

Year-end report 2005

- Net sales amounted to SEK 49,506 M (46,534)
- Profit after financial items improved to SEK 1,580 M (945)
- Profit after taxes increased to SEK 1,187 M (876).
- Earnings per share amounted to SEK 10.86 (8.05).
- The Board of Directors proposes a dividend of SEK 5.50 (4.50) per share, plus an extraordinary dividend of SEK 10.00 (10.00) per share, making a total of SEK 15.50 (14.50) per share.

	2005	2004 1)	2005	2004 1)
	Oct.-Dec.	Oct.-Dec.	Jan.-Dec.	Jan.-Dec.
Orders received, SEK M	14,918	12,789	52,413	45,624
Net sales, SEK M	15,738	13,506	49,506	46,534
Operating profit , SEK M	437	126	1,748	1,147
Profit/loss after financial items, SEK M	388	88	1,580	945
Net profit/loss for the period, SEK M	328	112	1,187	876
Profit/loss per share after dilution, SEK	3.03	1.05	10.86	8.05
Cashflow before financing, SEK M	2,124	2,521	2,115	5,244
Return on shareholders' equity, %	18	14	18	14
Debt/equity ratio, times	0.1	0.2	0.1	0.2
Net indebtedness, SEK M	496	1,149	496	1,149

1) Calculated according to IFRS. For more information see page 7.

Comments by President and Chief Executive Officer Alf Göransson

“The 2005 fiscal year was a good year and we achieved all of our financial objectives. The return on equity after tax was 18 percent. After paying dividends of about SEK 1.6 billion to shareholders during the year, our net indebtedness was reduced from SEK 1.1 billion a year ago to SEK 0.5 billion at the end of 2005. The total return on the NCC share in 2005 was 78 percent.

“The Nordic construction market is booming. The housing market, in particular, is strong, largely as a result of the housing shortage prevailing in several major cities combined with continuingly favorable interest rates throughout the Nordic region. The civil engineering sector is also growing, while the office market is weak. Our previous forecast for 2006 stands firm, namely that the Nordic construction market will grow by a further 3 to 4 percent. However, access to skilled labor could restrict our growth opportunities in the years immediately ahead.

“The trend in the construction market is reflected in the orders received by NCC, and we have also noted that our way of operating, such as the NCC Partnering cooperation format and our improved cost-effectiveness, has enabled us to capture market share. Orders received from partnering projects rose by 15 percent during the year and sales from such projects currently amount to about SEK 5 billion.”

NCC AB

Postal address
170 80 Solna

Visiting address
Vallgatan 3, Solna

Contact
Tel: 08-585 510 00
Fax: 08-85 77 75
www.ncc.info

Organisation
(publ) Org.nr 556034-5174
Solna
VAT.nr SE663000130001

Market development

The Nordic construction market was strong throughout 2005. Demand for new housing remained buoyant throughout the Nordic region and the civil engineering market also developed well. The conditions for asphalt and aggregates were favorable during the fourth quarter, thanks to the relatively warm autumn in most parts of the Nordic region. The price and volume trend was favorable for aggregate operations, although price pressure in the asphalt segment remained intense throughout the year.

NCC's assessment is that the Nordic construction market will grow by 3–4 percent in 2006, in line with the estimate made when the nine-month report was published in October 2005. Investments in civil engineering are expected to rise particularly substantially during 2006, not least because of major infrastructure investments.

Orders received and order backlog

Most recent quarter, October-December 2005

Orders received by the Group rose 17 percent to SEK 14,918 M (12,789). The increase was mainly attributable to proprietary housing projects and to NCC Roads. The warm autumn extended the season for asphalt and aggregates operations, which contributed to the high activity, at the same time as NCC Roads secured several major paving contracts, primarily in Denmark, during the fourth quarter.

Orders received by NCC Construction Denmark and NCC Construction Finland rose significantly compared with the year-earlier period. Orders received by NCC Construction Sweden during the fourth quarter were also favorable. The largest partnering project to date was secured in December 2005, when an order worth SEK 1.1 billion for the construction of a pelletizing plant in Kiruna was received from LKAB. NCC is already constructing a similar plant for LKAB in Malmberget.

For the Group as a whole, proprietary housing projects continued to increase and orders received for such projects amounted to SEK 3,632 M (1,355). The largest increase was noted in Sweden, as a result of continued favorable demand. Finland, as well as certain expansion in Baltic countries and Germany, also contributed to the increase. Orders received for proprietary property-development projects amounted to SEK 192 M (106).

The order backlog on December 31 amounted to SEK 32 billion (27), of which proprietary orders accounted for SEK 8 billion (4).

During the quarter, construction started on 934 (543) proprietary housing units and 1,210 (1,023) units were sold. Sales of proprietary housing units were exceptionally high during the fourth quarter in both Sweden and Finland. The number of completed but unsold housing units amounted to 192 (314), compared with 189 on September 30.

