

Press Release

January 28, 2016

No. 2/2016

Financial objectives and capital structure for NCC Housing

Ahead of the spin-off of NCC Housing, the new company has been provided with capital whereby the equity in NCC Housing at the end of 2015 amounted to SEK 4.7 billion. NCC Housing has also adopted its own financial objectives for the operation. Return on capital employed is to amount to at least 10-15 percent. Equity/assets ratio is to amount to at least 30 percent. At least 40 percent of profit after tax is to be distributed as a dividend.

Today, the Board of Directors of NCC AB proposed that NCC Housing is to be spun off to shareholders and listed on Nasdaq Stockholm in 2016. NCC shareholders will vote on the proposal at the Annual General Meeting on April 12, 2016. The Board of NCC AB also decided to adopt NCC Housing's proposal for financial objectives and dividend policy.

"NCC Housing's objective is to generate value growth and provide shareholders with a healthy total return. Our operation ties up capital and, by having a profitability objective that links earnings in the business to capital employed, the business will be driven to achieve efficient capital utilization and a sound risk profile. Our objective is to distribute at least 40 percent of profit after tax to shareholders," says Carl Engström, Chairman of the Board of NCC Housing.

NCC Housing is one of the leading housing developers in Northern Europe. The company focuses on expanding regions and metropolitan cities in Sweden, Finland, Denmark, Norway, Germany, the Baltic countries and St. Petersburg. NCC Housing has a diversified offering that targets both private individuals and investors. In recent years, NCC Housing's operations have expanded, while profitability has improved. In 2015, NCC Housing reported sales of SEK 13.1 billion, resulting in operating profit of SEK 1,368 million and a return on capital employed of 12.5 percent. The equity/assets ratio at the end of 2015 was 30.8 percent.

As of January 1, 2016, NCC Housing is being operated as an independent company in NCC. Following capital contributions from NCC, shareholders' equity in NCC Housing amounts to SEK 4.7 billion, corresponding to the value of the company's land bank including capitalized costs. The remaining capital employed of SEK 5.1 billion comprises project financing through interest-bearing liabilities, of which loans to Swedish tenant-owner associations and Finnish housing companies account for SEK 3.1 billion.

"A strong balance sheet is key in order to successfully capitalize on opportunities to acquire land and implement projects. The implemented capitalization entails that we have a strong balance sheet and an excellent starting point for our continued operation," says Joachim Hallengren, CEO of NCC Housing.

For further information, please contact:

Tomas Billing, Chairman of the Board of NCC AB +46 70 666 33 46

Carl Engström, Chairman of the Board of NCC Housing +46 70 653 34 46

Joachim Hallengren, CEO of NCC Housing, +46 70 088 71 33

Anna Trane, Press and PR Manager, NCC, +46 708 84 74 69

NCC's media line +46 8 585 519 00, e-mail: press@ncc.se, [NCC's image bank](#)

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 January 28, 2016, 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 construction, property development and infrastructure companies in Northern Europe, with sales of SEK 62 billion and 18,000 employees in 2015. The NCC share is listed on NASDAQ Stockholm.