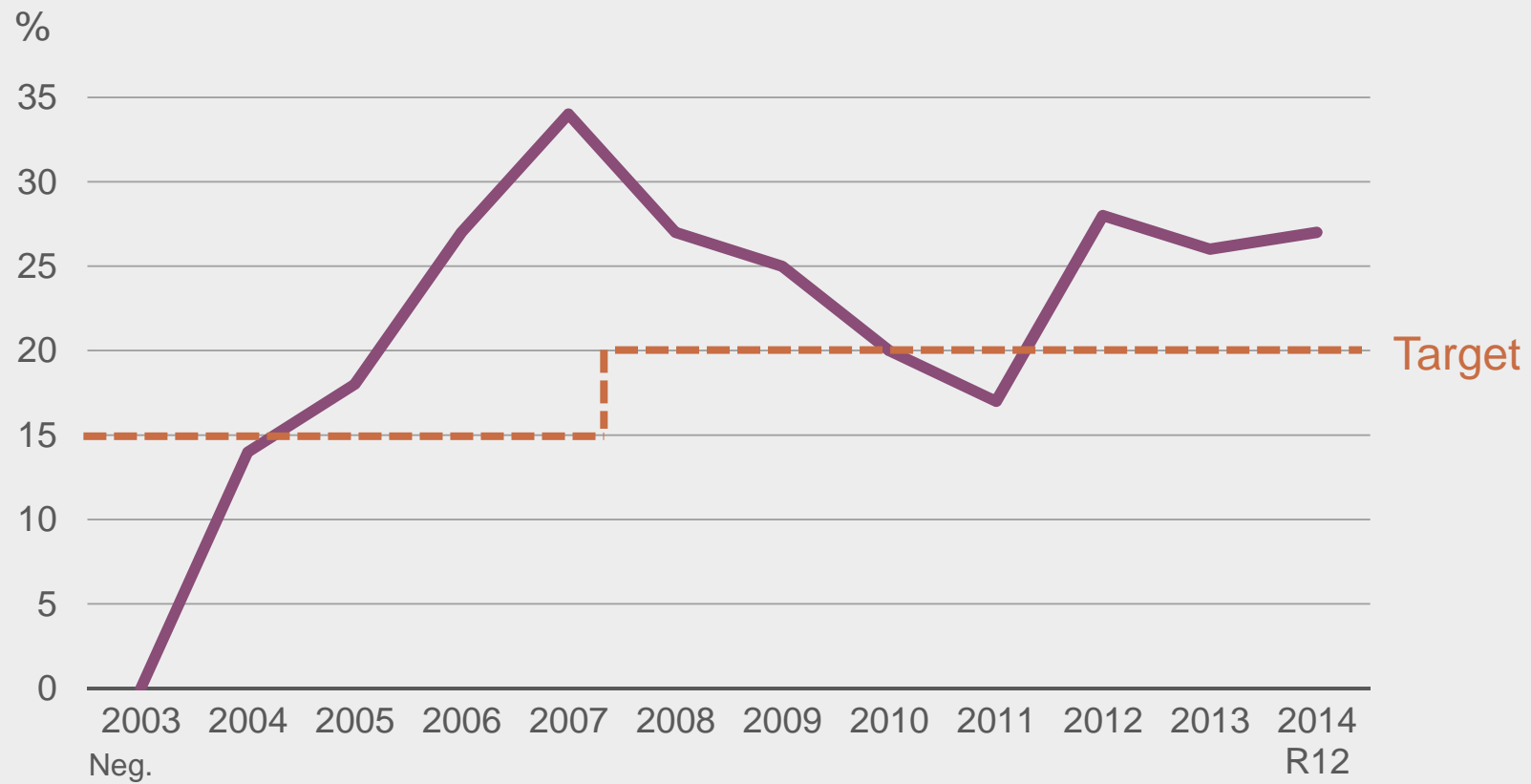
- Increased order backlog
- Improved earnings
- Balanced financial position