Full year, January-December 2005

Orders received by the Group rose 15 percent to SEK 52,413 M (45,624). The increase was attributable to a continuingly strong construction market, with high demand for newly built housing throughout the Nordic region and an increased amount of civil engineering projects in Norway and Sweden. Orders received for proprietary housing projects totaled SEK 10,935 M (6,587), while orders received for proprietary property-development projects amounted to SEK 598 M (508).

During the year, construction started on 4,789 (3,158) proprietary housing units and 4,349 (3,595) units were sold.

At the end of the year, total costs for completed and construction-initiated real estate projects totaled SEK 0.8 billion (0.9). Costs incurred in these projects amounted to SEK 0.6 billion (0.7), which corresponds to 73 percent (89) of total project costs. The occupancy rate on December 31 decreased to 60 percent (84) because several projects were not initiated until the end of the year.

Net sales and earnings per business area

MSEK	Net sales				Operating profit (EBIT)			
	2005	2004	2005	2004	2005	2004	2005	2004
	Oct.-Dec.	Oct.-Dec.	Jan.-Dec.	Jan.-Dec.	Oct.-Dec.	Oct.-Dec.	Jan.-Dec.	Jan.-Dec.
NCC Construction Sweden	6,168	5,338	19,354	17,518	296	96	764	475
NCC Construction Denmark	1,965	1,613	6,865	5,277	46	43	209	149
NCC Construction Finland	1,660	1,455	5,821	5,418	39	55	320	230
NCC Construction Norway	1,700	1,167	4,983	3,985	72	39	202	112
NCC Construction Germany	570	318	1,672	1,164	-3	2	0	31
NCC Property Development	922	1,619	1,671	4,059	78	74	200	170
NCC Roads	2,649	2,208	8,708	8,104	8	-69	313	258
Total	15,634	13,719	49,075	45,524	536	240	2,008	1,425
Other items and eliminations	104	-213	431	1,010	-99	-115	-261	-278
Group	15,738	13,506	49,506	46,534	437	126	1,748	1,147

Net sales

Most recent quarter, October-December 2005

Net sales totaled SEK 15,738 M (13,506). Increased sales were reported by all NCC Construction units, as a result of the strong Nordic construction market. The warm autumn in most parts of the Nordic region extended the season for asphalt and aggregates operations, which contributed to high activity within NCC Roads. In Sweden, construction is under way of such projects as the Botniabanan railway line in northern Sweden, a palletizing plant for LKAB at Malmberget, the City Tunnel railway project in Malmö and the Norrortsleden highway project in Stockholm, which also required production at the end of the year. Civil engineering activity in Norway was also high, due to strong demand from the oil industry and several major infrastructural projects.

Full year, January-December 2005

Net sales totaled SEK 49,506 M (46,534). The increase was due to growth within the various Construction units and within NCC Roads. Sales of proprietary housing projects accounted for a considerable share of the increase, with particularly strong growth noted in Denmark and Germany. Sales for the year-earlier period included a greater amount of sales of commercial properties, as well as sales related to the former NCC International Projects business area.

Earnings

Most recent quarter, October-December 2005

Operating profit amounted to SEK 437 M (126). The improved earnings were due largely to the continuingly strong housing market in the Nordic region and improved operating margins in many contracting regions. Within the Construction units in Sweden and Finland, strong housing sales were noted during the fourth quarter. As a result of favorable weather conditions and healthy demand, NCC Roads reported improved earnings compared with the year-earlier period.

Quarterly earnings were charged with impairment losses totaling SEK 141 M, compared with losses of SEK 63 M in the year-earlier period. Of the total, NCC Property Development, which incurred impairment losses on property projects in Germany, accounted for SEK 65 M. NCC's participation in the Polish associated company Prinz, which was declared bankrupt during the period, was written down to zero, which required an additional impairment loss of SEK 34 M on top of the impairment loss of SEK 26 M posted during the third quarter before the company filed for bankruptcy. Within NCC Roads, the jointly owned company Valtatie of Finland was charged with a goodwill impairment loss of SEK 15 M, as a result of market conditions characterized by fierce competition and price pressure. Goodwill impairment losses totaling SEK 15 M were also reported within NCC's Polish subsidiary Hydrobudowa.

The operating margin improved to 2.8 percent (0.9).

Profit after financial items amounted to SEK 388 M (88). The transition to IAS 39, Financial Instruments, had only a marginal impact on earnings during the quarter.

Net profit for the period totaled SEK 328 M (112). During the fourth quarter, a tax deduction was granted, which pertained to shares in NCC Property Development's holding company in the Netherlands. This had a positive impact of SEK 59 M on NCC's tax situation.

Full year, January-December 2005

Operating profit improved to SEK 1,748 M (1,147). The improvement in consolidated earnings was due mainly to the continuingly strong housing market in the Nordic region and to increased profitability for Nordic contracting operations compared with 2004. Earnings were charged with impairment losses totaling SEK 225 M (242).

