

INTERIM REPORT, JANUARY 1 – JUNE 30, 2008

- Net sales amounted to SEK 27,035 M (26,925)
- Profit after financial items amounted to SEK 1,000 M (1,186)
- Profit after taxes for the period amounted to SEK 765 M (961)
- Earnings per share after dilution amounted to SEK 7.04 (8.87)

	2008	2007	2008	2007	Jul. 07-	2007
SEK M	Apr.-Jun.	Apr.-Jun.	Jan.-Jun.	Jan.-Jun.	Jun. 08	Jan.-Dec.
Orders received	17,408	18,105	29,401	30,314	62,430	63,344
Net sales	15,623	15,109	27,035	26,925	58,506	58,397
Operating profit/loss	968	1,315	1,138	1,262	2,666	2,790
Profit/loss after financial items	883	1,271	1,000	1,186	2,421	2,608
Net profit/loss for the period	675	1,030	765	961	2,056	2,252
Profit/loss per share after dilution, SEK	6.18	9.48	7.04	8.87	18.90	20.73
Cashflow before financing	-1,888	-13	-3,010	-1,080	-765	1,165
Return on shareholders' equity after tax, %			31	35	31	34
Debt/equity ratio, times	1.0	0.5	1.0	0.5	1.0	0.1
Net indebtedness	5,975	2,844	5,975	2,844	5,975	744

Comments by CEO Olle Ehlén:

“Profit after financial items for the first half of 2008 amounted to SEK 1,000 M (1,186). Construction operations were strong, particularly in Sweden, and trended favorably in terms of both orders received and earnings. The number of sold housing units amounted to 1,510 (1,814) and we started 1 180 (2 025).

“Second-quarter earnings amounted to SEK 883 M (1,271), with the decrease mainly attributable to lower earnings in NCC Property Development. Earnings during the current quarter were primarily affected favorably by healthy earnings in NCC Construction Sweden and NCC Roads. In the second quarter, we sold more housing than in the year-earlier period in Sweden, Finland and Germany. In the Group, the number of sold housing units was 964 (1,006) in the second quarter and housing starts amounted to 766 (1,449).

“Net indebtedness increased to SEK 5,975 M (2,844) on June 30. Net indebtedness peaks towards the end of the second quarter, due to seasonally high operations, a high level of tied-up working capital and the payment of dividends to shareholders.

“For full-year 2008, some growth is expected in the Nordic construction market but the growth rate will be lower than in 2007. Since NCC is adhering to the assessment that the housing market will weaken, we are adopting a cautious approach to the start-up of new projects. However, the civil engineering market are expected to be favorable. The conditions for other building production, and for aggregates, asphalt and paving, are also expected to be favorable for the remainder of 2008.

NCC AB

Postal address
SE-170 80 Solna

Visiting address
Vallgatan 3

Contact
Tel: +46 (0)8 585 510 00
Fax: +46 (0) 8 85 77 75
www.ncc.se

Organization
(publ) Org.nr 556034-5174
Solna
VAT.no. SE663000130001

Market development

Demand was favorable in the Nordic construction market during the first half of 2008. For full-year 2008, some growth is expected but the growth rate will be lower than in 2007. NCC's assessment is that the housing markets in the Nordic region and the Baltic countries will decline, while the civil engineering market is expected to remain healthy. The conditions for other building production (offices, industrial facilities and public premises) and for aggregates, asphalt and paving, are also expected to be favorable for the remainder of 2008.

The market for the leasing of commercial properties remained healthy during the quarter but is expected to slacken during the autumn. Demand for newly produced commercial properties was favorable in the first half of 2008, although conditions will probably weaken in the future.

Orders received and order backlog

Most recent quarter, April-June 2008

Orders received by the Group amounted to SEK 17,408 M (18,105). NCC Construction Sweden reported continued growth in orders received of 13 percent, noting increased demand in both other buildings and civil engineering. Demand for aggregates, asphalt and paving work remained favorable. The decline was mainly attributable to Denmark, where the housing market deteriorated additionally, and to Norway, where orders received declined from a high level.

Orders received for proprietary housing projects totaled SEK 2,031 M (3,276), while proprietary property development projects amounted to SEK 733 M (705). The wait-and-see approach to the housing market in all of the Group's markets resulted in caution with respect to the start-up of new proprietary housing projects.

The order backlog on June 30 was SEK 46,165 M (42,559), of which proprietary housing projects accounted for SEK 10,659 M (10,457). The order backlog on March 31 was SEK 45,123 M.

Proprietary housing

During the second quarter, there were 766 (1,449) proprietary housing starts and 964 (1,006) units were sold. The number of housing starts declined in all markets, apart from Germany. In Denmark, the Baltic countries and Norway, sales were low, while sales increases compared with the year-earlier period were noted in Sweden, Finland and Germany. The number of completed unsold housing units on June 30 was 462 (278). On March 31, the number of completed unsold housing units was 412. During the second quarter, the number of unsold housing units declined in Finland and Germany, while the continued weak market conditions in the Baltic countries and Denmark resulted in an increased number of unsold housing units. A summary of proprietary housing is presented on page 14 of this report.

Proprietary property projects

Costs incurred for all projects started by NCC Property Development amounted to SEK 1.2 billion (0.4), corresponding to 54 percent (47) of the total project cost of SEK 2.2 billion (0.8). The leasing rate on June 30 was 62 percent (59). The leasing rate on March 31 was 62 percent.

Interim report period, January-June 2008

Orders received amounted to SEK 29,401 M (30,314). Demand for housing projects declined, while demand for civil engineering projects increased. All of NCC's Construction units, apart from those in Sweden, noted a decrease in orders received during the period. In the Swedish market, the supply of relatively large construction contracts was favorable. Increased sales of asphalt and aggregates had a positive impact on orders received.

