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NCC Finland Oy, Communications,
Jönsaksentie 4, 01600 Vantaa, tel. +358-9-5075 434, fax +358-9-5075 462.

Web site:
www.ncc.fi

The paper has been certified for the Nordic Swan Environmental Label.

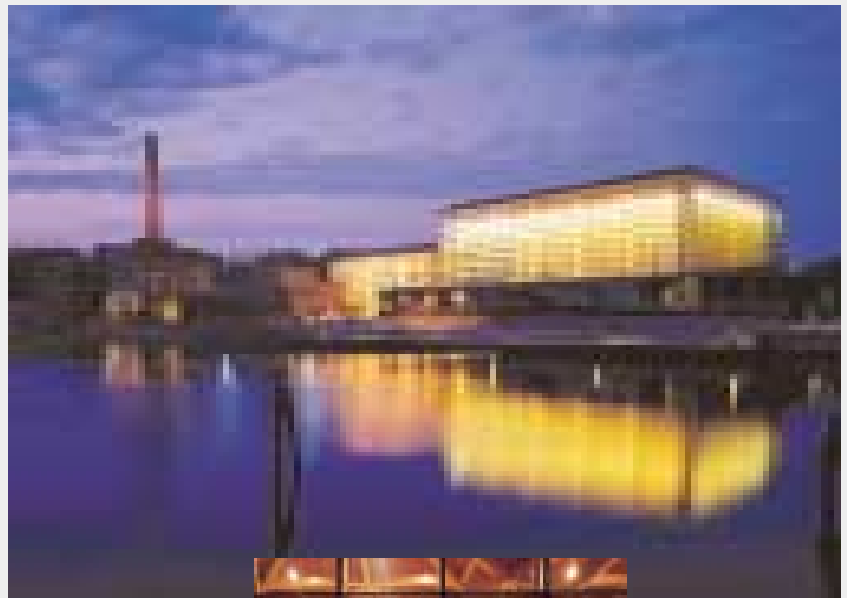
NCC Finland Oy, Communications and Financial Services.
Printed by Erveko Painotuote Oy, 2001.

On the cover:
Sibelius Hall in Labti has the acoustics of a violin.

*Best Engineering Job
of 2000*



Sibelius Hall – Finland's largest public building made of timber in the 20th century – was chosen as the Construction Engineering Job of the Year in 2000. Sibelius Hall, which has won the admiration of music-lovers the world over, was a demanding project in which most of the structures were one-off types. The feedback from the building's users and the experts proves that Sibelius Hall, which was designed by the architectural firm Arkkitehtiyöhuone Artto Palo Rossi Tikka Oy, was successful beyond expectations.



*Construction Engineer
of the Year 2000*



Site manager Kari Nieminen of the shopping centre Kauppakeskus Mylly in Turku was chosen as the Construction Engineer of the Year. The choice spotlighted his organizational skills and independent management abilities on challenging sites as well as his expertise in customer service and communications.



An NCC Employee of the Year is a person whose work has received particularly much praise and favourable customer feedback. In 2000 these included switchboard operator Maija Valme – “the Turku regional office’s best ambassador”, carpenter Eero Lahtinen – “a model for customer service”, and superintendent Heikki Haapanen – “a solid construction professional who gets things rolling smoothly”.

*NCC Employee
of the Year 2000*

Another project that was highly placed in the competition was Sanoma House in Helsinki, in which the building frame works were performed by NCC.



NCC Finland Oy

Mission

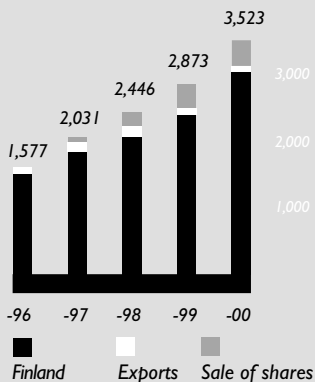
NCC competitively and profitably produces premises and services for living in, for leisure and for working, as well as infrastructure, that meet the company’s customers’ expectations for quality and profitability.

Vision

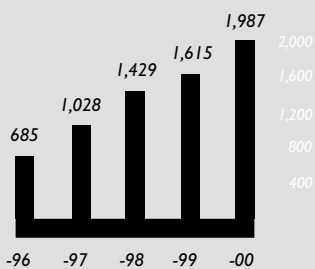
We are one of the strongest enterprises in our industry in terms of profitability, volume and regenerative capacity. Our products and services are in the forefront in our line of business. We dedicate effort to environmental expertise and quality. We are perceived as a sought-after employer which gives its personnel new challenges and opportunities.

NCC FINLAND OY IN BRIEF

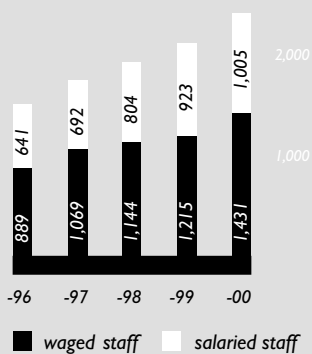
TURNOVER (FIM million)



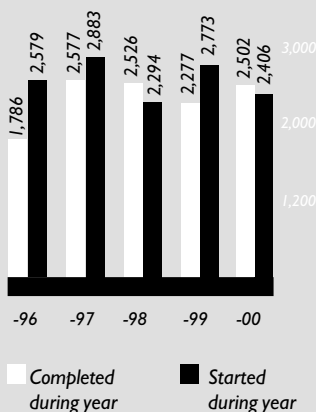
UNINVOICED ORDERS (FIM million)



PERSONNEL 31.12.



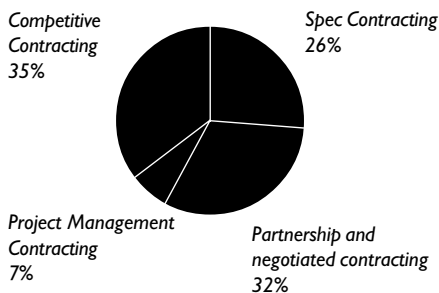
DWELLINGS BUILT (number)



NCC FINLAND OY

NCC Finland Oy's turnover in 2000 was FIM 3.5 billion and its average number of personnel was 2,221. Its market area is Finland, Russia and the Baltic states. Its business areas are Property Development, Housing, Building Construction, Civil Engineering, International Operations, Industry and Telecom operations. The company's customers are people who need homes, service and business facilities, companies and associations needing commercial and trading facilities, and companies and public bodies needing social infrastructure services.

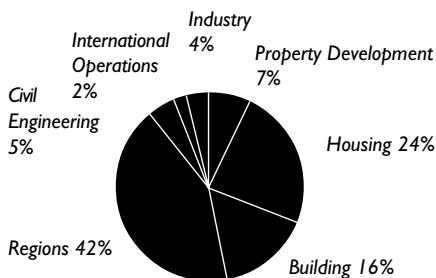
CONSTRUCTION UNITS' FORMS OF IMPLEMENTATION



TURNOVER, ORDERS IN HAND AND PERSONNEL OF CONSTRUCTION UNITS

	Turnover net of share sales (FIM million)	Uninvoced orders	Personnel year-end
Building Construction	550	508	241
Housing Construction	815	508	554
Regions	1403	788	1051
Civil Engineering	172	76	88
International Operations	68	107	100
Total	3020	1987	2034

BREAKDOWN OF TURNOVER BY DIVISION



NCC IN BRIEF

2000 1999 1998 1997 1996

CONSOLIDATED INCOME STATEMENTS (FIM million)

Turnover	3,523	2,873	2,446	2,031	1,577
Operating profit	175	95	17	17	10
Net financing expenses	-18	-5	-5	0	1
Profit before appropriations and taxes	157	90	12	17	11

CONSOLIDATED BALANCE SHEETS (FIM million)

Assets					
Fixed assets	316	115	104	96	100
Inventory	1,115	542	356	191	13
Financial assets	640	450	375	260	268
Liabilities and shareholders' equity					
Shareholders' equity	475	280	148	142	131
Obligatory reserves	19	19	13	9	10
Liabilities					
Interest-bearing	649	279	150	63	11
Non-interest-bearing	928	529	524	333	229
Balance sheet total	2,071	1,107	835	547	381

KEY INDICATORS

Return on equity (ROE)	29.1	31.3	4.6	7.9	5.6
Return on investment (ROI)21.3	23.0	7.3	10.7	8.3	
Quick ratio	0.5	0.8	0.8	0.9	1.5
Equity ratio, %	26.7	30.8	23.0	31.2	39.9
Uninvoiced orders at year-end, FIM million	1,986	1,615	1,429	1,028	685
Average personnel	2,476	2,066	1,974	1,653	1,456

FORMULAS FOR THE KEY INDICATORS

Return on equity (ROE):

$$\frac{\text{Profit before extraordinary items and appropriations - taxes}}{\text{Shareholders' equity + minority interest (average for year)}}$$

Return on investment (ROI):

$$\frac{\text{Profit before extraordinary items, appropriations and taxes + interest expenses and other financial expenses}}{\text{Balance sheet total - non-interest-bearing debts (average for year)}}$$

Quick ratio:

$$\frac{\text{Financial assets - receivables from housing holding companies}}{\text{Current liabilities - advance payments - construction fund commitments}}$$

Equity ratio:

$$\frac{\text{Shareholders' equity + minority interest}}{\text{Balance sheet total - advanced payments - construction fund commitments + receivables from housing holding companies}}$$

THE NCC GROUP

NCC is the leading construction and real estate company in the Nordic region and the Baltic rim.

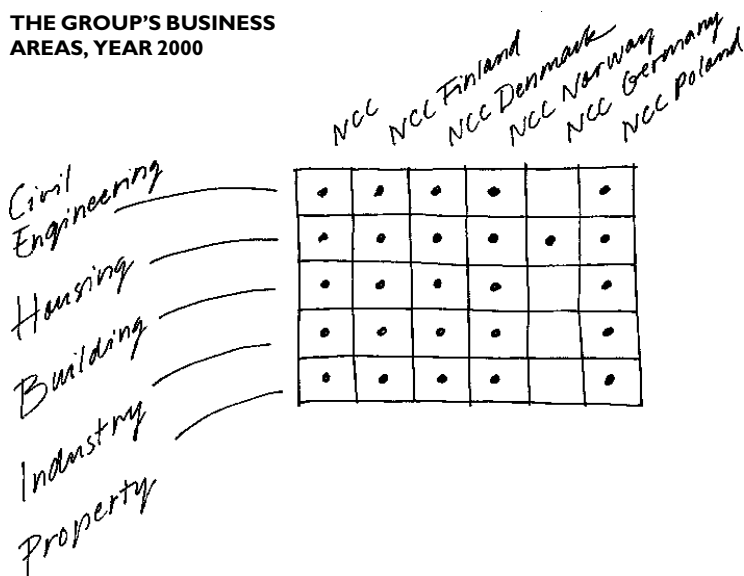
Its turnover in 2000 was approximately SEK 39 billion and it had about 25,000 employees. In its home market of Sweden, Finland, Denmark, Norway and Poland, NCC builds roads, bridges, industrial facilities, homes, office buildings and other facilities, and telecom infrastructure. NCC also produces building materials and it is one of the biggest producers of aggregate, asphalt and ready-mix concrete in the Nordic region. In selected markets outside the Nordic region, NCC participates in large, technically demanding civil engineering projects. NCC also spe-

cializes in real estate development in high-growth urban areas, particularly in the Baltic rim. In Germany NCC builds housing.

NCC's vision is to be the leading company in its industry in the Nordic region and in the Baltic rim in terms of its profitability and market position. The aim is to take top placing as a high quality, environmentally friendly, efficient and developing company which is perceived as youthful and exciting, and for which innovation, participation and expertise are key factors.

NCC AB will publish interim reports in 2001 on 9 May, 24 August and 2 November.

THE GROUP'S BUSINESS AREAS, YEAR 2000



The currency exchange rate at 31.12.2000: FIM 6.3898 = USD 1

BOARD OF DIRECTORS, CORPORATE MANAGEMENT AND AUDITORS

NCC FINLAND OY'S BOARD OF DIRECTORS

1 January – 31 December 2000
Lars Wuopio, Chairman
Matti Haapala
Kai Hietarinta
Magnus Mannesson
Markku Markkola
Kenneth Orrgren

Kari Korpela served as secretary to the Board of Directors.

CORPORATE MANAGEMENT

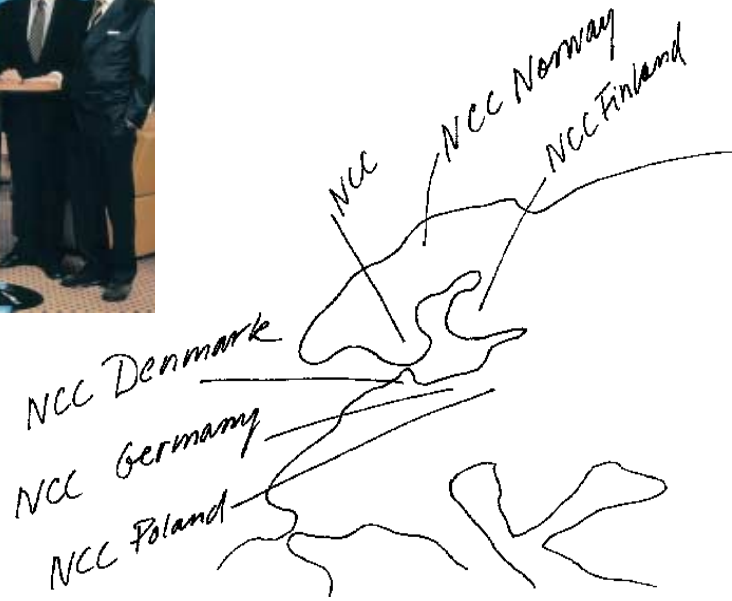
Matti Haapala, M.Sc. (Eng., Econ.) is the company's President. Jukka Lahtinen, M.Sc. (Econ.) is the Executive Vice President.

