

NORDECON

Investor presentation
6m 2012

Nordecon overview

KEY FACTS

- Nordecon is a group of construction companies whose core business is construction project management and general contracting in the buildings and infrastructures segment.
- Geographically the Group operates currently in Estonia, Ukraine and Finland. The parent of the Group is Nordecon AS, a company registered and located in Tallinn, Estonia. In addition to the parent company, there are more than 10 subsidiaries in the Group.
- Currently Nordecon employs more than 700 people.
- Since 18 May 2006, the company's shares have been quoted in the main list of the NASDAQ OMX Tallinn Stock Exchange.

MISSION

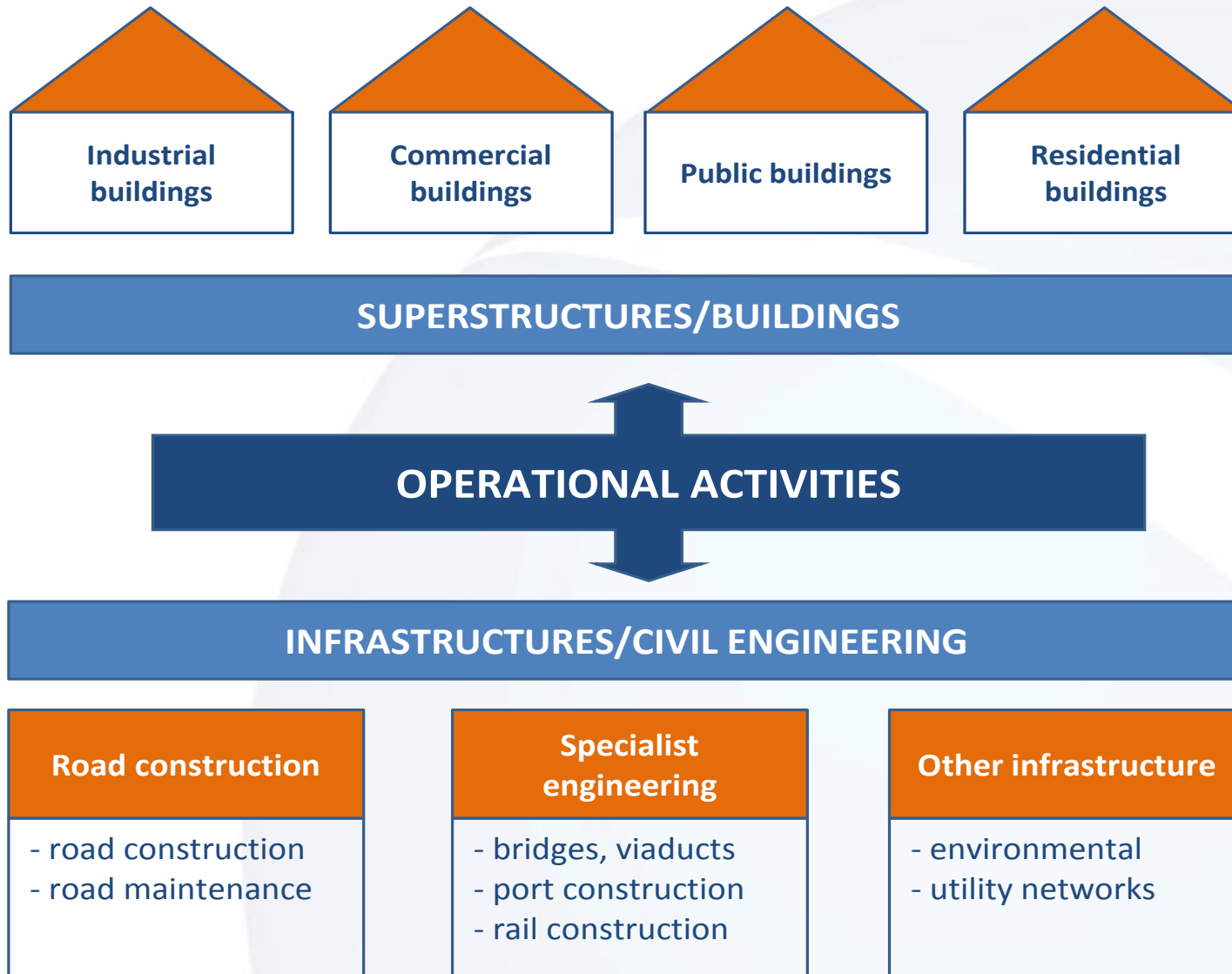
Our mission is to offer our customers complete premier value adding construction and engineering solutions.

