



# Year-End Report 2008

**Olle Ehrlén**  
President and CEO

**Ann-Sofie Danielsson**  
Chief Financial Officer





2008 in brief

Market conditions

Management – focus on Q4

Orders received and order backlog

Housing sales and housing starts

Earnings and comments per business area

Financial position

Summary

Kungsbron, Stockholm

## 2008 in brief

- Profit after financial items amounted to SEK 2,385 M (2,608) – one of the highest levels in NCC's history
- Economic downturn and global financial crisis
- Reduction in orders received in Q4; weak demand for housing and other buildings
- Orders received for civil engineering remained favorable
- High order backlog at year-end

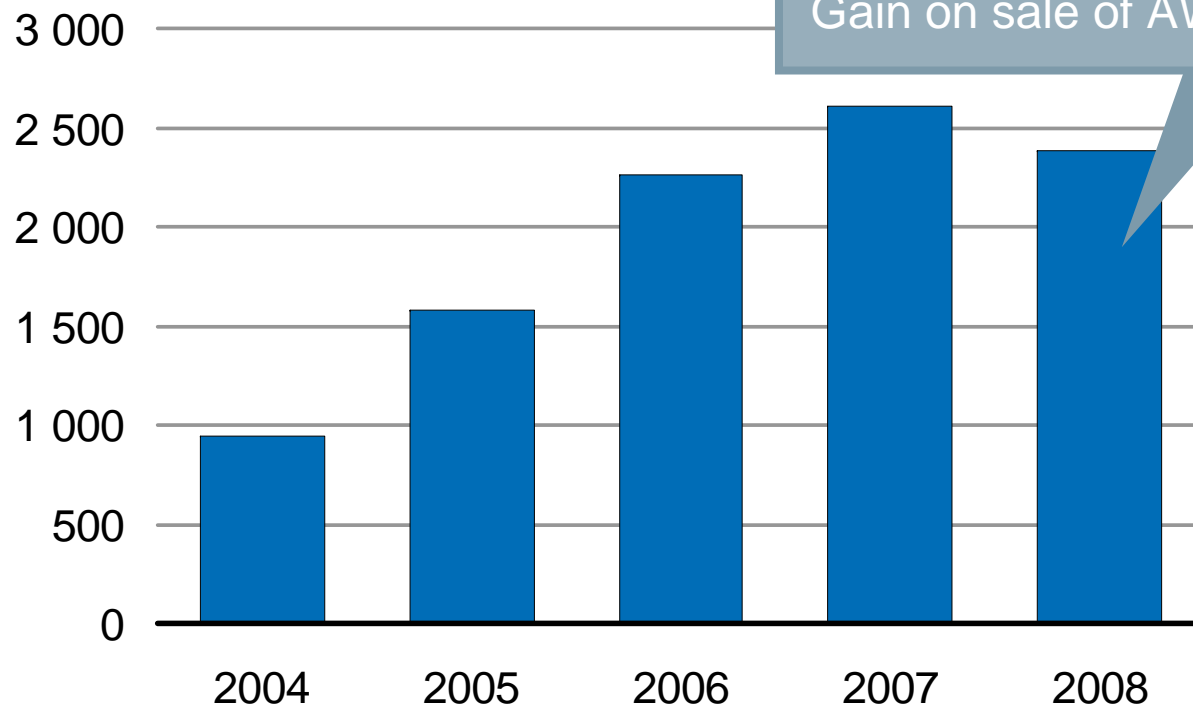


Eldforsen, Vansbro