*Operating profit, SEK M*





# Return on equity



# Income statement

<b>SEK M</b>	<b>Apr.-Jun. 2014</b>	<b>Apr.-Jun. 2013</b>	<b>Jul. 13- Jun. 14</b>	<b>Jan.-Dec. 2013</b>
Net sales	13,479	13,535	57,514	57,823
<b>Gross profit</b>	<b>1,460</b>	<b>1,361</b>	<b>5,936</b>	<b>5,796</b>
Selling and administrative expenses	-787	-836	-3,063	-3,130
<i>Cost ratio</i>	5.8%	6.2%	5.3%	5.4%
Other	4	1	15	14
<b>Operating profit</b>	<b>677</b>	<b>526</b>	<b>2,885</b>	<b>2,679</b>
Financial items	-102	-69	-330	-279
<b>Profit after financial items</b>	<b>576</b>	<b>457</b>	<b>2,555</b>	<b>2,400</b>
Tax on profit for the period	-125	-93	-447	-411
<i>Tax rate</i>	21.7%	20.4%	17.5%	17.1%
<b>Profit for the period</b>	<b>451</b>	<b>365</b>	<b>2,108</b>	<b>1,989</b>

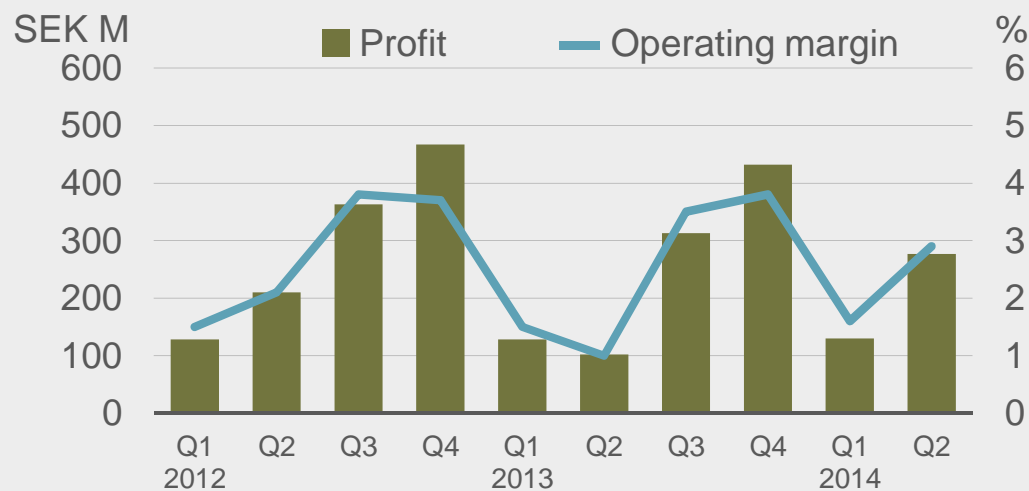
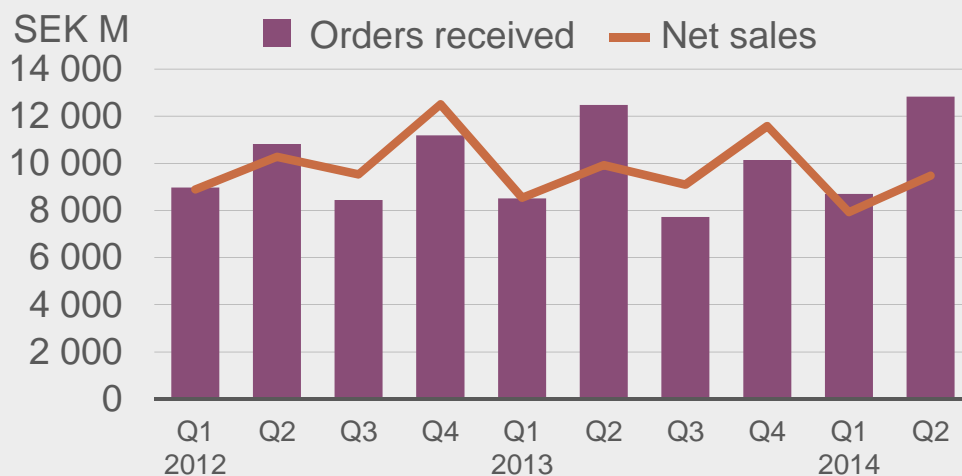
# Operating profit/loss per business area

SEK M	Apr.-Jun. 2014	Apr.-Jun. 2013	Jul. 13-Jun. 14	Jan.-Dec. 2013
NCC Construction Sweden	146			
NCC Construction Denmark	65			
NCC Construction Finland	41			
NCC Construction Norway	24			
NCC Roads	255			
NCC Housing	156			
NCC Property Development	40			
Other and eliminations	-50			
<b>Operating profit</b>	<b>677</b>	<b>526</b>	<b>2,885</b>	<b>2,679</b>