We add value to the company by motivating our employees and providing them with clear development opportunities and a contemporary work environment.

Nordecon Group's main strategic objectives until 2013

- To complete the significant adjustments to the Group's structure and governance that were launched in 2009 in order to secure profitable and rapid growth in the rise phase of the market.
- To operate in Latvia, Lithuania and Belarus on a project basis, assuming that this is profitable.
- To continue buildings construction operations in Ukraine in line with the current strategy.
- To maintain preparedness for re-launching more active operations in foreign markets (as a general contractor) as soon as the situation in the construction market has become sufficiently supportive.
- To operate in the Finnish concrete works market (as a contractor) through a subsidiary in order to support development of the business line.
- To become the leading construction group in Estonia that earns half of its revenue from infrastructure and the other half from buildings construction by the end of 2013.

Business Model



Group's strengths

- An organisation / shareholders oriented towards long-term profitable growth
- Organisationally separate engineering and construction businesses
- A flexible, horizontally integrated business model across the Group
- Experienced management
- Professional and loyal employees
- Relative conservatism in risk-taking
- Centralised support services in combination with strong business organisations
- A balanced revenue base that is equally divided between buildings construction and engineering

Core Competencies

Road construction
and maintenance

Environmental
construction

Other
infrastructure

Industrial, civil
and commercial
buildings

Real estate
development

Nordecon financial information and key facts 6m 2012

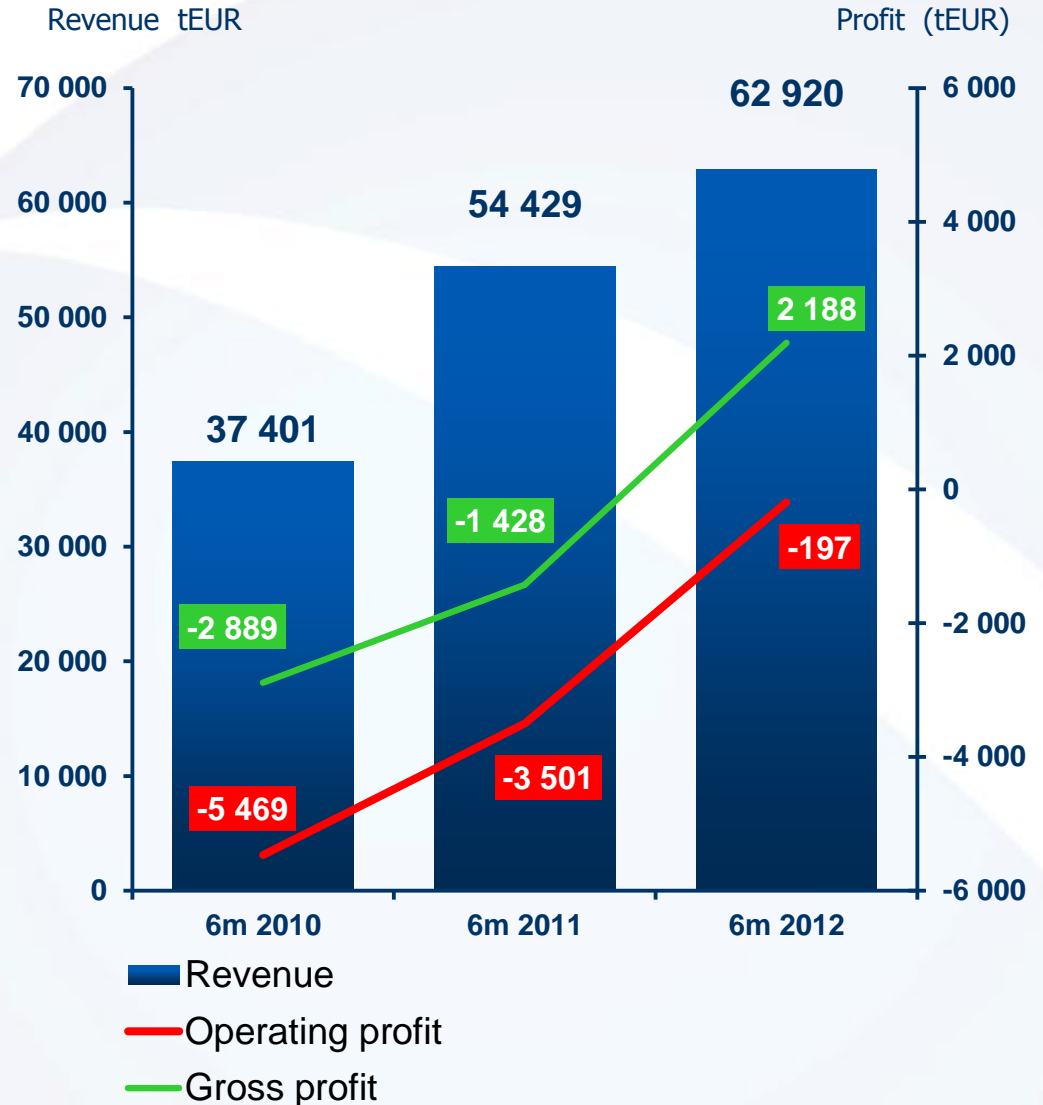
- Sales exceeded 6m 2011 figure by 16%
- Strong Q2 results in 2,2 mEUR gross profit compared to 2011 loss of 1,4 mEUR
- Slow improvement in gross margin to continue in 2012
- Strong order book growth in 2011 and 2012 provides good basis for increasing sales in 2012
- Strong outside pressure on liquidity

