

Press release

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Strong housing sales to private customers for NCC

Up to November 21, 2014, NCC has sold a total of 3,857 (3,235) housing units to private customers during the year. Thanks to these strong sales figures, NCC has started additional housing projects. NCC has had 634 housing starts since the end of September. These figures were announced at NCC's Capital Market Day on Tuesday.

NCC's Capital Market Day on Tuesday focused on housing production and development and on the NCC Construction Sweden and NCC Construction Denmark business areas. A housing policy debate was organized in connection with the Capital Market Day.

“We are extremely gratified to have already surpassed last year's total strong housing sales. Market conditions are favorable in most of our key markets, such as Germany, Russia and Sweden. A large number of housing starts in the autumn have taken place in these markets, but we have also started projects in Norway, Denmark and Finland,” says Joachim Hallengren, Business Area Manager of NCC Housing.

NCC's President and CEO Peter Wågström commented on the corporate strategy through 2015 and reiterated the market outlook as published in the most recent interim report on October 24.

The construction market in Sweden performed positively in October and November. Demand for housing contracts is favorable, although delays to infrastructure initiatives are giving rise to uncertainty for the future. Orders received for NCC Construction Sweden improved year-on-year to SEK 20,036 million (16,540) for January-October and the order backlog amounted on October 31 to SEK 20,011 million (16,690).

“We have strengthened our position in 2014 and increased both orders received and the order backlog. At the same time, it is taking longer to convert orders received into sales, which has led to a low work-up rate. We have also established an organization to enable us to be competitive when the coming infrastructure initiatives come to fruition. As a result, we have incurred additional costs in our tendering work. We have had a new organization in place since the start of the year, and we have initiated a number of short and long-term measures to boost profitability, but it will take several quarters for these efforts to generate visible effects,” says Svante Hagman, Business Area Manager of NCC Construction Sweden.

Overall, the Danish construction market is expected to be stable in 2015, with investments in line with 2014. The housing market is expected to grow in Copenhagen and Aarhus.

“We expect public-sector demand to remain strong in 2015. In Denmark, an increased focus on energy refurbishment, climate adjustments and infrastructure is noticeable,” says Klaus Kaae, Business Area Manager of NCC Construction Denmark.

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This is the type of information that NCC could be obligated to disclose pursuant to the Securities Market Act. The information was issued for publication on November 25, 2014, at 07:30 a.m.

About NCC NCC's vision is to reshape our industry, providing superior sustainable solutions. NCC is one of the leading companies in construction, property development and infrastructure in Northern Europe, with sales of SEK 58 billion and 18,500 employees in 2013. The NCC share is listed on the Nasdaq Stockholm exchange.