# Continued strong earnings for 2008

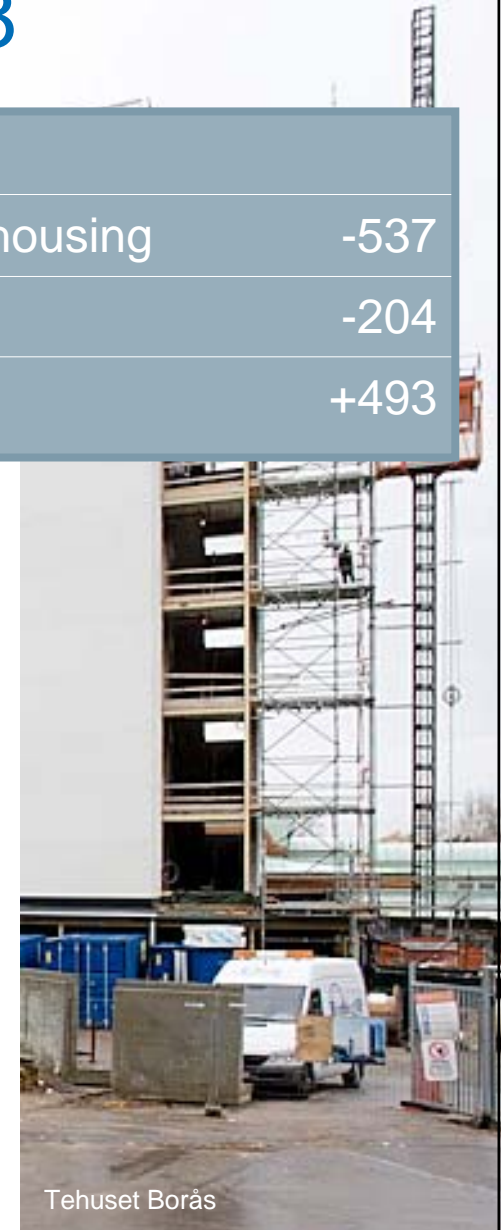
Profit after financial items

SEK M

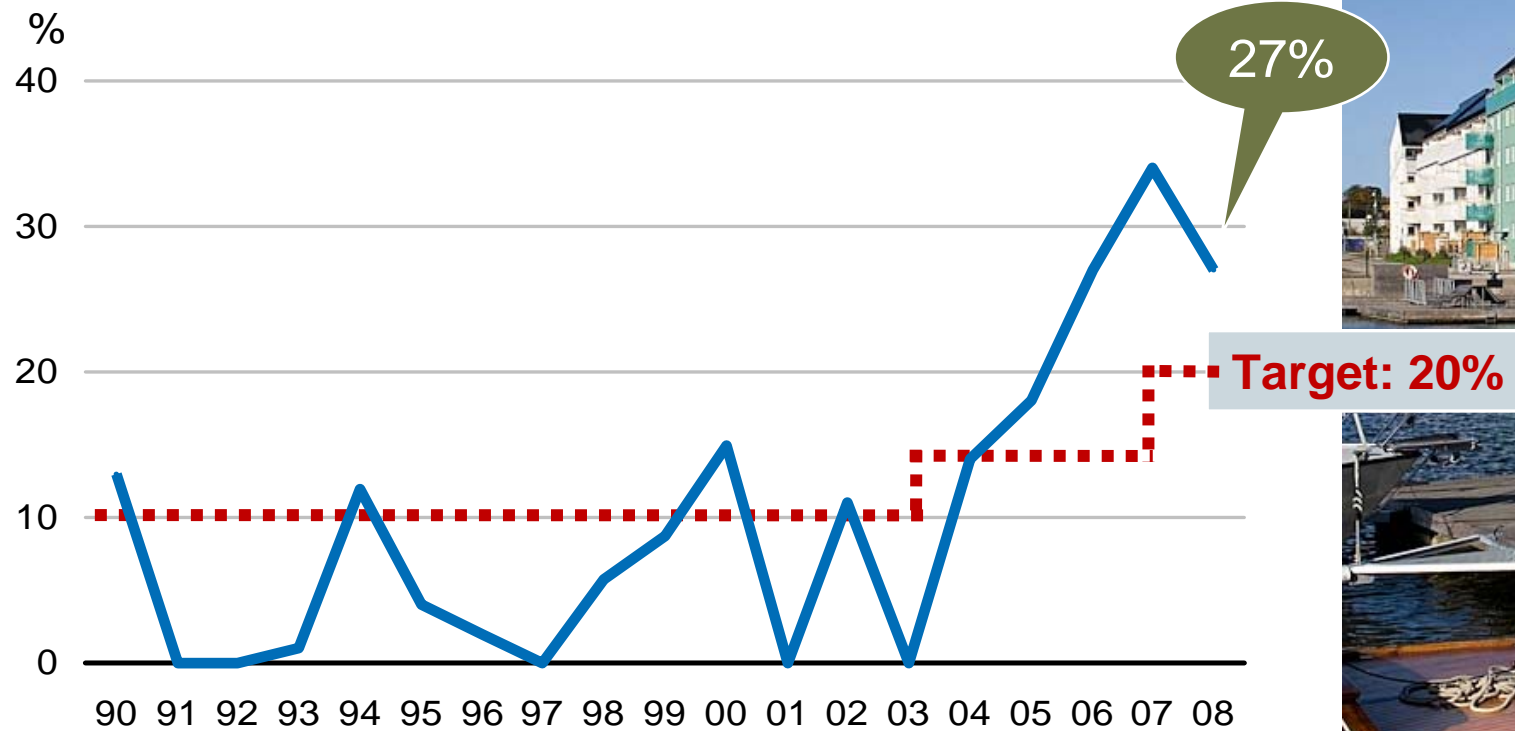


## Earnings include:

Impairment of land and housing	-537
Restructuring costs	-204
Gain on sale of AWSA	+493

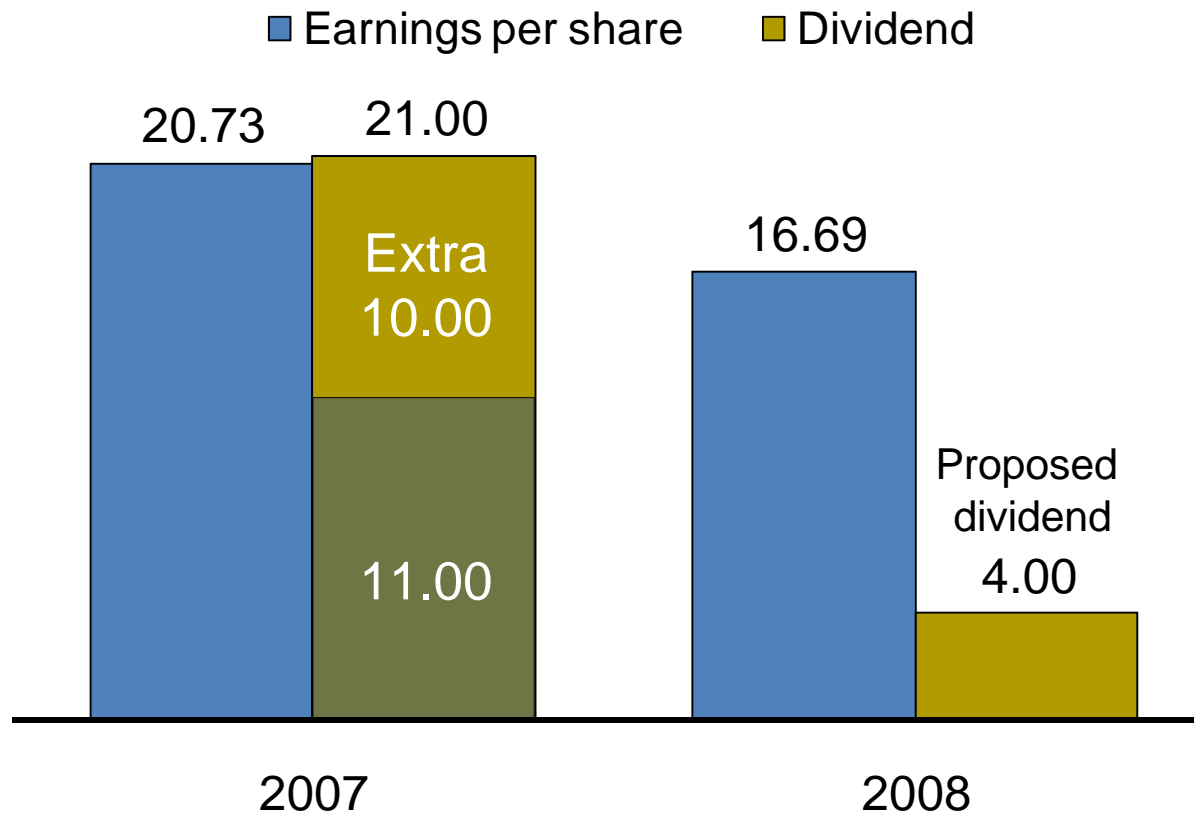


# Profitability exceeds objective



Hamnhuset, Gothenburg

# Earnings per share and dividend SEK



Tehuset, Borås

# Bleak market outlook in 2009

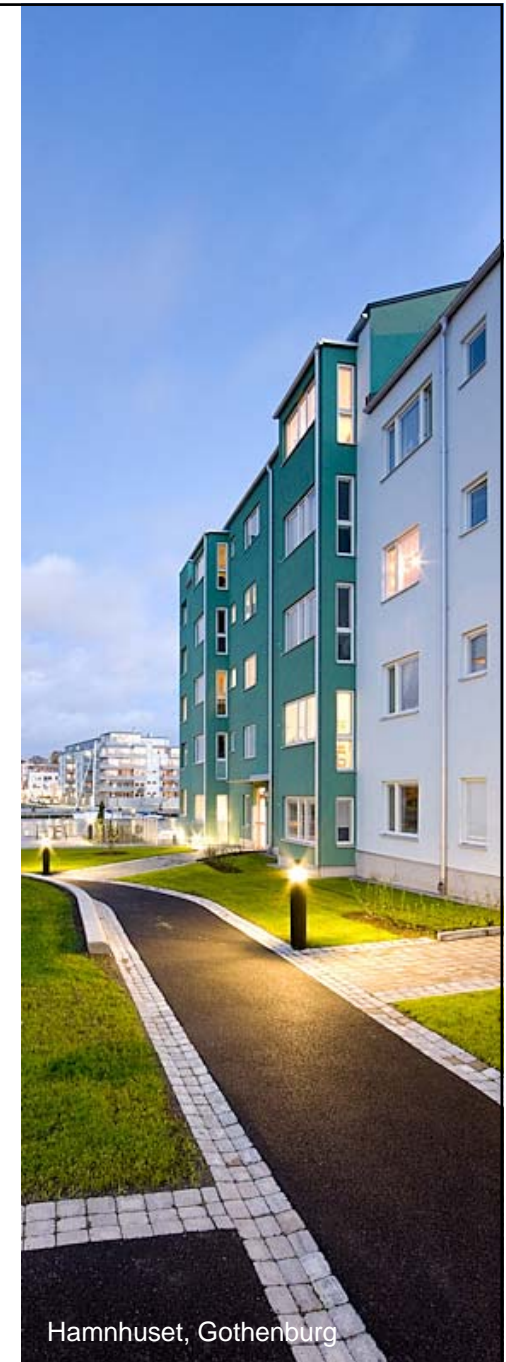
- The housing market will remain weak and the market for other building production will weaken
- Bleaker prospects for commercial properties, in rental and investor market
- Favorable conditions for civil engineering, asphalt, paving and road services