Key Figures/Ratios

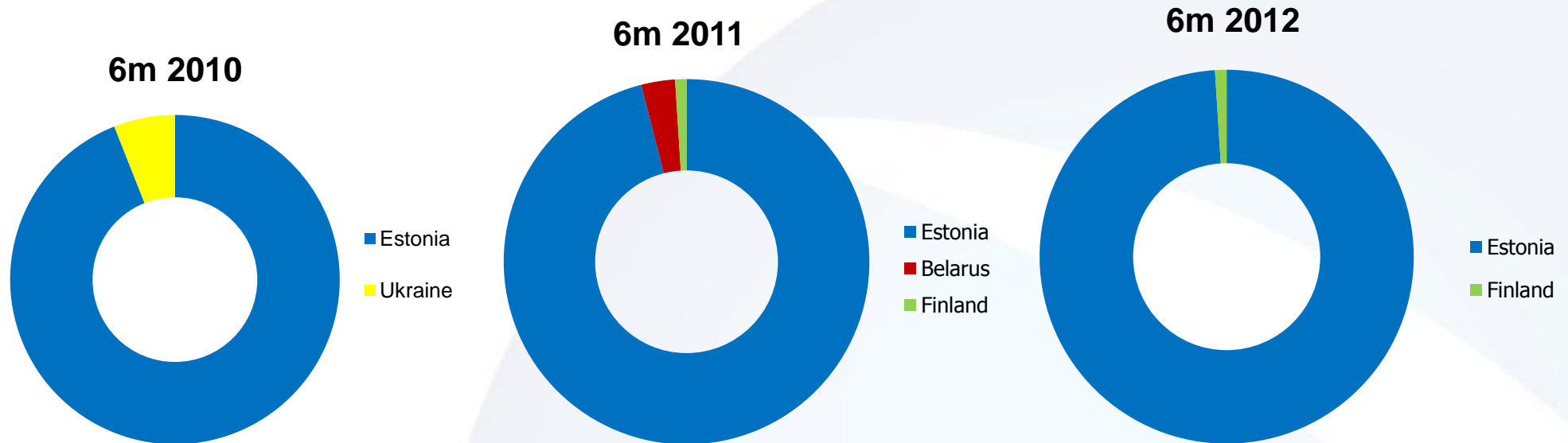
Figure / Ratio	6m 2012	6m 2011
Revenue (tEUR)	62,920	54,429
Revenue growth/decrease, %	16%	46%
Net profit/loss (tEUR)	-390	-3,716
Gross margin, %	3.5%	-2.6%
EBITDA margin, %	1.5%	-4.2%
Net margin, %	-0.6%	-6.8%
Earnings per share (EUR)	-0.02	-0.12
Equity ratio, %	25.0%	26.8%
Administrative expenses to revenue (rolling)	3.2%	4.1%