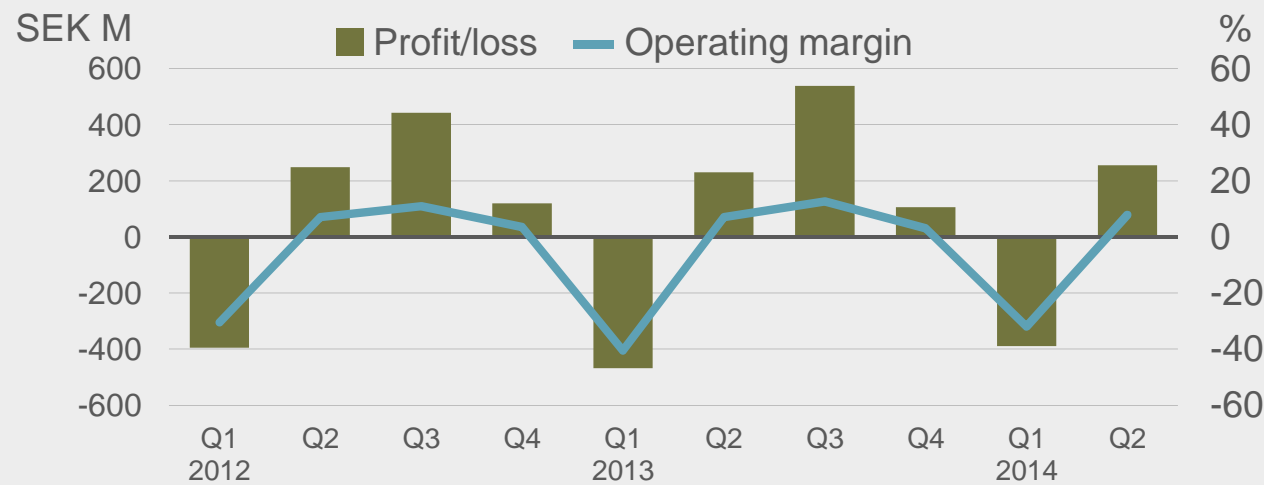
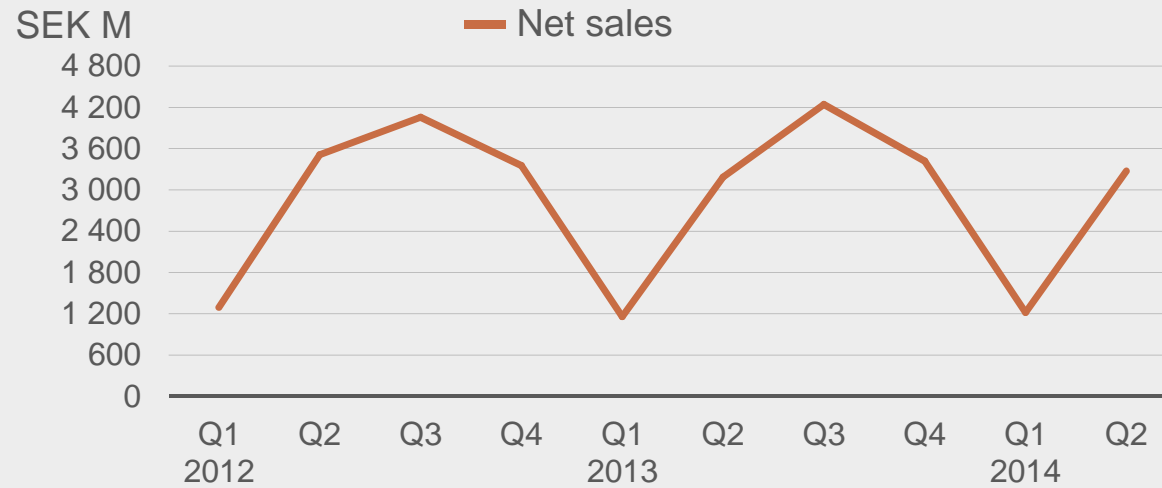
	Apr.-Jun. 2014	Apr.-Jun. 2013
NCC HQ and International Projects	-29	-14
Internal gains	-14	-7
Group adjustments	-8	16
<b>Total</b>	<b>-50</b>	<b>-5</b>