Eldforsen, Vansbro

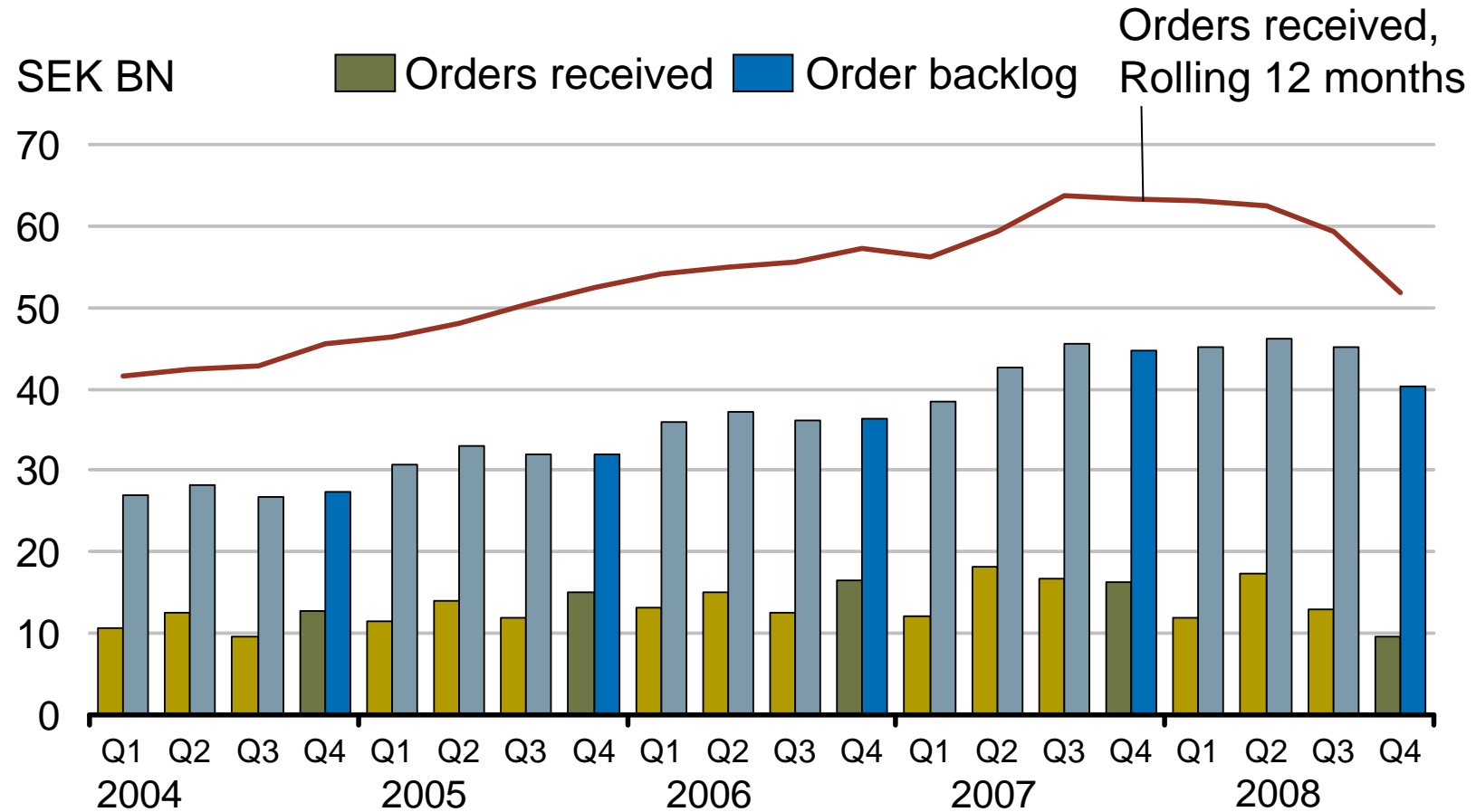
# Management – focus in Q4

- Focus on cash flow and tied-up capital
- Adaptation of organization and costs
- Strengthen market position and sharpen offering
  - NCC Housing
  - NCC Infra
  - NCC Roads



