

TEN-YEAR REVIEW

INCOME STATEMENT, SEK M	2000	2001	2002	2003	2004	IFRS 2004	2005	2006	2007	2008	2009
Net sales	38,728	47,521	45,165	45,252	45,437	46,534	49,506	55,876	58,397	57,465	51,817
Production costs	-34,641	-45,232	-40,950	-41,739	-41,809	-42,749	-45,158	-50,729	-52,572	-52,005	-46,544
Gross profit	4,087	2,289	4,215	3,513	3,628	3,785	4,347	5,147	5,825	5,460	5,273
Selling and administrative expenses	-2,545	-4,004	-3,157	-2,717	-2,523	-2,577	-2,677	-2,795	-3,059	-3,197	-3,035
Result from property management		254	103	50	29	45	17	-5			
Result from sales of managed properties	640	229	322	-26	51	-60	92	9			
Result from sales of owner-occupied properties				16	6	6	19	22	19	15	10
Impairment losses on fixed assets	-16	-282	-6	-64	-138	-149	-94	-22	-245	-76	-7
Impairment losses/reversal of impairment losses on properties, NCC Property Development ¹⁾	-44	-77	-4	-782	-69						
Result from sale of Group companies	-1	8	303	4	73	64	-5	7	415	8	5
Competition-infringement fee									-175		-95
Result from participations in associated companies	294	47	44	11	60	33	49	29	11	9	-1
Operating profit/loss	2,415	-1,536	1,820	5	1,117	1,147	1,748	2,392	2,790	2,219	2,150
Financial income	503	529	327	219	148	209	116	116	131	615	70
Financial expense	-765	-1,123	-841	-547	-310	-412	-284	-245	-313	-449	-526
Net financial items	-262	-595	-514	-328	-162	-203	-168	-129	-182	166	-456
Profit/loss after net financial items	2,153	-2,130	1,306	-323	955	945	1,580	2,263	2,608	2,385	1,694
Tax on profit for the year	-655	-121	-461	-77	-96	-68	-393	-555	-357	-565	-432
Net profit/loss for the year	1,498	-2,251	844	-400	859	876	1,187	1,708	2,252	1,820	1,262
Attributable to:											
NCC's shareholders	1,494	-2,269	821	-421	856	873	1,178	1,706	2,247	1,809	1,261
Minority interests	4	18	24	21	3	3	9	1	4	11	1
Net profit/loss for the year	1,498	-2,251	844	-400	859	876	1,187	1,708	2,252	1,820	1,262

¹⁾ As of 2004, Impairment losses/reversal of impairment losses on properties, NCC Property Development are reported as production costs.

2000: Earnings for 2000 included surplus pension funds from Alecta amounting to SEK 912 M. The main reason for the improved earnings was a high rate of activity within real estate operations. Rieber & Son's asphalt and aggregate operations were also acquired.

2001: Earnings for 2001 were charged SEK 1,740 M for write-downs and provisions. A comprehensive restructuring and action program was introduced to improve profitability. As of 2001, sales of NCC Property Development's property projects were reported as part of net sales. The effect for 2001 was an approximately SEK 1.5 billion increase in sales.

2002: Operations were affected by the action program initiated in 2001. Restructuring measures were implemented in the Nordic countries. The phase-out of non-core operations was initiated. The sale of the subsidiary NVS generated a capital gain of SEK 301 M.

2003: Earnings for 2003 were charged SEK 782 M for impairment losses within NCC Property Development and SEK 195 M for impairment losses within NCC Roads, including restructuring measures. The subsidiary Altima was spun off. Altima's earnings for full-year 2003 are included.

2004: Properties were sold for nearly SEK 5 billion and net indebtedness was reduced by SEK 3.7 billion to SEK 1.1 billion.

2005: Earnings increased, primarily as a result of a strong housing market in the Nordic region and also because of improved profitability in the Nordic contracting operations. Impairment losses of approximately SEK 220 M were incurred for such assets as goodwill, property projects and associated companies. All financial objectives were achieved and net indebtedness was reduced to SEK 0.5 billion.

2006: A boom in the Nordic region gave rise to considerable activity, resulting in rising sales and earnings. Sales of housing, above all else, contributed to the healthy earnings, as did contracting operations, which showed increased profitability. Costs of SEK 186 M for the NCC Complete development project were charged against earnings. All of the financial objectives were achieved and net indebtedness was reduced to SEK 0.4 billion.

2007: The economic boom in combination with strong earnings from property development operations contributed to the highest earnings in NCC's history and all of the financial objectives were achieved. Costs of SEK 645 M for the NCC Complete development project were charged against earnings, as was a competition-impeding damage of SEK 175 M. Operating profit included SEK 383 M from the sale of the Polish asphalt and aggregates operations.

2008: NCC reported its second highest earnings ever and all of the financial objectives were achieved. This was also the year that the housing market came to an abrupt halt and a recession started, which was compounded by a global financial crisis. Earnings were charged with impairment losses and restructuring costs totaling SEK 741 M. The divestment of NCC's share in the Polish concession company AWSA contributed SEK 493 M to earnings.

2009: The year was characterized by recession and reduced demand in the Nordic construction market. While volumes declined, margins remained healthy. Although sales of housing units were favorable, they generated a loss due to price discounts. Earnings were charged with SEK 192 M for impairment losses on land and unsold housing units.