# NCC Construction units

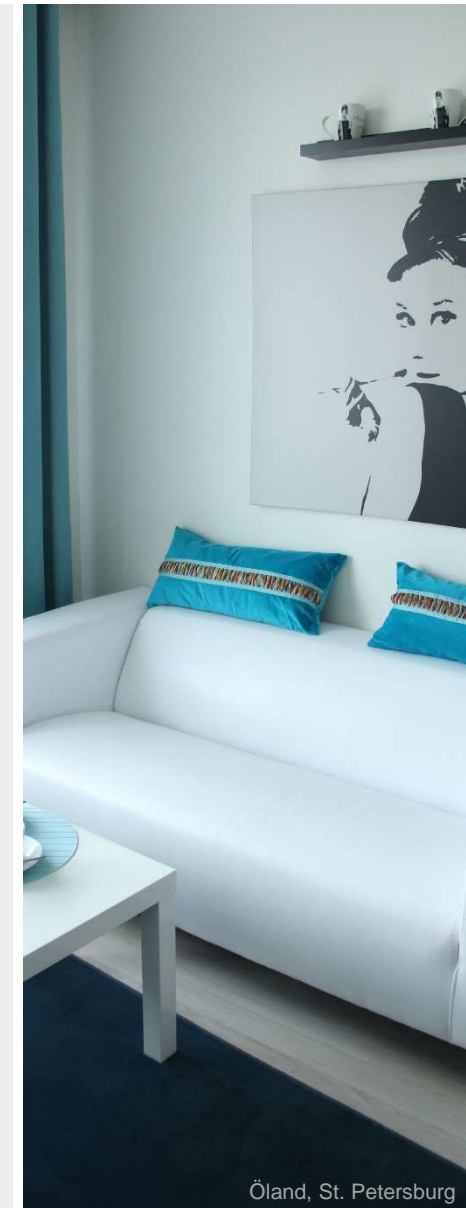
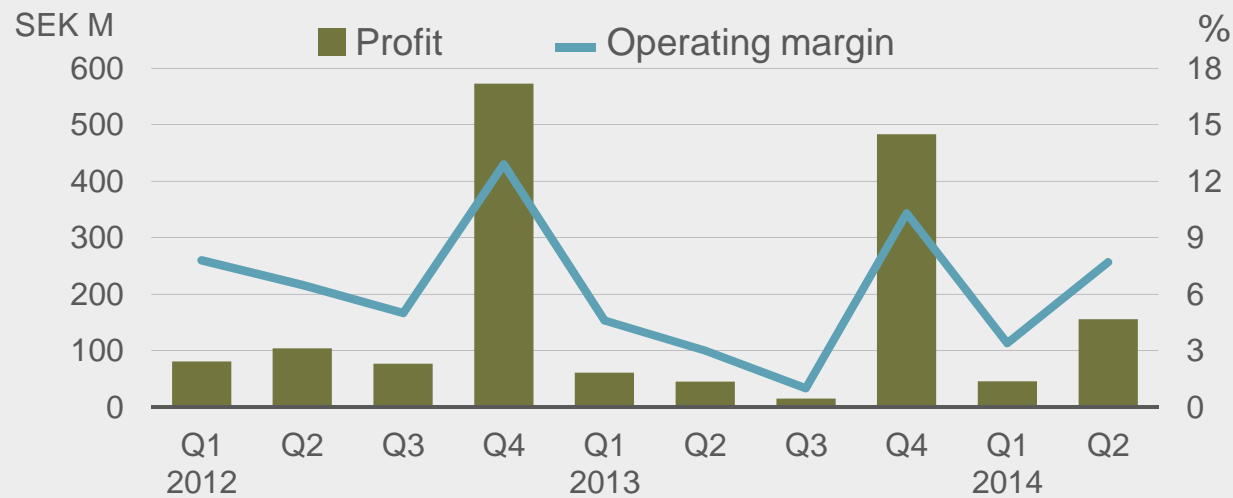
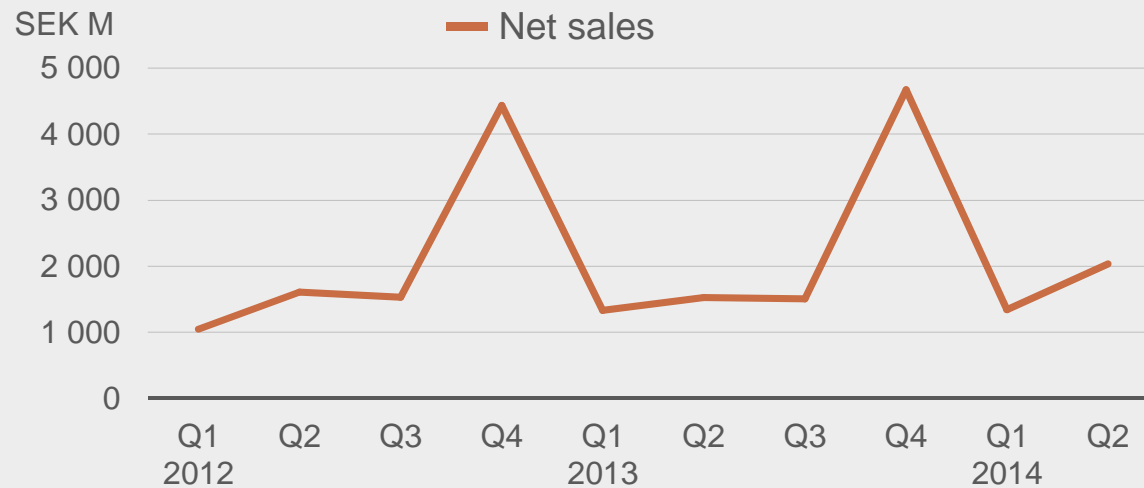