Hamnhuset, Gothenburg

# High order backlog – downturn in orders received

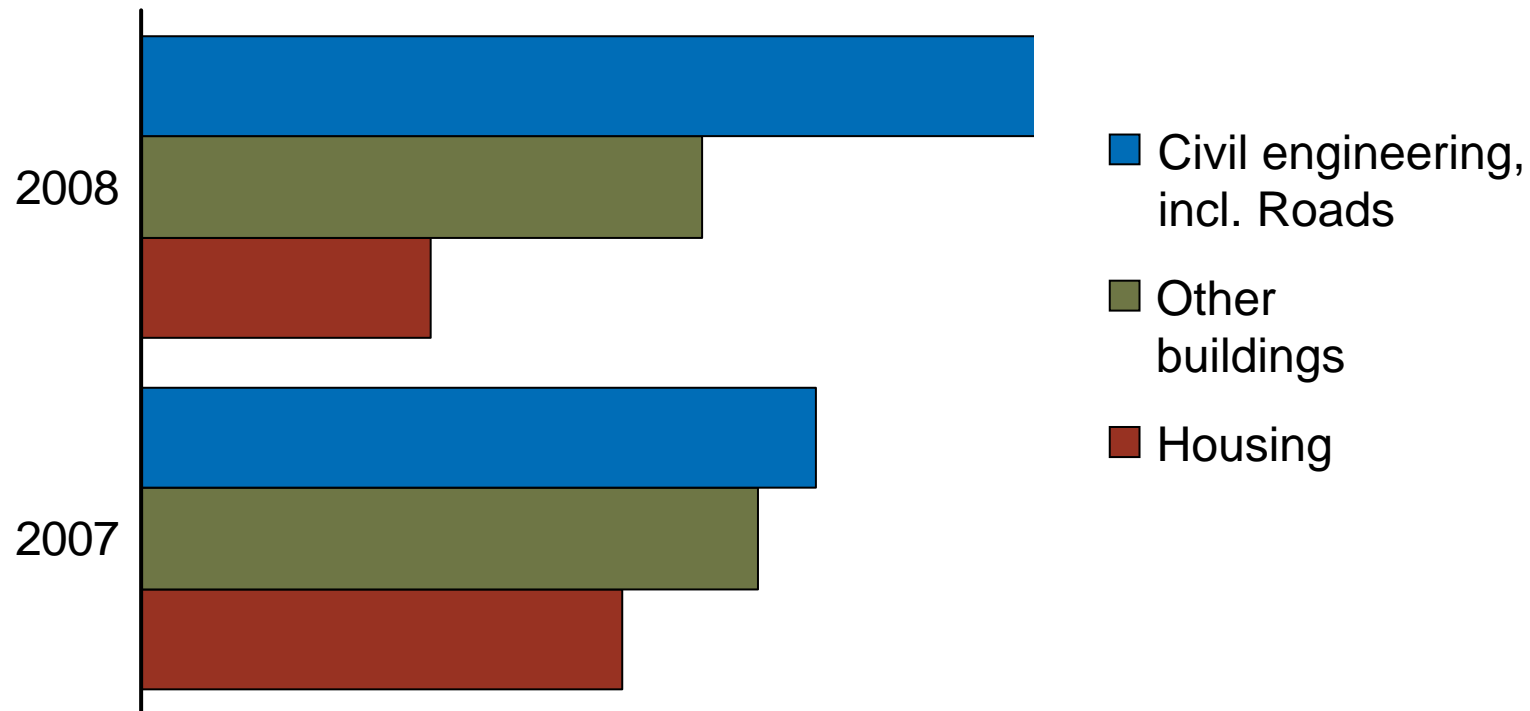


## Reduced share of proprietary projects in orders received

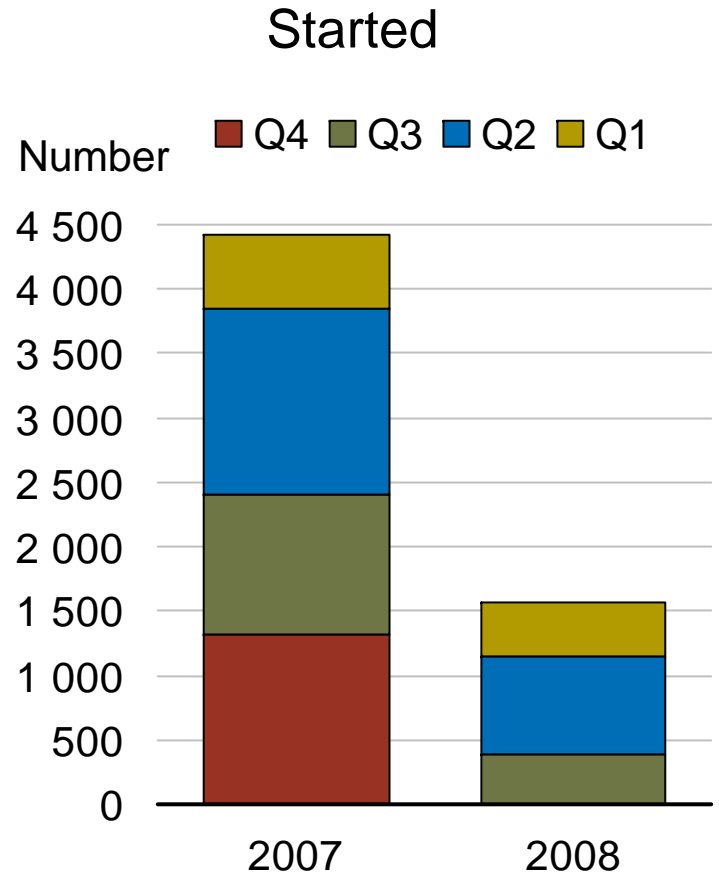
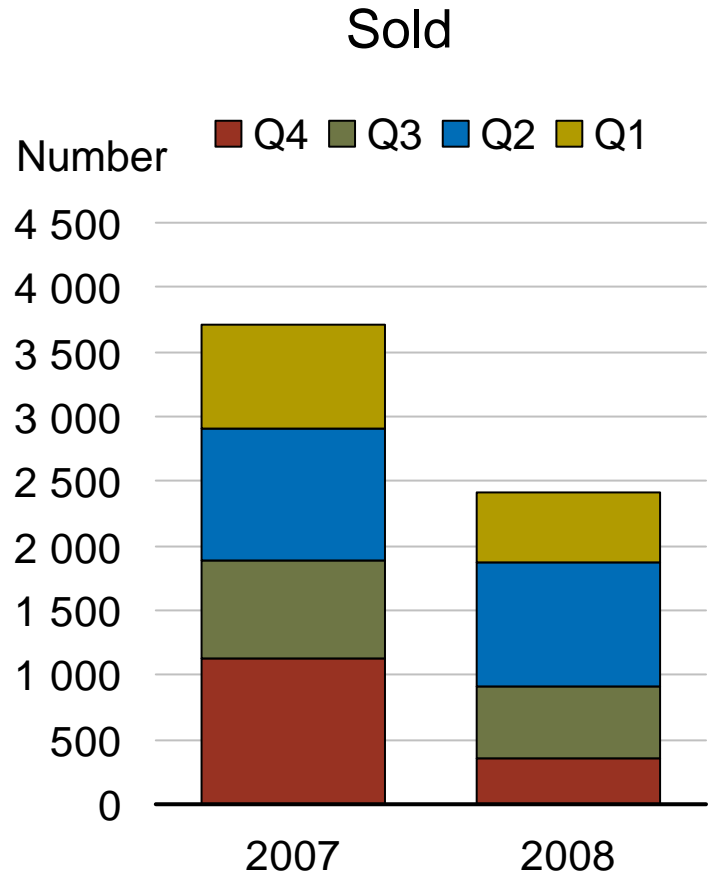
<b>SEK M</b>	<b>Oct-Dec 2008</b>	Oct-Dec 2007	<b>Jan-Dec 2008</b>	Jan-Dec 2007
NCC Construction Sweden	4 926	8 806	25 185	29 917
NCC Construction Denmark	378	1 093	3 360	4 971
NCC Construction Finland	959	1 914	5 870	9 062
NCC Construction Norway	389	1 508	3 482	7 118
NCC Construction Germany	316	843	2 291	2 764
<b>NCC Roads</b>	<b>2 855</b>	<b>2 892</b>	<b>11 989</b>	<b>10 278</b>
Other and eliminations	-154	-808	-312	-767
<b>Orders received</b>	<b>9 670</b>	<b>16 247</b>	<b>51 864</b>	<b>63 344</b>
<b>Proprietary orders</b>				
Housing development	-869	3 023	3 347	11 370
Property development	472	732	1 779	2 045

