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## **NCC to appeal City Court verdict in asphalt case**

**Despite playing an active role in the Swedish Competition Authority's investigation, NCC has been ordered to pay competition-impeding damages of SEK 150 million. This was established when the Stockholm City Court announced its verdict on the asphalt cartel case. NCC is extremely surprised at the verdict and will appeal to the Market Court.**

The verdict, which entails that NCC will have to pay competition-impeding damages of SEK 150 million, was diametrically different from NCC's petition, in accordance with Section 28, Subsection 2 of the Competition Act, for complete exemption from having to pay competition-impeding damages. According to the Act, "parties who, to a highly significant extent, have facilitated the investigation of complicity on their own part or the part of others" may be spared from paying competition-impeding damages.

"The City Court has not taken NCC's arguments into account. The actions taken by NCC facilitated the Swedish Competition Authority's investigations in a decisive manner and the City Court should have weighed this into its judgment," says Ulf Wallin, Senior Legal Counsel of the NCC Group, adding:

"In addition, the amount is unreasonably high in view of the City Court's confirmation that there was no underlying general agreement to divide up all central and local government paving procurements, and that it was instead a local phenomenon that occurred over just a years."

The competition-impeding damages will be charged against NCC's earnings for the second quarter of 2007.

### **Background**

In spring 2001, NCC uncovered financial improprieties within the company's paving operations in the Linköping area. Those responsible were reported to the police and several employees were dismissed. Eventually, these events also led to illicit cartel collaboration being brought to light.

Subsequently, the Swedish Competition Authority initiated its own investigations and, in October 2001, the Authority conducted a dawn raid targeted at all of the suspected companies. With the help of new information from the Competition Authority, NCC, aided by external

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lawyers, was able to conduct a comprehensive internal inquiry during autumn 2001 in order to determine whether cartel collaboration had actually occurred.

The inquiry, which was presented in January 2002, revealed that in a number of cases NCC employees, in contravention of internal rules and regulations, had participated in illicit cartel collaboration with competing companies. NCC's inquiry was submitted to the Swedish Competition Authority and contributed decisively to the investigation of the asphalt cartel.

NCC facilitated the Competition Authority's investigations to a highly significant extent by:

- having been the first company to clearly admit its involvement in a number of individual cases.
- having submitted a comprehensive internal inquiry to the Swedish Competition Authority.
- having presented decisive evidence (witness testimony) that facilitated the Competition Authority's investigations.
- having cooperated actively with the Authority throughout its investigations.
- having ensured that NCC employees dared to appear and witness, and thus bring clarity to the investigation.

### **Training in competition law**

Since the cartel collaboration was brought to light, NCC has taken powerful actions to ensure that nothing of a similar nature will happen again. For example, slightly more than 2,000 managers and administrative employees have received training in competition law. This training has since been linked to the employees' employment contracts, whereby breaches of prevailing legislation by any employee lead to dismissal.

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*All of NCC's press releases are available on [www.ncc.info](http://www.ncc.info)*

*NCC is one of the leading construction and property development companies in the Nordic region. NCC had in 2006 sales of SEK 56 billion, with 22,000 employees.*

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