

Year-end report 2006

- Net sales increased to SEK 55,876 M (49,506).
- Profit after financial items improved to SEK 2,263 M (1,580).
- Profit after taxes amounted to SEK 1,708 M (1,187).
- Earnings per share after dilution totaled SEK 15.74 (10.86).
- The Board of Directors proposes a dividend of SEK 8.00 (5.50) per share, plus an extraordinary dividend of SEK 10.00 (10.00) per share, making a total of SEK 18.00 (15.50) per share.

	2006	2005	2006	2005
SEK M	Oct.-Dec.	Oct.-Dec.	Jan.-Dec.	Jan.-Dec.
Orders received	16,612	14,918	57,213	52,413
Net sales	17,928	15,738	55,876	49,506
Operating profit	778	437	2,392	1,748
Profit after financial items	733	388	2,263	1,580
Net profit for the period	588	328	1,708	1,187
Profit per share after dilution, SEK	5.43	3.03	15.74	10.86
Cashflow before financing	1,895	2,124	1,657	2,115
Return on shareholders' equity after tax, %			27	18
Debt/equity ratio, times	0.1	0.1	0.1	0.1
Net indebtedness	430	496	430	496

Comments by CEO Alf Göransson:

“2006 was a very successful year for NCC. Profit after financial items amounted to SEK 2,263 M and we achieved a return on shareholders' equity after tax of 27 percent.

“NCC Construction's operations in Sweden and Finland generated record high earnings in 2006, due to the favorable housing market and to improved margins in contracting operations. Profitability was also healthy in Norway, while Denmark was unsuccessful in significant parts of its project management. NCC Roads benefited from the strong construction trend and a mild autumn, and NCC Property Development capitalized on the favorable property market and investor interest to execute a large number of lucrative transactions.

“Expansion in Germany, where NCC is currently building housing in several large growth regions, is gradually yielding results. Similarly, growth in the Baltic generated significant operating profit. The divestment of the Polish operations in NCC Roads enables the continued growth of this business area in the Nordic region. The programs under way within NCC Road's operations in the Nordic region and the expansion in the Baltic region, Russia and Germany are aimed at reducing NCC's relative dependence on the Nordic housing market in future years.

“The Nordic construction market will continue to grow in 2007, although growth will be impeded by the shortage of skilled personnel. Building materials costs in the Nordic construction market continued to increase, which in NCC's case was partly counteracted by the focus on international purchases. The increasing shortage of resources and inflation in the cost of materials are accelerating the importance of NCC's initiatives involving purchases, technical platforms and industrial construction.”

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Market trend

The Nordic construction market remained strong during the fourth quarter, and growth during 2006 was approximately 6 percent. The previous assessment regarding market growth in 2007 stands firm, entailing that the market is expected to grow by about 3 percent. However, NCC's growth in the Nordic region is being impeded by the limited supply of skilled labor, which created difficulties in 2006 and will probably become worse in 2007.

Demand for office premises is expected to increase in 2007, with the main factor driving demand being relocation towards modern, efficient premises. As a result, companies are abandoning older office premises in favor of new ones. To some extent, demand is also being affected by increased employment.

Orders received and order backlog

Most recent quarter, October-December 2006

Orders received by the Group rose 11 percent to SEK 16,612 M (14,918). The rising trend from preceding quarters continued, due to the favorable market situation. All of NCC's Construction units, except for Denmark, showed growth. The increase was largest in Sweden, where demand was high in all main segments. Activities remained high for civil engineering in Norrland and a number of major projects in the civil engineering, housing and other buildings segments were secured in Stockholm/Mälardalen. The increase in Norway was also significant in the fourth quarter, due to such factors as an order placed for the Fornebu Arena, which amounted to SEK 477 M.

Part of the increase in orders received is due to NCC Property Development initiating property development projects in Stockholm, Helsinki and Oslo, for which orders were placed with NCC Construction units. The initiation of proprietary property development projects totaled SEK 1,124 M (192). Orders received for proprietary housing projects were in line with the year-earlier period at SEK 3,657 M (3,632) and activities in Sweden and Germany in particular were high.

The order backlog on December 31 was SEK 36.3 billion (32.6), of which proprietary projects accounted for SEK 9.5 billion (8.4). Compared with the fourth quarter of 2005, the order backlog remained unchanged during the fourth quarter, due to the high production rate, although the backlog was higher than at the beginning of 2006.

During the quarter, construction started on 1,505 (1,480) proprietary housing units and 1,196 (1,396) units were sold. The number of completed unsold housing units in the Group amounted to 204 (192). Sales in Sweden were lower than in the corresponding period of the preceding year. NCC's offering was limited, at the same time as the market was subject to uncertainty regarding interest-rate trends and the effects of changed regulations following the change of Swedish government. NCC Construction Germany increased sales during the fourth quarter compared with the year-earlier period.