Orders received for proprietary housing projects totaled SEK 3,279 M (5,331) in the Group. Decreases in demand and sales in several markets, at the same time as the order backlog was high entering the period, resulted in fewer proprietary housing starts. Although the weakest market conditions for the new production of housing were noticeable in Denmark and the Baltic countries, customers adopted a more cautious approach in all submarkets. During the first half of the year, there were 1,180 (2,025) proprietary housing starts and 1,510 (1,814) housing units were sold. Conditions for the initiation of residential production have deteriorated, due to stagnating or declining housing prices, combined with high prices for land and rising prices for input materials and subcontractors. The customers' concern for their own economies and uncertainty concerning the interest-rate trend also had an adverse impact on sales. Orders received for proprietary property projects amounted to SEK 1,097 M (878).

During the first half of the year, the order backlog rose by 3 percent or SEK 1,425 M, compared with December 31, 2007. The increase in the order backlog was attributable to an increasing share of large projects with a protracted period of production.

Net sales and earnings per business segment

SEK M	Net sales						Operating profit					
	2008 Apr.-Jun.	2007 Apr.-Jun.	2008 Jan.-Jun.	2007 Jan.-Jun.	Jul. 07- Jun. 08	2007 Jan.-Dec.	2008 Apr.-Jun.	2007 Apr.-Jun.	2008 Jan.-Jun.	2007 Jan.-Jun.	Jul. 07- Jun. 08	2007 Jan.-Dec.
NCC Construction Sweden	6,747	5,942	12,076	11,123	25,835	24,881	365	364	575	608	1,391	1,424
NCC Construction Denmark	1,231	1,558	2,145	2,888	5,167	5,910	21	20	28	36	28	36
NCC Construction Finland	2,073	1,967	4,001	3,453	7,980	7,432	86	159	174	239	369	434
NCC Construction Norway	1,963	1,565	3,584	2,894	7,025	6,335	55	47	71	6	142	76
NCC Construction Germany	675	541	1,128	890	2,538	2,301	8	28	10	29	98	117
NCC Property Development	331	1,496	772	2,783	1,572	3,583	122	353	303	399	684	780
NCC Roads excl. Roads Poland	3,270	2,488	4,513	3,427	10,852	9,766	305	176	16	-113	474	344
Roads Poland		2		125		127		383			335	335
NCC Roads	3,270	2,490	4,513	3,552	10,854	9,893	305	558	16	222	474	679
Total	16,290	15,559	28,219	27,582	60,972	60,335	962	1,529	1,177	1,539	3,185	3,547
NCC Complete		69		118	88	205		-129		-188	-457	-645
Other items and eliminations	-667	-519	-1,184	-774	-2,553	-2,144	6	-86	-39	-89	-62	-112
Group	15,623	15,109	27,035	26,925	58,506	58,397	968	1,315	1,138	1,262	2,666	2,790

Net sales

Most recent quarter, April-June 2008

Net sales rose by 3 percent to SEK 15,623 M (15,109). Apart from NCC Construction Denmark, all of NCC's Construction units noted an increase in net sales, following several quarters of rises in the order backlog. NCC Roads also increased its net sales, with part of its increase attributable to significantly higher prices for bitumen and energy.

Interim report period, January-June 2008

Net sales amounted to SEK 27,035 M (26,925). A decrease in sales of property projects was offset by high activity in the construction market and increased sales of asphalt and aggregates within NCC Roads.

Earnings

Most recent quarter, April-June 2008

Operating profit amounted to SEK 968 M (1,315). Earnings in the year-earlier period were affected positively by NCC Roads' sale of its Polish asphalt and aggregates operations, which generated SEK 383 M, and negatively by impairment of goodwill totaling SEK 90 M in NCC Roads' Finnish operations. Earnings were also affected by costs of SEK 129 M for the NCC Complete development project and by a provision of SEK 150 M for a competition-impeding fine.

NCC Construction Sweden's earnings were in line with the year-earlier period. Construction operations developed favorably and the housing operation sold more housing than in the year-earlier period.

NCC Construction Denmark reported earnings in line with the year-earlier period. Earnings from construction operations improved, while housing operations had an adverse impact on earnings.

Earnings in NCC Construction Finland declined, mainly as a result of a weak market for housing in the Baltic countries.

NCC Construction Norway reported higher earnings than in the year-earlier period, as a result of improved profitability within its construction operations.

Earnings in NCC Construction Germany declined compared with the year-earlier period. Sales of housing were favorable but weak cost control had an adverse impact on earnings.

NCC Property Development sold fewer property projects during the second quarter, compared with the year-earlier period. Leasing operations were successful. In total, leases relating to 36,000 square meters of floor space were concluded during the second quarter. Parts of the leaseings had a positive impact on NCC's earnings since they enabled reversals of provisions posted for rental guarantees and, in certain cases, generated supplementary purchase considerations.

NCC Roads' earnings for the quarter exceeded the year-earlier level. In the year-earlier period, earnings were charged with impairment of goodwill totaling SEK 90 M. The operations involving aggregates and asphalt developed well in terms of volume, although increases were noted in the price of certain intermediate products.

A provision for the competition-impeding fine of SEK 150 M imposed in the cartel case was reported in the "Other and eliminations" item in the year-earlier period.

Profit after financial items amounted to SEK 883 M (1,271).

Profit after taxes amounted to SEK 675 M (1,030) for the period. NCC's tax rate during the quarter was approximately 24 percent (19). The tax rate in the preceding year was affected favorably by the sale of NCC Roads' Polish asphalt and aggregates operations, which was not subject to tax. The competition-impeding fine is not tax-deductible, but was offset by the fact that property transactions within NCC Property Development were not subject to tax. NCC Property Development has also implemented property transactions during the current year that are not subject to tax.

Interim report period, January-June 2008

Operating profit totaled SEK 1,138 M (1,262). Earnings in the year-earlier period included SEK 383 M from the sale of NCC Roads' Polish asphalt and aggregates operations and an impairment of SEK 90 M of goodwill in NCC Roads' Finnish operations. The discontinuation of the NCC Complete development project, which cost SEK 188 M, and a provision for the competition-impeding fine of SEK 150 M imposed in the asphalt cartel case also impacted earnings.