# Increased share of civil engineering projects

Percent of orders received

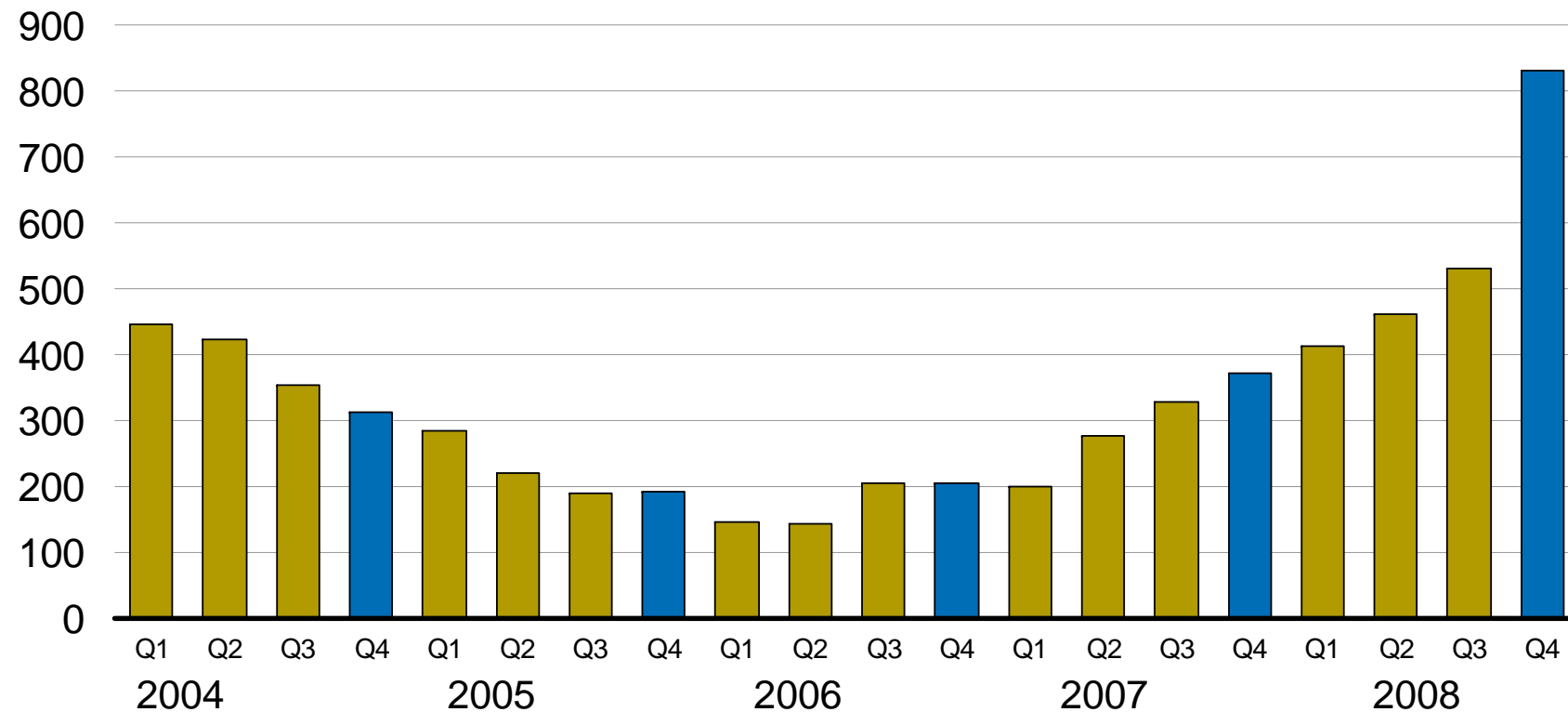


# Sales of housing units and housing starts



# Completed housing for sale

Number



# Proprietary housing projects

Number of housing units	Sold during the period		Completed but unsold at period end	
	Oct-Dec 2008	Oct-Dec 2007	Dec 31, 2008	Dec 31, 2007
Sweden	70	325	137	13
Denmark	4	34	194	61
Finland	54	226	295	220
Baltic countries	25	34	133	45
Norway	3	8	20	1
Germany	202	507	52	31
<b>Total</b>	<b>358</b>	<b>1 134</b>	<b>831</b>	<b>371</b>



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# The housing business

## – focus in 2009

- Concentrate all expertise in one business area – NCC Housing
- Focus on sales of completed housing units and ongoing housing projects
- Suspended ongoing housing project – new housing starts must meet stringent requirements
- Capitalize on synergies
- Attractive offerings



Hansta strand, Södertälje

# Earnings trends

Increased profitability in contract operations



Lower sales and impairment losses in housing operation



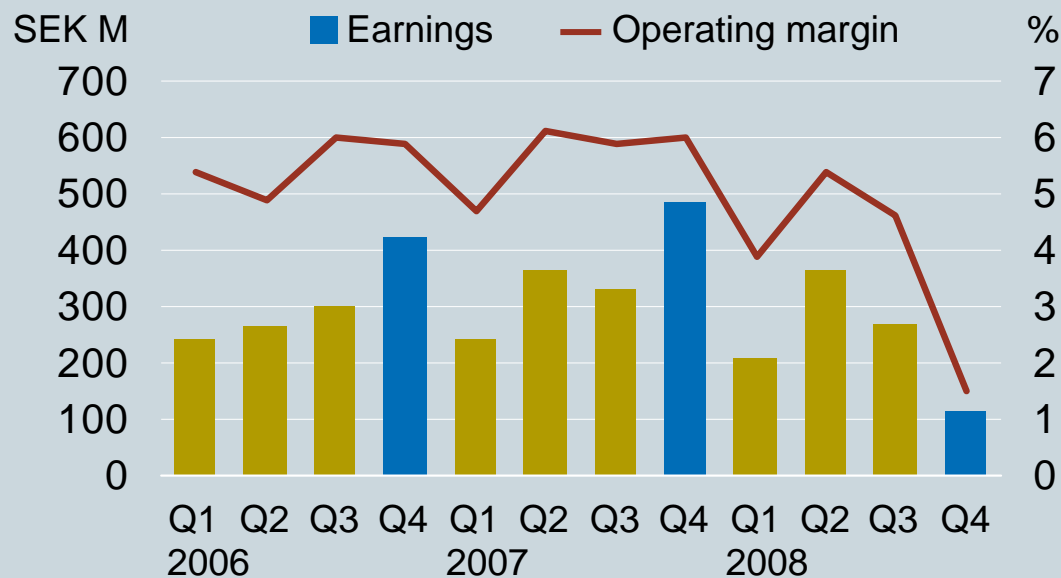
# Impairment losses and restructuring costs

## Oct-Dec

<b>SEK M</b>	Impairment of land and unsold housing	Restructuring costs	<b>Total</b>
NCC Construction Sweden	205	53	<b>258</b>
NCC Construction Denmark	123	31	<b>154</b>
NCC Construction Finland	98	2	<b>100</b>
NCC Construction Norway	3	37	<b>40</b>
NCC Construction Germany	53	15	<b>68</b>
Other	50		<b>50</b>
<b>Total</b>	<b>532</b>	<b>138</b>	<b>670</b>

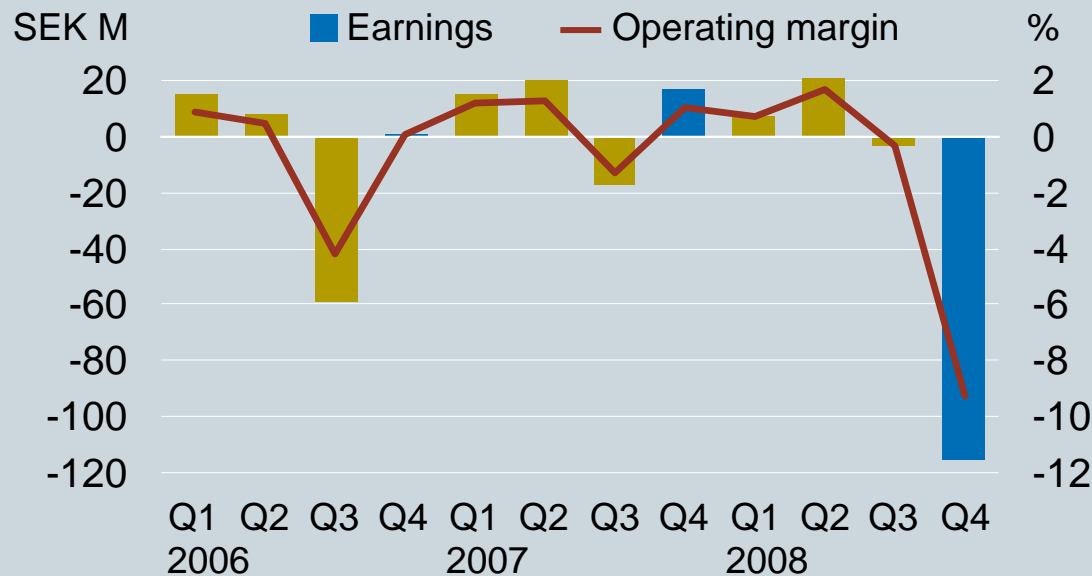
# NCC Construction Sweden

SEK M	Oct-Dec		Jan-Dec	
	2008	2007	2008	2007
Order backlog	21 606	22 473	21 606	22 473
Net sales	7 599	8 149	25 508	24 881
Operating profit	115	486	959	1 424
Operating margin	1.5%	6.0%	3.8%	5.7%