Total project costs for completed property projects or property projects under construction amounted to SEK 1.5 billion (0.8) at the end of the reporting period. Costs incurred in all started projects totaled SEK 0.8 billion (0.6), which represents 54 percent (73) of the total project cost. The leasing rate on December 31 was 41 percent (60). In 2006, it was possible to a greater extent than in the preceding year to conduct sales of property development projects with a low leasing rate.

Full year January-December 2006

Orders received by the Group rose 9 percent to SEK 57,213 M (52,413). The increase was attributable to the strong construction market in the Nordic region. Demand was strong for housing, other buildings and civil engineering operations. In several regions, a shortage of personnel had an inhibiting impact on the growth in orders received.

Orders received by the Group for proprietary housing projects totaled SEK 11,396 M (10,477), while orders for proprietary property projects amounted to SEK 1,931 M (598). The market for housing construction probably peaked in autumn 2006, although demand is expected to remain strong, creating a healthy platform for initiating the construction of proprietary projects.

During the year, construction started on 4,706 (4,789) proprietary housing units and 4,035 (4,349) units were sold.

Net sales and earnings per business segment

SEK M	Net sales				Operating profit			
	2006	2005	2006	2005	2006	2005	2006	2005
	Oct.-Dec.	Oct.-Dec.	Jan.-Dec.	Jan.-Dec.	Oct.-Dec.	Oct.-Dec.	Jan.-Dec.	Jan.-Dec.
NCC Construction Sweden	7,191	6,168	22,105	19,354	364	296	1,131	764
NCC Construction Denmark	1,789	1,965	6,493	6,865	1	46	-35	209
NCC Construction Finland	1,847	1,660	6,450	5,821	105	39	390	320
NCC Construction Norway	1,547	1,700	6,002	4,983	25	72	179	202
NCC Construction Germany	640	570	1,763	1,672	40	-3	85	0
NCC Property Development	2,207	922	3,773	1,671	291	78	472	200
NCC Roads	3,256	2,649	10,044	8,708	43	8	415	313
Total	18,477	15,634	56,631	49,075	870	536	2,638	2,008
Other items and eliminations	-548	104	-755	431	-93	-99	-245	-261
Group	17,928	15,738	55,876	49,506	778	437	2,392	1,748

Net sales

Most recent quarter, October-December 2006

Net sales rose 14 percent to SEK 17,928 M (15,738). NCC Property Development sold several projects during the quarter. NCC Roads benefited from a strong construction climate and a mild autumn, which increased sales compared with the year-earlier period, and NCC Construction Sweden was highly active due to the favorable weather and several large ongoing projects.

Full year January-December 2006

Net sales rose 13 percent to SEK 55,876 M (49,506). Production was high after a long period of increases in orders received in all market segments.

Earnings

Most recent quarter, October-December 2006

Operating profit amounted to SEK 778 M (437). The earnings improvement was attributable mainly to a positive trend for NCC Construction units in Sweden and Finland, several sales in NCC Property Development and favorable market conditions and warm weather in NCC Roads.

For NCC Construction Sweden, operating profit improved to SEK 364 M (296) and in NCC Construction Finland to SEK 105 M (39). These improvements were due to a healthy trend in the housing market and improved margins within contracting operations.

In NCC Construction Denmark, profitability remained weak as a result of additional impairments of risk-associated projects and the fact that several large proprietary projects were postponed until 2007. Operating profit during the quarter amounted to SEK 1 M (46).

NCC Construction Norway's operating profit weakened to SEK 25 M (72), as a result of lower volumes and impairment losses in projects, primarily in Oslo.

Profits in NCC Construction Germany improved to SEK 40 M (loss: 3), due to increased housing production and higher margins. Profits for 2005 were charged with impairment losses relating to old projects and property funds.

NCC Roads' operating profit improved to SEK 43 M (8), due to the increase in volume in the asphalt operations as a result of the favorable weather, and due to the high demand for aggregates as a result of the healthy construction climate. Results for the year-earlier period were charged with SEK 15 M for the impairment of goodwill.

NCC Property Development's operating profit increased, due to higher sales of development properties compared with the year-earlier period. Since some sales were completed at an early stage of the projects, their impact on operating profit in 2006 was limited. Earnings for the fourth quarter 2005 were charged with impairment losses of SEK 65 M for German property development projects.