THE AUDITORS OF NCC FINLAND OY

The auditors are KPMG Wideri Oy Ab, with Birger Haglund, APA, M.Sc. (Econ.) as the auditor in charge.



*Board of Directors:
Magnus Mannesson, NCC Property Development, (left), Kenneth Orrgren, NCC Building, Markku Markkola, Matti Haapala, Lars Wuopio, NCC Civil Engineering and Kai Hietarinta.*



*Management group:
Front row from the left Juhani Väisänen, Regions, Jukka Lahtinen, Internal Services, Matti Haapala, Pentti Kuvaja, Industry and Timo U. Korhonen, International Operations.
Back row from the left Timo Toivanen, Telecom, Ritva Norrgrann, Corporate Communications, Olavi Knihtilä, Civil Engineering, Kauko Wasenius, Building Construction, Mika Soini, Business Development, Heikki Miettinen, Housing Construction and Jorma Ahokas, Property Development.*



The NCC Finland Group's turnover in 2000 was FIM 3.5 billion, up by 20 per cent on the previous year's figure. The net profit rose to FIM 157 million, an increase of 74 per cent on the previous year. The favourable trend in earnings was boosted not only by the favourable economic climate but also by the excellent strength of the reinforced team. The orders held for housing and contracting in Finland were satisfactory throughout the year, which permitted steady, profitable business. Property development had a good many projects in hand and under construction using the Business Park product concept. Major moves included the Business Parks started at Vantaa Airport City and in the Herttoniemi district of Helsinki, both of which will act as powerhouses of growth in their areas. The expansion of Business Parks into other parts of Finland, first to Tampere and Oulu, is an indication of the product's attractiveness. Housing suffered a drag on profits when the housing market slowed and selling times lengthened in the late autumn. It was profitable to build business premises in the Helsinki Metropolitan Area, but renovation business fell somewhat short of the targets set for it. Earnings from urban development were no more than satisfactory due to the loss made in Southeast Finland. Good profits were posted by, for example, the Southwest and Northern Finland regional offices. The market for civil engineering was poor. A development project has been launched to restore profitability and to improve operations. In international operations it was gratifying that a profitable growth track was found, under-

pinned particularly by successful bridgeheads in all the Baltic states. In industry, operations were expanded by means of takeovers and investments to enable this field to become a mainstay along with construction.

The NCC Group expanded its market area with the acquisition of the Norwegian company Rieber & Sons' Roads division. This makes NCC the leading producer of asphalt and aggregates in the Nordic region. In Finland the business area reorganization meant expansion into asphalt business through Interasfaltti Oy. Telecom is a growing area which was reorganized as a separate division in the beginning of 2001. It concentrates on contracting for telecom networks, masts and base stations. A prerequisite for property development and privately financed housing construction is a good portfolio of plots, and this was augmented by purchasing the Tammisto area in Vantaa and the Ymmersta and new Olari-Matinkylä areas in Espoo. The construction of Kartanonkoski Garden City was begun in autumn 2000. NCC's housing product was developed on a customer-oriented basis. We provide the buyers of our housing with high-speed data links and healthy, safe product solutions. For the ageing population we offer 'senior homes' in which older people can live independently for a longer time.

In accordance with our company's skills strategy, the organization and the operating methods in line with our corporate culture were reinforced by means of training and recruitment. In operations the aim was strong

Nordic synergy, which can be seen in policies such as the pan-Nordic purchasing policy.

The outlook for 2001 is good from the viewpoint of construction. Interest rates are expected to fall and economic growth in Europe is expected to be fairly strong, which will boost positive developments in the Finnish economy as well. The economic situation is also expected to improve in Russia and the Baltic states.

The slowdown in the economy in the autumn held back the housing market, which was also reflected in housing starts. There is a plain need for housing and business premises in the centres of growth, so the slowdown in demand caused by uncertainty is bottling up new construction and will lead to pressure for higher prices and rents.

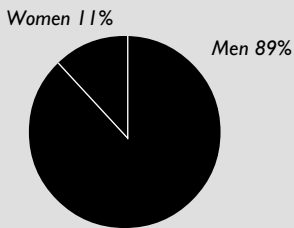
I would like to thank all the personnel of NCC and all our customers who have contributed to the development of our company and the building of the new millennium.

A handwritten signature in blue ink, reading "Matti Haapala". The signature is written in a cursive, flowing style.

Matti Haapala

DEVELOPING NCC

PERSONNEL DISTRIBUTION BY GENDER



EDUCATIONAL ACHIEVEMENT DISTRIBUTION

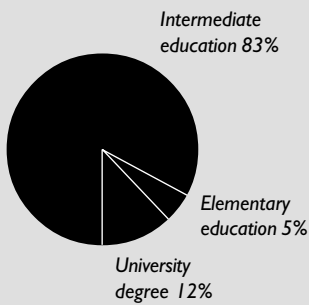
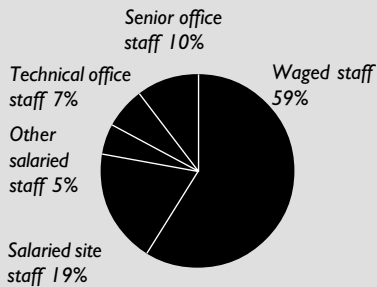
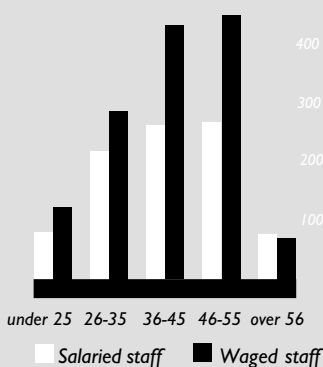


TABLE OF PROFESSIONAL GROUPS



AGE DISTRIBUTION



The average age of salaried and waged staff is 41.5 years.

NCC Finland provides products and services that comply with the customers' expectations, competitively and profitably. This requires our company to have the ability to listen to the customer and to update its working methods. Areas of emphasis in operational improvement are the management of configurations, purchasing, quality, environmental expertise, skills and IT utilization.

BUSINESS DEVELOPMENT

The purpose of NCC's business development is to assist the units in their development work and to formulate various tools and benchmarks to support change. The unit has responsibility for the management of developing and coordinating quality, environmental and purchasing matters. The aim is to enhance the standard of operations and to make the information and practical experience within the company available for active use by all. Information is passed around synergy teams both through networks and by direct contact. During the year, business process descriptions were produced and a Balanced Score Card set of benchmarks was built up. Site audits were improved and quality training for employees was started up.

The environmental system was specified and as a pilot project the Eastern Finland region is preparing to have it certified. In business premises construction, the projects' environmental attributes are being tested with the eco-assessment methods developed by NCC. These take into account the costs and environmental impacts of the product for its entire life cycle. In the Libri logistics project, environmental aspects were implemented in an exemplary way in the opinion of the Building Site of the Year selection panel. The sorting, recycling and measurement of building site waste was continued. Throughout the Group, a list of hazardous substances was issued of items which are not to be used in production by our company in the future.

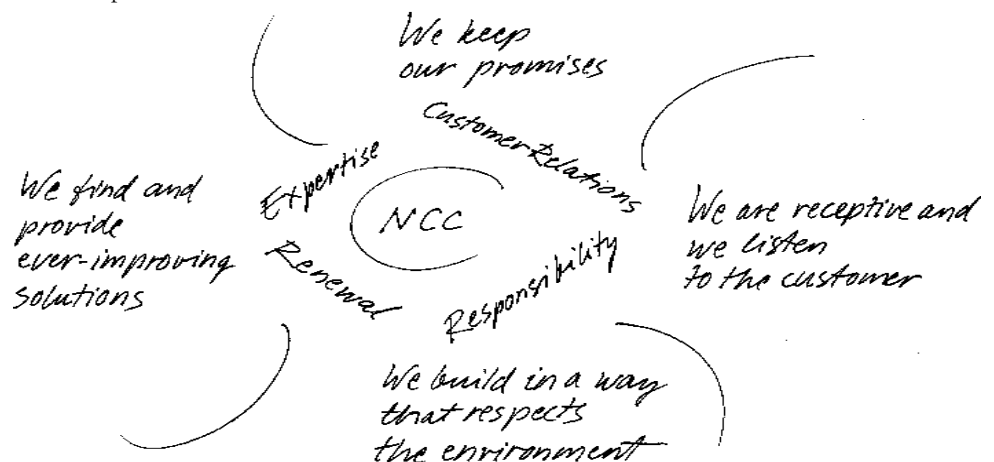
The quality system was developed to make it more clearly an operating system embracing quality, the environment and safety, and it is to be transferred to the intranet for electronic availability. NCC's management participated in the assessment of product quality and finish, and the quality system was presented more strongly at the blue-collar level. 2001 has been declared the theme year for quality.

A new strategy was created for purchasing. The implementation of this strategy was made into a two-year development project with support from Tekes, the National Technology Agency. Efforts are being made to enhance range-based collaboration with the main suppliers. The aim is to reduce the number of suppliers and to sign corporate-level partnering contracts. Tools for purchasing were improved and the Starnet intranet was made a real-time databank. In addition, a comparison was made of purchasing by various companies and a model for communicating awareness of economic cycles within the Group was created.

DEVELOPING PRODUCTS

The development of the company's product concepts continued. A result of ten years of development work by the Property Development business area is NCC Business Parks. A brand wheel complete with campaign plans was made for the product. The marketing of the Business Park Opus, which is to start up in the beginning of the year, began with a direct marketing and advertising campaign.

Characteristics were determined for the housing product. A contract was made with the



Rakentavasti ajatellen.

Rakentaminen on
tekniikkalaji.
Jotta pysyisi
kehityksen
kärjessä, vanhojen
hyvien taitojen lisäksi
on hyvä oppia
myös uutta.
NCC arvostaa
opinhaluisia
työntekijöitään.



Kuulumme johtavaan pohjoismaiseen rakennuskonserniin, jolla on yli 25.000 työntekijää. NCC Finland Oy rakentaa Suomessa noin 2500 ammattilaisen voimin.



www.ncc.fi

*Image
advertising*

Helsinki region telephone operator Elisa for equipping NCC homes with broadband data communication connections. In partnership with the Pulmonary Association Heli, a 'Healthy House' was built in Tuusula, with design that emphasizes the importance of pure indoor air. For the ageing population a Senior House has been designed to allow long-term residence for the aged. In building premises construction, the Ecoconcept was

developed; it will be offered to professional building clients as a tool for designing environmentally friendly business buildings.

DEVELOPING THE CORPORATE CULTURE

NCC's corporate culture is based on strong values. In order to integrate these fully, team days were arranged for the personnel during which the units' success factors were mapped out and a basis was created for better net-

working. Values were also the subject of briefings held for the entire personnel. In the Helsinki Metropolitan Area, an occasion was held in August at the Linnanmäki amusement park.

A system of management by results, which incorporates employee development discussions and incentive schemes, is in use. During the year the practice of rewarding NCC employees with an honorary certificate and FIM 10,000 prizes was also

Employee survey HRI

	1999	2000
Respondents	1290	1375
Motivation	67	70
Performance	57	56
Leadership style	62	63
Management	65	64
Cooperation, support	56	65
Influence	56	58
Skills development		58

40-60 satisfactory
60-80 good
80+ excellent

begun. The staff magazine carried out a readership survey, on the basis of which the readers were happier on average with the contents and look of the magazine than they were in previous surveys. The staff magazine *Tähdellinen* came out eight times in 2000, in addition to which the intranet *Starnet* serves as a real-time news channel. Matters of mutual interest to blue- and white-collar personnel were dealt with by the nationwide consultative committee.

PERSONNEL DEVELOPMENT

The number of personnel at year end was 2,357, up by more than two hundred on the previous year. Of this, blue-collar employees accounted for 82 per cent. The number of full-time office staff hired was 111, with an average age of 35.5 years. Cooperation with universities and other institutes of education was developed systematically. In practice this meant an increase in opportunities for dissertations and apprenticeships as well as visits by students. Training jobs were provided for about eighty students.

Almost thirty dissertations were produced for various educational institutes.

Personnel motivation and the corporate atmosphere were charted throughout the Group by means of an HRI (human resource index) employee survey. In the 2000 survey, the personnel were found to be more strongly committed than in the previous year.

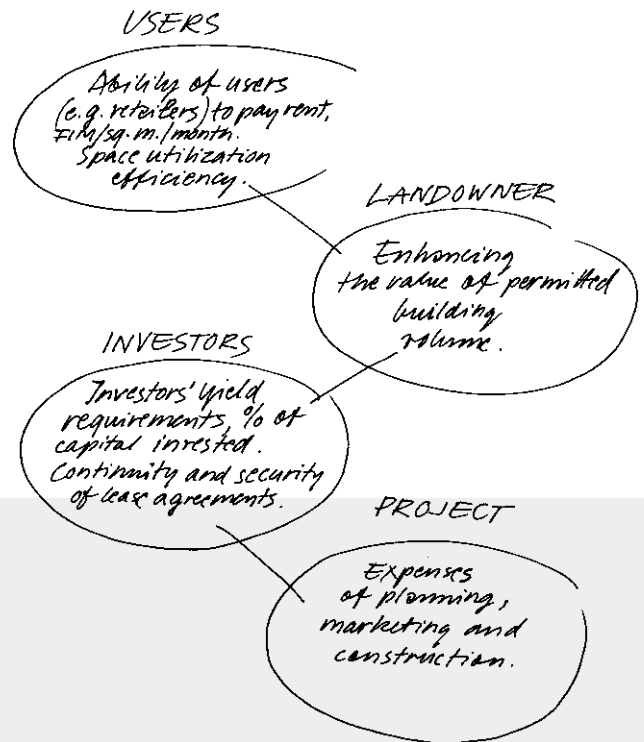
The annual survey provides data both on the units' development and for comparisons between the parts of the Group. Remedial action is taken in the units on the basis of results, and the effect of this can be moni-

tored in the next year's survey. Training was initiated on themes such as quality and work grades, induction training, and broad-based training for purchasing personnel. IT skills were boosted with a variety of courses and language training was provided to those who wanted it. Collaboration with the parent company's NCC University was further improved.