Revenue and Profit

- Bottom of construction market in 2010
- Growth driven by improved competition situation in some segments and by public sector investments
- Order book to continue supporting growth in 2012
- Main focus is on restoring profitability



Revenue by Geographic Regions

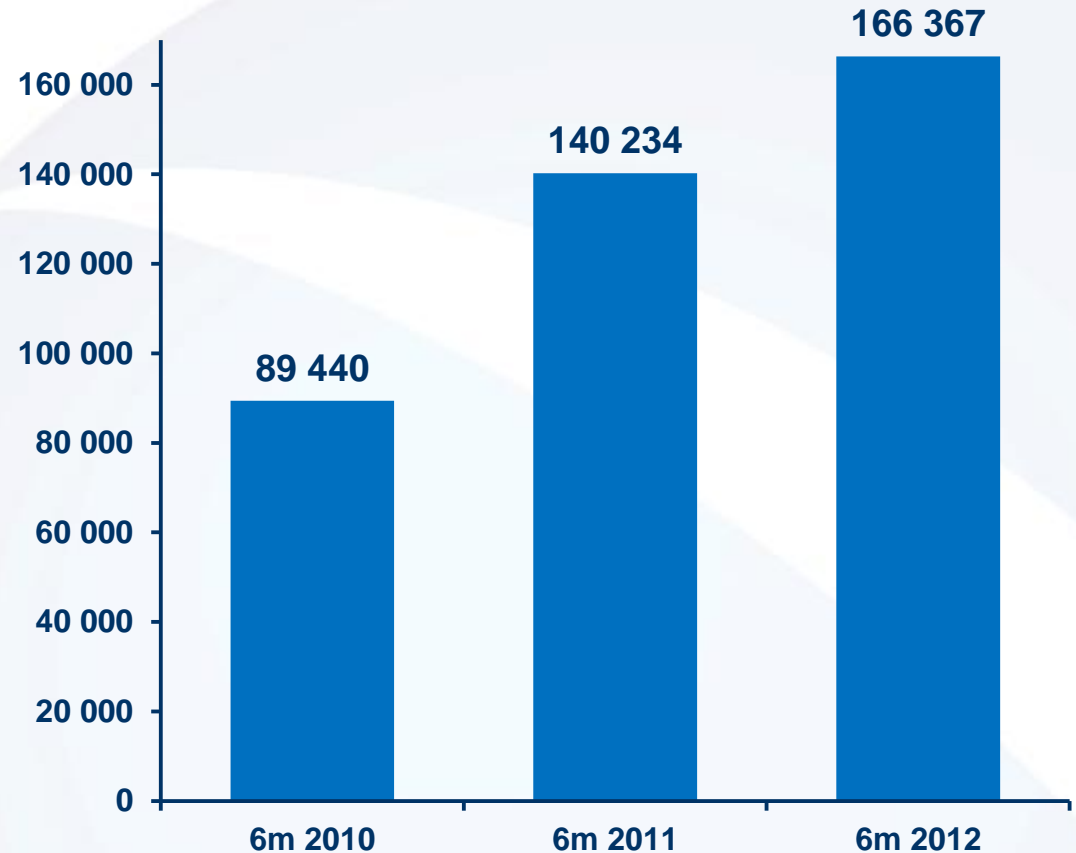


	6m 2010	6m 2011	6m 2012
Estonia	94%	96%	99%
Ukraine	6%	0%	0%
Belarus	0%	3%	0%
Finland	0%	1%	1%