Within NCC Construction Sweden, operating profit rose to SEK 764 M (475), equal to an operating margin of 3.9 percent (2.7). The increase was attributable to a continued strong housing market, which resulted in increased profitability within ongoing housing projects and enabled the sale of a larger proportion of completed housing units. The number of completed but unsold housing units also declined from 127 to 47. The operating margin for other contracting operations also improved.

Within NCC Construction Denmark, proprietary housing operations have grown for the past three years and NCC is now the leading residential developer in Denmark, which are the underlying reasons for the improved earnings. On the other hand, the operating margin for other construction operations has yet to reach a satisfactory level.

NCC Construction Finland has shown healthy profitability in recent years, due mainly to the strong housing market. During 2005, the trend within NCC's other buildings was also favorable, which contributed to a further increase in the already strong operating margin.

Within NCC Construction Norway, the work conducted in recent years to increase internal efficiency, combined with a favorable civil engineering market and a healthy trend in the Oslo region, had a positive impact on the operating margin.

The earnings of NCC Roads, which is severely affected by seasonal variation because the operations cannot be conducted in cold weather, benefited from the warm conditions during the late autumn. Earnings also benefited from previously initiated rationalization measures and production improvements. The increasingly strong civil engineering market in the Nordic region had a positive impact on NCC Roads in the form of increased demand for paving assignments.



Profit after financial items amounted to SEK 1,580 M (945). The improved financial net was attributable to a reduction in net indebtedness and lower interest rates compared with 2004. The transition to IAS 39, Financial Instruments, had only a marginal impact on earnings during the year.

Net profit for the year amounted to SEK 1,187 M (876). NCC's tax rate is expected to be approximately 25 percent, as a result of the tax deduction granted during the fourth quarter, which pertained to shares in NCC Property Development's holding company in the Netherlands.

The remaining portions of the former NCC International Projects business area are reported under the "Other and eliminations" item.

Cash flow

Cash flow before financing was lower in 2005 than in 2004 during both the fourth quarter and the full year. The main reasons for the decrease are the major sales of properties completed during 2004, which had a positive impact on cash flow during that year. Cash flow excluding sales of properties, which is equal to cash flow from the Construction units, improved.

Most recent quarter, October-December 2005

Cash flow from operating activities before changes in working capital amounted to SEK 709 M (842). The improvement in operating profit was offset in cash flow by the fact that adjustments for items not included in cash flow, meaning provisions and exchange-rate differences, were lower in 2005 than in 2004.

Cash flow from changes in working capital totaled SEK 1,292 M (1,204). Increased activity within Construction units during the fourth quarter did not result in higher working capital because of the favorable liquidity of the projects.

Cash flow from investing activities amounted to SEK 124 M (475). Investments in machinery and equipment rose slightly during the fourth quarter. In the year-earlier period, investments declined because of the divestment of operations within NCC Roads.

Cash flow from financing activities was a negative SEK 1,602 M (negative: 1,558). A continuing positive cash flow enabled the ongoing repayment of loans.

Full year, January-December 2005

Cash flow from operating activities before changes in working capital amounted to SEK 1,446 M (1,668). The fact that the operations contributed strong earnings resulted in an increase in taxes paid. Adjustments for items not included in cash flow decreased as a result of exchange-rate effects and reduced provisions, primarily within NCC Property Development.

Cash flow from changes in working capital amounted to SEK 600 M (2,493). The year-earlier figures included major payments from property sales. Increased volume, mainly within Construction units, led to a rise in working capital.

Cash flow from investing activities amounted to SEK 70 M (1,083). The change compared with the year-earlier period was due to a number of major sales of managed properties within NCC Property Development in 2004 and to the sale of operations within NCC Roads.

Cash flow from financing activities was a negative SEK 2,745 M (negative: 5,264). In April, dividends totaling SEK 1,552 M were paid to shareholders. Previously repurchased shares were sold for SEK 350 M during the year.

Net indebtedness

Net indebtedness trend

SEK billion	Cash flow	Net indebtedness
Net indebtedness, January 1, 2005		-1.1
From operations	1.4	
Divestment of property projects	0.7	
Gross investments in property projects	-0.6	
Gross investments in housing projects	-2.2	
Other changes in working capital	0.1	
Divestment of housing projects	2.5	
Investment activities	0.1	2.0
Divestment of own shares		0.3
Dividend (ordinary 0,5, extra 1,1)		-1.6
Net indebtedness, December 31, 2005		-0.5

Net indebtedness (interest-bearing liabilities less liquid assets less interest-bearing receivables) amounted to SEK 496 M (1,149) on December 31, 2005. Net indebtedness amounted to SEK 2,379 M on September 30, 2005 and SEK 3,301 M on June 30, 2005. The change in net indebtedness during the year was due mainly to dividend payments of SEK 1,552 M to shareholders, which were offset by the favorable earnings and the sale of own shares.