Further effort was devoted to preventive rehabilitation and the maintenance of working capability for the personnel. In the beginning of 2001, GP clinic health care was arranged for the employees. Hobby activities continued to be actively pursued, with the personnel participating in a number of forms of exercise.

IT DEVELOPMENT

Cooperation on IT increased at the Group level. We benefited from Group-level contracts for purchases of software and hardware. The biggest joint development projects is the 'Nite' project, in which a shared IT framework is being built on the basis of Windows2000. As part of strategy work, a number of IT seminars were held on the subjects of e-trading, customer management and building product modelling. The results were available for use throughout the Group and the collaborative projects will be expanded in the future. In information technology, the main thrust was on enhancing links with building sites, extending the use of office systems, and enhancing the use of project databanks.



OPUS Business Park, Hiettoniemi. Toimiköiden vuokraus käynnissä, muutto alkaa kesällä 2002. Sella (09) 5075 440. www.ncc.fi
NCC: Finlandin suurin rakennus- ja kiinteistöyhtiö. Keskittynyt palvelusaloille NCC-talot, joihin on tarjottu talle Ekinen vuokrat.

PROPERTY DEVELOPMENT

Property development sales volume was FIM 350 million and it had 25 personnel. Its Director was Jorma Ahokas. The division's services are property development and construction client services, finding tenants, and offering attractive high-yield properties to investor-customers. Its products include NCC Business Parks and House concepts, retail locations, hotels and logistics centres.

Under construction during the financial year was a joint

project with Alfred A. Palmberg, Business Park Stella in Espoo. The fourth and final phase of Business Park Terra, was sold in October to the Tapiola Insurance Group. Business House Casa, which is under construction in northern Tapiola, was purchased in June by the Sampo Insurance Company. Two regional bridgeheads were also established during the year. In the Vantaa Airport City area, the first commercial project started was NCC's Business Park Plaza. The first phase of this, called Piano, was sold at the end of the year to the LEL Employment

Pension Fund and the second phase, Presto, was sold to the Finnish Paper Workers' Union in January 2001. In autumn 2000, the construction was announced of Business Park Opus in Herttoniemi, eastern Helsinki. The Grani shopping centre, designed by the architect Kai Wartiainen, is under construction in Kauniainen and it will be opened to the public in March 2001.

In collaboration with the regional offices, the construction was begun of Business Park Dynamo in Tampere and Business Park Pilot in Oulu. In the beginning of 2001, NCC received a plot reservation for the construction of an office building from the City of Helsinki. The building, which will be primarily for the company's own use, will be ready to move into by the end of 2003.

Property development projects are multi-year processes. After five years of development work, final contracts were signed for the construction of a shopping centre in the Leppävaara district of Espoo. The investors in the project are the Local Government Pensions Institution, the LEL Employment Pension Fund and Pension Fennia. The shopping centre will have 86,600 square metres of floor area and about 2,500 parking spaces. The construction work will be started together with Skanska in March 2001. NCC is also building Business Park Signaali in Leppävaara.

The construction of Business Park Falcon will begin in Espoo 1-2 years after planning permission has come into effect. The core of Business Park Aviata in Vantaa will consist of electronics industry R&D and pilot manufacturing. Construction of this will begin in the second half of 2001.

The outlook for the future of property development is positive at this time. There is little vacant business space in the Helsinki Metropolitan Area. The vacancy rate is less than two per cent, while four or five per cent is considered a good rate from the viewpoint of business expansion and downturn. The supply is growing rapidly as there is a great deal of business space under construction. NCC's Business Parks product has evolved over the past ten years with experience and according to customers' needs into the top product in its field. Competitors also have many similar products under development.

Projects in progress

Plaza Business Park, Vantaa
- Project Director Juhani Ylhäinen
Opus Business Park, Helsinki
- Project Manager Pekka Kiuru
Dynamo Business Park, Tampere
- Project Manager Juha-Antti Kaivonen
Kauppa keskus Grani, Kauniainen
- Project Manager Petri Anttalainen
Signaali Business Park, Espoo, Leppävaara
- Project Director Jukka Manninen
Pilot Business Park, Oulu
- Project Manager Marko Palonen
Aviata Business Park, Vantaa
- Project Director Pekka Entelä
Marketing and marketing development are the responsibility of Marketing Director Reijo Pääni.

*NCC Business Parks
- advertising campaign
business press, dailies*



REVIEW OF DIVISIONS

HOUSING

The Housing division is in charge of developing, constructing and selling housing projects in the Helsinki Metropolitan Area and in the regions of Lohja and Hämeenlinna.

Housing had a total of 1,375 housing starts, 448 of which were privately financed. The main thrust in development work is on commoditizing terraced housing and apartment buildings, and this continues. An anti-allergenic house was built in Tuusula in collaboration with the Pulmonary Association Heli, in which every effort was made to attain clean indoor air and a hygienic habitat. A contract was made with Elisa Communications whereby NCC's new housing projects are to be fitted with broadband data communication connections. For older people, the Senior Home concept was developed, and the first buildings on these lines were started in Lohja, Hyvinkää and Riihimäki. Production personnel were trained in privately financed building, resources in conversion services were beefed up and its personnel were trained for customer service duties.

In the course of 2000, NCC invested FIM 189 million in plots of land. The biggest individual items were in the Kartanonkoski and Tammisto districts of Vantaa and the Ymmersta and new Olari-Matinkylä districts of Espoo. On the last day of the year, a tract of land was purchased in Tammisto, where almost 1,000 dwellings will be built in partnership with the VVO Group in the next few years. In the Lauttasaari district of Helsinki, five eight-storey apartment buildings designed by the architectural firm Pekka Helin are to be built.

A contract was made on the Nikkilä district with the City of Helsinki authorities. On the basis of this, NCC Finland will undertake the renovation of the Art Nouveau buildings in the former hospital precinct for residential purposes. The marketing, sales and construction of Kartanonkoski have begun.

Partnership contracting continued with key customers. Construction got started in Espoo and Vantaa on NCC-owned plots of state-backed housing construction within rigid price limits. Several new housing projects were built based on design & build contracts. The most important of these was the Aaria and Duetto buildings to be built in the central Sinebrychhoff block in Helsinki, in which NCC is to market, sell and construct apartments. The prospects are good for housing construction in the Helsinki Metropolitan Area and surrounding towns. Although selling times have lengthened, the housing short-age and continuing urban migration are causing strong demand for both privately financed and rental housing. NCC has developed solutions suited to government-financed construction on a plot-by-plot basis. In order to safeguard operations, NCC has acquired plots along the northern railway line, mostly in Hämeenlinna, Hyvinkää and Riihimäki.

Housing Heikki Miettinen

	Turnover	Personnel	Building starts in 2000	Privately financed %	Management
Housing construction South	469	277	689	33	Juha Korkiamäki
Housing construction North	197	140	448	33	Kari Kiviluoma
Lohja region	110	101	138	25	Tuomo Äyräväinen
Hämeenlinna region	38	36	100	41	Jarmo Mäkelä
Total	815	554	1,375		

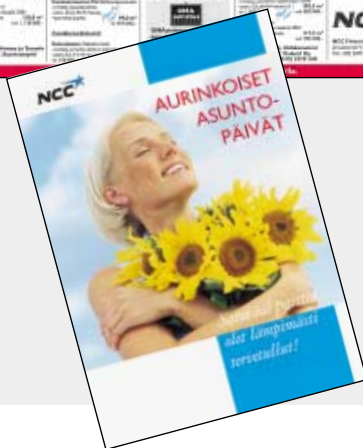
Aina aurinkoiset asuntopäivät.

NCC



Tervetuloa!

*Campaign material
for National
Housing Day*



CONSTRUCTION

Building

Kauko Wasenius, M.Sc. (Eng.) took over as Director of Helsinki Metropolitan Area Building on 1 April 2000. The units of this section are Business Premises Construction and Renovation. Demand for construction services was strong in this area of operations, and at year-end the uninvoiced orders stood at FIM 508 million. The units' forms of operating are competitive contracting, project management contracting, design & build, and the implementation of NCC's property development projects.

The Eco-assessment system developed during the year was adopted comprehensively and a start was made on presenting it to key customers. Eco-assessment is the only integrated method for appraising investment costs and life-cycle expenses on the market, and it is expected to become the industry standard.

In site operations, further improvements were made on safety standards for building sites, and these were measured with comprehensive TR-measurements.

Personnel skills were honed by means such as site office personnel training in cooperation with Rateko. Also, the process of enhancing blue-collar employees' skills was continued with training aimed at receiving a qual-

ifying certificate. An extensive training and development project was launched in procurement, the goals of which include better expertise in ranges and extended partnership arrangements. Building's operating system was moved to a network, making it more conveniently accessible and easier to maintain.

The Libri logistics centre, which took part in the Building Site of the Year competition, earned special mention for its excellent management of environmental matters.

One of the Building Premises unit's most important customers in recent years has been Nokia, for which a number of properties have been built in the Helsinki Metropolitan Area. During the financial year, stage II of Nokia's Research Centre was completed along with the Takomo 1 office building for Nokia Networks. Also underway was a project for an extension to Nokia's head office in the Keilalahti district of Espoo. The Property Development unit has several spec projects under the umbrella of NCC Business Parks.

NCC's renovation outfit has excellent references, particularly from work on sites which are demanding in cultural and historical respects. During the financial year, a major renovation was started on the Finnish National Theatre, a project in which this experience is being put to

Building

Kauko Wasenius

	Turnover	Personnel	Uninvoiced orders	Management
Business premises construction	420	170	483	Antti Toiviainen
Renovation	130	71	25	Armas Lattunen
Total	550	241	508	

use. Among the main projects of the financial year were the third year of a project management contract for the conversion and renovation of Kesko's head office. NCC Employee of the Year Esko Lahtinen was awarded for excellent customer service, and the workgroup, which received much praise from the customer, continued renovating Kesko's production facilities in Hakkila. Three schools were renovated in 2000 for Helsinki Education Department: Sibelius Senior High School, Melunmäki Lower Comprehensive School, and Kottby Lågstadie-skolan were able to move into renovated and highly suitable educational facilities. The Renovation unit's profit was satisfactory, but there was enough skilled labour for more job sites.

Regions

The Regional Building unit's turnover was FIM 1,403 million and it had 1,051 employees. Its market area comprises Southwest, Southeast, Western, Eastern and Northern Finland and it has regional offices in eleven locations. The Director of Regional Building has been Juhani Väisänen, M.Sc. (Eng.) since 6 March 2000.

The Regional Building unit focuses its operations on the

urban centres of growth, where demand for construction has remained strong. Demand for business premises has been fuelled by technology centres, whose business incubators have increased the need for business space. Also, the shortages of housing and labour in the Helsinki Metropolitan Area are forcing companies, particularly in the IT sector, to gravitate towards other parts of Finland, thus stimulating job creation there. Although economic activity has been concentrated in the centres of growth on the nationwide scale, there has also been a discernible movement towards regional centres in the countryside as people seek to move closer to services.

The demand for business premises has been responded to by the development of a project management model and by marketing the NCC Business Parks concept in other parts of Finland as well. The first such start-up was the Dynamo Business Park in Tampere and in spring 2001 work will begin on the Pilot Business Park next to Oulu airport. Land has also been purchased in the area for technology companies' manufacturing facilities. The possibilities for starting up a Business Park project have also been investigated in Jyväskylä.

The regions' Management Group work has been intensified during the year, information synergy has been developed, common factors of success have been defined and customer management has been improved. Resources have been augmented for project development, planning control and operational development work. In Kuopio, the certification of the environmental system has been started. In order to ensure operation, plots

Hyvissä merkeissä!

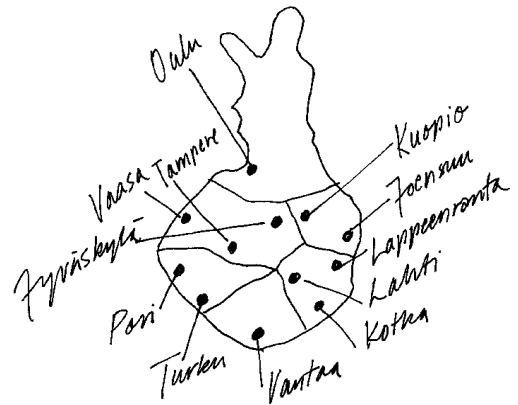
Maaliskuussa Kauniiaisissa palvelee Kauppakeskus Grani. Tervetuloa tutuissa, hyvissä merkeissä uuteen taloon. Tilojen vuokrauksesta vastaa NCC Finland Oy, joka on myös rakentanut talon.

