

## Press release

---

July 1, 2016

No. 34/2016

# NCC excluding Bonava

## **NCC is publishing items affecting comparability for the second quarter of 2016, and comparative figures for NCC excluding Bonava for 2015 and the first quarter of 2016.**

In June 2016, NCC distributed the shares in Bonava to NCC shareholders. Bonava's first day of trading on Nasdaq Stockholm was June 9, 2016, and the closing price was SEK 106.50 for Series B shares and SEK 107.50 for Series A shares, representing a market capitalization of about SEK 11.5 billion for Bonava.

NCC's transaction costs of SEK 62 M for dividend and listing of Bonava will not be charged to the income statement, but charged directly against shareholders' equity.

NCC has now decided to discontinue the development and implementation of a joint HR system, which means that SEK 90 M, pertaining to previously capitalized amounts, will be charged against NCC's earnings for the second quarter of 2016. The reasons are the challenges of implementation and user-friendliness and that the system does not adequately support NCC's Nordic organization and way of working. Today, there are simpler and more functional standard solutions available and NCC's digital strategy is moving toward more cloud-based solutions. Bonava's earnings will not be charged with any costs for this.

NCC's earnings will be positively impacted by an amount of SEK 118 M in the second quarter, due to internal gains derived from ongoing housing production for Bonava being dissolved.

Bonava is recognized as a discontinued operation and was included in NCC's income statement until June 7, 2016. In addition to Bonava's earnings for the period, NCC will also recognize the difference between Bonava's market capitalization on the listing date and Bonava's shareholders' equity on the dividend date as profit from discontinued operations, in accordance with IFRS 5. These earnings will therefore impact earnings for the period from continuing and discontinued operations.

In interim reports for 2016, the comparative figures for 2015 will not be adjusted in the balance sheet and cash flow in accordance with IFRS. NCC will instead show how balance sheets and cash flows would have looked excluding Bonava in a note.

The tables and figures below have not been prepared in accordance with IFRS, and have not been audited or examined by the company's auditors. The comparative figures illustrate the effect on NCC's income statement, balance sheet and cash flow if Bonava had not been part of NCC.

NCC will publish its interim report for January-June 2016 on July 20 at 8:00 a.m.

### Income Statement NCC excluding Bonava - comparative figures for 2015 and Q1 2016

SEK M	2015	2015	2015	2015	2016
	Jan-Mar.	Jan-Jun.	Jan-Sep.	Jan-Dec.	Jan-Mar.
<b>Continuing operations</b>					
Net Sales <sup>1)</sup>	10,311	23,528	36,848	53,116	9,197
Productions costs <sup>1)</sup>	-9,877	-21,851	-33,906	-48,683	-8,771
<b>Gross Profit</b>	<b>434</b>	<b>1,677</b>	<b>2,942</b>	<b>4,432</b>	<b>426</b>
Selling and administrative expenses	-669	-1,374	-1,931	-2,765	-708
Other operating income/ operating expenses	1	2	15	6	-1
<b>Operating profit</b>	<b>-235</b>	<b>306</b>	<b>1,027</b>	<b>1,661</b>	<b>-284</b>
Financial income	19	21	26	39	6
Financial expense	-27	-41	-52	-78	-31
<b>Net financial items</b>	<b>-8</b>	<b>-20</b>	<b>-26</b>	<b>-39</b>	<b>-25</b>
<b>Profit after financial items</b>	<b>-243</b>	<b>286</b>	<b>1,001</b>	<b>1,623</b>	<b>-309</b>
Tax	48	-54	-197	-302	65
<b>Net profit/ loss for the period from continuing operations</b>	<b>-195</b>	<b>232</b>	<b>804</b>	<b>1,321</b>	<b>-243</b>

Net financial items in the adjusted comparative figures is based on how the financing was during 2015, when Bonava, former Housing, had a low share of equity and therefore high interest expenses.

These interest expenses were earlier reported as a result from Discontinued operation and is not included in the comparative figures above

Shareholder's contribution was not added to Bonava until December 2015

1) In jan-mar 2015, net sales and production costs for NCC has increased with SEK 867 M as a result of non eliminated income against Bonava.

1) In jan-jun 2015, net sales and production costs for NCC has increased with SEK 1 796 M as a result of non eliminated income against Bonava.

1) In jan-sep 2015, net sales and production costs for NCC has increased with SEK 2 520 M as a result of non eliminated income against Bonava.

1) In jan-dec 2015, net sales and production costs for NCC has increased with SEK 3 690 M as a result of non eliminated income against Bonava.