# NCC Construction Denmark

SEK M	Oct-Dec		Jan-Dec	
	2008	2007	2008	2007
Order backlog	3 339	3 848	3 339	3 848
Net sales	1 236	1 735	4 342	5 910
Operating profit	-115	17	-91	36
Operating margin	-9.3%	1.0%	-2.1%	0.6%

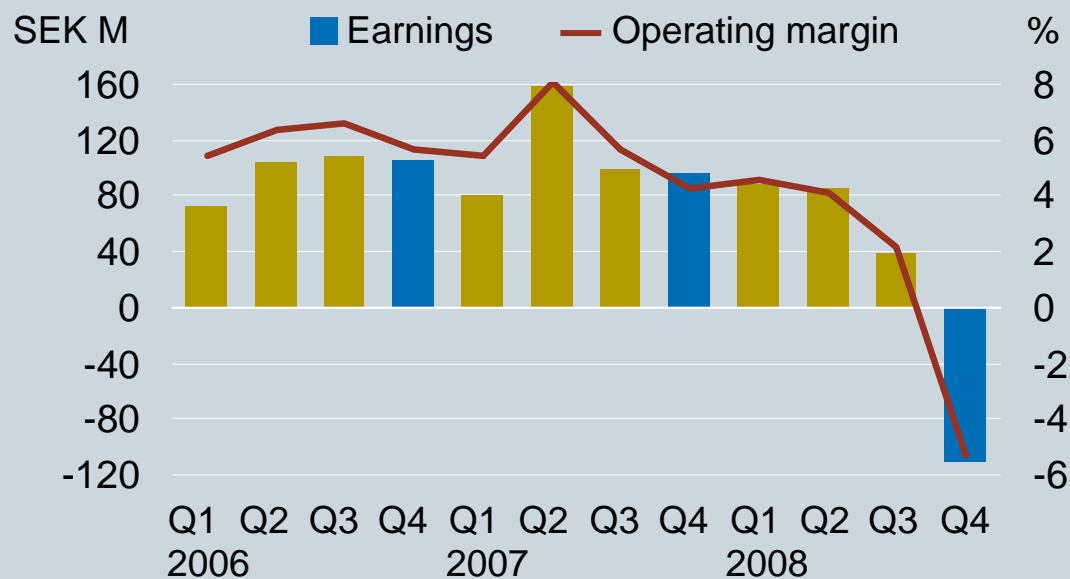


# NCC Construction Finland

SEK M	Oct-Dec		Jan-Dec	
	2008	2007	2008	2007
Order backlog	5 218	6 423	5 218	6 423
Net sales	2 071	2 237	7 788	7 732
Operating profit	-110	96	102	434
Operating margin	-5.3%	4.3%	1.3%	5.8%



Keravan keskusta

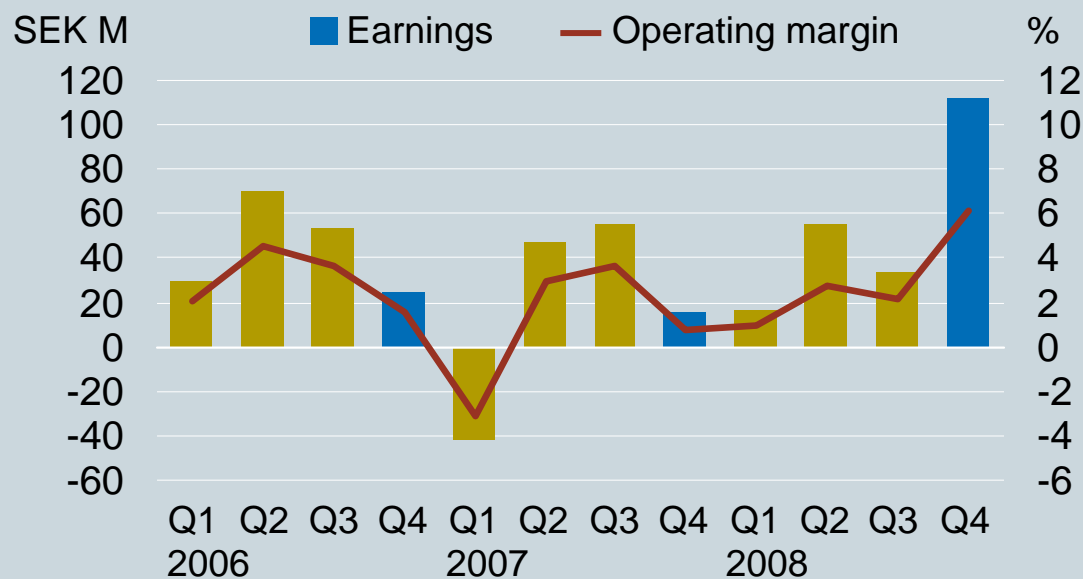


# NCC Construction Norway

SEK M	Oct-Dec		Jan-Dec	
	2008	2007	2008	2007
Order backlog	3 120	6 871	3 120	6 871
Net sales	1 842	1 913	6 976	6 335
Operating profit	112	16	217	76
Operating margin	6.1%	0.8%	3.1%	1.2%

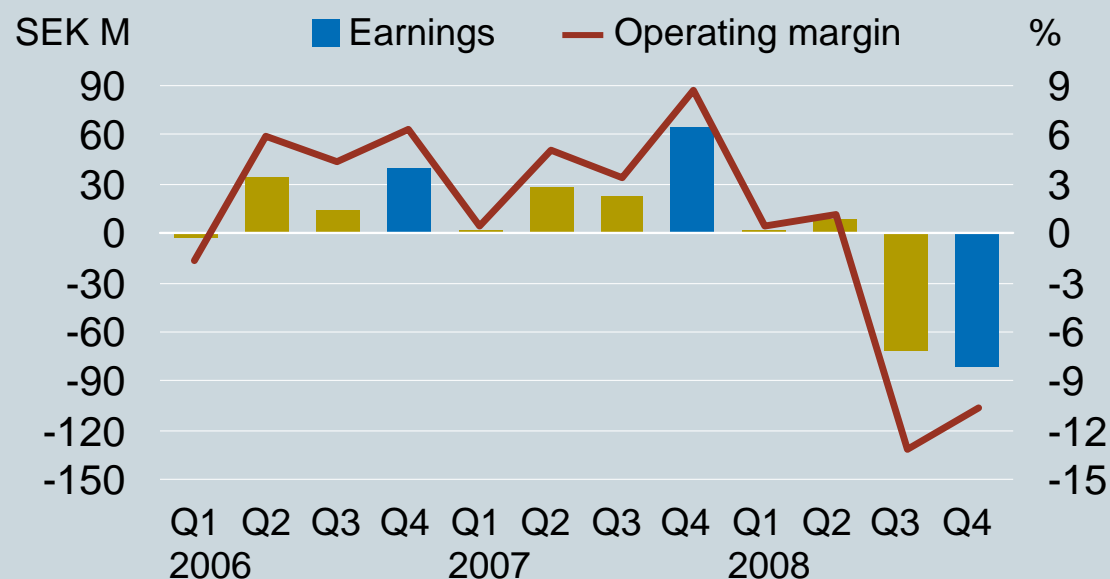


Helsebygg Midt-Norge



# NCC Construction Germany

SEK M	Oct-Dec		Jan-Dec	
	2008	2007	2008	2007
Order backlog	2 594	2 374	2 594	2 374
Net sales	760	755	2 428	2 301
Operating profit	-81	65	-142	117
Operating margin	-10.7%	8.7%	-5.9%	5.1%