Lisätietoja: Petri Anttalainen, www.ncc.fi

Grani shopping centre - advance advertising



Regional Management:
 Jorma Kivimaa (left), Rune Hagström,
 Olli-Pekka Teerijoki, Mauri Varjonen,
 Jouko Ryhtä, Olavi Tikkanen and Juhani
 Rastas.



Regional Building

Juhani Väisänen

	Turnover	Personnel	Uninvoiced orders	Housing starts in 2000	Privately financed, %	Management
Southwest Finland	505	301	260	317	52	Mauri Varjonen
Western Finland	409	388	246	414	66	Jorma Kivimaa
Southeast Finland	129	115	54	156	34	Antti Inkilä (as of 1 February 2001)
Eastern Finland	112	120	50	115	90	Jouko Ryhtä
Northern Finland	248	127	178	29	14	Juhani Rastas
Total	1,403	1,051	788	1,031		

worth FIM 61 million have been acquired both for business premises and for housing construction. A terraced house product has been developed by the Regional Building unit to correspond also to demand in smaller communities. The future prospects for the Regional Building unit are good in the centres of growth. NCC is known as a dependable partner with a positive corporate image. NCC is seen by young people as a desirable employer and it has reliable building site skills in the regional centres.

The Southwest Finland regional office is responsible for building operations in South-

west Finland, Satakunta and Häme proper. During 2000, both the highest and the biggest projects in the history of the Southwest Finland regional office got underway. The biggest is a project management contract for the shopping centre Kauppakeskus Mylly, for which the total investment is valued at over FIM 400 million. The highest building is the 16-storey Turun Airistontähti apartment building, which got underway in the autumn. A multiplex facility with a total of nine cinemas is to be built next to Turku Market Square for Sandrew-Metronome Oy. The Southwest Finland regional office's profit before ex-

traordinary items was exceptionally good and at year-end the uninvoiced orders were in line with the targets. Personnel grew by 19 per cent. Operations were upgraded by deployments in the management of job configurations and in enhancing computer literacy as well as by encouraging the production personnel in particular to take vocational qualifications.

The Western Finland regional office is responsible for building in Pirkanmaa, Ostrobothnia and Central Finland. The business locations Tampere, Jyväskylä and Vaasa are all university towns characterized by healthy economic growth. During the

financial year a total of 276 spec dwellings were started in the Western Finland region. Efforts were devoted to expanding spec and negotiated contracting during the financial year. The construction of the Dynamo Business Park in Tampere city centre was begun. Long-term construction of office buildings also continued in the Hermia district. A workplace for about 700 people was completed in Terahermia for Nokia's mobile phone developer. In Jyväskylä an important technology project, Ohjelma-kaari 1, was completed. In addition to housing construction, two projects were completed for a longtime partner, the Osuus-

REVIEW OF DIVISIONS

kauppa-Keskimaa retail cooperative. The Ostrobothnia regional office operated in Vaasa for its first year. Operations got off to a good start and the items in progress included the University Science Library and a renovation of Vaasa prison. Holdings of plots were acquired for spec housing construction, particularly in Vaasa.

The Southeast Finland regional office is responsible for building in the Lahti, Kotka and Lappeenranta regions. The largest building project in the unit's history, Sibelius Hall, was completed in the spring. The biggest timber building in Finland for a hundred years, it received a great deal of media attention in Finland and abroad, and it was chosen as the Construction Engi-

neering Project of the Year. Privately financed housing was built in Kotka and Lappeenranta as well as Lahti. Building began on the high-quality Ankkurinautio housing development on the shores of Lake Vesijärvi, close to shopping and cultural facilities. The first phase was completed in January 2001 and the next is on the way. The personnel resources of the Lappeenranta office were augmented and its operations got off to a good start. Personnel training and the development of the quality system continue, and environmental aspects are being paid more attention in the construction process. On 1 February 2001 Antti Inkilä was nominated as the Regional Director of Southeast Finland, while Olli-Pekka

Teerijoki concentrates on property development and negotiated contract projects, construction commissioning, and sales and marketing of housing.

The Eastern Finland regional office is responsible for building in the Kuopio and Joensuu regions. During the financial year spec housing construction was started in Joensuu and Varkaus in addition to Kuopio. NCC has been carrying out a facelift on Kuopio's harbour area for some years by building privately financed luxury housing there. Eastern Finland is on the whole a net loser of population due to migration, but there is some demand for housing construction in the regional centres. EU grade-one regional aid is expected to stimulate public building

works in the area.

The Northern Finland regional office is responsible for building in Oulu and Lapland Province. A great deal of building took place in the Oulu region in 2000 and the future still looks good. There is plenty of demand for business premises as local technology companies are expanding their operations. This has led to demand for housing as people follow jobs to the Oulu region. Most of the office buildings were constructed for Oulun Technopolis Oy. A manufacturing and office building for the PKC Group attracted particular attention owing to its short construction time. Roughly 40,000 square metres of floor area in permitted building volume was purchased in the Oulu airport district. The area is the site for the prestigious Business Park Pilot, the construction of which will begin in spring 2001. Also, manufacturing premises may be built in the area for technology companies. In Ruka roughly 4,500 square metres of floor area in planning permission for holiday homes was purchased, and construction began in February 2001. More hotel capacity and extensions were also built in Ruka. A customs office and border post at Salla was built in cooperation with NCC International Oy and it was scheduled for completion in January 2001. The unit's orders in hand at year-end were very satisfactory, which will ensure a work-filled year for the Oulu region personnel in 2001.

Housing advertisement dailies



Hanki liput aitiopaikalle!

Lahden Ankkurin Aitio
-aplodien arvoinen

Lahti on nyt lähellä. Asunto Oy Mennetti valmistuu upealle näköalapaikalle Vesijärven rantaan, uuden Sibelius-talton viereen. Keskusta on noin kilometrin päässä, harrastusmahdollisuudet aivan nurkan takana. Muuttamaan pääset jo ensi tammikuussa.

Rakentaminen, esittely ja myynti:

NCC

Hämeenkatu 26 A
15140 Lahti
Puh. (03) 817 3111

Rahoitus:
Merita Pankki Oyj
Aleksanterinkatu 5
15110 Lahti





2h+k+sauna	48 m ²
vh 624.000,- mh 489.600,-	
2h+k+sauna	58 m ²
vh 713.400,- mh 551.000,-	
3h+k+sauna	70 m ²
vh 861.000,- mh 665.000,-	
4h+k+sauna	140 m ²
vh 2.352.000,- mh 1.960.000,-	

www.ncc.fi Elämäsi tähtihetkiä oman katon alla.

Civil Engineering

The Civil Engineering unit's turnover was FIM 172 million, with 88 personnel in its employ,

and its Director is Olavi Knihtilä. Civil Engineering's market area is Southern, Western and Eastern Finland. It has regional offices in Turku and Kouvola in addition to Vantaa. The volume of orders held by Civil Engineering was low throughout the year. Price competition in the sector intensified and it became more difficult to win jobs. Government investment in infrastructure had already been low for some years, in spite of which new companies had entered the field. The unit's biggest building site, the Mussalo harbour, was started in summer 1999 and it is scheduled for completion in summer 2001. In December the port was visited by its first ship according to schedule. In the course of the work, 2.5 million cubic metres of rock was excavated from the site. Plenty of projects were pending, but they are relatively small. The excavation of access tunnels in Kemi for Outokumpu Oy is underway in partnership with NCC AB.

International Operations NCC International Oy

The turnover from international operations was FIM 80 million. The unit had about 100 employees, more than ten per cent of whom were in Finland. Operations took place in the name of NCC Puolimatka International Oy, renamed NCC International Oy as of 1 June 2000, and its local subsidiaries. The Managing Director is Timo U. Korhonen. The market area for international operations is Russia, the rest of the CIS and the Baltic states. The unit has offices in Moscow, St Petersburg, Tallinn, Riga and Vilnius. NCC International's field of business consists mainly of building.

International Operations' focus for improvement in 2000 was the Baltic states, where plots of land suitable for housing and commercial construction were purchased in Riga and Tallinn. Also, a property was purchased in Riga city centre which will be converted into luxury apartments. Subsidiaries' operations were beefed up in Estonia and Lithuania by hiring new key personnel. A building company in Latvia was acquired; it now operates under the name NCC Konstrukcija. Among the projects the company has in hand are the renovation of an originally 16th century building in Riga city centre for PK Investments, and an office building for a Belgian company. In Lithuania, NCC International won an international competitive bid for an extension to the Philip Morris cigarette factory which is scheduled for handover to the client in the spring. NCC International has previously built two production plants for Philip Morris in St Petersburg.

In spite of difficult economic conditions, it was possible to obtain contracts in Russia because our competitiveness is based on the company's long-term expertise and operations in Russia. In Moscow, the renovation work began on the N. V. Sklifosovsky Emergency Care Research Institute's first aid clinic where works will continue until 2003. The client is the French company Sagexport S.A. and the financing for the project was mostly arranged in France. The renovation is particularly demanding because the refurbishment and refit of the clinic, which specializes in clinical surgery, are taking place while the hospital is still in service. The construction of a cardiological centre is already in progress in


Rukalla voi myös lasketella.



Arkkitehdin näkemys rivitalosta.

Rakennamme edustavia kelomajoja ja rivitaloja Rukan ykköspaikalle. Tarjoa tärkeille henkilöillesi mahdollisuus latautua arvoisessaan ympäristössä.

Varaukset:
NCC Finland Oy
(08) 3166 251
Maija Tolkkinen



www.ncc.fi

Holiday homes
in Northern Finland
-advertisement
in business paper

the Sklifosovsky Institute's area. The construction of Salla Border Crossing in Russia is underway as part of the EU Tacis programme, and a contract was signed at the end of the year for the construction of offices and exhibition facilities for the Paanajärvi Park Centre, in Russia, Republic of Karelia.

Main completed projects:
Philip Morris cigarette factory,
St Petersburg, Russia, 66,500 m³

Main projects under construction:
Philip Morris cigarette factory extension,
Klaipeda, Lithuania, 34,500 m³
Salla Border Crossing, Russia, 10,000 m³
Sklifosovsky Emergency Care Research
Institute, first aid clinic renovation,
Moscow, 71,000 m³
Sklifosovsky Emergency Care Research
Institute, new building for Cardiological
Centre, Moscow, 5,187 m³
Paanajärvi Park Centre, construction
project, Karelia, Russia, 3,000 m³
Renovation of apartment building,
Riga, Latvia, 13,000 m³

REVIEW OF DIVISIONS

Building Design Optiplan Oy

Optiplan Oy's turnover was FIM 32 million. It has offices in Turku, Vantaa and Helsinki. Its Managing Director is Matti Leino.

Optiplan's turnover was 26 per cent up on the previous year and its net profit was better than budgeted. The company had an average of 102 employees. Of these, 35 worked on architectural design, 36 on structural engineering and 25 on building services.

Optiplan is strongly involved in developing NCC's housing product. Of the company's turnover, 36 per cent comes from external customers and almost $\frac{3}{4}$ from the Helsinki Metropolitan Area. Operations were reinforced in the spring with the acquisition of S-Planners Oy in Helsinki. It continues under its existing name, performing structural engineering for housing, mainly for non-NCC clients for housing construction and contractors. In Lithuania, UAB Optiplanas continued in operation, employing 3 – 4 people. Optiplan's orders for 2001 comprise about seven months of work, but a slowdown in sales of housing and the postponement of certain projects on business facilities have interrupted the planning of projects, causing some degree of employment problems later in the year. The adoption of the operating system has brought about a visible improvement in the customer feedback.

Optiplan Oy has designed most of NCC's Business Parks and Business Houses. Housing designed by Optiplan comprising 1,209 dwellings was completed in the Helsinki Metropolitan Area, Southwest Finland, Lahti and Lohja, of which Opti-

plan was the architect for 413 dwellings. About 2,400 dwellings are in the process of being designed and built.

INDUSTRY

The Industry unit's turnover was FIM 118 million, it had 209 employees and its Director as of 1 May 2000 was Pentti Kuvaaja, M.Sc. (Eng.).

The Industry unit grew considerably during the financial year when it was augmented with the acquisition of ready-mix concrete, aggregate and asphalt business. In the beginning of the year Soraseula Oy's ready-mix concrete interests in Tampere were taken over. In the autumn Parma Betonila's ready-mix concrete plant was acquired in Vantaa, some of the output of which is sold to the neighbouring precast concrete panel plant, some to outsiders. Customers are now served by three ready-mix concrete units: in Tampere with the Holvasti and Myllypuro plants and in the Helsinki Metropolitan Area by the Åby plant. Intense competition in the field is being met with enhanced customer service, more efficient transport and pumping operations, and by upgrading pumps and other equipment. The environment is respected by, for example, building recycling systems for washing water and recovery systems for leftover concrete.

The NCC Group underpinned its position as the leasing producer of aggregate and asphalt in the Nordic region. It took over the Norwegian company Rieber & Sons ASA's Roads division, which was strongly placed on the market in Norway, Denmark and Finland. The reinforcement of the Industry unit gives the NCC Group synergy

advantages and the ability to expand dynamically its operations in the Baltic region, especially the fast-growing markets of the Baltic states and Poland. The Finnish Industry division took over Interasfaltti Oy as part of the transaction. Together with the 50%-owned company Valtatie Oy, NCC's market share of asphalt business in Finland is about 20 per cent.

During 2000, the construction of the Helsinki Metropolitan Area's Rakennusjäte Oy was begun in the Ämmässuo district of Espoo. NCC Finland has a one-third stake in this company.

Construction plant operations are conducted at ten locations in Finland and they are responsible for construction machinery and plant hire and related services.