The reduced AMF pension premiums for Swedish operations decreased costs for the fourth quarter by SEK 29 M. This cost reduction is included in the "Other and eliminations" item. Impairments of SEK 34 M for the Polish company PRInz and impairments of SEK 15 M for Hydrobudowa were reported in the year-earlier period. In addition, NCC Property Development sold a site in Copenhagen to NCC Construction Denmark, generating an inter-company gain of SEK 89 M, which has been eliminated in the Group.

Profit after financial items amounted to SEK 733 M (388).

Net profit for the period after tax amounted to SEK 588 M (328). NCC's tax rate during the quarter was positively affected by NCC Property Development's sale of a number of property development projects and land via sales of companies, which resulted in gains not being taxed.

Full year January-December 2006

Operating profit totaled SEK 2,392 M (1,748). Seasonal variations, which mainly result in it being impossible to conduct paving and certain civil engineering operations when the weather is cold, have an impact on NCC. Accordingly, first and fourth-quarter results are normally weak in relation to the remainder of the year. In 2006, seasonal variations were different since the first quarter was affected by unusually cold weather while the fourth quarter was considerably milder than normal.

For NCC Construction Sweden, the year was characterized by increased volumes and improved margins in both housing and contracting operations. Profit was driven by the favorable construction and housing markets and rose to SEK 1,131 M (764).

NCC Construction Denmark reported a loss of SEK 35 M (profit: 209), with the year characterized by a shortage of resources and rising prices of materials, which combined with weak project management led to impairment losses and increased provisions for disputes. The total amount of impairment losses reported was SEK 425 M and provisions for disputes totaled SEK 46 M. Losses on primarily construction contracts exposed to competition were partially offset by profit from proprietary housing projects and the sale of properties held for future development.

NCC Construction Finland's profit increased to SEK 390 M (320), which is the highest profit ever recorded in the history of the company. The primary reason for the strong profit level is a strong housing market.

Profit for NCC Construction Norway amounted to SEK 179 M (202). The decline was due to lower margins as a result of impairment of projects. The Norwegian market was characterized by a shortage of personnel and rising prices for input materials.

Profit in NCC Construction Germany improved to SEK 85 M (0), primarily due to increasing housing production with improved margins. Profit in the preceding year was charged with the impairment losses on old projects and property funds.

NCC Roads' profit increased to SEK 415 M (313). The improved profit was due to the unusually mild autumn, which extended the paving season. Several gravel pits were acquired in Sweden and Denmark during the year and the strong Nordic construction market resulted in increased demand.

NCC Property Development increased its profit to SEK 472 M (200), due to higher sales of development properties than in the year-earlier period.

Profit after financial items totaled SEK 2,263 M (1,580). Low average interest rates and slightly lower net indebtedness, combined with the premature redemption of loans, contributed to a reduction in net financial expense.

Net profit for the period after taxes amounted to SEK 1,708 M (1,187). NCC's tax rate for the year was 25 percent (25), primarily due to the fact that the NCC Property Development sold a higher number of property development projects and land via sales of companies, which result in profits not being taxed.

Cash flow

Most recent quarter, October-December 2006

Cash flow before financing amounted to SEK 1,895 M (2,124). Profit improved at the same time as working capital declined, despite an increase in operational activity. Investments in properties classed as current assets increased in both NCC's Construction units and NCC Property Development.

Net indebtedness (interest-bearing liabilities less cash and cash equivalents less interest-bearing receivables) amounted to SEK 430 M (496) on December 31, 2006. Net indebtedness amounted to SEK 2,358 M (2,379) on September 30. Net indebtedness is positively affected by seasonal variations in the fourth quarter of every year. The change in net indebtedness in the quarter was due primarily to the strong earnings. Investments in properties classed as current assets exceeded corresponding sales, although this was offset by a decrease in other working capital tied up in operations.

Trend in net indebtedness

SEK billion	Cash flow	Net indebtedness
Net indebtedness, Sep. 30, 2006		-2.4
From operations	1.4	
Payments from sales of property projects	0.8	
Gross investments in property projects	-0.5	
Payments from sales of housing projects	0.9	
Gross investments in housing projects	-1.5	
Other changes in working capital	1.1	
Other investment activities net	-0.2	2.0
Net indebtedness, Dec. 31, 2006		-0.4
SEK billion	Cash flow	Net indebtedness
Net indebtedness, January 1, 2006		-0.5
From operations	3.2	
Divestment of property projects	1.0	
Gross investments in property projects	-1.0	
Divestment of housing projects	2.9	
Gross investments in housing projects	-4.1	
Other changes in working capital	0.2	
Investment activities net	-0.5	1.7
Divestment of own shares		0.1
Dividend (ordinary 0.6 extra 1.1 SEK M)		-1.7
Net indebtedness, Dec. 31, 2006		-0.4

Full year January-December 2006

Cash flow before financing amounted to SEK 1,657 M (2,115). Cash flow from operating activities improved compared with the preceding year.

