

Press release

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NCC to construct pulp mill with Södra Cell

NCC has been commissioned to conduct earth, civil engineering and construction works in connection with the expansion of the Södra Cell Värö mill. The client is Södra Cell AB and the order is worth in excess of SEK 500 million.

Södra Cell AB is investing billions of Swedish kronor in its pulp mill at Värö, between Varberg and Kungälv. Annual production capacity for pulp will be expanded from the current level of about 425,000 tons to 700,000 tons. As a result, Värö will become one of the world's largest mills for the production of softwood sulfate pulp, which is used in such items as paper napkins and kitchen paper. Expansion of the mill will increase production capacity.

"This is an important order for NCC. We appreciate Södra Cell AB's willingness to work with us in a partnering assignment, thus increasing the potential to implement a really good joint project," says Svante Hagman, Business Area Manager for NCC Construction Sweden.

Partnering implies a cooperative format whereby the key participants in a project jointly resolve issues arising in an assignment by means of open dialog focusing on the best interests of the project.

NCC will immediately initiate the planning process, while it is estimated that construction and Phase 2 of the assignment will start in mid-September 2014. The project is scheduled to be completed by June 2016. The total order value exceeds SEK 500 million. The order value will be determined exactly during the planning phase, in cooperation with Södra Cell and the other parties involved in the project.

A prerequisite for construction start is the receipt of a permit from the Environmental Court of Appeal, a decision on which is expected to be available in mid-September. The project will employ about 100 individuals. NCC is already engaged in construction works on a cooperative basis at Värö, where Södra Cell is investing in a new lime kiln and a white pellet plant.

The order will be registered during the second quarter of 2014 in the NCC Construction Sweden business area.

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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 May 13, 2014, at 08:00 a.m. (CET). All of NCC's press releases are available on www.ncc.se/press.

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 is listed on NASDAQ OMX Stockholm.