The Industry division's growth was strong in the past financial year and it will continue to be so in the years ahead,

based on the company's industry concept. In operations, the Group's internal synergy will be utilized in, for example, deliveries of machinery and equipment, materials purchasing, and the development and transfer of technology.

TELECOM

Telecom started as a separate division in the beginning of 2001. Its Director is Timo Toivanen. NCC Telecom supports system suppliers, telecom operators and teleinfrastructure owners in the development of telecommunications, taking full responsibility for producing and maintaining telecom infrastructure. On the Group level, it is Telecom's vision to become the leading supplier in the Nordic countries. Its main customers are operators and system suppliers as well as power companies, cities, local authorities, and building owners.

*Office space
for rent in Riga
- advertisement
in the Dienas Bizness
newspaper*

SIA NCC Konstrukcija

DRĪZUMĀ IZĪRĒS

**Labiekārtotas biroju un
tirdzniecības telpas jaunā
2 stāvu ēkā bijušās VEF
rūpnīcas rajonā.**

**Iespējams ilgtermiņa īres
līgums, ļoti labas cenas,
autostāvvietas, apsardze.**

**Māja drīz tiks uzcelta,
pasteidzieties!**

Tālrunis 7 567841, 9 231282



INTERNAL SERVICES

The internal services provided by head office in support of business operation add value and enhance profit-making capacity. Head office also provides information needed by the corporate management and the parent company, reliably and graphically, in compliance with agreed deadlines. It is head office's duty to oversee NCC Finland Oy's operations so that they comply with the company's operational guidelines, official regulations and laws. In cooperation with the business operations, efficient ways are sought to attain and maintain operations in line with regulations. Head office's specialists participate within their specialities to augment the entire NCC Group's operations in such a way as to make them efficient in serving business activities. Senior Vice President Jukka Lahtinen is the head of the unit.

The internal services are:

IT; Riitta Takanen
Finance and accounting;
Pertti Kallio
Controller operations;
Matti Tuulio
Financing; Jorma Hyvärinen
Legal affairs; Kari Korpela
Human Resources;
Anna Maria Karjalainen
Corporate Communications;
Ritva Norrgrann



*Industry Division
asphalt company
- customer magazine*

BUSINESS DEVELOPMENT

The aim of business development is to implement the areas of development specified in the strategies. It assists the units in their development work and formulates various tools and benchmarks to support changes. The unit has responsibility for leadership in the coordination and development of quality, environmental affairs and purchasing. The aim is to enhance the standard of operations and to make the information and practical experience within the company available for active use by all. The Unit Manager is Mika Soini.

*Appointments,
May Day 2000
- business paper*

Yritysuutisia



Teekkareita nimitelty vappuna Vantaalla.

NCC Finland Oy:n johtoryhmä on täydentynyt. Ex-teenkarit **Juhani Väisänen** (alh. oik.), **Pentti Kuvaja** (alh. vas.), **Kauko Wasenius** (ylh. oik.) ja **Mika Soini** (ylh. vas.) ovat nousseet koulutustaan vastaaviin tehtäviin.

Jussi vastaa aluerakentamisesta, Pena teollisuudesta, Kake pääkaupunkiseudun talonrakentamisesta ja Mika liiketoiminnan kehittämisestä. Kannattaa ottaa yhteyttä, kun haluat keskustella vakavasti rakentamiseen liittyvistä kysymyksistä. etunimi.sukunimi@ncc.fi.



www.ncc.fi

TURNOVER AND RESULTS

The NCC Finland Group's turnover in 2000, calculated on the percentage of completion, was FIM 3,523 million (FIM 2,874 million in 1999). The turnover figure includes FIM 395 million (FIM 388 million) in sales of shares in spec construction and sales of tracts of land in the form of plots and shares, plus FIM 152 million (FIM 41 million) in plots taken into production. The sales of shares have been income-recognized in accordance with the date on which the bills of sale were signed. Exports accounted for FIM 68 million (FIM 78 million) or 2% of the Group's turnover (3% in 1999).

The Group's profit before extraordinary items and taxes was FIM 157 million (FIM 90 million), an improvement of FIM 67 million on the previous year. The Group's profit from operations before depreciation was FIM 175 million (FIM 95 million), which is 5.0% of turnover (3.3%). The return on investment was 21.3% (23.0%) and the return on equity was 29.1% (31.3%).

In the main divisions, Housing and Building in Finland, the level of orders held was satisfactory throughout the year and this permitted steadily profitable operations. A slowdown in the housing trade in the autumn slowed down the accumulation of profit slightly and created uncertainty over plans to start up spec construction. In the Property Development division, the main emphasis last year was again on the Helsinki Metro-

politan Area and on plots in good locations, and product development that respected the clients' needs permitted good profits. A drag was exerted on the Industry division's otherwise satisfactory net profit by the costs of acquiring concrete, aggregate and asphalt business interests and by the non-recurring costs of start-up. The Civil Engineering division failed to get enough volume of business and posted a net loss. Exports focused its operations increasingly on the Baltic states and achieved its targets by posting a net profit.

BALANCE SHEET STATUS

The NCC Finland Group's balance sheet total at year-end was FIM 2,070 million (FIM 1,107 million in 1999) and its shareholders' equity was FIM 475 million (FIM 280 million). NCC AB boosted NCC Finland Oy's balance sheet by FIM 85 million by raising the number of shares with a par value of FIM 12,000 by 500 at a price per share of FIM 170,000, which increased the share capital by FIM 6 million and the share premium account by FIM 79 million. The increase was entered in the Trade Register on 29 December 2000.

Interest-bearing liabilities at year-end were FIM 649 million (FIM 279 million). Financing expenses net of exchange gains and losses were FIM 20.6 million (FIM 7.4 million), which is 0.59% (0.26%) of turnover. Cash in hand and at bank totalled FIM 75 million (FIM 101 million). The equity ratio declined to 27% (31%). The company's liquidity was

good throughout the financial year.

INVESTMENT

Net capital expenditure on fixed assets amounted to FIM 232 million (FIM 34 million in 1999). The investments mostly concerned the acquisition of Interasfaltti and ready-mix concrete interests and replacements of construction plant. The capital tied up in plots of land increased by FIM 130 million and totalled FIM 452 million at year-end.

GROUP STRUCTURE

Changes in the Group structure

In September, the NCC Group signed a purchase contract by which it took possession of Rieber & Son ASA's Roads division. This came into effect on 1 November 2000. In connection with this NCC Finland Oy acquired the Interasfaltti Group, the parent company of which is Oy Länntinen Teollisuuskatu 15, and its subsidiary Interasfaltti Oy. Interasfaltti Oy holds the entire issued stock of the Lithuanian company UAB Interasfaltti and the Latvian company SIA Interasfaltti. Interasfaltti also has a 35% holding in the Estonian company AS Baltifalt.

In January, NCC International Oy acquired the issued stock of the Latvian project management contractor SIA Irest Construction. The company's name was changed to NCC Konstrukcija SIA. In the beginning of February, Optiplan Oy acquired the issued stock of the design firm

S-Planners Oy. A new subsidiary was established in Russia, ZAO NCC Nord West. NCC Puolimatka International Oy's name was changed to NCC International Oy, NCC Puolimatka Eesti Oü's name became NCC Ehitus Oü, and ZAO NCC Puolimatka's name was changed to ZAO NCC. A 40% stake in SIA NCC Puolimatka Latvia was sold in July and the company's name was changed to SIA NCC Speks Investment.

The winding up of the Russian affiliate ZAO Eurolog Park Pulkov and the Estonian subsidiary AS Optiplan Eesti is still in progress.

NCC Finland Oy's parent company

NCC Finland Oy's parent company is NCC AB of Sweden, which is the Nordic region's leading construction and real estate company and which has the Nordic region and the Baltic rim as its main market.

The divisions

The divisions of the NCC Finland Group have been Property Development, Housing, Building, Urban Development, Civil Engineering, International Operations and Industry. Optiplan Oy is responsible for construction design.

From the beginning of 2001, the business sectors of building construction, urban development, civil engineering and international operations were merged into the new division NCC Contracting.

In the beginning of 2001, NCC Telecom began as a new division of NCC Finland. It practises the construction of

Offices and commercial construction

	2000	1999
New housing construction	44%	41%
Other construction	40%	35
Renovation	9%	14
Civil engineering	6%	7
International construction	2%	3

telecom networks, base stations and masts, which NCC AB has practised in the other Nordic countries throughout the 1990s and in Finland last year.

OUTPUT

During the financial year, 2,502 dwellings were completed (2,277), of which 651 (492) were privately financed spec construction. The number of dwellings under construction was 2,403 (2,567), of which 930 (581) were privately financed spec construction. The number of privately financed spec housing starts during the financial year was 1,049 (581). The number of unsold, completed spec dwellings at year-end was 122 (22).

PERSONNEL

At year-end, the parent company, NCC Finland Oy, had 2,219 employees (1,954 in 1999). The Group had 2,436 employees at year-end (2,138), of which 82% were site personnel (77%). NCC Finland Oy had an average of 2,221 employees during the year (1,826) and the Group

had 2,358 (2,066). The number of personnel increased due to a vigorous upsurge in construction output.

In the beginning of the year, a comprehensive package for surveying the personnel atmosphere was obtained, on the basis of which the units initiated surveys aimed at developing operations and target-setting. The survey, which is to be carried out annually, provides follow-up data on the state of the personnel and atmosphere in the fields of management, motivation, development and cooperation.

In recruitment, the emphasis was on hiring young and educated people, and some 80 student engineers and masters of science were brought into the work practice programme. Exercise and sports programmes to maintain the working capacity of the personnel were continued. Broad-spectrum training was initiated on themes such as various subdivisions of construction technology, quality and work grades for employees, induction training, and workshop training for all purchasing personnel, IT skills, contracts, and language training. Close collaboration with the parent company's NCC University was further improved. The specification stage of a new personnel and training data system was started and the necessary facilities for adopting the system were obtained.

DEVELOPMENT

Continuous improvement and change are the ways in which a basis is created for lasting suc-

cess.

The company's development work has been based on the strategic choices made by the company. Areas of emphasis in operational improvement are the management of configurations, purchasing, IT, quality, environmental expertise, skills and competence. The biggest individual development projects in 2000 were the housing product and the improvement of purchasing and partnering, which was made into a two-year development project with support from Tekes, the National Technology Agency. The project aims at closer relationships with suppliers, efficient logistics and systematic management of the supplier network.

NCC Finland Oy took part in developing the telecom operator Elisa Communications' new Kotiportti broadband network. In the future, practically all homes built by NCC will be provided with high-speed data communications. The guiding principle in developing the service has been to minimize running costs and to allow the customer freedom of choice. In order to bring home the company's values and its chosen strategy, as well as to boost information synergy, team days were held in all units during autumn 2000. In data administration, the focus was on improving the infrastructure and standardization in collaboration with the NCC Group and WM-Data. On the systems side, capabilities were developed for exploiting product modelling.

Research and development costs were booked as annual expenses.

ORDERS

The NCC Finland Group's un-invoiced orders in hand rose by FIM 409 million since the beginning of 2000, reaching FIM 2,126 million at year-end. The orders held at the end of the year were 91% for Housing and Contracting in Finland (86% in 1999), 4% (7%) for Civil Engineering and 5% (6%) for Project Exports.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

A reorganization of NCC AB necessitated changes to streamline responsibilities on reporting among NCC Finland's divisions. The most striking change was the introduction of Telecom as a separate division of NCC Finland Oy from the beginning of 2001.

PROSPECTS FOR 2001

Uncertainty last summer and continuing into the autumn over the economic trend in Finland and the euro area was reflected in interest rate increases and a decline in stock exchange prices and the euro exchange rate, which affected construction in that the housing trade slowed down and investors were less willing to make investment decisions. At the turn of the year, the euro has strengthened, interest rates have been lowered and consumers' confidence in the future has slightly improved. Since construction is a trailing indicator, there is reason to expect another good year for the building industry in 2001.

On the other hand, growth is expected to slow slightly in the years ahead, when output rates are likely to be well below the average for the 1980s but above those of the 1990s. Urban migration, the need for more spacious homes, the inadequacy of government support for housing construction, and the general increase in prosperity support the belief that privately financed construction can still be stepped up, particularly in the areas around the five biggest urban centres of growth. The vacancy rate for commercial and office buildings is still low, particularly in the Helsinki Metropolitan Area, so the steady increase in demand is expected to continue in 2001.

There will be no significant increase in civil engineering, nor will the government authorities need to boost the share of these investments for cyclic reasons.

In export business, the main emphasis this year is on ensuring profitable business, avoiding unreasonable risk, and on partially transferring operations to the Baltic states.

It is NCC AB's goal in future years to expand the Telecom and Industry divisions which support construction. Telecom operations, which were previously handled in the name of NCC Finland Oy, will to some extent affect the company's volume of business. The Industry division, which consists of construction plant hire, ready-mix concrete, aggregate and asphalt business, will grow significantly relative to last year purely because of the concrete ready-mix concrete units

acquired last year and the takeover of Interasfaltti Oy at the end of the year.

The voluntary introduction period of the euro expires at the end of 2001. Subcontractors and suppliers in the construction business in general appear not to be changing over to the euro until the beginning of 2002. NCC Finland will adopt the euro as its currency of accounting at the end of 2001.