NCC Construction Sweden's earnings were slightly weaker than in the year-earlier period, due mainly to the first quarter, when sales of housing decreased. Earnings from construction operations improved.

NCC Construction Denmark reported weak earnings, primarily because residential construction was low during the first half of the year.

Earnings in NCC Construction Finland declined compared with the year-earlier period, mainly in the second quarter due to the weaker market conditions for housing in the Baltic countries.

NCC Property Development's leasing operations were successful. The number of property sales was lower than in the year-earlier period.



NCC Roads' earnings during the first half of the year were higher than in the year-earlier period. Increased operations involving aggregates and asphalt made a favorable contribution to second-quarter earnings.

Profit after financial items amounted to SEK 1,000 M (1,186). Net financial items deteriorated as a result of an increase in net indebtedness and higher interest rates.

Profit after taxes amounted to SEK 765 M (961) during the period. The fact that several sales of properties within NCC Property Development occurred through the sale of companies that are subject to low or no taxation had a positive impact on the tax rate.

Seasonal effects

NCC Roads' operations and certain operations in NCC Construction units are affected by seasonal variations as a result of cold weather conditions. Accordingly, these units normally report weak earnings in the first quarter, while the second quarter is more favorable.

Cash flow

Most recent quarter, April-June 2008

Cash flow before financing was a negative SEK 1,888 M (negative: 13). Earnings were lower and the operations tied up more capital than in the year-earlier period. On June 30, accounts receivable were exceptionally high. During the second quarter, NCC's Construction units and NCC Roads have seasonally high operations with a high level of tied-up capital. Also refer to the item "other changes in working capital" in the consolidated condensed cash-flow statement on page 9 of this report. Cash flow in the year-earlier period was affected positively in an amount of SEK 0.7 billion by payment from the sale of NCC Roads' Polish asphalt and aggregates operations.

Trend of net indebtedness

SEK M	2008 Apr.-Jun.	2007 Apr.-Jun.	2008 Jan.-Jun.	2007 Jan.-Jun.	Jul. 07- Jun. 08	2007 Jan.-Dec.
Net indebtedness, opening balance	-1,830	-1,217	-744	-430	-2,844	-430
Cash flow before financing	-1,888	-13	-3,010	-1,080	-765	1,165
Cash flow from financing activities Roads Poland		370		370		370
Sale of treasury shares				22		22
Dividend	-2,277	-1,951	-2,277	-1,951	-2,277	-1,951
Other changes in net indebtedness	20	-32	56	226	-89	81
Net indebtedness, closing balance	-5,975	-2,844	-5,975	-2,844	-5,975	-744

Net indebtedness (interest-bearing liabilities less cash and cash equivalents less interest-bearing receivables) amounted to SEK 5,975 M (2,844) on June 30; also see Note 4, Specification of net indebtedness. Net indebtedness amounted to SEK 744 M on December 31, 2007. In the year-earlier period, payment for the sale of NCC Roads' Polish asphalt and aggregates operations had a positive impact of SEK 1.1 billion on net indebtedness. Net indebtedness peaks at the close of the second quarter.

Interim report period, January-June 2008

Cash flow before financing was a negative SEK 3,010 M (negative: 1,080). Tied-up working capital was higher than in the year-earlier period and investment activity had a negative impact on cash flow. Cash flow in the year-earlier was affected favorably by the sale of NCC Roads' Polish asphalt and aggregates operations, in an amount of SEK 1.1 billion, of which SEK 0.4 billion pertained to loans related to sold operations, which were reported under financing activities.

Significant risks and uncertainties

In the 2007 Annual Report (pages 42-44), an account is made of the risks to which NCC is exposed. The description of risks reported there remains relevant and no additional risks or uncertainty factors have been identified for the forthcoming six-month period.

Purchase and sale of treasury shares

No shares were repurchased or sold during the first half of 2008. During the first half of 2007, 330,251 previous treasury shares were sold. Following the sales, the number of treasury shares totaled 21,138 Series B shares. The number of shares outstanding amounts to 108,414,684. The treasury shares were sold to cover commitments for earlier option programs.

Other significant events

NCC's Annual General Meeting on April 8, 2008 resolved to pay a dividend of SEK 21.00 (18.00) per share to the shareholders for the 2007 fiscal year. This corresponds to total dividends of SEK 2,277 M. The Annual General Meeting also resolved to elect Ulla Litzén as a new Member of the Board, replacing departing Member of the Board Anders Rydin. Up to the close of the 2012 Annual General Meeting, the registered accounting firm PricewaterhouseCoopers AB was elected new auditor of NCC. PricewaterhouseCoopers has appointed Authorized Public Account Håkan Malmström as audit-in-charge.

Parent Company

Most recent quarter, April-June 2008

The Parent Company's invoiced sales totaled SEK 5,301 M (5,596). Profit of SEK 139 M (907) was reported after financial items. In the preceding year, the Parent Company received dividends from subsidiaries totaling SEK 555 M during the second quarter. In the Parent Company, profits are recognized when projects are subject to final profit recognition.

Interim report period, January-June 2008

The Parent Company's invoiced sales totaled SEK 10,822 M (10,854). Profit after financial items amounted to SEK 448 M (1,657). In the year-earlier period, the Parent Company received dividends from subsidiaries totaling SEK 1,021 M net, after impairment. The average number of employees was 7,103 (7,054).

Transactions with related parties

The companies related to the NCC Group are the Nordstjernan Group, companies in the Lundberg Group, Axel Johnson Group, NCC subsidiaries and associated companies and joint ventures. The Parent Company's related-party transactions were of a production character. Related-company sales amounted to SEK 23 M (21) and purchases to SEK 175 M (174) during April-June 2008. Related-company sales amounted to SEK 45 M (59) and purchases to SEK 344 M (347) during the interim report period, January-June. The transactions were conducted on normal market terms.

Significant risks and uncertainties

The Parent Company's significant risks and uncertainties are identical to those of the Group, which were described above.

Otherwise, reference is made to the following income statements and balance sheets, including the associated notes.