Ongoing cartel processes

In the ongoing Swedish cartel process, the main hearing commenced in September 2006. The verdict in the first instance is expected before summer 2007. The Swedish Competition Authority's claim for competition-impeding damages from NCC amounts to SEK 382 M, which has been handled as a contingent liability. In the Finnish cartel matter, the trial started in November 2006 and the verdict is expected during spring 2007. Since the preceding interim report, no new information has been disclosed regarding the cases involving individual municipalities in Sweden that have sued construction companies, including NCC, a total of SEK 57 M for cartel collusion. In July 2006, Økokrim, the economic crime agency in Norway, submitted its demands for fines of NOK 3 M and NOK 2 M to be imposed on NCC Construction Norway and NCC Roads, respectively, for breach of competition law. The discussions with Økokrim have yet to be completed.

Other significant events

On November 13, Olle Ehrlén, Deputy Chief Executive Officer of NCC and President of NCC Construction Sweden, was appointed new President and Chief Executive Officer of NCC AB to succeed Alf Göransson. Olle Ehrlén will assume his new position on February 12, 2007. Tomas Carlsson, head of NCC Construction Sweden's Western Region, will succeed Olle Ehrlén as President of NCC Construction Sweden. He will take office on February 12, 2007.

On January 2, 2007, it was announced that an agreement had been reached concerning the sale of NCC's Polish asphalt, aggregate and paving operations, NCC Roads Polska, to Austrian company Strabag. The purchase price was SEK 1,050 M for a debt-free company, providing NCC with a positive effect on profit of approximately SEK 400 M. This transaction requires the approval of the relevant competition authorities.

Events after the close of the period

In January, an agreement regarding the sale of the Våsterport office project in Stockholm was reached with Credit Suisse Asset Management (CSAM). CSAM will provide a cash payment and the project will be transferred in summer 2008. The sale will initially provide a gain of approximately SEK 30 M, which can be recognized as profit when the conditions for the transaction have been fulfilled. NCC has issued rental guarantees for a period of three years after completion and established full provisions for these guarantees.

Transactions with related parties

The companies related to the NCC Group are the Nordstjernan Group and companies in the Lundberg Group and Axel Johnson Group. The transactions with related parties were of a production character. During October-December 2006, sales to related parties amounted to SEK 129 M (110) and purchases to SEK 293 M (243). During January-December 2006, sales amounted to SEK 265 M (312) and purchases to SEK 1,004 M (858). The transactions were conducted on normal market terms.

Purchase and sale of treasury shares

No shares were repurchased during full-year 2006. During the most recent quarter, October-December, 43,188 (199,659) treasury shares were sold. During full-year 2006, 843,005 (4,840,998) shares were sold. As a result, the number of shares outstanding increased to 108,084,433, which affected the calculation of earnings per share. Following the sales, the number of treasury shares totaled 351,389 Series B shares. The treasury shares are sold to cover commitments for earlier option programs.

Proposed dividend

The Board of Directors proposes a dividend of SEK 8.00 (5.50) per share, plus an extraordinary dividend of SEK 10.00 (10.00) per share, making a total of SEK 18.00 (15.50) per share. The proposed record date for dividends is April 16, 2007.

Annual General Meeting in 2007

The Annual General Meeting will be held on April 11, 2007, 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

At the Annual General Meeting on April 5, 2006, the following persons were elected as members of the company's Nomination Committee: Viveca Ax:son Johnson (Board member, Nordstjernan), Ulf Lundahl (Executive Vice President, L E Lundbergföretagen), Mats Lagerqvist (President, Robur AB) and Johan Björkman (Board Chairman, Nordstjernan), with Johan Björkman as Committee Chairman. Tomas Billing, Chairman of the NCC Board of Directors, is a co-opted member of the Nomination Committee but has no voting right. NCC shareholders can submit proposals to the Nomination Committee at the following e-mail address: valberedningen@ncc.se.