INCOME STATEMENTS

	Reference	(FIM 1,000)			
		Group 1.1.-31.12.2000	1.1.-31.12.1999	Parent Company 1.1.-31.12.2000	1.1.-31.12.1999
Turnover	1.1.	3,522,631	2,873,566	3,429,822	2,782,389
Increase (+)/ decrease (-) in stocks of finished and unfinished goods		51,839	14,895	50,983	17,406
Production for own use		2,892	0	2,694	0
Other operating income	1.2.	2,299	8,652	4,508	9,601
Materials and services	1.3.	1,433,339	1,548,984	1,418,576	1,512,545
Personnel expenses	1.4.	514,141	431,362	473,002	390,929
Depreciation and write-downs	1.5.	30,811	23,621	24,489	19,875
Other operating costs	1.6.	1,426,191	798,350	1,395,920	766,892
Operating profit		175,179	94,796	176,020	119,155
Financial income and expenses	1.7.	-17,709	-4,534	-19,185	-5,277
Profit before extraordinary items				156,835	113,878
Extraordinary items	1.8.			-34	-23,992
Profit before appropriations and taxes		157,470	90,262	156,801	89,886
Appropriations	1.9.			-8,205	-3,022
Direct taxes	1.10.	-47,384	-23,139	-44,869	-25,692
Net profit for the year		110,086	67,123	103,727	61,172

BALANCE SHEETS

	Reference	(FIM 1,000)	Parent Company		
		Group	1.1.-31.12.1999	1.1.-31.12.2000	1.1.-31.12.1999
		1.1.-31.12.2000	1.1.-31.12.1999	1.1.-31.12.2000	1.1.-31.12.1999
ASSETS					
Fixed assets	2.1.				
Intangible assets	2.1.1.	41,670	31,874	29,280	28,382
Consolidation goodwill	2.1.1.	105,208	1,255		
Tangible assets	2.1.2.	157,193	75,330	113,176	70,435
Investments	2.1.3.	11,793	6,047	166,533	9,961
		315,864	114,506	308,989	108,778
Current assets	2.2.				
Inventory	2.2.1.	1,114,693	541,814	1,100,531	541,265
Deferred tax receivables	2.6.1.	4,513	3,456		
Non-current receivables	2.2.2.	0	850	0	850
Current receivables	2.2.3.	560,879	345,551	573,670	397,947
Cash in hand and at banks		75,335	100,988	53,785	79,059
		1,755,420	992,659	1,727,986	1,019,121
Assets		2,071,284	1,107,165	2,036,975	1,127,899
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders' equity	2.3.				
Share capital		35,460	29,460	35,460	29,460
Share premium account		238,935	159,935	238,935	159,935
Retained profits		91,000	23,877	80,126	18,954
Net profit for the year		110,086	67,123	103,727	61,172
		475,481	280,395	458,248	269,521
Minority interest		18	0		
Accumulation of appropriations	2.4.			23,797	15,591
Obligatory reserves	2.5.	19,053	19,043	18,261	18,780
Liabilities	2.6.				
Deferred tax liabilities	2.6.1.	8,121	4,522		
Non-current liabilities	2.6.2.	152,981	59,457	152,969	59,457
Current liabilities	2.6.3.	1,415,630	743,748	1,383,700	764,550
		1,576,732	807,727	1,536,669	824,007
Liabilities and shareholders' equity		2,071,284	1,107,165	2,036,975	1,127,899

The currency exchange rate at
31.12.2000: FIM 6.3898 = USD 1

STATEMENTS OF SOURCE AND APPLICATION OF FUNDS

	(FIM 1,000)			
	Group	Parent Company		
	1.1.-31.12.2000	1.1.-31.12.1999	1.1.-31.12.2000	1.1.-31.12.1999
Cash flow from business operations				
Profit before extraordinary items	157,470	90,262	156,835	113,878
Adjustments:				
Profit and loss from disposal of material and immaterial goods	-698	-5,739	-734	-6,487
Planned depreciation	30,811	23,621	24,489	19,875
Financing income and expenses not paid	4,730	2,956	5,357	2,906
Increase (+)/ decrease (-) in uninvoiced portion of handed-over and partially income-recognized projects and post-completion reserves	-6,111	18,780	415	16,287
Increase (+)/ decrease (-) in obligatory reserves	10	5,873	-519	6,001
Cash flow before change in working capital	186,212	135,753	185,843	152,460
Change in working capital:				
Increase (-)/decrease in trade receivables	-43,988	-27,263	-26,413	-29,606
Increase (-)/decrease in loan receivables from housing associations and real estate holding	-74,157	-8,574	-74,157	-8,574
Increase (-)/decrease in current non-interest-bearing receivables	-17,386	-1,967	-12,223	-4,064
Increase(-)/ decrease (+) in inventories	-572,879	-185,839	-559,266	-189,154
Increase (+)/decrease in trade payables	116,332	-44,820	111,435	-42,599
Increase (+)/decrease in construction fund commitment	130,850	-16,191	130,850	-16,192
Increase (+)/decrease in advances received	25,642	43,903	19,755	50,733
Increase(+)/decrease(-) in non-interest-bearing debts	43,604	-11,100	31,475	-8,964
Change in working capital:	-391,982	-251,851	-378,544	-248,420
Cash flow from business operations before taxes	-205,770	-116,098	-192,701	-95,960
Direct taxes paid	-43,450	-4,210	-43,475	-4,147
Cash flow from business operations (A)	-249,220	-120,308	-236,176	-100,107
Cash flow from investments:				
Investments in material and immaterial goods	-234,325	-35,822	-230,965	-34,722
Income from disposal of material and immaterial goods	2,853	7,312	7,000	8,349
Increase (+)/ decrease (-) in minority interests	18	-49		
Cash flow from investments (B)	-231,454	-28,559	-223,965	-26,373
Cash flow from financing				
Increase (-)/ decrease (+) in interest-bearing loan receivables			12,470	-37,781
Paid share issue	85,000	65,000	85,000	65,000
Increase (+)/ decrease (-) in interest-bearing debts	370,021	128,815	371,289	133,912
Group contribution received/ paid			-33,892	0
Cash flow from financing (C)	455,021	193,815	434,867	161,131
Increase(+)/ decrease (-) in liquid assets (A+B+C)	-25,653	44,948	-25,274	34,651
Liquid assets at start of year	100,988	56,040	79,059	44,408
Liquid assets at year-end	75,335	100,988	53,785	79,059

ACCOUNTING CONVENTIONS

CONSOLIDATION CONVENTIONS

Scope of the consolidated financial statements

The consolidated financial statements combine the parent company, NCC Finland Oy, and all the Group companies and associated companies included in fixed assets.

Cross-holdings of shares

Acquisition accounting has been applied to the consolidated financial statements. The acquisition cost of shares in subsidiaries has been eliminated against the subsidiaries' shareholders' equity at the time of acquisition.

The difference arising from the elimination has been treated as goodwill or a Group reserve, which is either depreciated or debited according to plan.

Internal transactions and margins

Intra-Group transactions, unrealized margins on internal deliveries, internal receivables and debts have been eliminated, as has internal distribution of profits.

Minority interest

Minority interest has been shown as a separate item in the income statement and balance sheet.

Translation adjustments

The figures for the financial statements of foreign companies in the Group have been converted into Finnish marks at the rate issued by the Bank of Finland on the date of closing the books. Translation profits and losses arising from the elimination of foreign subsidiaries' shareholders equity have been entered in the income statement.

Foreign companies has been consolidated in generally by means of the monetary non-monetary method.

Associated companies

Associated companies have been consolidated by the equity method. A proportion of associated companies' net profits/losses for the year, according to the percentage holding, is given under Other operating costs.

TURNOVER AND PRINCIPLES OF INCOME-RECOGNITION

In the calculation of turnover, sales revenue is subjected to a deduction of indirect taxes and of exchange-rate differences on the sales revenue of projects denominated in foreign currency where these are not hedged with forward rate agreements or other similar agreements.

Turnover includes the share of building work and the share trading in spec projects as well as plots at their acquisition cost. For partnership projects on which NCC Finland acts as a contractor for construction on a plot formerly owned by the company, turnover includes the proportion of the building work and the value of the plots at market prices.

Income-recognition of long-term projects

Long-term projects are recognized as income on the basis of their percentage of completion. All projects are counted as long-term when they extend into two financial years. The percentage of completion method applies to all contracting agreements, cost-plus fee contracts, target cost agreements, design-build agreements and other contracts as well as all spec projects in which a contract agreement is made with a company-owned housing society or building management company.

The percentage of completion method is applied from the month in which the construction work begins or the first account sales are recorded, ending in the month in which the job is handed over to the client.

The degree of completion is calculated as a ratio of the actual projects costs relative to the forecast total costs. The market-based construction margin of long-term spec housing projects and commercial building projects which are to be sold at the company's own risk is income-recognized on the basis of the percentage of completion or on the percentage of shares sold in the co-op, whichever is the lower. The margin on the property development of long-term commercial building projects undertaken and to be sold at the

company's own risk, is income-recognized in its entirety in accordance with extent of sales of shares. Sales of shares are booked in the income statement on the basis of the basis of the deeds of purchase.

The residual value of work in progress after the application of the percentage of completion method is based on the variable acquisition costs of projects during the development and planning stage.

ITEMS DENOMINATED IN FOREIGN CURRENCY

Receivables and debts in foreign currency have been translated into Finnish currency at the average rate quoted by the Bank of Finland on the date of closing the books. An exception to this is receivables hedged with forward rate agreements, which are valued at the forward rate.

Exchange rate differences on the receivables and debts, denominated in foreign currency, of long-term projects hedged with forward rate agreements or similar are given under Financing income and expenses.

VALUATION OF INVENTORY

Inventory has been valued at the variable acquisition costs or the probable resale price, whichever is the lower.

VALUATION OF FIXED ASSETS

Fixed assets are entered on the balance sheet at the acquisition cost less planned depreciation. Planned depreciation has been calculated as straight-line depreciation on fixed assets over their economic life.

The depreciation periods are as follows:

	Years
<i>Intangible rights</i>	5 - 10
<i>Goodwill</i>	11
<i>Consolidation goodwill</i>	5 - 20
<i>Other non-current expenditure</i>	5 - 10
<i>Buildings and structures</i>	10
<i>Machinery and equipment</i>	5 - 15

PENSION ARRANGEMENTS AND THE MATCHING OF PENSION EXPENSES

Pensions have been arranged through pension insurance companies. Pension expenses are matched in the financial statements on an accrual basis.

OBLIGATORY RESERVES

Those future expenses are booked as costs for the accounting period in the form of obligatory reserves to which the company has committed itself and to which equivalent revenue is unlikely to accrue. These include, for example, the estimated guarantee expenses of long-term projects that have been handed over and the loss exceeding the probable recognition as an expense of a long-term project in progress.

APPROPRIATIONS

Depreciation differences are appropriations. The total of the accumulated appropriations in the financial statements is divided into tax liability and shareholders' equity. The change in appropriations for the financial year, less tax liability, is included in the year's net profit. The part of the appropriations booked in shareholders' equity is not counted as part of the Group's disposable assets.

INCOME TAXES

Entered in the income statement as income taxes are the taxes calculated under tax regulations on the Group companies' profit for the financial year, adjustments of previous years' taxes, and deferred taxes.

The deferred tax liability or credit is calculated for the interim differences between taxation and the financial statements, using the tax rate for following years confirmed as at the date of closing the books. The balance sheet includes the deferred tax liability in toto and the deferred tax credit is shown at the probable amount.

Deferred tax liabilities and credits are dealt with only in the consolidated financial statements.

The currency exchange rate at 31.12.2000: FIM 6.3898 = USD 1

NOTES TO THE FINANCIAL STATEMENTS

	(FIM 1,000)			
	Group	Parent Company		
	1.1.-31.12.2000	1.1.-31.12.1999	1.1.-31.12.2000	1.1.-31.12.1999
1.1. TURNOVER				
Turnover by divisions				
Building construction in Finland	1,969,059	2,400,524	1,969,060	2,400,524
International operations	71,000	78,387	0	0
Housing	1,031,359	164,495	1,031,359	164,495
Real estate development	226,359	39,055	226,359	39,055
Civil engineering	171,917	173,066	171,917	173,066
Industry	47,489	16,593	31,127	5,249
Building design	32,836	25,473	0	0
Other business	4,805	5,905	0	0
Less intra-Group	-32,193	-29,932	0	0
Turnover, total	3,522,631	2,873,566	3,429,822	2,782,389
Turnover includes sales of shares in spec construction				
Building construction in Finland	156,063	218,689	156,063	218,689
Housing	209,778	153,665	209,778	153,665
Real estate development	28,923	15,998	28,922	15,998
Total	394,764	388,352	394,763	388,352
Turnover includes sales of plots and shares in plots as well as plot transfers to production				
Building construction in Finland	37,763	18,552	37,763	18,552
Housing	83,869	10,110	83,869	10,110
Real estate development	30,837	12,184	30,837	12,184
Total	152,469	40,846	152,469	40,846
Turnover by market area				
Finland	3,483,824	2,825,111	3,429,822	2,782,389
Russia	37,000	78,130	0	0
Lithuania	28,174	257	0	0
Latvia	5,826	0	0	0
Less intra-Group	-32,193	-29,932	0	0
Turnover, total	3,522,631	2,873,566	3,429,822	2,782,389
Percentage in turnover of projects not yet handed over at year-end	1,499,086	1,021,089	1,454,066	906,002
1.2. Other operating income				
Profits on the sale of fixed assets	955	5,955	828	6,650
Service income	2,863	4,723	3,625	2,924
Other	54	27	55	27
Less intra-Group	-1,573	-2,053	0	0
Other operating income, total	2,299	8,652	4,508	9,601
1.3. Materials and services				
Materials, supplies and goods:				
Purchases during the year	539,061	470,523	526,029	431,532
Change in inventory (increase-/decrease+)	-521,040	-170,944	-508,283	-171,748
	18,021	299,579	17,746	259,784
External services	1,415,318	1,249,405	1,400,830	1,252,761
Materials and services, total	1,433,339	1,548,984	1,418,576	1,512,545

