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NCC forms separate business area for housing development operations

NCC has decided to concentrate the Group's housing development operations in a separate business area, NCC Housing, as of January 1, 2009. Peter Wågström, currently President of NCC Property Development, will be in charge of the new business area.

Since 2002, NCC's housing development operations have been conducted within the framework of the Construction units in Sweden, Norway, Denmark, Finland and Germany. During the strong economic climate of recent years, the Group's housing business has grown and NCC has developed into one of the largest residential builders in the Nordic region.

In order to enhance the potential and increase the efficiency of the housing development business, the Group's housing development operations will be concentrated in a separate business area as of January 1, 2009. Production of housing will continue to be conducted within the framework of the Construction units.

– The housing business has been successful for the Group in recent years. At the same time, the conditions for conducting housing development operations have changed. Due to the financial crisis and the recession, which are having a significantly faster impact, the market for new housing has weakened considerably. Our assessment is that the developers of the future will face demands that differ from those placed on the developers who have succeeded during the recent economic boom, and not just in terms of dealing with a weaker market, says Olle Ehrlén, President and Chief Executive Officer of NCC AB.

– We believe that through the new organization, NCC will achieve greater leverage from synergies across national borders in the form of, for example, platforms, marketing and the allocation of capital. We also believe that this will increase the potential to exploit and develop the existing competencies and experiences in conducting development operations.

NCC has favorable experience from NCC Property Development when it comes to concentrating a similar development operation in a separate business area. To be able to additionally benefit from NCC Property Development's experiences, Peter Wågström, the current President of NCC Property Development, has been appointed President of NCC Housing.

The recruitment of a successor to Peter Wågström as President of NCC Property Development will begin immediately.

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The reorganization will impact on NCC's segment reporting, and pro forma reporting will be published before the publication of the first-quarter report for 2009.

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All of NCC's press releases are available on www.ncc.se

NCC is one of the leading construction and property development companies in the Nordic region. NCC had in 2007 sales of fully SEK 58 billion, with 21,000 employees.

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