Condensed income statement

Group		2006	2005	2006	2005
SEK M	Note 1	Oct.-Dec.	Oct.-Dec.	Jan.-Dec.	Jan.-Dec.
Net sales	Note 2	17,928	15,738	55,876	49,506
Production costs 1)	Note 3,4	-16,359	-14,463	-50,729	-45,158
Gross profit		1,569	1,275	5,147	4,347
Sales and administration costs		-809	-866	-2,795	-2,677
Result from property management		-2	2	-5	17
Result from sales of managed properties		5	23	9	92
Result from sales of owner-occupied properties		10	-1	22	19
Impairment losses, fixed assets 1)	Note 5	-5	-42	-22	-94
Result from sales of Group companies		2	9	7	-5
Result from participations in associated companies 1)	Note 5	6	37	29	49
Operating profit		778	437	2,392	1,748
Financial income		35	25	116	116
Financial expense 1)		-79	-74	-245	-284
Net financial items		-44	-49	-129	-168
Profit after financial items		733	388	2,263	1,580
Tax on net profit for the period		-145	-60	-555	-393
Net profit for the period		588	328	1,708	1,187
Attributable to:					
NCC's shareholders		589	329	1,706	1,178
Minority interests		-1	0	1	9
Net profit for the period		588	328	1,708	1,187
Earnings per share					
<i>Before dilution</i>					
Net profit for the period, SEK		5.45	3.07	15.80	11.07
<i>After dilution</i>					
Net profit for the period, SEK		5.43	3.03	15.74	10.86
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	0.5	2.0
Average number of shares outstanding before dilution during the period		108.0	107.1	108.0	106.4
Average number of shares after dilution		108.4	108.4	108.4	108.4
Number of shares outstanding before dilution at the end of the period		108.1	107.2	108.1	107.2
Number of repurchased shares at the end of the period		0.3	1.2	0.3	1.2

1) The impairment losses for housing and property projects within NCC Property Development are included in Production costs. The impairment losses for participations in associated companies are included in Result from participations in associated companies and impairment of financial fixed assets are included in Financial expenses.

Condensed balance sheet

Group		2006	2005
SEK M	Note 1	Dec. 31	Dec. 31
ASSETS			
<i>Fixed assets</i>			
Goodwill		1,700	1,772
Other intangible assets		113	61
Managed properties		65	71
Owner-occupied properties		796	865
Machinery and equipment		1,940	1,937
Participations in associated companies		47	44
Other long-term holdings of securities		242	265
Long-term receivables		2,477	916
Deferred tax assets		262	330
Total fixed assets		7,642	6,263
<i>Current assets</i>			
Property projects		1,955	2,005
Housing projects		4,905	3,884
Materials and inventories		1,517	1,013
Tax receivables		51	13
Accounts receivable		7,934	7,137
Worked-up, non-invoiced revenues		2,840	2,738
Prepaid expenses and accrued income		852	638
Other receivables		1,481	1,348
Short-term investments 1)		173	153
Cash and cash equivalents		1,253	1,919
Total current assets		22,961	20,848
TOTAL ASSETS		30,603	27,110
EQUITY			
Share capital		867	867
Other capital contributions		1,844	1,844
Reserves		-20	61
Profit brought forward, including current-year profit		4,105	4,014
Shareholders' equity		6,796	6,785
Minority interests		75	94
Total shareholders' equity		6,870	6,879
LIABILITIES			
<i>Long-term liabilities</i>			
Long-term interest-bearing liabilities		2,023	2,004
Other long-term liabilities		561	392
Deferred tax liabilities		461	199
Provisions for pensions and similar obligations		119	143
Other provisions		2,157	1,611
Total long-term liabilities		5,321	4,348
<i>Current liabilities</i>			
Current interest-bearing liabilities		552	1,052
Accounts payable		4,874	4,520
Tax liabilities		170	137
Project invoicing not yet worked-up		4,823	4,367
Accrued expenses and prepaid income		4,592	3,271
Other current liabilities		3,400	2,535
Total current liabilities		18,411	15,883
Total liabilities		23,732	20,231
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		30,603	27,110
ASSETS PLEDGED		338	297
CONTINGENT LIABILITIES		5,557	5,942

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

Changes in shareholders' equity

Group	December 31, 2006			December 31, 2005		
	Shareholders' equity	Minority interests	Total shareholders' equity	Shareholders' equity	Minority interests	Total shareholders' equity
SEK M						
Opening balance, January 1	6,785	94	6,879	6,715	84	6,799
Adjustment for changed accounting principle: IAS 39, Financial Instruments				-31		-31
Adjusted opening balance, January 1	6,785	94	6,879	6,684	84	6,768
Change in translation reserve during the year	-33	-3	-36	6	1	7
Change in fair value reserve during the year	-1		-1	5		5
Change in hedging reserve during the year	-1		-1	17		17
Tax reported against shareholders' equity	-46		-46	41		41
Changes in minority interests		4	4		3	3
Total change in net asset value reported directly against equity, excluding transactions involving Company shareholders	6,704	95	6,799	6,753	88	6,841
Net profit for the year	1,706	1	1,707	1,178	9	1,187
Total change in net asset value, excluding transactions involving Company shareholders	8,410	96	8,506	7,931	97	8,028
Dividends	-1,675	-21	-1,696	-1,552	-3	-1,555
Sale of treasury shares	59		59	350		350
Effects of personnel options program				57		57
Shareholders' equity	6,795	75	6,870	6,785	94	6,879