- Lower net sales, due to low opening order backlog
- Operating margin improved
- Good margins in Denmark
- More to do in Sweden, Finland and Norway

# NCC Roads



# NCC Housing



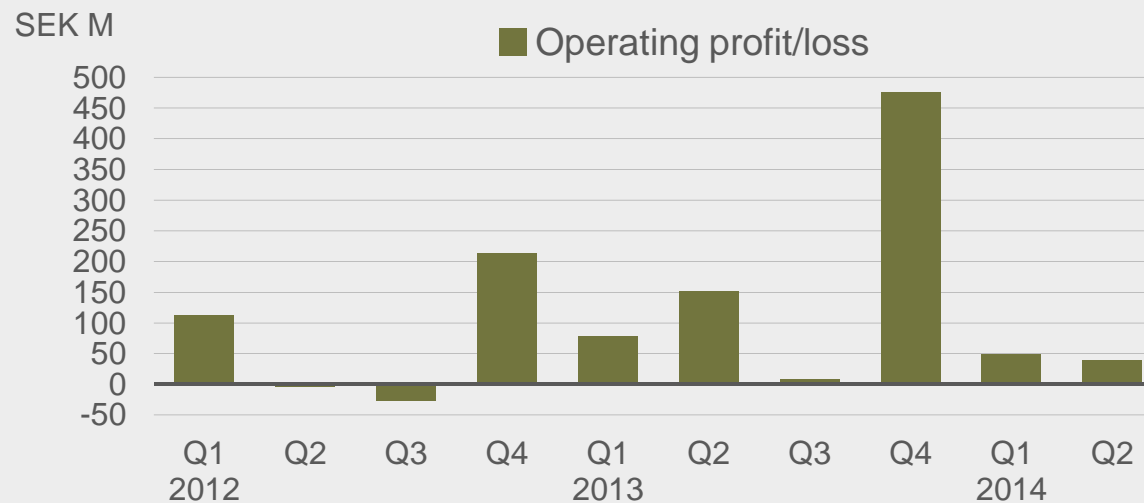
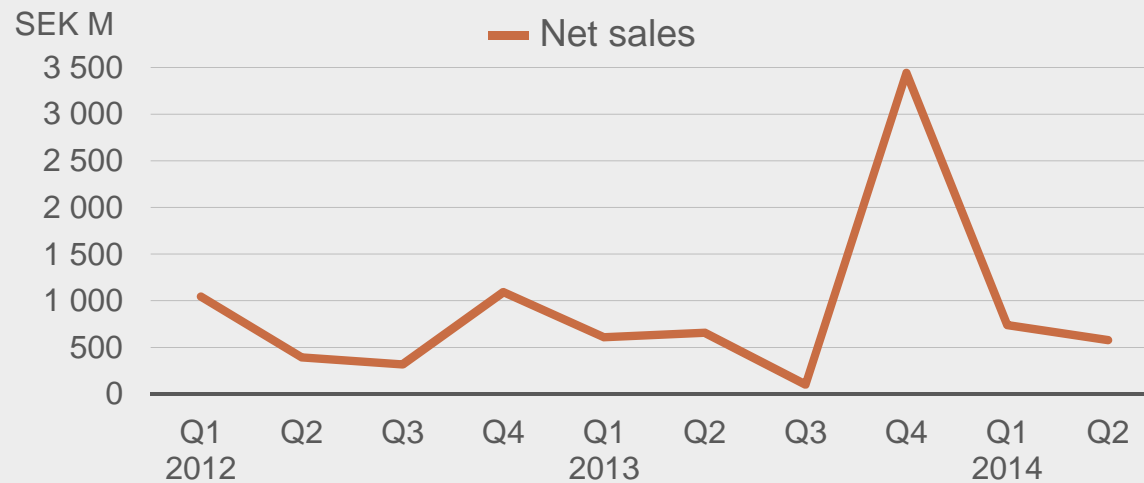
Öland, St. Petersburg