Consolidated income statement

Group		2008	2007	2008	2007	Jul. 07-	2007
SEK M	Note 1	Apr.-Jun.	Apr.-Jun.	Jan.-Jun.	Jan.-Jun.	Jun. 08	Jan.-Dec.
Net sales		15,623	15,109	27,035	26,925	58,506	58,397
Production costs	Note 2,3	-13,851	-13,132	-24,275	-24,283	-52,563	-52,572
Gross profit		1,772	1,977	2,760	2,642	5,943	5,825
Sales and administration costs	Note 2	-813	-809	-1,631	-1,536	-3,154	-3,059
Result from sales of owner-occupied properties					11	7	19
Impairment losses, fixed assets	Note 3		-90		-90	-154	-245
Result from sales of Group companies		11	382	11	382	44	415
Competition-impeding damages			-150		-150	-25	-175
Result from participations in associated companies		-1	5	-2	3	6	11
Operating profit/loss		968	1,315	1,138	1,262	2,666	2,790
Financial income		28	31	47	55	122	131
Financial expense		-114	-74	-185	-131	-367	-313
Net financial items		-86	-43	-138	-75	-245	-182
Profit/loss after financial items		883	1,271	1,000	1,186	2,421	2,608
Tax on net profit/loss for the period		-208	-242	-234	-225	-366	-357
Net profit/loss for the period		675	1,030	765	961	2,056	2,252
Attributable to:							
NCC's shareholders		670	1,027	763	961	2,049	2,247
Minority interests		6	2	2		6	4
Net profit/loss for the period		675	1,030	765	961	2,055	2,252
Earnings per share							
<i>Before dilution</i>							
Net profit/loss for the period, SEK		6.18	9.48	7.04	8.88	18.90	20.75
<i>After dilution</i>							
Net profit/loss for the period, SEK		6.18	9.48	7.04	8.87	18.90	20.73
Number of shares, millions							
Total number of issued shares		108.4	108.4	108.4	108.4	108.4	108.4
Average number of treasury shares during the period					0.2		0.2
Average number of shares outstanding before dilution during the period		108.4	108.4	108.4	108.3	108.4	108.3
Average number of shares after dilution		108.4	108.4	108.4	108.4	108.4	108.4
Number of shares outstanding before dilution at the end of the period		108.4	108.4	108.4	108.4	108.4	108.4
Number of treasury shares at the end of the period							

Consolidated balance sheet

Group		2008	2007	2007
SEK M	Note 1	Jun. 30	Jun. 30	Dec. 31
ASSETS				
<i>Fixed assets</i>				
Goodwill		1,689	1,633	1,651
Other intangible assets		106	109	96
Managed properties		32	21	21
Owner-occupied properties		651	717	640
Machinery and equipment		1,897	1,731	1,774
Participations in associated companies		7	20	25
Other long-term holdnngs of securities		261	206	250
Long-term receivables	Note 4	1,675	2,930	1,691
Deferred tax assets		188	360	277
Total fixed assets		6,506	7,728	6,424
<i>Current assets</i>				
Property projects		2,974	1,727	2,145
Housing projects		7,553	5,613	6,662
Materials and inventories		2,927	1,839	2,365
Tax receivables		209	153	44
Accounts receivable		9,502	8,452	8,323
Worked-up, non-invoiced revenues		3,547	3,521	2,956
Prepaid expenses and accrued income		1,098	881	1,048
Other receivables	Note 4	1,479	1,918	1,935
Short-term investments 1)	Note 4	175	355	483
Cash and cash equivalents	Note 4	757	1,300	1,685
Total current assets		30,222	25,758	27,645
TOTAL ASSETS		36,728	33,486	34,069
EQUITY				
Share capital		867	867	867
Other capital contributions		1,844	1,844	1,844
Reserves		95	39	73
Profit brought forward, including current-year profit		2,909	3,136	4,423
Shareholders' equity		5,715	5,886	7,207
Minority interests		18	25	30
Total shareholders' equity		5,733	5,911	7,237
LIABILITIES				
<i>Long-term liabilities</i>				
Long-term interest-bearing liabilities	Note 4	1,601	2,003	1,590
Other long-term liabilities		932	752	816
Deferred tax liabilities		494	653	431
Provisions for pensions and similiar obligations	Note 4	99	113	112
Other provisions		2,617	2,490	2,729
Total long-term liabilities		5,742	6,011	5,678
<i>Current liabilities</i>				
Current interest-bearing liabilities	Note 4	5,533	2,949	1,701
Accounts payable		4,595	4,605	4,974
Tax liabilities		95	64	101
Project invoicing not yet worked-up		5,938	5,876	4,971
Accrued expenses and prepaid income		4,677	4,919	5,177
Other current liabilities		4,415	3,152	4,231
Total current liabilities		25,253	21,564	21,154
Total liabilities		30,995	27,575	26,832
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		36,728	33,486	34,069
ASSETS PLEDGED		352	332	359
CONTINGENT LIABILITIES		5,811	5,773	5,749

1) Includes short-term investments with maturities exceeding three months at the acquisition date, see also cash-flow statement.

Changes in shareholders' equity

Group	June 30, 2008			December 31, 2007		
	Shareholders' equity	Minority interests	Total shareholders' equity	Shareholders' equity	Minority interests	Total shareholders' equity
SEK M						
Opening balance, January 1	7,207	30	7,237	6,796	75	6,871
Change in translation reserve	-2		-2	14	2	16
Change in hedging reserve	4		4	27		27
Change in revaluation reserve 1)	22		22			
Tax reported against shareholders' equity	-2		-2	53		53
Changes in minority interests		-11	-11		-46	-46
Total change in net asset value reported directly against equity, excluding transactions involving Company shareholders	7,229	19	7,248	6,889	32	6,921
Net profit/loss for the period	763	2	765	2,247	3	2,250
Total change in net asset value, excluding transactions involving Company shareholders	7,991	21	8,013	9,137	35	9,171
Dividends	-2,277	-3	-2,280	-1,951	-4	-1,955
Sale of treasury shares				22		22
Closing balance	5,715	18	5,733	7,207	30	7,237