# NCC Property Development

– strong finish to 2008

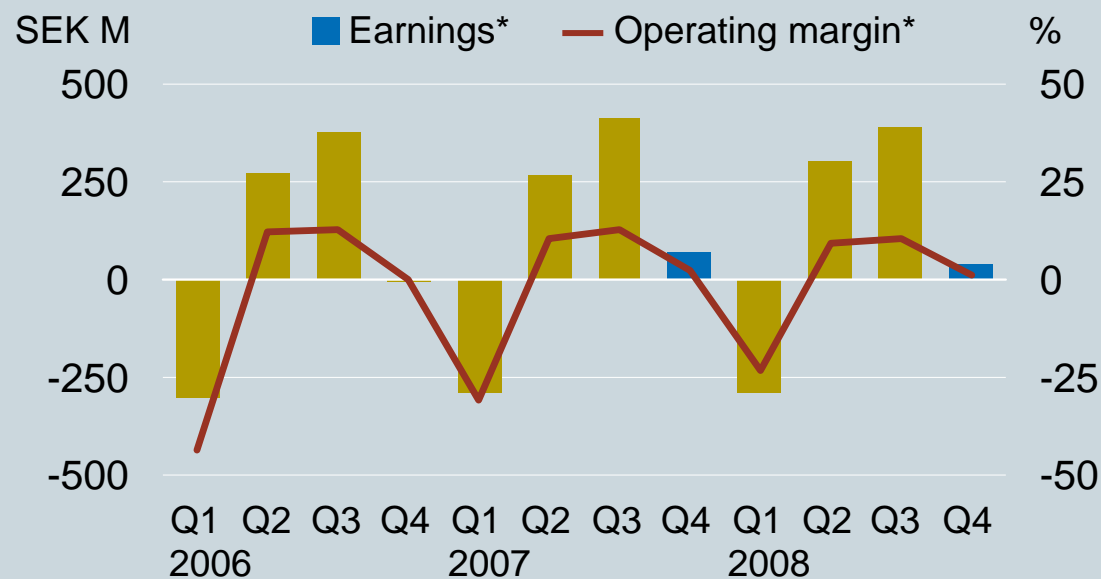
SEK M	Oct-Dec		Jan-Dec	
	2008	2007	2008	2007
Net sales	1 071	143	2 135	3 583
Operating profit	340	278	735	780

SEK M	Oct-Dec		Jan-Dec	
	2008	2007	2008	2007
Gain from sales of development properties	433	347	986	1 027
Operating net from development properties	-8	-2	4	-5
Administrative costs and other	-85	-67	-255	-242
<b>Operating profit</b>	<b>340</b>	<b>278</b>	<b>735</b>	<b>780</b>

Kungsbron

# NCC Roads

SEK M	Oct-Dec		Jan-Dec	
	2008	2007	2008	2007
Net sales*	3 042	3 171	11 317	9 766
Operating profit*	41	71	446	460
Operating margin*	1.3%	2.2%	3.9%	4.7%



\*excluding NCC Roads Poland, goodwill impairment and competition-infringement fine



Ann-Sofie Danielsson  
Chief Financial Officer



# NCC Group

<b>SEK M</b>	<b>Oct- Dec 2008</b>	<b>Oct-Dec 2007</b>	<b>Jan-Dec 2008</b>	<b>Jan-Dec 2007</b>
Net sales	16 485	17 295	57 465	58 397
Gross income	1 175	1 730	5 460	5 825
Selling and administrative costs	-846	-885	-3 197	-3 059
<i>Cost ratio</i>	5.1%	5.1%	5.6%	5.2%
Other	-35	-183	-43	24
<b>Operating profit</b>	<b>294</b>	<b>662</b>	<b>2 219</b>	<b>2 790</b>
Financial items	-104	-55	-327	-182
Gain on sale of AWSA	493		493	
<b>Profit after financial items</b>	<b>684</b>	608	<b>2 385</b>	<b>2 608</b>
Tax on profit for the period	-148	-65	-565	-357
<i>Tax rate</i>	21.6%	10.7%	23.7%	13.7%
<b>Profit for the period</b>	<b>536</b>	<b>543</b>	<b>1 820</b>	<b>2 252</b>

# NCC Group

SEK M	Oct-Dec 2008	SEK M			Oct-Dec		
		2008	2007	2006	2005	2008	2007
Net sales	16 48					294	662
Gross income	1 17					532	9
Selling and administrative costs	-846	-885	-3 197	-3 059		138	-
<i>Cost ratio</i>	5.1%	5.1%	5.6%	5.2%		-	25
Other	-35	-183	-43	24		-	302
<b>Operating profit</b>	<b>294</b>	<b>662</b>	<b>2 219</b>	<b>2 790</b>		<b>964</b>	<b>998</b>
Financial items	-104	-55	-327	-182			
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<i>Tax rate</i>	21.6%	10.7%	23.7%	13.7%			
<b>Profit for the period</b>	<b>536</b>	<b>543</b>	<b>1 820</b>	<b>2 252</b>			

# Balance sheet

## Assets

SEK BN	Dec 31, 2008	Dec 31, 2007
Goodwill	1.8	1.7
Land and buildings	0.7	0.7
Other fixed assets	3.6	3.5
Receivables, sold property projects	0.8	1.9
Inventories	0.6	0.5
Property projects	3.4	2.1
Housing projects	11.0	8.6
Accounts receivable	7.8	8.3
Other current receivables	2.5	2.2
Work-up, non-invoiced revenues	2.2	3.0
Cash and bank balances	1.8	1.7
<b>Total assets</b>	<b>36.2</b>	<b>34.1</b>



Agro, Norrköping

# Property projects

<b>SEK BN</b>	<b>Dec 31, 2008</b>	<b>Dec 31, 2007</b>
Development properties	1.9	1.4
Ongoing property projects	1.3	0.8
Completed property projects	0.2	0.01
<b>Total property projects</b>	<b>3.4</b>	<b>2.1</b>

# Housing projects

<b>SEK BN</b>	<b>Dec 31, 2008</b>	<b>Dec 31, 2007</b>
Development properties	6.9	5.9
Unsold completed housing	2.2	0.7
Ongoing housing projects with ownership rights	1.9	1.9
<b>Total housing projects</b>	<b>11.0</b>	<b>8.6</b>