# Housing units recognized for profit

Number of housing units	Apr.-Jun. 2014	Apr.-Jun. 2013
Sweden	222	145
Denmark	125	13
Finland	74	176
Baltic countries	45	41
St. Petersburg	121	18
Norway	36	62
Germany	134	89
<b>Total, private customers</b>	<b>757</b>	<b>544</b>
Investor packages	40	243
<b>Total</b>	<b>797</b>	<b>787</b>



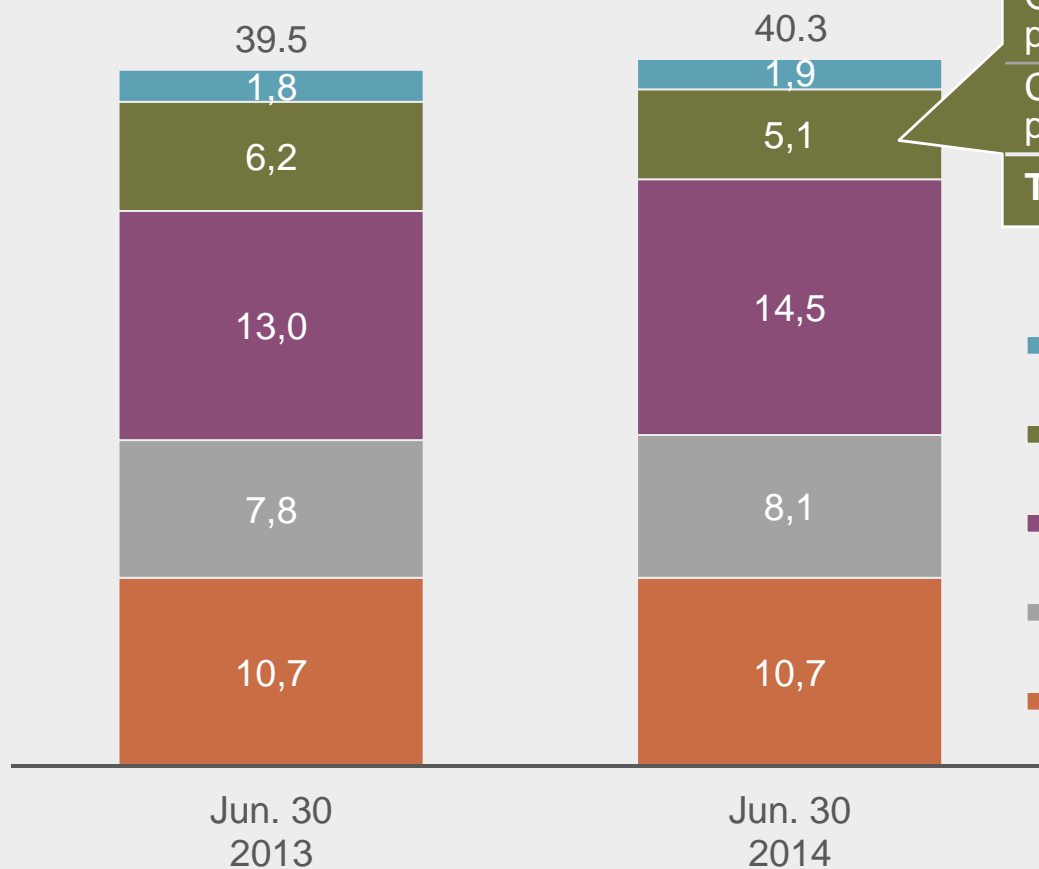
# NCC Property Development





# Balance sheet

SEK BN

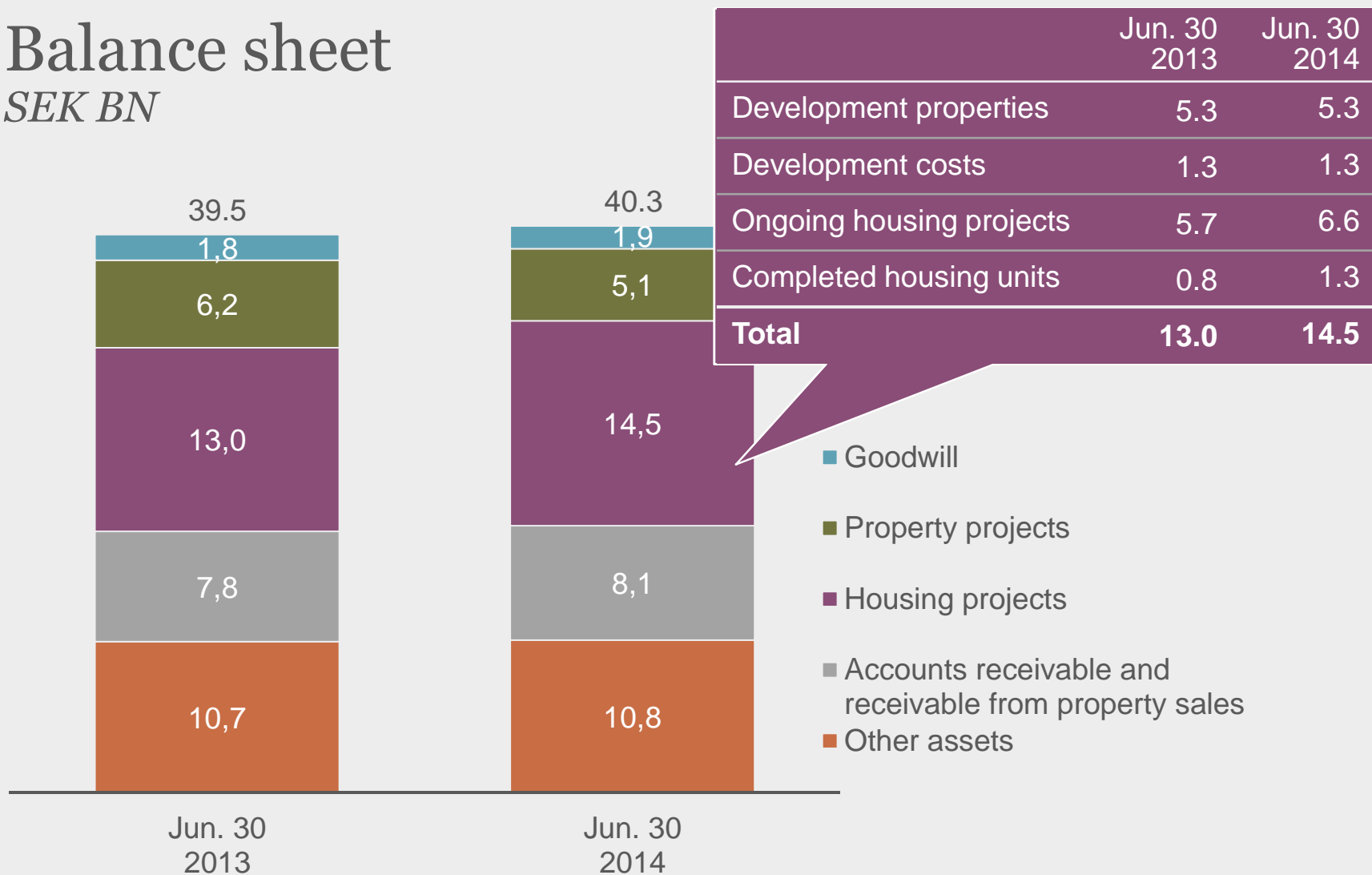


	Jun. 30 2013	Jun. 30 2014
Development properties	2.3	2.1
Ongoing property projects	3.0	2.4
Completed property projects	1.0	0.6
<b>Total</b>	<b>6.2</b>	<b>5.1</b>

- Goodwill
- Property projects
- Housing projects
- Accounts receivable and receivable from property sales
- Other assets

# Balance sheet

SEK BN



## Dividend – two payments

	SEK M
April 10	647
October 31 (record date October 28)	647
<b>Total</b>	<b>1,294</b>