1) Arising in conjunction with step-by-step acquisition

Consolidated cash flow statement

Group	2008		2007		2007	
	Apr.-Jun.	Apr.-Jun.	Jan.-Jun.	Jan.-Jun.	Jul. 07- Jun. 08	Jul. 07- Dec. 07
SEK M						
OPERATING ACTIVITIES						
Profit/loss after financial items	883	1,271	1,000	1,186	2,421	2,608
Adjustments for items not included in cash flow	-7	-200	151	-118	447	178
Taxes paid	-153	-137	-281	-343	-386	-448
Cash flow from operating activities before changes in working capital	723	934	869	725	2,481	2,338
Cash flow from changes in working capital						
Divestment of property projects	373	40	712	4	2,389	1,682
Gross investments in property projects	-696	-441	-1,184	-735	-1,942	-1,493
Divestment of housing projects	595	591	1,054	1,034	2,480	2,460
Gross investments in housing projects	-850	-852	-1,802	-1,684	-4,097	-3,978
Other changes in working capital	-1,908	-778	-2,274	-872	-1,379	23
Cash flow from changes in working capital	-2,487	-1,439	-3,495	-2,253	-2,548	-1,307
Cash flow from operating activities	-1,764	-505	-2,626	-1,528	-67	1,031
INVESTING ACTIVITIES						
Sale of building and land	11	65	10	77	38	105
Increase (-)/Decrease (+) from investing activities	-136	426	-394	371	-737	28
Cash flow from investing activities	-125	492	-384	448	-698	134
CASH FLOW BEFORE FINANCING	-1,888	-13	-3,010	-1,080	-765	1,165
FINANCING ACTIVITIES						
Cash flow from financing activities	1,399	-243	2,082	1,114	204	-763
CASH FLOW DURING THE PERIOD	-489	-256	-928	34	-561	402
Cash and cash equivalents at beginning of period	1,241	1,556	1,685	1,253	1,300	1,253
Effects of exchange rate changes on cash and cash equivalents	5	1	1	13	18	31
CASH AND CASH EQUIVALENTS AT END OF PERIOD	757	1,300	757	1,300	757	1,685
Short-term investments due later than three months	175	355	175	355	175	483
Total liquid assets	932	1,655	932	1,655	932	2,168

Cash flow from operating activities before changes in working capital amounted to SEK 723 M (934) during April-June and SEK 869 M (725) during January-June. Earnings deteriorated, while adjustments for non-cash items improved. The earnings from the sale of NCC Roads' Polish asphalt and aggregates operations were included in profit after financial items for the year-earlier period and were reversed in adjustments of items not included in cash flow. The cash flow effect of this divestment was reported in its entirety under investment activities in the year-earlier period.

Cash flow from changes in working capital was a negative SEK 2,487 M (negative: 1,439) during April-June. During January-June, cash flow from changes in working capital was a negative SEK 3,495 M (negative: 2,253). Cash flow from sales of property projects improved, thanks to reduced receivables from sales, while investments in ongoing property projects increased. Cash flow from sales of housing projects was virtually unchanged, with the same value for land transferred to production, while investments in housing projects were slightly higher than in the year-earlier period. During the second quarter, NCC's Construction units and NCC Roads have seasonally high operations, with a high level of tied-up working capital. Other changes in working capital were not as favorable as in 2007.

Cash flow from investing activities was a negative SEK 125 M (positive: 492) during April-June and a negative SEK 384 M (positive: 448) during January-June. The sale of NCC Roads' Polish asphalt and aggregates operations had a positive effect of SEK 1.1 billion on cash flow during the second quarter of 2007, of which SEK 0.4 billion pertained to loans in sold property, making a net contribution of SEK 0.7 billion.

Cash flow from financing activities was a positive SEK 1,399 M (negative: 243) during April-June. During January-June, cash flow from financing activities was a positive SEK 2,082 M (positive: 1,114).

Total cash and cash equivalents, including short-term investments with a maturity of more than three months, amounted to SEK 932 M (1,655).

Notes

Note 1. Accounting principles

This interim report has been compiled in accordance with IAS 34, Interim Financial Reporting. The interim report is compiled in accordance with International Financial Reporting Standards (IFRS), the interpretations of financial standards approved by the EU and International Financial Reporting Interpretations Committee (IFRIC).

The interim report has been prepared in accordance with the same accounting principles and methods of calculation as the 2007 Annual Report (Note 1 pages 58-67).

Note 2. Depreciation

SEK M	2008	2007	2008	2007	Jul. 07-	2007
	Apr.-Jun.	Apr.-Jun.	Jan.-Jun.	Jan.-Jun.	Jun. 08	Jan.-Dec.
Other intangible assets	-7	-5	-12	-11	-29	-29
Owner-occupied properties	-11	-10	-24	-22	-45	-43
Machinery and equipment	-110	-107	-232	-227	-461	-455
Total depreciation/amortization	-128	-123	-268	-260	-535	-526

Note 3. Impairment losses

SEK M	2008	2007	2008	2007	Jul. 07-	2007
	Apr.-Jun.	Apr.-Jun.	Jan.-Jun.	Jan.-Jun.	Jun. 08	Jan.-Dec.
Housing projects					-9	-9
Property projects within NCC Property Development		-4		-4		-4
Owner-occupied properties					-66	-66
Machinery and equipment					-66	-66
Goodwill within NCC Roads 1)		-90		-90		-90
Other intangible assets					-22	-22
Total impairment expenses		-94		-94	-162	-257

1) Impairment losses on goodwill pertains to subsidiaries whose value in use proves to be lower than the carrying value following impairment testing. The residual value of goodwill is subject to impairment testing annually and whenever indications of a change in value arise. The reasons for reporting impairment losses could include changed market conditions or return requirements that result in a lower recoverable value.

