NCC Property Development
– Supporting growing cities
Carola Lavén
Business Area Manager
Our business concept

We create sustainable business opportunities
Operates in the whole value chain

- Analysis
- Land acquisition
- Concept development
- Design and architecture
- Leasing
- Project execution
- Sales of project
NCC Property Development

- Nordic organization
  - Capital regions
  - Larger cities

- 120 employees

- 14 ongoing projects

[Map of the Nordic region with locations marked]
Net sales 2014

NCC Property Development
SEK 3.1 BN

Share of NCC excl. Housing
Operating profit at project exit

MSEK

Increase in Sweden and project starts in focus

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<th>Norway</th>
<th>Denmark</th>
<th>Finland</th>
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In addition to these projects NCC also focuses on rental guarantees / additional purchase in 7 previously sold and revenue recognized property projects, a maximum of approx. SEK 100 M.
Example of ongoing and finalized projects:

- Torsplan, Stockholm
- Lysaker, Oslo
- Hyllie, Malmö
- Vallensbaek, Copenhagen
- Brunna, Kungsängen
- SCA, Mölndal
- Aito Business Park, Helsinki
- Gladsaxe, Copenhagen
- Mölndal Mall, Gothenburg
- Alberga Business Centre, Esbo
Trends and drivers in our business environment

Urbanization
Sustainability
Globalization
War for talent
New technology
NCC Property Development – Strategy for profitable growth

Renew our industry and provide superior sustainable solutions
Financial objectives NCC Business Areas 2016-2020

**Industry**
- NCC Industry
  - Average yearly ROCE >10%
  - EBIT >4%

**Construction and Civil Engineering**
- NCC Infrastructure
  - EBIT >3.5%
- NCC Building

**Development**
- NCC Property Development
  - Average yearly ROCE >10%
  - EBIT >10%
Our ability to reach the financial objectives 2016-2020

ROCE average, 2011-2014, 8.2%

EBIT average, 2011-2014, 9.9%

Development

NCC Property Development
Average yearly	ROCE >10%	EBIT >10%
Must win battle:
Operational Excellence

Renew our industry and provide superior sustainable solutions
Operational Excellence
Nordic way of working

• Common tools and way of working to leverage knowledge and market leadership
• Common sales process
• Platform and product development in focus
• Risk management
• Continuous learning and clear people agenda
• Close co-operation with Building
Ex: Developer program and Platforms

Training in value creation through the whole value chain

Platform and product development in focus
Must win battle:
**Market Excellence**

- Renew our industry and provide superior sustainable solutions
- Operational excellence
- One NCC
- People
- Investment initiatives
Market Excellence
Strong market position

• Focus on the larger growth cities
• Focus on segment Office and Logistic
• Strong local presence to get the right business opportunities
• Competence to support growing cities and customers
• Competence in early phases, development and transactions
Market Excellence

Value delivery with sustainable customer offers

- Customer knowledge in depth
- Common proactive sales process
- Long term sustainable guiding star
Ex: SCA and the Future Office journey
Market outlook

• High population growth
• General positive GDP outlook
• Continued low interest rates drive capital into the property sector
• High transaction volumes
• Continued low yields

• Increased competition
• High interest from international investors in the Nordic market
• Domestic investors are still dominant
• Rental market varies between the Nordic countries
Summary

• Strong market position
• Potential in urbanization and urban development

• Good project pipeline
• Focus in markets and segments
• Sales and customer driven organization
• Focus on platforms and products
• Capital efficiency and project starts