# Cash flow


SEK M	Apr.-Jun. 2014	Apr.-Jun. 2013	Jul. 13 - Jun. 14	Jan.-Dec. 2013
From operating activities	215	-54	2,344	2,321
From property projects	-167	-593	1,112	280
From housing projects	-339	-637	-899	-845
Other working capital	-756	95	113	775
Investing activities	-219	-211	-884	-870
<b>Cash flow before financing</b>	<b>-1,267</b>	<b>-1,402</b>	<b>1,786</b>	<b>1,661</b>

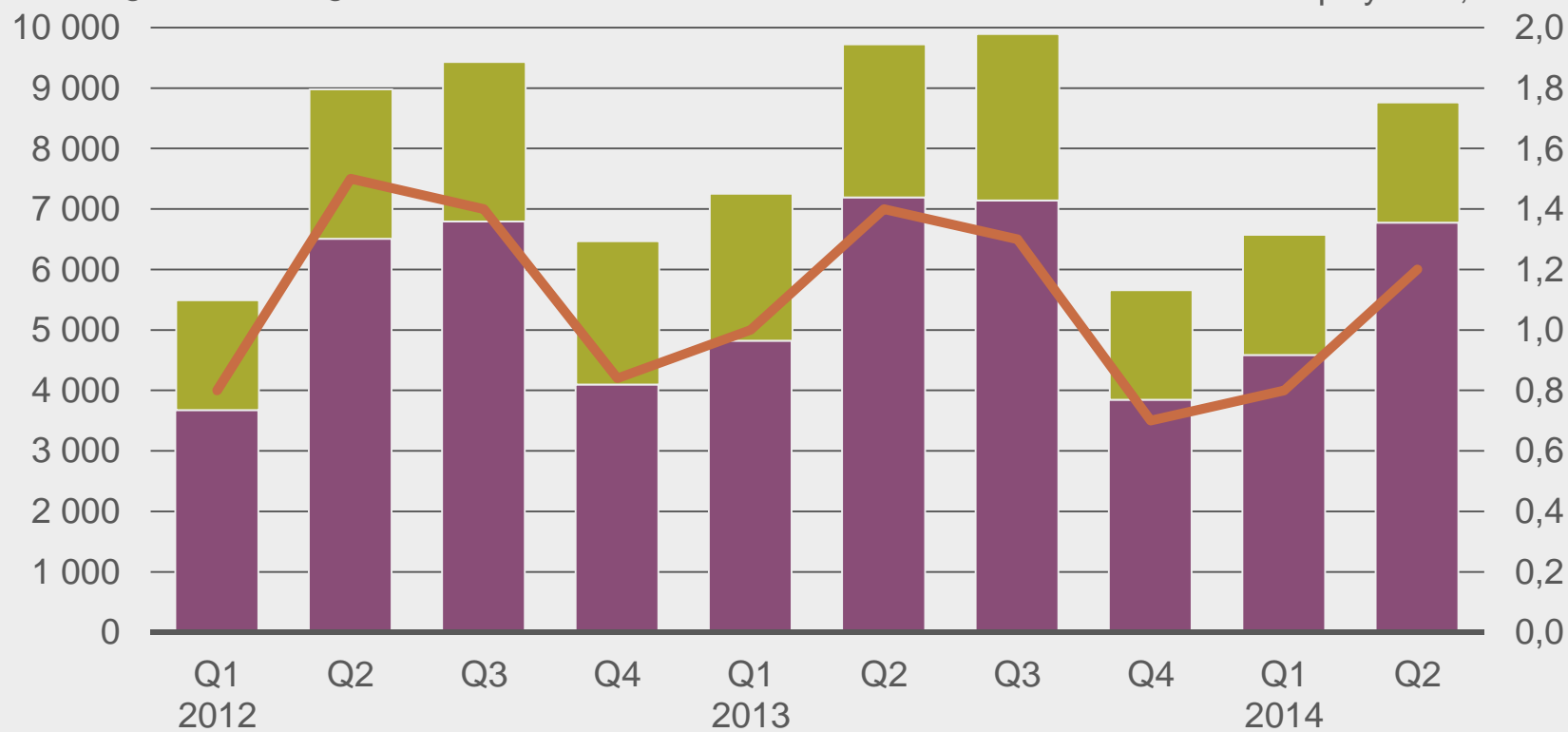


# Net indebtedness

Net indebtedness, tenant housing and housing associations, SEK M 

Net indebtedness excl. tenant housing and housing associations, SEK M 

 Debt/equity ratio, times





Porsgrunn tunnel

# Summary Q2 2014

- Net sales in line with previous year
- Earnings improved
- Order backlog all time high
- High activity in the development business







## Contact information

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