Note 4. Specification of net indebtedness

SEK M	2008	2007	2007
	Jun. 30	Jun. 30	Dec. 31
Long-term interest-bearing receivables	260	371	411
Current interest-bearing receivables	240	548	562
Short-term investments	59	290	303
Cash and bank balances	698	1,011	1,382
Total interest-bearing receivables, cash and cash equivalents	1,258	2,220	2,658
Long-term interest-bearing liabilities	1,700	2,116	1,702
Current interest-bearing liabilities	5,533	2,949	1,701
Total interest-bearing liabilities	7,233	5,064	3,402
Net indebtedness	5,975	2,844	744

Parent company income statement

SEK M	Note 1	2008 Apr.-Jun.	2007 Apr.-Jun.	2008 Jan.-Jun.	2007 Jan.-Jun.	Jul. 07- Jun. 08	2007 Jan.-Dec.
Net sales		5,301	5,596	10,822	10,854	22,705	22,738
Production costs		-4,687	-4,879	-9,570	-9,474	-20,552	-20,457
Gross profit		613	717	1,252	1,381	2,152	2,281
Sales and administration costs		-362	-377	-691	-685	-1,262	-1,256
Operating profit		252	340	561	696	890	1,025
<i>Result from financial investment</i>							
Result from participations in Group companies		-63	555	-63	1,021	631	1,715
Result from participations in associated companies		1	1	1	1	-4	-5
Result from other financial fixed assets							1
Result from financial current assets		54	35	82	28	120	66
Interest expense and similar items		-103	-24	-133	-88	-229	-184
Result after financial items		139	907	448	1,657	1,408	2,619
Appropriations						-59	-59
Tax on net profit for the period		-15	-199	-102	-197	-70	-165
Net profit for the period		125	708	345	1,460	1,279	2,395

Parent company income statements and balance sheets

SEK M	Note 1	2008 Jun. 30	2007 Jun. 30	2007 Dec. 31
ASSETS				
Intangible fixed assets		1	1	1
Tangible fixed assets		271	137	300
Financial fixed assets		6,249	6,283	6,559
Total fixed assets		6,521	6,422	6,861
Housing projects		487	410	264
Materials and inventories		1	2	1
Current receivables		6,372	4,857	6,490
Short term investments		145	1,692	1,100
Cash and bank balances		813	989	1,319
Total current assets		7,818	7,949	9,175
TOTAL ASSETS		14,339	14,371	16,035
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity		1,793	2,861	3,724
Untaxed reserves		490	431	490
Provisions		873	715	895
Long term liabilities		3,067	2,784	2,967
Current liabilities		8,117	7,579	7,960
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		14,339	14,371	16,035
Assets pledged		11	12	12
Contingent liabilities		21,289	19,637	18,506

Notes to the Parent Company income statements and balance sheets

Note 1. Accounting principles

The Parent Company has compiled its interim report in accordance with the Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Council's RFR 2.1, recommendation, Interim Reporting for Legal Entities. The interim report has been prepared in accordance with the same accounting principles and methods of calculation as the 2007 Annual Report (Note 1 pages 58-67).

Reporting occasions

Interim report, January–September 2008
Year-end report 2008

November 10, 2008
February 11, 2009

Solna, August 21, 2008

The Board of Directors and the President and CEO declare their assurance that the six-month report provides a fair account of the operations, position and earnings of the Parent Company and the Group, and describes significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Tomas Billing
Chairman of the Board

Antonia Ax:son Johnson
Member of the Board

Ulf Holmlund
Member of the Board

Ulla Litzén
Member of the Board

Fredrik Lundberg
Member of the Board

Marcus Storch
Member of the Board

Lars Bergqvist
*Member of the Board,
Employee representative*

Sven Frisk
*Member of the Board
Employee representative*

Ruben Åkerman
*Member of the Board
Employee representative*

Olle Ehrlén
President and CEO

This interim report has not been reviewed by the company's auditors.

If you have any questions, please contact:

Ann-Sofie Danielsson, Chief Financial Officer (Tel: +46 (0)70 674 07 20).

Annica Gerentz, Senior Vice President Corporate Communications (Tel: +46 (0)70 398 42 09).

Johan Bergman, Investor Relations Manager, (Tel: +46 (0)8 585 523 53, or +46 (0)70 354 80 35).

An information meeting, with an integrated Web and telephone conference, will be held on August 21 at 3:00 p.m. at Vallgatan 5 in Solna. The presentation will be held in Swedish. In order to participate in this conference, call +46 (0)8 505 598 53, five minutes before the start of the conference and state "NCC."

In its capacity as issuer, NCC AB is releasing the information in this interim report for the January-June 2008 period in accordance with Chapter 17 of the Swedish Securities Market Act (2007:528). The information was distributed to the media for publication at 11.40 on August 21.

Proprietary housing

	Sweden					Denmark				
	Apr.-Jun. 2008	Apr.-Jun. 2007	Jan.-Jun. 2008	Jan.-Jun. 2007	Jan.-Dec. 2007	Apr.-Jun. 2008	Apr.-Jun. 2007	Jan.-Jun. 2008	Jan.-Jun. 2007	Jan.-Dec. 2007
Development rights, end of period	14,100	11,400	14,100	11,400	11,300	1,093	1,010	1,093	1,010	1,115
Development rights, change during the period	1,700	300	2,800	400	300	-16	-137	-22	-24	81
Housing starts, during the period	186	498	246	734	1,586	16	123	22	169	234
Housing units sold, during the period	282	255	413	581	1,131	6	67	28	102	170
Housing units under construction, end of period	2,693	2,636	2,693	2,636	2,636	206	441	206	441	325
Housing units under construction, change during the period	101	166	57	-49	-49	-75	-12	-119	-38	-154
Unsold housing units, end of period	28	6	28	6	13	88	34	88	34	61
Unsold housing units, change during the period	15	-2	15	-11	-4	29	27	27	28	55