Ongoing cartel processes

The main hearing in the ongoing Swedish cartel process is expected to be held at the end of September 2006. The verdict at this first level is expected during 2007. The Swedish Competition Authority has petitioned that NCC pay a competition-inhibiting fee of SEK 447 M, which is being treated as a contingent liability. Since the preceding interim report, no new information has emerged regarding the cartel processes in Finland and Norway, nor about the cases involving individual municipalities in Sweden that have sued construction companies, including NCC, for cartel collusion. More detailed information on the cartel processes is available in NCC's Annual Report for 2004, in Note 39 on page 80.

Purchase and sale of repurchased shares

No shares were repurchased during 2005. During the fourth quarter, 199,659 (0) previously repurchased NCC shares were sold. During the entire year, 4,840,998 (0) shares were sold. As a result, the number of shares outstanding rose to 107,241,428, which has influenced the calculation of earnings per share. Following these sales, the number of repurchased shares amounts to 1,194,394 Series B shares. Sales of the company's own shares were implemented in order to cover commitments for a previous options program. The Board of Directors proposes that the Annual General Meeting renew the Board's authorization to repurchase shares up to a maximum of 10 percent of all of the shares in the Company at any time.

Proposed dividend

The Board of Directors proposes a dividend of SEK 5.50 (4.50) per share, plus an extraordinary dividend of SEK 10.00 (10.00) per share, making a total of SEK 15.50 (14.50) per share. The proposed record date for dividends is April 10, 2006.

Transactions with related parties

The companies related to the NCC Group are the Nordstjernan Group, companies in the Lundberg sphere and associated companies and joint ventures. The transactions with related parties were mainly of a production character and amounted to SEK 114 M (74) in 2005. The transactions were conducted on normal market terms.

Annual General Meeting in 2006

The Annual General Meeting will be held on April 5, 2006, at Vinterträdgården, Grand Hôtel, Stockholm. The Meeting will open at 4.30 p.m. The official notification of the Annual General Meeting will be published in Swedish daily newspapers on March 6 and be available on the Group's website, www.ncc.info, where the Board's motions to the Meeting will also be available. It will also be possible to report notification of attendance via the website

Nomination Committee

The Annual General Meeting held on April 4, 2005 elected the following persons to the Nomination Committee: Viveca Ax:son Johnson (Board Member representing Nordstjernan), Ulf Lundahl (Deputy CEO of L E Lundbergföretagen), Mats Lagerqvist (President of Robur AB) and Johan Björkman (Chairman of Nordstjernan), with Johan Björkman as chairman. Chairman of the NCC Board Tomas Billing is a co-opted member of the Committee, but has no voting right. NCC shareholders may send nomination proposals to the Nomination Committee at the following e-mail address: valberedning@ncc.se.

Accounting principles

This report has been compiled in accordance with IAS 34 Interim Financial Reporting. The report has been formulated in accordance with International Financial Reporting Standards (IFRS) and with the standards approved on behalf of the EU by the International Financial Reporting Interpretations Committee (IFRIC). The International Financial Reporting Standards are applied as of January 1, 2005. The comparative figures for 2004 have been adjusted in accordance with these recommendations. IAS 39, Financial Instruments, is applied as of January 1, 2005. Comparative figures for 2004 have not been adjusted.

For a description of the effects of IFRS on full-year 2004, see the appendix to this year-end report.

For a more detailed description of the effects of IFRS on the Swedish accounting principles previously used by NCC and the effects on comparative figures for 2004, reference is made to the press release dated May 3, 2005 with the title "Reporting in accordance with International Financial Reporting Standards (IFRS)" (see www.ncc.info).

The financial accounts of the Parent Company, NCC AB, have been compiled in accordance with Swedish accounting practices and legislation.

Solna, February 8, 2006

NCC AB
Board of directors

Reporting occasions in 2006

Annual Report 2005mid-March 2006

Interim report, Jan-March 2006

Interim report, Jan-June 2006

Interim report, Jan-September 2006

April 26, 2006

August 23, 2006

November 7, 2006

If you have any questions, please contact:

Ann-Sofie Danielsson, Financial Director (Tel: +46 8 585 517 17, or +46 70 674 07 20)

Annica Gerentz, Senior Vice President Corporate Communications (Tel: +46 8 585 522 04, or +46 70 398 42 09)

An information meeting for media and capital market representatives will be held at 3 p.m. on Wednesday, February 8 at NCC's auditorium, Vallgatan 5, Solna. The presentation will be made in Swedish and will be broadcast live on the Internet at www.ncc.info. It will also be possible to e-mail questions to NCC during the course of the presentation.

An English-language telephone conference will be held at 4.30 p.m. on Wednesday, February 8. In order to participate in this conference, call +44 (0)20 7162 0125 five to ten minutes before the start of the conference and state NCC. It will be possible to listen to the telephone conference live or to a recorded version on the NCC Group's website www.ncc.info. The presentation material for the telephone conference will be downloadable from NCC's www.ncc.info website as of about 3 p.m. on February 8.