## Balance Sheet NCC excuding Bonava - comparative figures for 2015 and Q1 2016

SEK M	2015 Mar. 31	2015 Jun. 30	2015 Sep. 30	2015 Dec. 31	2016 Mar. 31
<b>ASSETS</b>					
<i>Fixed assets</i>					
Goodwill	1,830	1,815	1,804	1,770	1,787
Other intangible assets	356	375	359	377	395
Owner-occupied properties	719	754	754	776	777
Machinery and equipment	2,426	2,446	2,411	2,356	2,382
Long-term holdings of securities	198	220	191	197	185
Long-term interest-bearing receivables	147	348	368	271	306
Long-term receivables	56	35	108	98	74
<b>Total fixed assets</b>	<b>5,732</b>	<b>5,993</b>	<b>5,994</b>	<b>5,845</b>	<b>5,906</b>
<i>Current assets</i>					
Properties held for future development	2,028	1,922	1,969	2,050	2,011
Ongoing property projects	2,639	2,277	2,513	2,013	2,404
Completed property projects	515	1,115	389	367	373
Materials and inventories	780	780	748	691	758
Tax receivables	116	367	284	13	191
Account receivables	5,861	7,197	6,944	6,619	5,479
Worked-up, non-invoiced revenue	1,583	1,911	2,190	1,394	2,536
Prepaid expenses and accrued income	992	1,087	1,058	936	1,008
Other short-term interest-bearing receivables	7,553	7,639	7,328	1,752	1,699
Other receivables <sup>7)</sup>	1,008	764	921	901	561
Short-term investments	253	81	158	190	192
Cash and cash equivalents	673	270	1,059	3,592	2,720
<b>Total current assets</b>	<b>24,000</b>	<b>25,410</b>	<b>25,562</b>	<b>20,518</b>	<b>19,931</b>
<b>TOTAL ASSETS</b>	<b>29,732 <sup>1)</sup></b>	<b>31,403 <sup>2)</sup></b>	<b>31,556 <sup>3)</sup></b>	<b>26,363 <sup>4)</sup></b>	<b>25,837 <sup>5)</sup></b>
<b>EQ UITY</b>					
Share capital	867	867	867	867	867
Other capital contributions	1,844	1,844	1,844	1,844	1,844
Reserves	-210	-214	-240	-344	-309
Earnings brought forward including profit for the year	4,321	4,922	5,167	2,595	2,087
<b>Shareholders' equity</b>	<b>6,822</b>	<b>7,419</b>	<b>7,639</b>	<b>4,962</b>	<b>4,489</b>
Non-controlling interest	15	19	19	20	18
<b>Total shareholders' equity</b>	<b>6,837</b>	<b>7,438</b>	<b>7,658</b>	<b>4,982</b>	<b>4,507</b>
<b>LIABILITIES</b>					
<i>Long-term liabilities</i>					
Long-term interest-bearing liabilities	5,808	4,668	4,664	3,865	3,376
Other long-term liabilities	222	206	230	158	538
Provisions for pensions and similar obligations	803	692	1,093	338	703
Deferred tax liabilities <sup>6)</sup>	186	495	426	456	465
Other provisions	1,802	1,706	1,594	1,612	1,559
<b>Total long-term liabilities</b>	<b>8,821</b>	<b>7,767</b>	<b>8,006</b>	<b>6,429</b>	<b>6,641</b>
<i>Current liabilities</i>					
Current interest-bearing liabilities	830	2,014	1,915	1,900	1,970
Accounts payable	3,652	4,439	3,997	4,176	3,285
Tax liabilities <sup>8)</sup>				135	60
Invoiced revenues, not worked up	4,619	4,964	5,406	4,239	5,147
Accrued expenses and prepaid income	3,131	2,869	2,726	3,172	3,074
Other current liabilities	1,842	1,913	1,848	1,270	1,113
Other provisions				59	41
<b>Total current liabilities</b>	<b>14,074</b>	<b>16,199</b>	<b>15,892</b>	<b>14,951</b>	<b>14,690</b>
<b>Total liabilities</b>	<b>22,895</b>	<b>23,966</b>	<b>23,897</b>	<b>21,380</b>	<b>21,331</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>29,732 <sup>1)</sup></b>	<b>31,403 <sup>2)</sup></b>	<b>31,556 <sup>3)</sup></b>	<b>26,363 <sup>4)</sup></b>	<b>25,837 <sup>5)</sup></b>

1)The gross increase of Non-interest bearing receivables and liabilities is 401 MSEK and gross increase of interest bearing receivables and liabilities is 8 044 MSEK, in total 8 445 MSEK, if Bonava is not included in the Group.