	Finland					Baltic region and St. Petersburg				
	Apr.-Jun. 2008	Apr.-Jun. 2007	Jan.-Jun. 2008	Jan.-Jun. 2007	Jan.-Dec. 2007	Apr.-Jun. 2008	Apr.-Jun. 2007	Jan.-Jun. 2008	Jan.-Jun. 2007	Jan.-Dec. 2007
Development rights, end of period	5,737	6,201	5,737	6,201	6,130	5,937	2,845	5,937	2,845	3,762
Development rights, change during the period	115	-268	-393	173	102	2,063	-47	2,175	86	1,003
Housing starts, during the period	304	487	500	636	1,116	-64 ¹	80	-33	80	307
Housing units sold, during the period	288	262	558	536	1,029	20	182	34	234	292
Housing units under construction, end of period	1,259	1,356	1,259	1,356	1,311	232	493	232	493	475
Housing units under construction, change during the period	-29	100	-52	-21	-66	-148	-41	-243	-41	-59
Unsold housing units, end of period	181	198	181	198	220	128	2	128	2	45
Unsold housing units, change during the period	-11	44	-39	45	67	46	0	83	0	43

1) In the Baltic countries, an initiated project has been divided into phases. One phase of the project has been removed from production and its construction start delayed, thus resulting in a negative impact of 76 units for housing starts.

	Norway					Germany				
	Apr.-Jun. 2008	Apr.-Jun. 2007	Jan.-Jun. 2008	Jan.-Jun. 2007	Jan.-Dec. 2007	Apr.-Jun. 2008	Apr.-Jun. 2007	Jan.-Jun. 2008	Jan.-Jun. 2007	Jan.-Dec. 2007
Development rights, end of period	2,089	2,178	2,089	2,178	2,235	2,311	2,408	2,311	2,408	2,416
Development rights, change during the period	0	95	-146	61	118	-283	692	-105	1,256	1,264
Housing starts, during the period	0	48	0	78	78	324	213	445	328	1,107
Housing units sold, during the period	5	27	6	51	84	363	213	471	310	1,002
Housing units under construction, end of period	78	283	78	283	223	1,423	1,012	1,423	1,012	1,300
Housing units under construction, change during the period	-145	48	-145	78	18	103	114	123	126	414
Unsold housing units, end of period	6	1	6	1	1	31	37	31	37	31
Unsold housing units, change during the period	5	0	5	-2	-2	-34	10	0	14	8

	Group				
	Apr.-Jun. 2008	Apr.-Jun. 2007	Jan.-Jun. 2008	Jan.-Jun. 2007	Jan.-Dec. 2007
Development rights, end of period	31,267	26,042	31,267	26,042	26,958
Development rights, change during the period	3,579	635	4,309	1,952	2,868
Housing starts, during the period	766	1,449	1,180	2,025	4,428
Housing units sold, during the period	964	1,006	1,510	1,814	3,708
Housing units under construction, end of period	5,891	6,221	5,891	6,221	6,270
Housing units under construction, change during the period	-193	375	-379	55	104
Unsold housing units, end of period	462	278	462	278	371
Unsold housing units, change during the period	50	79	91	74	167

Key figures and multi-year review

SEK M	2003 Jan.-Dec.	2004 Jan.-Dec.	2005 Jan.-Dec.	2006 Jan.-Dec.	2007 Jan.-Dec.	Jul. 07- Jun. 08	2007 Jan.-Jun.	2008 Jan.-Jun.
Accounts								
Net sales	45,252	46,534	49,506	55,876	58,397	58,506	26,925	27,035
Operating profit/loss	5	1,147	1,748	2,392	2,790	2,666	1,262	1,138
Profit/loss after financial items	-323	945	1,580	2,263	2,608	2,421	1,186	1,000
Net profit/loss during the year/period	-400	876	1,187	1,708	2,252	2,056	961	765
Cash flow before financing	762	5,244	2,115	1,657	1,165	-765	-1,080	-3,010
Profitability ratios								
Return on shareholders' equity, % 1)	neg	14	18	27	34	31	35	31
Return on capital employed, % 1)	1	9	17	24	28	24	29	24
Financial ratios at the end of the period								
Interest-coverage ratio, times 1)	0.5	3.6	6.9	11.5	10.2	8.4	13.4	8.4
Equity/assets ratio, %	21	24	25	22	21	16	18	16
Interest-bearing liabilities/total assets, %	28	17	12	9	10	20	15	20
Net indebtedness	4,891	1,149	496	430	744	5,975	2,844	5,975
Debt/equity ratio, times	0.8	0.2	0.1	0.1	0.1	1.0	0.5	1.0
Capital employed at year-/period-end	14,678	11,503	10,032	9,565	10,639	12,966	10,976	12,966
Capital employed average 1)	17,770	14,054	10,930	10,198	10,521	11,325	10,540	11,325
Capital turnover rate, times 1)	2.5	3.3	4.5	5.5	5.6	5.2	5.6	5.2
Share of risk-bearing capital, %	23	26	26	24	23	17	20	17
Average interest rate, %	4.6	4.8	4.8	4.8	5.2		4.5	5.3
Average period of fixed interest, years	0.9	1.3	1.1	2.6	1.8	1.3	1.2	0.8
Order status								
Orders received	40,941	45,624	52,413	57,213	63,344	62,430	30,314	29,401
Order backlog	23,752	27,429	32,607	36,292	44,740	46,165	42,559	46,165
Per share data								
Net profit/loss for the period, before dilution, SEK	-4.10	8.53	11.07	15.80	20.75	18.90	8.88	7.04
Net profit/loss for the period, after dilution, SEK	-4.10	8.05	10.86	15.74	20.73	18.90	8.87	7.04
P/E ratio 1)	neg	10	13	12	7	5	9	5
Ordinary dividend, SEK	2.75	4.50	5.50	8.00	11.00			
Extraordinary dividend, SEK 2)	6.70	10.00	10.00	10.00	10.00			
Dividend yield, %	17.0	16.5	10.9	9.6	15.1			
Dividend yield excl. extraordinary dividend, %	5.0	5.1	3.9	4.3	7.9			
Shareholders' equity before dilution, SEK	60.45	65.58	63.30	62.86	66.48	52.72	54.30	52.72
Shareholders' equity after dilution, SEK	57.08	61.95	62.60	62.69	66.48	52.72	54.30	52.72
Share price/shareholders' equity, %	92	134	225	298	209	172	342	172
Share price at year-/period-end, NCC B, SEK	55.50	88.00	142.50	187.50	139.00	90.75	185.50	90.75
Number of shares								
Total number of issued shares, millions 3)	108.4	108.4	108.4	108.4	108.4	108.4	108.4	108.4
Treasury shares, millions	6.0	6.0	1.2	0.3	0.0	0.0	0.0	0.0
Shares outstanding before dilution at year/period end, millions	102.4	102.4	107.2	108.1	108.4	108.4	108.4	108.4
Average number of shares outstanding before dilution during the year/period, millions	102.4	102.4	106.4	108.0	108.3	108.4	108.3	108.4
Market capitalization	5,625	8,984	15,282	20,242	14,999	9,897	20,181	9,897
Personnel								
Average number of employees	24,076	22,375	21,001	21,784	21,047	20,037	19,845	18,835

