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## NCC Group's pro forma accounts for January-June 2001

The NCC Group's interim report for the period January-June 2002 will be released around lunchtime on Wednesday, August 21. Due to organizational changes and changed accounting principles, comparative pro forma figures concerning the consolidated accounts for January-June 2001 are being presented in this press release.

In addition to the statutory accounts, NCC also reports its results excluding items affecting comparability, in order to provide a clear account of the Group's development. Items affecting comparability are defined as items that do not normally arise within the Group, such as the refund of pension contributions from Alecta (formerly SPP), which affected the accounts for 2000. During 2001, changed accounting principles, goodwill write-downs and restructuring costs were regarded as items affecting comparability. In 2002, the capital gain on the sale of NVS is considered an item affecting comparability.

The earnings ratios excluding items affecting comparability referred to by NCC in interim reports are operating profit (EBIT) and profit after financial items (EBT). For 2001, this means that earnings from NVS (which was sold during 2002) have been excluded from operating profit and profit after financial items<sup>2)</sup>.

### Comparative figures for 2001:

	April-June	Jan-June	Jan-Dec
Orders received, SEK M	12,644	25,243	50,647
Net sales, SEK M	11,752	20,863	47,521
Operating profit/loss, SEK M	535	366	-1,536
excluding items affecting comparability <sup>2)</sup>	510	335	137
Profit/loss after financial items, SEK M	458	128	-2,130
excluding items affecting comparability <sup>2)</sup>	431	93	-465
Earnings per share, SEK	3.00	0.80	-21.60
excluding items affecting comparability <sup>2)</sup>	2.75	0.50	-5.25
Return on capital employed, %			Neg
excluding items affecting comparability <sup>2)</sup>			Neg

### Income statement, pro forma 2001

The changed accounting principles have affected net sales, production and administrative expenses, gross profit and results from sales of properties. In addition, a new line has been added pertaining to results from property management (see accounting principles below).

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<b>INCOME STATEMENT</b>			
<b>SEK M</b>	April-June 2001 pro forma	Jan-June 2001 pro forma	Jan-Dec 2001 pro forma
Net sales	11,752	20,863	47,521
Production and management costs	-10,443	-18,889	-43,711
<b>Gross profit</b>	1,309	1,974	3,810
Sales and administrative expenses	-1,000	-1,896	-4,004
Result from property management	59	125	254
Result from sales of properties	138	151	229
Write-down of properties			-140
Result from participations in associated companies	29	5	34
Result from sales of associated companies		7	13
Result from sales of Group companies			8
<i>Items affecting comparability</i>			
Gain on sale of NVS			
Write-down of goodwill			-219
Changed accounting principles			-329
Restructuring costs			-1,192
<b>Operating profit/loss</b>	535	366	-1,536
Result from financial fixed assets	55	198	295
Result from financial current assets	-56	-9	234
Interest expense and similar income-statement items	-76	-427	-1,123
<b>Profit/loss after financial items</b>	458	128	-2,130
Tax on net result for the year	-138	-39	-121
Minority interest	-5	-4	-18
<b>Net profit/loss for the period</b>	315	85	-2,269

### Information on pro forma accounts

As of January 1, 2002, the NCC Group is divided organizationally into ten reporting units. When preparing the six-month accounts, the following figures in the business area accounts were adjusted compared with the pro forma figures presented in the first-quarter report.

	<b>Quarterly figures</b>				<b>Jan-Dec 2001</b>
	01:Q1	01:Q2	01:Q3	01:Q4	
<b>Construction Denmark</b>					
Operating profit/loss (EBIT), MSEK				-69	-26
Operating margin (EBIT), %				-3.5	-0.4
<b>Construction Norway</b>					
Operating profit/loss (EBIT), MSEK	-8	-24	2	-301	-331
Operating margin (EBIT), %	-0.8	-2.1	0.2	-21.7	-7.1
<b>Construction Germany</b>					
Operating profit (EBIT), MSEK		21	12		
Operating margin (EBIT), %		8.0	4.6		
<b>Roads</b>					
Operating profit/loss (EBIT), MSEK				-41	242
Operating margin (EBIT), %				-1.7	3.0

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The changes only affect the pro forma amounts for the above units and for the above periods. The figures presented for other units and periods remain unchanged. Refer to the interim report for a comprehensive description of the pro forma accounts.

## **ACCOUNTING PRINCIPLES**

NCC's financial statements comply with the Financial Accounting Standards Council's recommendations. The new accounting principles that became effective on January 1, 2002 did not affect the financial accounts.

### **Classification of properties – NCC Property Development**

Until December 31, 2001, NCC's property holdings and real estate projects within NCC Property Development were reported in the balance sheet as fixed assets under the heading Buildings and land. Buildings and land have been divided into Properties used in NCC's operations, Managed properties and Properties held for future development

Until December 31, 2001, sales of properties and real estate projects were not included in NCC's net sales; they were reported as "result from sales of properties" within operating profit (after gross profit).

As of January 1, 2002, only managed properties and properties used in NCC's operations are reported as fixed assets. Properties held for future development are reported as current assets, since NCC's intention is not to hold these properties permanently but to sell (develop and sell) them within property-development operations. New acquisitions of properties intended for development and sale will be classified as current assets. In turn, properties held for development and sale (current assets) will be divided into: Properties held for future development, Real estate projects in progress and Completed real estate projects (new category). For commercial reasons, the capital gain/loss on completed sales of real estate projects – although not of managed properties – will no longer be reported separately for individual transactions.

Managed properties will continue to be reported as fixed assets. The intention is to divest these properties by the end of 2003 at the latest and no new projects will be added to this category.

### **Income statement**

As of January 1, 2002, NCC's sales include revenues from sales of properties reported as current assets. Pro forma figures for 2001 have been recomputed accordingly. The reporting of gains/losses from sales of managed properties will remain unchanged, meaning as "result from sales of properties" and reported within operating profit (after gross profit). As before, NCC's sales will also include rental revenues from properties held for development and sale. However, as of January 1, 2002, rental revenues from managed properties will be reported as a part of earnings from managed properties and will no longer be included in NCC's sales. In addition, results from property management consist of the operating net from the managed properties less depreciation according to plan.

### **Valuation of properties reported as current assets**

Properties reported as current assets are not depreciated according to plan. On the other hand, the value of these properties is adjusted, where applicable, based on acquisition or market value, whichever is lower.

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