Income statement

Group	2005	2004	2005	2004
SEK M	Oct.-Dec.	Oct.-Dec.	Jan.-Dec.	Jan.-Dec.
Net sales	15,738	13,506	49,506	46,534
Production costs 1)	-14,463	-12,461	-45,158	-42,749
Gross profit	1,275	1,045	4,347	3,786
Sales and administration costs	-866	-814	-2,677	-2,577
Result from managed properties 1)	2	19	17	45
Result from sales of managed properties	23	-75	92	-60
Result from sales of business properties	-1	3	19	6
Write-downs 1)	-42	-50	-94	-149
Result from participations in Group companies	9	-12	-5	64
Result from participations in associated companies 1)	37	9	49	33
Operating profit	437	126	1,748	1,147
Result from financial investments				
Result from financial fixed assets	6	7	32	41
Result from financial current assets	31	29	78	102
Interest expenses and similar items	-86	-74	-278	-346
Profit/loss after financial items	388	88	1,580	945
Tax on net profit for the period	-60	25	-393	-68
Net profit/loss for the period	328	112	1,187	876
Relating to:				
NCC:s shareholders	329	114	1,178	873
Minority interests	0	-2	9	3
Net profit/loss for the period	328	112	1,187	876
Profit/loss per share				
Before dilution				
Profit/loss after tax, SEK	3.07	1.11	11.07	8.53
After dilution				
Profit/loss after tax, SEK	3.03	1.05	10.86	8.05
Number of shares, millions				
Total number of issued shares	108.4	108.4	108.4	108.4
Average number of repurchased shares during the period	1.3	6.0	2.0	6.0
Average number of shares outstanding during the period	107.1	102.4	106.4	102.4
Average number of shares after dilution	108.4	108.4	108.4	108.4
Number of shares outstanding at the end of the period	107.2	102.4	107.2	102.4
Number of repurchased shares at the end of the period	1.2	6.0	1.2	6.0
Specification of costs				
Depreciation/amortization				
Other intangible assets	-4	-3	-12	-15
Business properties	-16	-12	-54	-58
Machinery and equipment	-116	-178	-496	-571
Total depreciation/amortization	-136	-193	-563	-644
Specification of total write-downs 1)				
Housing projects		-15		-38
Write-downs within NCC Property Development 3)	-65		-71	-39
Managed properties 3)		2		-16
Business properties	-8		-8	-12
Shares in associated companies	-34		-60	
Goodwill within NCC Roads 2)	-15	-47	-43	-122
Goodwill within Construction-entities 2)	-19	-3	-43	-15
Total write-downs	-141	-63	-225	-242
Personnel costs	2,774	2,675	9,962	9,725

1) The impairment of housing projects and property projects within NCC Property Development are included in Production costs, impairment of proportion of shares in associated companies is included in Result from participations in associated companies, while the impairment of managed properties is included in Result from managed properties. The comparative figures have been changed.

2) Goodwill impairments have been reported for subsidiaries for which impairment tests showed that the value in use was less than the carrying value. The booked residual value of goodwill is tested every time the quarterly accounts are prepared. The reasons for the impairment could be changes in market conditions or return requirements that lead to a lower value in use.

3) Impairments are the net value of write-downs and reversed write-downs.

Balance sheet

Group	2005	2004
SEK M	Dec. 31	Dec. 31
ASSETS		
Tangible fixed assets		
Buildings and land, construction in progress	865	830
Managed properties	71	449
Machinery and equipment	1,937	1,848
Intangible fixed assets		
Goodwill	1,772	1,790
Intangible fixed assets, others	61	31
Financial fixed assets		
Financial fixed assets, interest-bearing	506	650
Financial fixed assets, interest-free	719	602
Deferred tax receivable	330	622
Total fixed assets	6,263	6,822
Inventories, etc.	1,031	959
Properties classed as current assets		
Property projects	2,005	2,105
Housing projects	3,884	4,005
Current receivables		
Current interest-bearing receivables 1)	232	390
Current interest-free receivables	11,777	11,593
Cash and bank balances and short-term investments	1,919	2,515
Total current assets	20,848	21,567
TOTAL ASSETS	27,110	28,389
EQUITY		
Shareholder's equity	6,785	6,715
Minority interests	94	84
Total equity	6,879	6,799
SKULDER		
Long-term liabilities		
Long-term interest-bearing liabilities	2,004	3,485
Long-term interest-free liabilities	392	343
Provisions for taxes	199	481
Provisions for pensions and similiar obligations, interest-bearing	97	31
Other provisions, interest-free	1,656	1,832
Total long-term liabilities	4,348	6,172
Current liabilities		
Current interest-bearing liabilities	1,052	1,187
Current interest-free liabilities	14,831	14,231
Total current liabilities	15,883	15,418
Total liabilities	20,231	21,590
TOTAL EQUITY AND LIABILITIES	27,110	28,389
ASSETS PLEDGED	297	450
CONTINGENT LIABILITIES	5,942	5,811

1) Includes short-term investments due later than three months, see also cash-flow statement.