Condensed cash flow statement

Group	2006		2005	
	Oct.-Dec.	Oct.-Dec.	Jan.-Dec.	Jan.-Dec.
SEK M				
OPERATING ACTIVITIES				
Profit after financial items	733	388	2,263	1,580
Adjustments for items not included in cash flow	654	351	1,182	157
Taxes paid	7	-30	-271	-291
Cash flow from operating activities before changes in working capital	1,394	709	3,174	1,446
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in working capital	1,515	727	1,269	-4
Change in properties reported as current assets, net	-806	565	-2,271	604
Cash flow from changes in working capital	709	1,292	-1,002	600
Cash flow from operating activities	2,103	2,000	2,171	2,046
INVESTING ACTIVITIES				
Sale of business and managed properties	10	498	73	706
Increase (-)/Decrease (+) from investing activities	-217	-374	-587	-638
Cash flow from investing activities	-208	124	-514	69
CASH FLOW BEFORE FINANCING	1,895	2,124	1,657	2,115
FINANCING ACTIVITIES				
Cash flow from financing activities	-1,951	-1,602	-2,307	-2,745
CASH FLOW DURING THE PERIOD	-56	523	-649	-629
Cash and cash equivalents at beginning of period	1,313	1,389	1,919	2,515
Effects of exchange rate changes on cash and cash equivalents	-4	7	-17	33
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,253	1,919	1,253	1,919
Short-term investments due later than three months	173	153	173	153
Total liquid assets	1,426	2,072	1,426	2,072

Cash flow from operating activities before changes in working capital amounted to SEK 1,394 M (709) during October-December. For the full year, cash flow from operating activities before changes in working capital amounted to SEK 3,174 M (1,446). The improvement in cash flow from operating activities before changes in working capital was attributable to the improved earnings combined with costs not affecting cash flow, such as increased provisions, particularly for rental guarantees in property development projects.

Cash flow from changes in working capital was SEK 709 M (1,292) during October-December. For the full year, cash flow from changes in working capital was a negative SEK 1,002 M (positive: 600). The operations decreased their tied-up capital compared with the preceding year, despite an increase in activities. Investments in properties classed as current assets increased substantially during 2006 compared with the year-earlier period.

Cash flow from investing activities was a negative SEK 208 M (positive: 124) during October-December and a negative SEK 514 M (positive: 69) for the full year.

Cash flow from financing activities was a negative SEK 1,951 M (negative: 1,602) during October-December. For the full year, cash flow from financing activities was a negative SEK 2,307 M (negative: 2,745). Interest-bearing loans were repaid to a greater extent in 2005 than 2006.

Total cash and cash equivalents, including short-term investments with a maturity of more than three months, amounted to SEK 1,426 M (2,072).

Notes

Note 1. Accounting principles

This interim report has been compiled in accordance with IAS 34, Interim Financial Reporting. The interim report is compiled in accordance with International Financial Reporting Standards (IFRS), the interpretations of financial standards approved by the EU and International Financial Reporting Interpretations Committee (IFRIC), as well as the Swedish Financial Accounting Standards Council's RR 31 recommendation, Interim Reporting for Groups, and accompanying references to Chapter 9 of the Annual Accounts Act.

The interim report has been prepared in accordance with the same accounting principles and methods of calculation as the 2005 Annual Report (Note 1, pages 60-70).

Note 2. Geographical segments

SEK M	Net sales		Assets		Gross investments whereof Fixed assets			
	2006	2005	2006	2005	2006	2005	2006	2005
	Jan.-Dec.	Jan.-Dec.	Dec. 31	Dec. 31	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.
Sweden	28,134	22,993	13,950	12,346	2,022	958	385	585
Denmark	9,126	9,481	5,393	4,290	903	709	212	82
Finland	6,558	6,233	4,093	3,363	2,106	1,644	31	26
Norway	7,916	6,236	3,230	2,979	251	114	81	86
Other countries	4,142	4,563	3,623	3,789	626	324	89	122
Total	55,876	49,506	30,289	26,767	5,908	3,749	798	901

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.