NOTES TO THE FINANCIAL STATEMENTS

	(FIM 1,000)			
	Group 1.1.-31.12.2000	1.1.-31.12.1999	Parent Company 1.1.-31.12.2000	1.1.-31.12.1999
1.4. Personnel expenses and number of personnel				
Personnel expenses:				
Wages and salaries	404,899	330,573	367,640	299,249
Pension expenses	79,533	58,694	69,630	52,923
Other personnel expenses	29,709	42,095	35,732	38,757
Total	514,141	431,362	473,002	390,929
Management salaries and emoluments:				
Presidents	4,494	3,780	3,391	2,707
Board members	60	90	60	90
The agreed pensionable age for Board members employed by NCC Finland Oy is 60. Approximately FIM 5,010,000 has been allocated to cover the costs of the share option programme carried out by NCC AB, including employee benefits. Seventeen members of NCC Finland's management are included in the option programme.				
Average number of personnel for year:				
- Salaried	986	888	829	715
- Wage-earners	1,490	1,178	1,392	1,111
Total	2,476	2,066	2,221	1,826
Number of personnel at year-end:				
- Salaried	1,005	915	847	754
- Wage-earners	1,431	1,223	1,372	1,200
Total	2,436	2,138	2,219	1,954
1.5. Depreciation and write-downs				
Intangible rights	1,007	858	638	527
Goodwill	5,530	5,000	5,030	4,500
Consolidation goodwill	1,763	626	0	0
Other long-term expenditure	345	222	70	27
Buildings and structures	412	180	363	180
Machinery and equipment	21,703	16,735	18,388	14,641
Other tangible assets	51	0	0	0
Total	30,811	23,621	24,489	19,875
1.6. Other operating costs				
Purchases of land and shares and issues	1,050,154	595,265	1,040,939	595,265
Rents	32,752	14,819	29,361	10,728
Voluntary personnel expenses	12,286	10,957	11,265	9,626
External administrative services	8,259	6,725	8,442	7,719
Other office and administrative expenses	37,711	30,921	33,496	27,726
Other construction expenses	258,464	122,595	247,098	99,605
Other operating costs	26,565	17,068	25,319	16,223
Other operating costs, total	1,426,191	798,350	1,395,920	766,892

The currency exchange rate at
31.12.2000: FIM 6.3898 = USD 1

	(FIM 1,000)		Parent Company	
	Group 1.1.-31.12.2000	1.1.-31.12.1999	1.1.-31.12.2000	1.1.-31.12.1999
1.7. Financial income and expenses				
Dividend income				
From Group companies	0	0	0	0
From others	83	16	83	16
	83	16	83	16
Total income from investments included in assets, total	83	16	83	16
Other interest and financial income				
From Group companies	572	156	2,899	2,503
From others	772	896	456	561
	1,344	1,052	3,355	3,064
Interest income from long-term investments included in assets and other interest and financial income, total	1,427	1,068	3,438	3,080
Interest expenses and other financial expenses				
From Group companies	21,926	8,327	21,905	8,316
From others	149	144	114	90
	22,075	8,471	22,019	8,406
Exchange rate gains				
Calculated exchange rate gains	12,194	13,848	0	123
Realized exchange rate gains	4,822	3,615	28	0
	17,016	17,463	28	123
Exchange rate losses				
Calculated exchange rate losses	5,765	5,149	627	74
Realized exchange rate losses	8,312	9,445	5	0
	14,077	14,594	632	74
Exchange rate differences, net	2,939	2,869	-604	49
Financial income and expenses, total	-17,709	-4,534	-19,185	-5,277
1.8. Extraordinary items				
Group contributions received			1,541	1,318
Group contributions paid			1,575	25,310
Extraordinary items, total			-34	-23,992
1.9. Appropriations				
Difference between scheduled depreciation and depreciation in taxation			8,205	3,022
			8,205	3,022
1.10. Direct taxes				
Income tax on actual business				
- for financial year	44,842	25,713	44,871	25,686
- for previous years	-2	6	-2	6
Change in deferred tax liability	2,544	-2,580	0	0
Direct taxes, total	47,384	23,139	44,869	25,692

NOTES TO THE FINANCIAL STATEMENTS

(FIM 1,000)

2.1. FIXED ASSETS/ GROUP

2.1.1. Intangible assets

	Intangible rights	Goodwill	Consolidation Goodwill	Other long- term liabilities	Total
Acquisition cost 1 Jan.	9,211	55,000	3,660	2,477	70,348
Increases 1 Jan.-31 Dec.	8,674	5,300	105,716	2,704	122,394
Decreases 1 Jan-31 Dec	0	0	0	0	0
Acquisition cost 31 Dec.	17,885	60,300	109,376	5,181	192,742
Accumulated depreciation and write-downs 1 Jan.	7,479	25,000	2,405	2,335	37,219
Accumulated depreciation of decreases and appropriations	0	0	0	0	0
Depreciation for financial year	1,007	5,530	1,763	345	8,645
Accumulated depreciation 31 Dec.	8,486	30,530	4,168	2,680	45,864
Book value 31 Dec.	9,399	29,770	105,208	2,501	146,878

2.1.2. Tangible assets

	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Advance paymets and construction in progress	Total
Acquisition cost 1 Jan.	787	1,858	145,683	571	0	148,899
Increases 1 Jan.-31 Dec.	2,059	5,095	94,890	1,358	2,694	106,096
Decreases 1 Jan-31 Dec	0	0	-5,494	0	0	-5,494
Acquisition cost 31 Dec.	2,846	6,953	235,079	1,929	2,694	249,501
Accumulated depreciation and write-downs 1 Jan.	0	232	73,337	0	0	73,569
Accumulated depreciation of decreases and appropriations	0	0	-3,428	0	0	-3,428
Depreciation for financial year	0	412	21,703	52	0	22,167
Accumulated depreciation 31 Dec.	0	644	91,612	52	0	92,308
Book value 31 Dec.	2,846	6,309	143,467	1,877	2,694	157,193

Consolidation reserve

Acquisition cost 1 Jan.	316
Increases 1 Jan.-31 Dec.	0
Acquisition cost 31 Dec.	316
Accumulated income-recognition	-316
Book value 31 Dec.	0

2.1. FIXED ASSETS/ PARENT COMPANY

2.1.1. Intangible assets

	Intangible rights	Goodwill	Other long- term liabilities	Total
Acquisition cost 1 Jan.	2,830	49,500	181	52,511
Increases 1 Jan.-31 Dec.	920	5,300	416	6,636
Decreases 1 Jan-31 Dec.	0	0	0	0
Acquisition cost 31 Dec.	3,750	54,800	597	59,147
Accumulated depreciation and write-downs 1 Jan.	1,569	22,500	60	24,128
Accumulated depreciation of decreases and appropriations	0	0	0	0
Depreciation for financial year	639	5,030	70	5,739
Accumulated depreciation 31 Dec.	2,208	27,530	130	29,867
Book value 31 Dec.	1,542	27,270	467	29,280

The currency exchange rate at
31.12.2000: FIM 6.3898 = USD 1

2.1.2. Tangible assets	(FIM 1,000)					Total
	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and construction in progress	
Acquisition cost 1 Jan.	787	1,858	117,800	565	0	121,010
Increases 1 Jan.-31 Dec.	741	1,978	61,054	1,290	2,694	67,757
Decreases 1 Jan.-31 Dec.	0	0	-9,694	0	0	-9,694
Acquisition cost 31 Dec.	1,528	3,836	169,160	1,855	2,694	179,073
Accumulated depreciation and write-downs 1 Jan.	0	232	50,343	0	0	50,575
Accumulated depreciation of decreases and appropriations	0	0	-3,428	0	0	-3,428
Depreciation for financial year	0	362	18,388	0	0	18,750
Accumulated depreciation 31 Dec.	0	594	65,303	0	0	65,897
Book value 31 Dec.	1,528	3,242	103,857	1,855	2,694	113,176

The machinery and equipment of the Construction Division are included in the balance sheet item Machinery and equipment. In accordance with the relevance principle the balance sheet value of plant has not been separated from Machinery and equipment.

2.1.3. Investments	(FIM 1,000)			
	Group 1.1.-31.12.2000	Parent Company		
		1.1.-31.12.1999	1.1.-31.12.2000	1.1.-31.12.1999
Shares in Group companies				
Acquisition cost 1 Jan.			3,937	4,445
Increases 1 Jan.-31 Dec.			153,938	0
Decreases 1 Jan.-31 Dec.			0	-508
Acquisition cost 31.12.			157,875	3,937
Shares in associated companies				
Acquisition cost 1 Jan.	2,104	23	2,081	0
Increases 1 Jan.-31 Dec.	4,942	2,081	1,784	2,081
Decreases 1 Jan.-31 Dec.	-89	0	0	0
Acquisition cost 31.12.	6,957	2,104	3,865	2,081
Stocks and shares in other companies				
Acquisition cost 1 Jan.	3,943	3,288	3,943	3,288
Increases 1 Jan.-31 Dec.	893	658	850	658
Decreases 1 Jan.-31 Dec.	0	-3	0	-3
Acquisition cost 31.12.	4,836	3,943	4,793	3,943
Receivables from other companies				
Acquisition cost 1 Jan.	0	100	0	0
Increases 1 Jan.-31 Dec.	0	0	0	0
Decreases 1 Jan.-31 Dec.	0	-100	0	0
Acquisition cost 31.12.	0	0	0	0
Investments, total	11,793	6,047	166,533	9,961

NOTES TO THE FINANCIAL STATEMENTS

<u>Shares in subsidiaries held by the parent company</u>	Quantity	Holding %	Currency	Par value	Book value/FIM
Oy Läntinen Teollisuuskatu 15, Espoo	250	100%	FIM	1,366	140,663
NCC International Oy, Helsinki 1)	7,965	99.56%	FIM	996	15,246
Optiplan Oy, Turku	100	100%	FIM	1,000	1,825
PMA-palvelut Oy, Helsinki	100	100%	FIM	100	102
Puolimatkan LKV Oy, Vantaa	15	100%	FIM	15	15
Vuorevarma Ky, Vantaa		100%	FIM		24
Shares in subsidiaries, total					157,875
Shares in associated companies held by the parent company					
Pääkaupunkiseudun rakennusjäte Oy	10,000	33.33%	FIM	2,081	3,865
Shares in subsidiaries held by subsidiaries					
Interasfaltti Oy, Espoo	12,890	100%	FIM	1,289	37,019
S-Planners Oy, Helsinki	5,000	100%	FIM	50	414
NCC International Oy, Helsinki 1)	35	0.44%	FIM	4	29
ZAO Rapko (Rapco Ltd), Moscow, Russia	10	100%	RUB		1
ZAO NCC Projects, Moscow, Russia		100%	USD	5	22
ZAO NCC, Moscow, Russia	100	100%	RUB	10	9
ZAO NCC North-West, Russia	100	100%	RUB	16	3
NCC Ehitus Oü, Estonia	1	100%	EEK	40	15
AS Optiplan Eesti, Estonia	40	100%	EEK	200	76
UAB NCC Puolimatka, Lithuania	100	100%	LTL	10	14
UAB Optiplanas, Lithuania	400	100%	LTL	160	108
UAB Interasfaltti, Lithuania	10	100%	LTL	10	14
SIA NCC Konstrukcija, Latvia	10	100%	LVL	2	1,703
SIA NCC Speks Investment, Latvia	60	60%	LVL	1	11
SIA Interasfaltti, Latvia	1	100%	LVL	2	19
1) Group holding totals 100%					
Shares in associated companies held by a subsidiary					
KP-Kaupunkiprojektien Kehitys Oy, Helsinki	5	33.30%	FIM	15	15
ZAO Eurolog Park Pulkov, Russia		29%	USD	4	19
AS Baltifalt, Estonia	5,635	35%	EEK	564	2,381

The currency exchange rate at
31.12.2000: FIM 6.3898 = USD 1

	(FIM 1,000)			
	Group		Parent Company	
	1.1.-31.12.2000	1.1.-31.12.1999	1.1.-31.12.2000	1.1.-31.12.1999
2.2. CURRENT ASSETS				
2.2.1. Inventory				
Materials and supplies	4,776	0	862	0
Work in progress	86,585	34,746	85,180	34,197
Plot-owning companies and plots	453,886	260,586	445,043	260,586
Shares in companies under construction	489,266	231,006	489,266	231,006
Shares in completed companies	79,797	15,220	79,797	15,220
Other inventory	383	256	383	256
Inventory, total	1,114,693	541,814	1,100,531	541,265
Income-recognition according to percentage of completion affects the balance sheet items as follows:				
Assets				
Work in progress	1,515,631	1,026,621	1,458,806	915,208
Less percentage of completion income recognition	-1,429,046	-991,875	-1,373,626	-881,011
Work in progress	86,585	34,746	85,180	34,197
Liabilities and shareholders' equity				
Advances received	1,718,926	1,185,814	1,661,637	1,070,519
Less percentage of completion income recognition	-1,572,167	-1,064,697	-1,524,558	-953,195
Advances received	146,759	121,117	137,079	117,324
Receivables from and debts to housing associations and real estate holding companies				
Current				
Trade receivables	24,231	14,426	24,231	14,426
Loan receivables	134,235	60,078	134,235	60,078
Construction fund commitments	280,458	149,609	280,458	149,609
2.2.2. Long-term receivables				
Other receivables	0	850	0	850
Long-term receivables, total	0	850	0	850
2.2.3. Current receivables				
Trade receivables	287,792	243,708	250,361	223,379
Receivables from Group companies				
Trade receivables	0	95	563	1,131
Loan receivables	0	0	60,498	73,550
Accrued assets	0	0	2,132	2,332
	0	95	63,193	77,013
Loan receivables	138,319	60,728	135,467	60,728
Other receivables	1,700	1,700	1,700	1,700
Accrued assets	133,068	39,320	122,949	35,127
	273,087	101,748	260,116	97,555
Current receivables, total	560,879	345,551	573,670	397,947