Changes in equity

Group	December 31, 2005			December 31, 2004		
	Share- holder's equity	Minority interests	Total equity	Share- holder's equity	Minority interests	Total equity
SEK M						
Opening balance	6,715	84	6,799	6,069	78	6,147
Effect of changed accounting principle						
IAS 39, Financial Instruments	-31		-31			
Adjusted opening balance	6,684	84	6,768	6,069	78	6,147
Effect of cash-flow hedge	22		22			
Effects of personnel options program (hedging etc	57		57			
Changes in minority interests		2	2	43		43
Translation differences	6	1	7	21	3	24
Tax on items directly reported over equity	41		41	-10		-10
Dividend	-1,552	-2	-1,554	-281		-281
Sale of repurchased shares	350		350			
Net profit/loss for the period	1,178	9	1,187	873	3	876
Equity	6,785	94	6,879	6,715	84	6,799

Geographical markets

SEK M	Net sales		Assets		Gross investments			
					whereof Fixed assets			
	2005 Jan.-Dec.	2004 Jan.-Dec.	2005 Dec. 31	2004 Dec. 31	2005 Jan.-Dec.	2004 Jan.-Dec.	2005 Jan.-Dec.	2004 Jan.-Dec.
Sweden	22,993	22,136	12,346	12,954	958	862	585	410
Denmark	9,481	8,022	4,290	4,036	709	591	82	256
Finland	6,233	6,356	3,363	3,594	1,644	1,460	26	44
Norway	6,236	5,039	2,979	2,579	114	122	86	107
Other countries	4,563	4,981	3,789	4,465	324	210	122	49
Total	49,506	46,534	26,767	27,628	3,749	3,245	901	866

Net sales to external customers distributed by geographical area.

Reported value of assets and investments distributed by geographical area in accordance with the location of the assets.

Tax receivables, actual and deferred, have not been broken down by geographical area.

Cash-flow statement

Group	2005	2004	2005	2004
SEK M	Oct.-Dec.	Oct.-Dec.	Jan.-Dec.	Jan.-Dec.
OPERATING ACTIVITIES				
Profit/loss after financial items	388	88	1,580	945
Adjustments for items not included in cash flow	351	768	157	890
Taxes paid	-30	-14	-291	-166
Cash flow from operating activities before changes in working capital	709	842	1,446	1,668
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in working capital	727	596	-4	395
Change in properties reported as current assets, net	565	608	604	2,098
Cash flow from changes in working capital	1,292	1,204	600	2,493
Cash flow from operating activities	2,000	2,046	2,046	4,161
INVESTING ACTIVITIES				
Sale of business and managed properties	498	565	706	1,141
Increase (-)/Decrease (+) from investing activities	-374	-90	-636	-58
Cash flow from investing activities	124	475	70	1,083
Cash flow before financing	2,124	2,521	2,115	5,244
FINANCING ACTIVITIES				
Cash flow from financing activities	-1,602	-1,558	-2,745	-5,264
CASH FLOW DURING THE PERIOD	523	963	-629	-20
Cash and cash equivalents at beginning of period	1,389	1,536	2,515	2,509
Effects of exchange rate changes on cash and cash equivalents	7	15	33	25
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,919	2,513	1,919	2,513
Short-term investments due later than three months	153	113	153	113
Total liquid assets	2,072	2,628	2,072	2,628