2)The gross increase of Non-interest bearing receivables and liabilities is 451 MSEK and gross increase of interest bearing receivables and liabilities is 8 049 MSEK, in total 8 500 MSEK, if Bonava is not included in the Group.

3)The gross increase of Non-interest bearing receivables and liabilities is 485 MSEK and gross increase of interest bearing receivables and liabilities is 7 759 MSEK, in total 8 244 MSEK, if Bonava is not included in the Group.

4)The gross increase of Non-interest bearing receivables and debts is 491 MSEK and gross increase of interest bearing receivables and liabilities is 2 205 MSEK, in total 2 696 MSEK, if Bonava is not included in the Group.

5)The gross increase of Non-interest bearing receivables and liabilities is 477 MSEK and gross increase of interest bearing receivables and liabilities is 2 103 MSEK, in total 2 580 MSEK, if Bonava is not included in the Group.

6) Reclassification has been done to deferred tax liabilities from deferred tax assets with 103 MSEK, 127 MSEK, 129 MSEK, 134 MSEK and 131 MSEK in each quarter

7) Reclassification has been done to other receivables with 120 MSEK, 263 MSEK, 120 MSEK, 90 MSEK and 95 MSEK in each quarter.

8) Reclassification has been done to tax liabilities from tax receivables with 14 MSEK, 17 MSEK and 18 MSEK the first three quarters.

## Cash-flow statement - comparative figures 2015 and Q1 2016

MSEK	2015 Jan-Mar.	2015 Jan-Jun.	2015 Jan-Sep.	2015 Jan-Dec.	2016 Jan-Mar.
<b>OPERATING ACTIVITIES</b>					
Profit/ loss after financial items, continuing operations	-243	286	1,000	1,623	-309
Adjustments for items not included in cash flow	286	292	495	1,108	269
Tax paid	-146	-212	-247	-253	-110
<b>Cash flow from operating activities before changes in working capital</b>	<b>-104</b>	<b>366</b>	<b>1,249</b>	<b>2,477</b>	<b>-149</b>
<b>Cash flow from changes in working capital</b>					
Divestment of property projects	321	520	1,362	2,529	0
Gross investments in property projects	-451	-902	-1,174	-1,858	-371
Divestment of housing projects	-13	-4	-155	-176	-4
Gross investments in housing projects	27	159	93	117	32
Other changes in working capital	-234	-1,079	-1,279	-255	11
<b>Cash flow from changes in working capital</b>	<b>-350</b>	<b>-1,303</b>	<b>-1,152</b>	<b>357</b>	<b>-332</b>
<b>Cash flow from operating activities</b>	<b>-454</b>	<b>-937</b>	<b>97</b>	<b>2,834</b>	<b>-481</b>
<b>INVESTING ACTIVITIES</b>					
Sale of building and land	1	1	1	9	4
Other changes in investments activities	-162	-400	-536	-725	-159
<b>Cash Flow from investing activities</b>	<b>-161</b>	<b>-399</b>	<b>-535</b>	<b>-717</b>	<b>-155</b>
<b>CASH FLOW BEFORE FINANCING</b>	<b>-615</b>	<b>-1,337</b>	<b>-438</b>	<b>2,118</b>	<b>-637</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash flow from financing activities</b>	<b>-829</b>	<b>-503</b>	<b>-622</b>	<b>-637</b>	<b>-238</b>
<b>CASH FLOW DURING THE PERIOD</b>	<b>-1,443</b>	<b>-1,840</b>	<b>-1,060</b>	<b>1,481</b>	<b>-874</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2,129</b>	<b>2,129</b>	<b>2,129</b>	<b>2,129</b>	<b>3,592</b>
Effects of exchange rate changes on cash and cash equivalents	-13	-19	-10	-18	2
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>673</b>	<b>270</b>	<b>1,059</b>	<b>3,592</b>	<b>2,720</b>

For further information, please contact:

Mattias Lundgren, Chief Financial Officer, NCC AB, +46 8 585 517 65, +46 70 228 88 81

Johan Bergman, Investor Relations Manager, NCC AB, +46 8 585 523 53, +46 70 354 80 35

NCC's press telephone: +46 8 585 519 00, E-mail: [press@ncc.se](mailto:press@ncc.se)

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 July 1, 2016, at 8:15 a.m.

All of NCC's press releases are available at [www.ncc.se/press](http://www.ncc.se/press).

NCC is one of the leading construction and property development companies in the Nordic region. In 2015, NCC (excluding Bonava) reported sales of SEK 53 billion and had 16,000 employees.