NOTES TO THE FINANCIAL STATEMENTS

	(FIM 1,000)		Parent Company	
	Group		1.1.-31.12.1999	1.1.-31.12.2000
	1.1.-31.12.2000	1.1.-31.12.1999	1.1.-31.12.1999	1.1.-31.12.1999
Material items included in accrued assets				
Value-added taxes	6,665	4,858	5,084	4,295
Uninvoiced portion of projects handed-over and partially income-recognized	91,939	12,993	87,319	12,993
Personnel expenses	777	689	777	380
Group contributions received	0	0	1,541	1,318
Other accrued assets	33,687	20,780	30,360	18,473
Accrued assets, total	133,068	39,320	125,081	37,459
2.3. Shareholders' equity				
Share capital				
Share capital 1 Jan.	29,460	24,660	29,460	24,660
Subscription issue	6,000	4,800	6,000	4,800
Share capital 31 Dec.	35,460	29,460	35,460	29,460
Share premium account				
Share premium account 1 Jan.	159,935	99,735	159,935	99,735
Subscription issue above par value	79,000	60,200	79,000	60,200
Share premium account 31 Dec.	238,935	159,935	238,935	159,935
Retained profits				
Retained profits 1 Jan.	91,000	23,877	80,126	18,954
Retained profits 31 Dec.	91,000	23,877	80,126	18,954
Net profit for financial year	110,086	67,123	103,727	61,172
Shareholders' equity, total 31 Dec.	475,481	280,395	458,248	269,521
Distributable shareholders' equity				
Retained profits	91,000	23,877	80,126	18,954
Net profit for financial year	110,086	67,123	103,727	61,172
Portion of accumulated depreciation difference entered in shareholders' equity	-19,883	-11,069		
Total	181,203	79,931	183,853	80,126
2.4. Accumulation of appropriations				
Accumulated depreciation difference				
Buildings and structures				
Depreciation difference 1 Jan.			-4	53
Increase/ decrease			-110	-57
Depreciation difference 31 Dec.			-114	-4
Machinery and equipment				
Depreciation difference 1 Jan.			15,595	12,515
Increase/ decrease			8,316	3,080
Depreciation difference 31 Dec.			23,911	15,595
Accumulated depreciation difference, total				
Depreciation difference 1 Jan.			15,591	12,568
Increase/ decrease			8,206	3,023
Depreciation difference 31 Dec.			23,797	15,591

*The currency exchange rate at
31.12.2000: FIM 6.3898 = USD 1*

	(FIM 1,000)		Parent Company	
	Group 1.1.-31.12.2000	1.1.-31.12.1999	1.1.-31.12.2000	1.1.-31.12.1999
Division of accumulated appropriations between tax liability and shareholders' equity				
Depreciation difference in separate companies' financial statements	28,004	15,591		
Deferred tax liability	-8,121	-4,522		
Portion of shareholders' equity	19,883	11,069		
2.5. Obligatory reserves				
Guarantee reserve	11,626	11,986	11,131	11,936
Contract loss reserve	869	2,167	728	2,167
Rent guarantee reserve	500	200	500	200
Other obligatory reserves	6,058	4,690	5,902	4,477
Total	19,053	19,043	18,261	18,780
2.6. LIABILITIES				
2.6.1. Deferred tax liability and credits				
Deferred tax credits				
From matching differences	4,513	3,456		
	4,513	3,456		
Deferred tax liability				
From appropriations	8,121	4,522		
	8,121	4,522		
2.6.2. Non-current liabilities				
Debts to Group companies				
Other debts	152,969	59,457	152,969	59,457
Other debts	12	0	0	0
Non-current liabilities, total	152,981	59,457	152,969	59,457
2.6.3. Current liabilities				
Loans from financial institutions	241	0	0	0
Pension loans	0	42	0	42
Advances received	146,759	121,117	135,453	117,324
Trade payables	179,465	65,155	172,958	63,399
Debts to Group companies				
Advances received	0	0	1,626	0
Trade payables	2,124	103	4,857	2,981
Other debts	495,757	219,457	497,277	219,457
Deferred liabilities	7,206	2,486	10,022	37,686
	505,087	222,046	513,782	260,124
Construction fund debts	280,458	149,609	280,458	149,609
Other debts	45,523	38,742	40,642	36,835
Deferred liabilities	258,097	147,037	240,407	137,217
Current liabilities, total	1,415,630	743,748	1,383,700	764,550

NOTES TO THE FINANCIAL STATEMENTS

	(FIM 1,000) Group 1.1.-31.12.2000	1.1.-31.12.1999	Parent Company 1.1.-31.12.2000	1.1.-31.12.1999
Material items included in deferred liabilities				
VAT and income taxes	35,038	30,023	34,290	29,570
Post-completion reserves on projects handed-over and partially income-recognized	115,665	42,829	115,060	40,319
Personnel expenses	87,551	62,345	79,326	58,033
Group contribution paid	0	0	1,575	35,210
Other deferred liabilities	27,049	14,326	20,178	11,771
Deferred liabilities, total	265,303	149,523	250,429	174,903
2.6.4. Interest-bearing liabilities				
Current	495,997	219,500	497,276	219,499
Non-current	152,981	59,457	152,969	59,458
Total	648,978	278,957	650,245	278,957
2.7. CONTINGENT LIABILITIES				
Loans	0	42	0	42
Pledges for own commitments				
Mortgages given				
Real estate mortgages	12,600	0		
Company mortgages	12,500	0		
Pledges given	28	67	28	67
	25,128	67	28	67
Counter-commitment liabilities				
for own liabilities	440,503	381,265	400,635	354,797
for subsidiary's liabilities			39,868	26,468
	440,503	381,265	440,503	381,265

Complete information on the financial statements is included in the official balance sheet book produced by the company.

*The currency exchange rate at
31.12.2000: FIM 6.3898 = USD 1*

THE BOARD'S PROPOSAL FOR ACTION ARISING FROM THE PROFIT FOR THE YEAR

The parent company's distributable equity is FIM 183,853,033.70. The Group's distributable equity is FIM 181,203,453.77, after the depreciation difference posted to the shareholders' equity is deducted from the consolidated shareholders' equity.

The Board proposes to the annual general meeting that no dividend be paid and that the company's net profit for the year, being FIM 103,726,968.70, be posted to retained profits.

Vantaa, 26 January 2001

Lars Wuopio
Chairman

Kenneth Orrgren

Kai Hietarinta

Magnus Mannesson

Markku Markkola

Matti Haapala
President

AUDITORS' NOTE

The financial statements were drawn up in compliance with generally accepted accounting practice and the report on the audit carried out has been submitted today.

Vantaa, 2 February 2001

KPMG Wideri Oy Ab

Birger Haglund
Authorized Public Accountant in Finland

AUDITORS' REPORT

To the shareholders of NCC Finland Oy

We have audited the accounting records and the financial statements, as well as the administration by the Board of Directors and the Managing Director of NCC Finland Oy for the year ended 31 December 2000. The financial statements prepared by the Board of Directors and the Managing Director include the report of the Board of Directors, consolidated and parent company income statements, balance sheets, cash flow statements and notes to the financial statements. Based on our audit we express an opinion on these financial statements and the company's administration.

We have conducted our audit in accordance with Finnish Generally Accepted Auditing Standards. Those standards require that we plan and perform the audit in order to obtain reasonable assurance about whether the financial statements are free of material misstate-

ment. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. The purpose of our audit of the administration has been to examine that the Board of Directors and the Managing Director have complied with the rules of the Finnish Companies Act.

In our opinion, the financial statement, showing a profit of FIM 110,085,828.08 in the consolidated income statement and a profit of FIM 103,726,968.70 in the parent company income statement, have been prepared in accordance with the Finnish Accounting Act and other rules and regulations governing the preparation of financial statements in Finland. The

financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company result of operations, as well as of the financial position. The financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal made by the Board of Directors on how to deal with the net profit for the year is in compliance with the Finnish Companies Act.

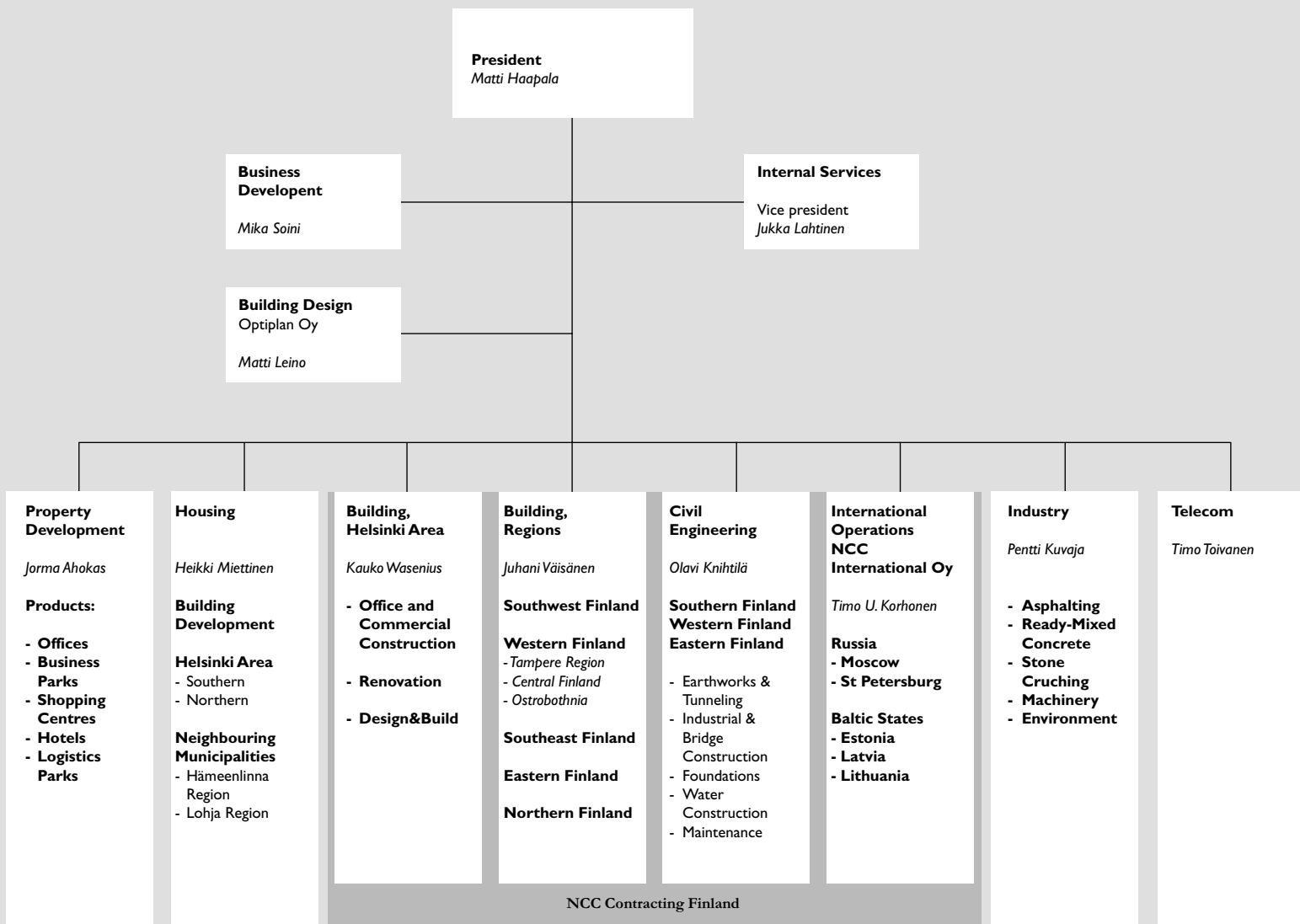
Vantaa, 2 February 2001

KPMG Wideri Oy Ab

Birger Haglund
Authorized Public Accountant
in Finland

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NCC Finland Oy



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* As of 30 April 2001 NCC's switch-board number will be +8 585 510 00.



Stella Business Park Luna and multi-storey car park, Espoo



Plaza Business Park, Vantaa



Takomo, Nokia office, Helsinki



Nokia Keilaniemi, Espoo



Institute of Occupational Health, Helsinki



Major renovation of cash office and pharmacy building, Helsinki



Sibelius Hall, Lahti



Nokia, R&D, extension, Oulu



Nokia Mobile Phones, Oulu



Nokia Mobile Phones, Salo



PKC, manufacturing and office building, Oulu



Ohjelmakaari I, office building, Jyväskylä



Ankkurin Aitio residential area, Lahti



Vihilahti residential area, Tampere



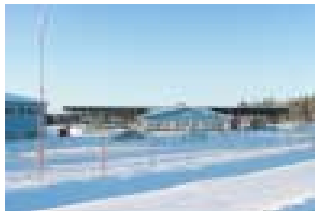
Kartanonkreivi, Munkkiniemi, Helsinki



Aspocomp, plant extension, Salo



Mussalo terminal, Kotka



Salla border crossing, Russia



Building for Housing Fair, Tuusula



Household appliance retailer Gigantti, Turku



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