Not 3. Personnel expenses

SEK M	2006 Oct.-Dec.	2005 Oct.-Dec.	2006 Jan.-Dec.	2005 Jan.-Dec.
Personnel expenses	2,722	2,774	10,550	9,962

Not 4. Depreciation

SEK M	2006 Oct.-Dec.	2005 Oct.-Dec.	2006 Jan.-Dec.	2005 Jan.-Dec.
Other intangible assets	-7	-4	-21	-12
Owner-occupied properties	-24	-16	-60	-54
Machinery and equipment	-113	-116	-473	-496
Total depreciation/amortization	-144	-136	-555	-563

Not 5. Impairment

SEK M	2006 Oct.-Dec.	2005 Oct.-Dec.	2006 Jan.-Dec.	2005 Jan.-Dec.
Property projects within NCC Property Development 1)		-65		-71
Owner-occupied properties	-1	-8	-1	-8
Financial fixed assets	-10		-10	
Shares in associated companies		-34		-60
Goodwill within NCC Roads 2)	-4	-15	-20	-43
Goodwill within Construction-entities 2)		-19		-43
Total impairment expenses	-15	-141	-32	-225

The impairment losses for housing and property projects within NCC Property Development are included in Production costs. The impairment losses for participations in associated companies are included in Result from participations in associated companies.

1) The impairment losses consist of a reported net amount of impairment losses and reversed impairment losses.

2) Impairment losses on goodwill pertains to subsidiaries whose value in use proves to be lower than the carrying value following impairment testing. The booked residual value of goodwill is subject to impairment testing annually and whenever indications of a change in value arise. The reasons for reporting impairment losses could be changed market conditions or return requirements that result in a lower value in use.

Reporting occasions 2007

Annual Report 2006	mid-March 2007
Interim report, January-March 2007	April 25, 2007
Interim report, January-June 2007	August 23, 2007
Interim report, January-September 2007	October 30, 2007

If you have any questions, please contact:

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An information meeting for media and capital market representatives will be held at 3:00 p.m. on Wednesday, February 7 at Inforum, NCC's auditorium at Vallgatan 5, Solna. The presentation will be made in Swedish and will be broadcast live on the Internet at www.ncc.info.

In order to participate in this conference, call +46 (0)8 506 26917, five minutes before the start of the conference and state "NCC." It will also be possible to follow a recorded version of the conference on the NCC Group's website www.ncc.info.

Solna, February 7, 2007

NCC AB
Board of Directors

The year-end report has not been examined by NCC's auditors.

Key figures and multiyear review

SEK M	2001 Jan.-Dec.	2002 Jan.-Dec.	2003 Jan.-Dec.	2004 Jan.-Dec.	2005 Jan.-Dec.	2006 Jan.-Dec.
Accounts						
Net sales	47,521	45,165	45,252	46,534	49,506	55,876
Operating profit/loss	-1,536	1,820	5	1,147	1,748	2,392
Profit/loss after financial items	-2,130	1,306	-323	945	1,580	2,263
Net profit/loss during the year/period	-2,251	844	-400	876	1,187	1,709
Cash flow before financing	-746	5,055	762	5,244	2,115	1,657
Profitability ratios						
Return on shareholder's equity, %	neg	11	neg	14	18	28
Return on capital employed, %	neg	10	1	9	17	24
Financial ratios at the end of the period						
Interest-coverage ratio, times	-1.1	2.4	0.5	3.6	6.9	11.5
Equity/assets ratio, %	19	22	21	24	25	22
Interest-bearing liabilities/total assets, %	37	31	28	17	12	9
Net indebtedness	10,306	5,816	4,891	1,149	496	430
Debt/equity ratio, times	1.4	0.8	0.8	0.2	0.1	0.1
Capital employed at year-/period-end	22,153	18,759	14,678	11,503	10,032	9,565
Capital employed average	22,999	20,770	17,770	14,054	10,930	10,198
Capital turnover rate, times	2.1	2.2	2.5	3.3	4.5	5.5
Share of risk-bearing capital, %	20	24	23	26	26	24
Average interest rate, %	5.6	5.3	4.6	4.8	4.8	4.8
Average period of fixed interest, years	1.2	1.3	0.9	1.3	1.1	2.6
Order status						
Orders received	50,647	43,098	40,941	45,624	52,413	57,213
Order backlog	30,750	23,788	23,752	27,429	32,607	36,292
Per share data						
Net profit/loss for the period, before dilution, SEK	-21.60	7.95	-4.10	8.53	11.07	15.81
Net profit/loss for the period, after dilution, SEK	-21.60	7.55	-4.10	8.05	10.86	15.74
P/E ratio	neg	7	neg	10	13	12
Ordinary dividend, SEK 2)	2.25	2.75	2.75	4.50	5.50	8.00
Extraordinary dividend, SEK 1,2)			6.70	10.00	10.00	10.00
Dividend yield, %	3.2	5.2	17.0	16.5	10.9	9.6
Dividend yield excl. extraordinary dividend, %	3.2	5.2	5.0	5.1	3.9	4.3
Shareholder's equity before dilution, SEK	69.75	74.20	60.45	65.58	63.30	62.86
Shareholder's equity after dilution, SEK	67.55	70.08	57.08	61.95	62.60	62.69
Share price/shareholder's equity, %	100	71	92	134	225	298
Share price at year-/period-end, NCC B, SEK	70.00	53.00	55.50	88.00	142.50	187.50
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	3.4	6.0	6.0	6.0	1.2	0.3
Shares outstanding before dilution at year/period end, million:	105.0	102.4	102.4	102.4	107.2	108.1
Average number of shares outstanding before dilution during the year/period, millions	105.0	103.6	102.4	102.4	106.4	108.0
Market capitalization	7,347	5,366	5,625	8,984	15,282	20,242
Personnel						
Average number of employees	28,170	25,554	24,076	22,375	21,001	21,784