Financial objectives and dividend

	Objective	2003 Jan.-Dec.	2004 Jan.-Dec.	2005 Jan.-Dec.	2006 Jan.-Dec.	2007 Jan.-Dec.	Jul. 07- Jun. 08
Return on shareholders' equity, % 4)	20	neg	14	18	27	34	31
Debt/equity ratio, times	<1	0.8	0.2	0.1	0.1	0.1	1.0
Cash flow before investments in properties classed as current assets and other investment activities	Positive	1,218	2,063	1,442	4,442	2,361	1,103
Dividend ordinary, SEK	Policy: As of 2005, at least 50% of profit after tax	2.75	4.50	5.50	8.00	11.00	
Extraordinary dividend, SEK 2)		6.70	10.00	10.00	10.00	10.00	

1) Key ratios for June are calculated on a 12 months average.

2) The extraordinary dividend for 2003 pertains to all of the shares in Altima.

3) NCC's shares are all ordinary shares.

4) New objective, as of 2007 is 20%, earlier objective 15%.

Figures for 2003 are not adjusted for IFRS.

Figures for 2004 are not adjusted for IAS 39, Financial Instruments.

For definitions of key figures, see Annual Report for 2007, page 95.

Business segments

SEK M	2008	2007	2008	2007	Jul. 07-	2007
	Apr.-Jun.	Apr.-Jun.	Jan.-Jun.	Jan.-Jun.	Jun. 08	Jan.-Dec.
Group						
Orders received	17,408	18,105	29,401	30,314	62,430	63,344
Order backlog	46,165	42,559	46,165	42,559	46,165	44,740
Net sales	15,623	15,109	27,035	26,925	58,506	58,397
Operating profit/loss	968	1,315	1,138	1,262	2,666	2,790
Operating margin, %	6.2	8.7	4.2	4.7	4.6	4.8
Profit/loss after financial items	883	1,271	1,000	1,186	2,421	2,608
Net profit/loss for the period	675	1,030	765	961	2,056	2,252
Earnings per share after dilution, SEK	6.18	9.48	7.04	8.87	18.90	20.73
Average number of shares outstanding after dilution during the period	108.4	108.4	108.4	108.4	108.4	108.4
NCC Construction Sweden						
Orders received	7,650	6,763	14,336	12,096	32,157	29,917
Order backlog	24,127	18,175	24,127	18,175	24,127	22,473
Net sales	6,747	5,942	12,076	11,123	25,835	24,881
Operating profit/loss	365	364	575	608	1,391	1,424
Operating margin, %	5.4	6.1	4.8	5.5	5.4	5.7
NCC Construction Denmark						
Orders received	780	1,699	2,280	3,150	4,101	4,971
Order backlog	3,984	4,976	3,984	4,976	3,984	3,848
Net sales	1,231	1,558	2,145	2,888	5,167	5,910
Operating profit/loss	21	20	28	36	28	36
Operating margin, %	1.7	1.3	1.3	1.2	0.5	0.6
NCC Construction Finland						
Orders received	2,348	2,496	3,547	4,631	7,979	9,062
Order backlog	5,951	5,834	5,951	5,834	5,951	6,423
Net sales	2,073	1,967	4,001	3,453	7,980	7,432
Operating profit/loss	86	159	174	239	369	434
Operating margin, %	4.1	8.1	4.4	6.9	4.6	5.8
NCC Construction Norway						
Orders received	1,593	2,873	2,262	4,370	5,010	7,118
Order backlog	5,536	7,461	5,536	7,461	5,536	6,871
Net sales	1,963	1,565	3,584	2,894	7,025	6,335
Operating profit/loss	55	47	71	6	142	76
Operating margin, %	2.8	3.0	2.0	0.2	2.0	1.2
NCC Construction Germany						
Orders received	918	843	1,132	1,156	2,740	2,764
Order backlog	2,380	2,125	2,380	2,125	2,380	2,374
Net sales	675	541	1,128	890	2,538	2,301
Operating profit/loss	8	28	10	29	98	117
Operating margin, %	1.2	5.1	0.9	3.3	3.9	5.1
NCC Property Development						
Net sales	331	1,496	772	2,783	1,572	3,583
Operating profit/loss	122	353	303	399	684	780
NCC Roads						
Orders received	4,003	3,381	5,828	4,875	11,230	10,278
Order backlog	4,025	2,784	4,025	2,784	4,025	1,852
Net sales	3,270	2,490	4,513	3,552	10,854	9,893
Operating profit/loss	305	558	16	222	474	679
Operating margin, %	9.3	22.4	0.4	6.2	4.4	6.9
NCC Roads excl. the Polish asphalt- and aggregate operations						
Orders received	4,003	3,379	5,828	4,751	11,228	10,151
Order backlog	4,025	2,784	4,025	2,784	4,025	1,852
Net sales	3,270	2,488	4,513	3,427	10,852	9,766
Operating profit/loss	305	176	16	-113	474	344
Operating margin, %	9.3	7.1	0.4	-3.3	4.4	3.5

1) Excluding NCC Complete

Rounding-off differences may occur in all tables.