Business Areas

	2005	2004	2005	2004
	Oct.-Dec.	Oct.-Dec.	Jan.-Dec.	Jan.-Dec.
Group				
Orders received, SEK M	14,918	12,789	52,413	45,624
Orders backlog, SEK M	32,161	27,429	32,161	27,429
Net sales, SEK M	15,738	13,506	49,506	46,534
Operating profit/loss (EBIT), SEK M	437	126	1,748	1,147
Operating margin (EBIT), %	2.8	0.9	3.5	2.5
Profit/loss after financial items (EBT), SEK M	388	88	1,580	945
Profit/loss after taxes, SEK M	328	112	1,187	876
Earnings per share after dilution, SEK	3.03	1.05	10.86	8.05
Average number of shares outstanding during the period	107.1	102.4	106.4	102.4
NCC Construction Sweden				
Orders received, SEK M	6,611	6,961	22,151	19,878
Orders backlog, SEK M	15,593	12,553	15,593	12,553
Net sales, SEK M	6,168	5,338	19,354	17,518
Operating profit/loss (EBIT), SEK M	296	96	764	475
Operating margin (EBIT), %	4.8	1.8	3.9	2.7
NCC Construction Denmark				
Orders received, SEK M	2,130	1,667	6,839	6,186
Orders backlog, SEK M	4,439	4,307	4,439	4,307
Net sales, SEK M	1,965	1,613	6,865	5,277
Operating profit/loss (EBIT), SEK M	46	43	209	149
Operating margin (EBIT), %	2.3	2.6	3.0	2.8
NCC Construction Finland				
Orders received, SEK M	1,347	710	6,098	4,853
Orders backlog, SEK M	4,007	3,411	4,007	3,411
Net sales, SEK M	1,660	1,455	5,821	5,418
Operating profit/loss (EBIT), SEK M	39	55	320	230
Operating margin (EBIT), %	2.4	3.8	5.5	4.2
NCC Construction Norway				
Orders received, SEK M	1,256	1,463	5,953	4,342
Orders backlog, SEK M	4,010	2,790	4,010	2,790
Net sales, SEK M	1,700	1,167	4,983	3,985
Operating profit/loss (EBIT), SEK M	72	39	202	112
Operating margin (EBIT), %	4.2	3.4	4.1	2.8
NCC Construction Germany				
Orders received, SEK M	633	349	1,781	1,292
Orders backlog, SEK M	841	683	841	683
Net sales, SEK M	570	318	1,672	1,164
Operating profit/loss (EBIT), SEK M	-3	2	0	31
Operating margin (EBIT), %	-0.5	0.6	0.0	2.7
NCC Property Development				
Net sales, SEK M	922	1,619	1,671	4,059
Operating profit/loss (EBIT), SEK M	78	74	200	170
NCC Roads				
Orders received, SEK M	2,711	1,860	9,175	8,325
Orders backlog, SEK M	1,780	1,273	1,780	1,273
Net sales, SEK M	2,649	2,208	8,708	8,104
Operating profit/loss (EBIT), SEK M	8	-69	313	258
Operating margin (EBIT), %	0.3	-3.1	3.6	3.2

NCC International Projects is not shown as an own business area from January 1, 2005.

Multi-year review

SEK M	2000 Jan.-Dec.	2001 Jan.-Dec.	2002 Jan.-Dec.	2003 Jan.-Dec.	2004 Jan.-Dec.	2005 Jan.-Dec.
Accounts						
Net sales	38,728	47,521	45,165	45,252	46,534	49,506
Operating profit/loss, EBIT	2,415	-1,536	1,820	5	1,147	1,748
Profit/loss after financial items, EBT	2,153	-2,130	1,306	-323	945	1,580
Net profit/loss during the year/period	1,494	-2,269	821	-421	876	1,187
Cash flow before financing	-2,356	-746	5,055	762	5,244	2,115
Profitability ratios						
Return on shareholder's equity, %	15	neg	11	neg	14	18
Return on capital employed, %	13	neg	10	1	9	17
Financial ratios at the end of the period						
Interest-coverage ratio, %	4.8	-1.1	2.4	0.5	3.6	6.9
Equity/assets ratio, %	27	19	22	21	24	25
Interest-bearing liabilities/total assets, %	32	37	31	28	17	12
Net indebtedness	8,118	10,306	5,816	4,891	1,149	496
Debt/equity ratio, times	0.8	1.4	0.8	0.8	0.2	0.1
Capital employed at year-/period-end	21,705	22,153	18,759	14,678	11,503	10,032
Capital employed average	19,797	22,999	20,770	17,770	14,054	10,930
Capital turnover rate	1.8	2.1	2.2	2.5	3.3	4.5
Share of risk-bearing capital, %	30	20	24	23	26	26
Average interest rate, %	5.5	5.6	5.3	4.6	4.8	4.8
Average period of fixed interest, years	1.6	1.2	1.3	0.9	1.3	1.1
Order status						
Orders received	46,316	50,647	43,098	40,941	45,624	52,413
Order backlog	25,835	30,750	23,788	23,752	27,429	32,161
Per share data						
Profit/loss after taxes, before dilution, SEK	14.00	-21.60	7.95	-4.10	8.53	11.07
Profit/loss after taxes, after dilution, SEK	13.80	-21.60	7.55	-4.10	8.05	10.86
P/E ratio	5	neg	7	neg	10	13
Ordinary dividend, SEK 2)	4.50	2.25	2.75	2.75	4.50	5.50
Extraordinary dividend, SEK 1,2)				6.70	10.00	10.00
Dividend yield, %	6.5	3.2	5.2	17.0	16.5	10.9
Dividend yield excl. extraordinary dividend, %	6.5	3.2	5.2	5.0	5.1	3.9
Shareholder's equity, SEK	93.90	69.75	74.20	60.45	65.58	63.30
Share price/shareholder's equity, %	73	100	71	92	134	225
Share price att year-/period-end, NCC B, SEK	69.00	70.00	53.00	55.50	88.00	142.50
Number of shares						
Total number of issued shares, millions	108.4	108.4	108.4	108.4	108.4	108.4
Repurchase of shares, millions	2.7	3.4	6.0	6.0	6.0	1.2
Shares outstanding at year/period end, millions	105.7	105.0	102.4	102.4	102.4	107.2
Average during the year/period, millions	107.0	105.0	103.6	102.4	102.4	106.4
Market capitalization	7,353	7,347	5,366	5,625	8,984	15,282
Personnel						
Average number of employees	25,192	28,170	25,554	24,076	22,375	21,001