## Trend in net indebtedness

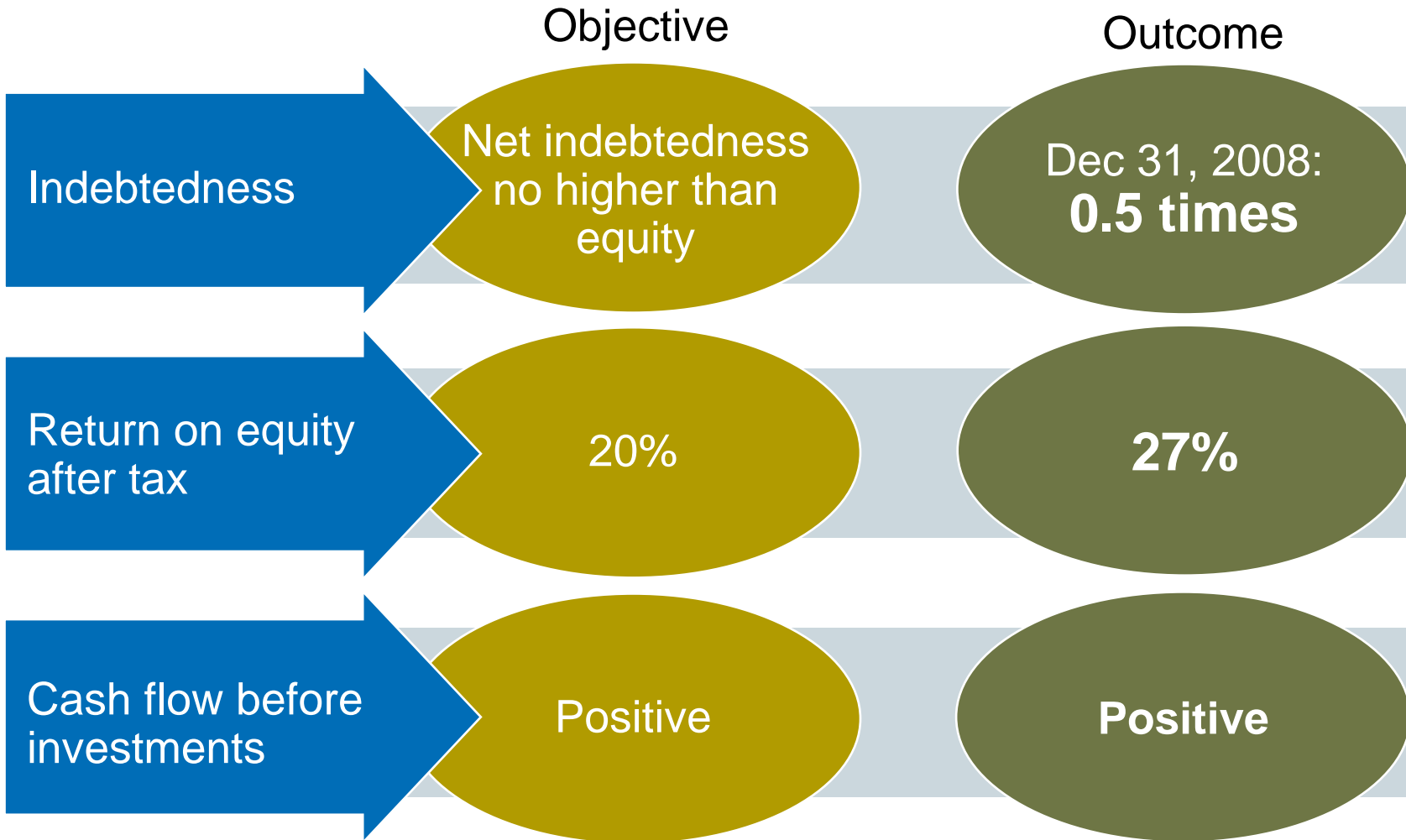
SEK M	Oct-Dec 2008	Oct-Dec 2007	Jan-Dec 2008	Jan-Dec 2007
<b>Net indebtedness, opening balance</b>	<b>-4 688</b>	<b>-2 120</b>	<b>-744</b>	<b>-430</b>
Cash flow before financing	1 500	1 429	-178	1 165
Cash flow from financing activities, Roads Poland				370
Sale of treasury shares				22
Dividend			-2 277	-1 951
Other changes in net indebtedness	-18	-53	-8	81
<b>Net indebtedness, closing balance</b>	<b>-3 207</b>	<b>-744</b>	<b>-3 207</b>	<b>-744</b>

## Trend in net indebtedness

SEK M	Oct-Dec 2008	Oct-Dec 2007	Jan-Dec 2008	Jan-Dec 2007
<b>Net indebtedness, opening balance</b>	<b>-4 688</b>	<b>-2 120</b>	<b>-744</b>	<b>-430</b>
Cash flow before financing	1 500	1 429	-178	1 165
Cash flow from financing activities, Roads Poland				370
Sale of treasury shares				22
Dividend			-2 277	-1 951
Other changes in net indebtedness				
<b>Net indebtedness, closing balance</b>				

- Interest-bearing liabilities 5 591  
– capital tied-up for 24 months
- Unutilized committed lines of credit  
4 884 of which 3 007 falls due in 2013

# Financial objectives

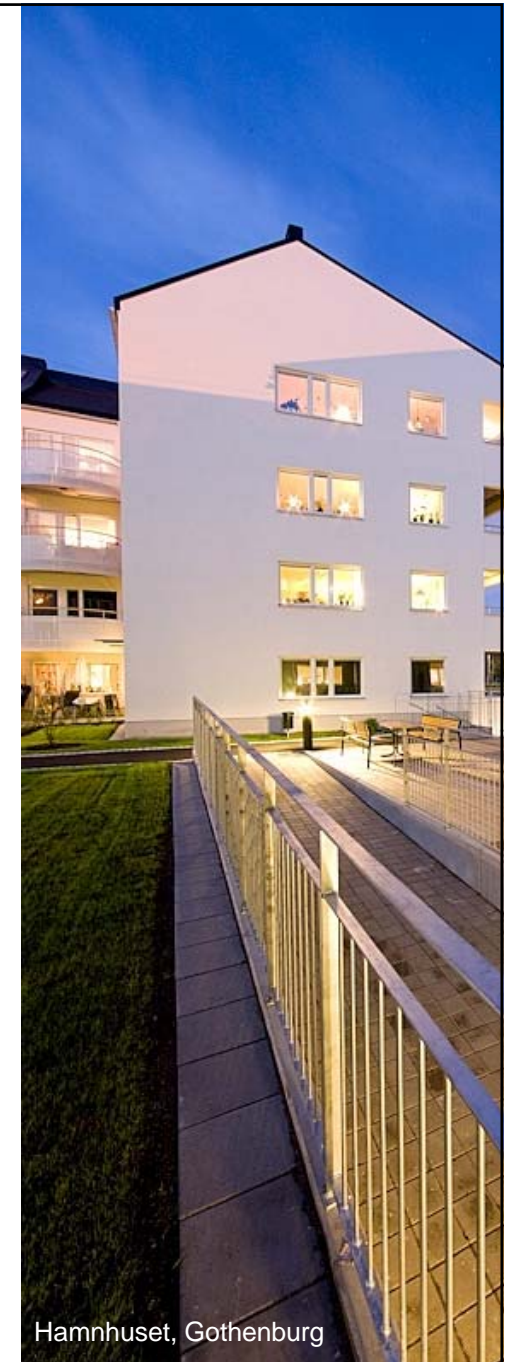






# Summary

- Favorable earnings in 2008 – all financial objectives were achieved
- Weaker market conditions in 2009
- Alignment of organization and costs to lower volumes
- NCC Housing
- Focus on financial stability
- Growing civil engineering market favors NCC



Hamnhuset, Gothenburg



# Contact information

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