Financial objectives and dividend

SEK M	Target	2001 Jan.-Dec.	2002 Jan.-Dec.	2003 Jan.-Dec.	2004 Jan.-Dec.	2005 Jan.-Dec.	2006 Jan.-Dec.
Return on shareholder's equity, %	15	neg	11	neg	14	18	28
Debt/equity ratio, times	<1	1.4	0.8	0.8	0.2	0.1	0.1
Cash flow before financing	Positive	-746	5,055	762	5,244	2,115	1,657
Dividend ordinary, SEK 2)	Policy: As of 2005, at least 50% of profit after tax	2.25	2.75	2.75	4.50	5.50	8.00
Extraordinary dividend, SEK 1,2)				6.70	10.00	10.00	10.00

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

2) Board of Directors' proposal to the Annual Meeting 2007.

Figures for the years from 2001 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 2005, page 107.

Operating segments

SEK M	2006 Oct.-Dec.	2005 Oct.-Dec.	2006 Jan.-Dec.	2005 Jan.-Dec.
Group				
Orders received	16,612	14,918	57,213	52,413
Orders backlog	36,292	32,607	36,292	32,607
Net sales	17,928	15,738	55,876	49,506
Operating profit/loss	778	437	2,392	1,748
Operating margin, %	4.3	2.8	4.3	3.5
Profit/loss after financial items	733	388	2,263	1,580
Net profit for the period	588	328	1,708	1,187
Earnings per share after dilution, SEK	5.43	3.03	15.74	10.86
Average number of shares outstanding after dilution during the period	108.4	108.4	108.4	108.4
NCC Construction Sweden				
Orders received	7,776	6,611	23,510	22,151
Orders backlog	17,287	15,593	17,287	15,593
Net sales	7,191	6,168	22,105	19,354
Operating profit/loss	364	296	1,131	764
Operating margin, %	5.1	4.8	5.1	3.9
NCC Construction Denmark				
Orders received	1,558	2,130	6,822	6,839
Orders backlog	4,604	4,439	4,604	4,439
Net sales	1,789	1,965	6,493	6,865
Operating profit/loss	1	46	-35	209
Operating margin, %	0.1	2.3	-0.5	3.0
NCC Construction Finland				
Orders received	1,792	1,347	7,076	6,098
Orders backlog	4,525	4,007	4,525	4,007
Net sales	1,847	1,660	6,450	5,821
Operating profit/loss	105	39	390	320
Operating margin, %	5.7	2.4	6.0	5.5
NCC Construction Norway				
Orders received	1,860	1,256	7,982	5,953
Orders backlog	5,621	4,010	5,621	4,010
Net sales	1,547	1,700	6,002	4,983
Operating profit/loss	25	72	179	202
Operating margin, %	1.6	4.2	3.0	4.1
NCC Construction Germany				
Orders received	1,036	633	2,344	1,781
Orders backlog	1,818	1,287	1,818	1,287
Net sales	640	570	1,763	1,672
Operating profit/loss	40	-3	85	0
Operating margin, %	6.3	-0.5	4.8	0.0
NCC Property Development				
Net sales	2,207	922	3,773	1,671
Operating profit/loss	291	78	472	200
NCC Roads				
Orders received	2,835	2,711	9,733	9,175
Orders backlog	1,426	1,780	1,426	1,780
Net sales	3,256	2,649	10,044	8,708
Operating profit/loss	43	8	415	313
Operating margin, %	1.3	0.3	4.1	3.6

Rounding-off differences may occur in all tables.