Financial objectives and dividend		Target					
Return on shareholder's equity, %		15	neg	11	neg	14	18
Debt/equity ratio, times		<1	0.8	0.8	0.8	0.2	0.1
Cash flow before financing	Positive	-2,356	-746	5,055	762	5,244	2,115
Dividend ordinary, SEK	Policy: As of 2005, at least 50% of profit after tax	4.50	2.25	2.75	2.75	4.50	5.50

1) The extraordinary dividend for 2003 pertains to all of the shares in Altima.

2) Board of Directors' proposal to the Annual Meeting 2006.

Figures for the years from 2000 to 2003 are not adjusted for IFRS.

Figures for 2004 are not adjusted for IAS 39, Financial instruments.

For definitions of key figures, see Annual report for 2004, page 87

Rounding-off differences could occur in all of the tables.

Appendix 1

Reporting the effects of the transition to IFRS

The effects of the transition to IFRS accounting principles the period January-December 2004 are reported below.

INCOME STATEMENT										
NCC Group January 1 - December 31, 2004										
SEK M	SWGAAP Jan - Dec 2004	IFRS 3 Goodwill	IAS31 Joint ventures	IAS11 Sales rate recognition	IAS40 Fair value manag prop	IAS23 Borrowing expense	IAS16 Component depreciation	IAS17 Leasing	Other	IFRS Jan - Dec 2004
Net sales	45 437		972	153					-27	46 534
Production cost	-41 809	174	-896	-195		19	-5	61	-4	-42 656
Gross profit	3 628	174	75	-42		19	-5	61	-31	3 878
Sales and administration costs	-2 523		-20	1				-62	26	-2 577
Result from managed properties	29		5		10					45
Result from sales of properties	57		1		-111					-54
Write-downs	-207	-43	6		2					-242
Result from participations in group companies	73								-8	64
Result from participations in associated companies	60		-28							33
Operating profit	1 117	131	39	-41	-99	19	-5	-1	-13	1 147
Result from financial fixed assets	45		-4							41
Result from current assets	103		-1							102
Interest expenses and similar items	-310		-28			-8				-346
Profit/loss after financial items	955	131	6	-41	-99	11	-5	-1	-13	945
Tax on net profit for the period	-96	-9		10	30	-4	1		1	-68
Net profit/loss for the period	859	122	6	-31	-69	7	-4	-1	-12	876
Relating to:										
NCCs shareholders	856	122	6	-31	-69	7	-4	-1	-12	873
Minority interest	3									3
Net profit/loss for the period	859	122	6	-31	-69	7	-4	-1	-12	876

BALANCE SHEET										
NCC Group December 31, 2004										
SEK M	SWGAAP Dec 31 2004	IFRS 3 Goodwill	IAS31 Joint ventures	IAS11 Sales rate recognition	IAS40 Fair value manag prop	IAS23 Borrowing expense	IAS16 Component depreciation	IAS17 Leasing	Other	IFRS Dec 31 2004
Buildings and land	821		10							830
Managed properties	41		407							449
Machinery and equipment	1 803		51				-6			1 848
Goodwill	1 597	131	74						-12	1 790
Other intangible fixed assets	31									31
Financial fixed assets	2 312	-9	-454	14					11	1 874
Total fixed assets	6 605	122	88	14			-6		-1	6 822
Inventories, etc.	615		4	340						959
Property-development projects	2 002		136			-32				2 105
Housing projects	3 495		510							4 005
Participation in associated companies	53		-53							
Current interest-bearing receivables	330		-27						87	390
Current interest-free receivables	11 033		137	-340					762	11 593
Short term investments	1 216								-113	1 103
Cash and bank	1 389		23							1 412
Total current assets	20 133		730			-32			736	21 567
Total assets	26 738	122	819	14		-32	-6		735	28 389
Shareholders' equity	6 728	122	21	-109	1	-28	-6		-14	6 715
Minority interests	84									84
Total equity	6 812	122	21	-109	1	-28	-6		-14	6 799
Long term interest-bearing liabilities	3 150		342						-7	3 485
Long term interest-free liabilities	33		337						-26	343
Provisions	2 323		12	-3	-1	-4			16	2 344
Long term liabilities	5 506		691	-3	-1	-4			-17	6 172
Short term interest-bearing liabilities	1 107		80							1 187
Short term interest-free liabilities	13 314		26	125					766	14 231
Short term liabilities	14 421		107	125					766	15 418
Total equity and liabilities	26 738	122	819	14		-32	-6		735	28 389
Return on capital employed	10									9
Return on shareholders equity	14									14
Capital employed	11 098									11 503
Net debt	-679									-1 149
Equity/Asset ratio, %	25									24