

Press release

Sep 21, 2015

No. 24/2015

NCC reorganizing as part of new growth strategy

During the autumn, NCC will present a new strategy for the next five years that includes an increased focus on growth in the areas of construction and civil engineering in the Nordic region. Accordingly, the Board of NCC has decided on a new organization. In addition, the Board has tasked the management with investigating the possibility of creating an independent, stock market listed, residential development company based on the existing NCC Housing business area.

NCC's new strategy will be launched at year-end and involves, among other items, NCC focusing on profitable growth with particular emphasis on construction and civil engineering in areas including infrastructure and refurbishment. Shared work methods, one NCC and a sustainability focus are other cornerstones of the new strategy.

“Favorable market conditions in the Nordic region mean that interest from international players is increasing in our domestic markets and NCC is now meeting highly specialized competitors in tendering processes. Through the changes that are now being implemented, NCC will be equipped with a specialized Nordic organization with a strong local presence. Specialization will give us more scope to develop and to offer common concepts and solutions to our customers in all our markets,” says Peter Wågström, President and CEO of NCC.

With the objective of increasing possibilities for profitable growth, NCC is implementing a new organization from the end of the year, in which the seven existing business areas will become five business areas. The four existing, country-based Construction units will be divided into two Nordic business areas – NCC Infrastructure and NCC Building. NCC Roads will become the new NCC Industry business area, with the exception of road-services operations, which are moving to NCC Infrastructure. NCC Housing and NCC Property Development will remain as business areas (see attached organization chart).

HR, communication and sustainability are being organized into a shared unit, Corporate Relations, which is represented in the Executive Management Group. Purchasing is another core element of NCC's operations that is being raised to Executive Management Group level.

The new Executive Management Group comprises the President and CEO Peter Wågström, Business Area Manager for NCC Building Klaus Kaae (currently Business Area Manager for NCC Construction Denmark), Business Area Manager for NCC Infrastructure Svante Hagman (currently Business Area Manager for NCC Construction Sweden), Business Area Manager for NCC Industry Jyri Salonen (currently Business Area Manager for NCC Roads), Business Area Manager for NCC Housing Joachim Hallengren, Business Area Manager for NCC Property Development Carola Lavén, CFO Ann-Sofie Danielsson, General Counsel Håkan Broman, Chief Corporate Relations Officer Ann Lindell Saeby and Chief Purchasing Officer Peter Gjörup.

The reorganization is a proactive initiative to capitalize on growth opportunities. However, the coordination of business areas and corporate functions can mean that a

certain number of redundancies may arise. NCC estimates the costs associated with the reorganization to amount to SEK 250 million. The amount will mainly be charged against NCC's earnings for the fourth quarter of 2015 and first quarter of 2016.

In addition, the Board of NCC has tasked the management with analyzing conditions for creating an independent residential development company based on the NCC Housing business area and distributing the new company's shares to NCC's shareholders under the Lex Asea rules.

In recent years, NCC has built successful residential development operations, NCC Housing, which reported sales of about SEK 10 billion in eight countries in 2014. The number of housing units under construction has increased from about 4,500 to 8,500 and capital employed amounts to slightly more than SEK 11 billion.

Residential development is a capital-intensive business that primarily targets private customers and a division of NCC would create greater possibilities for leveraging the growth opportunities that NCC has identified in the residential development market and the construction market.

Following any spin-off, the NCC Group would become a more focused company with greater possibilities for specialization in core areas.

"We are currently investigating whether an independent, listed, residential development company could be advantageous for both shareholders and the company," says Tomas Billing, Chairman of NCC.

The Board's objective is to complete the analysis in the autumn and to present further information to shareholders in the interim report on November 6.

NCC is holding a teleconference for the media and analysts at 10:00 a.m. (CET). To participate in this teleconference, call +46 (0)8-519 993 55 (SE), +44 203 194 05 50 (UK) or +1 855 269 26 05 (US), five minutes prior to the start of the conference. State "NCC".

NCC's new strategy will be presented in more detail at the company's capital market day in Stockholm, Sweden on November 26.

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This is the type of information that NCC could be obligated to disclose pursuant to the Securities Market Act. This information was issued for publication on September 21, 2015 at 8:00 a.m.

About NCC Our vision is to renew our industry and provide superior sustainable solutions. NCC is one of the leading companies in construction, property development and infrastructure in Northern Europe, with sales of SEK 57 billion and 18,000 employees in 2014. The NCC share is listed on the Nasdaq Stockholm exchange.