- Main focus to remain in Estonia until 2013
- Works in Belarus ended in 2011 and will not continue in 2012
- In Ukraine ability to start again maintained

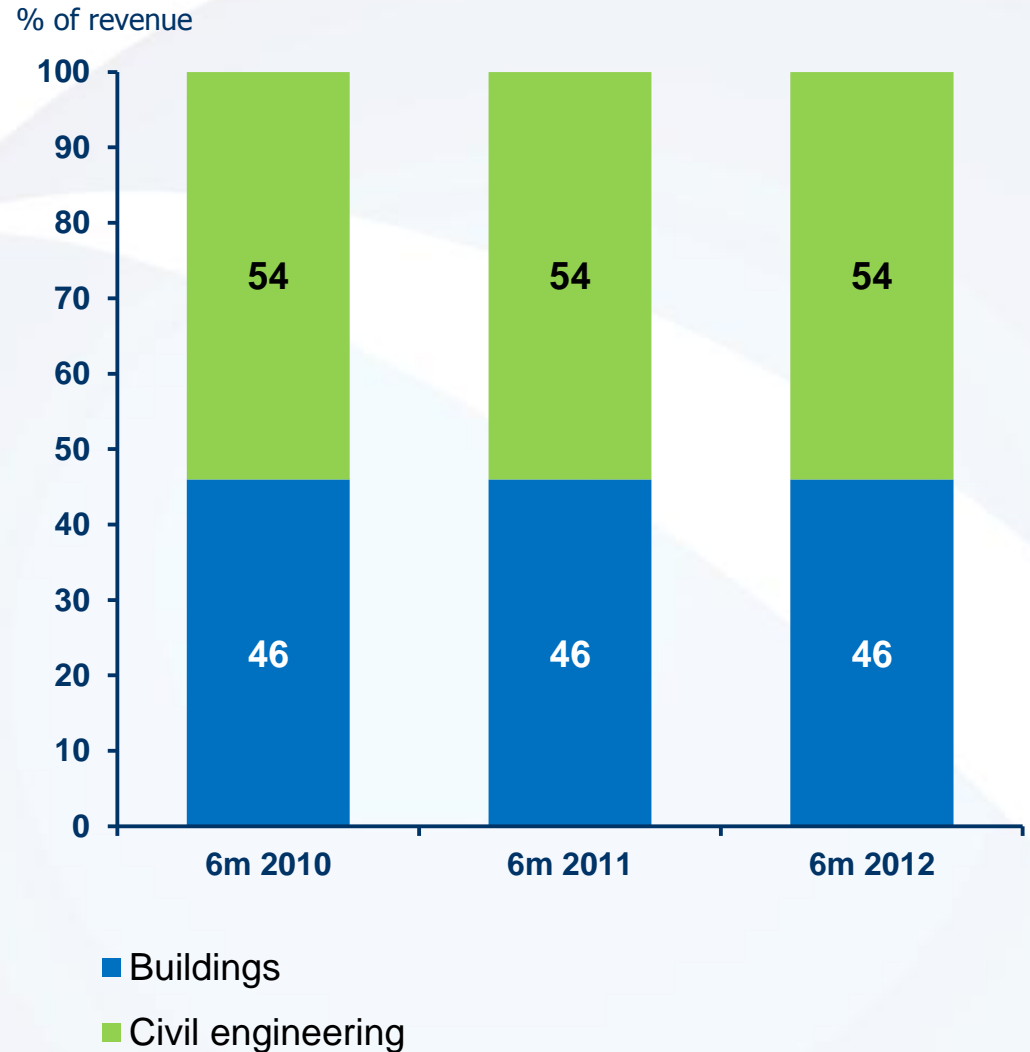
Order Book

- Order book reflects current market situation, i.e. vast majority related with infrastructure projects (6m 2012: 69%)
- Increase due large road construction projects and bigger share of private sector investment projects



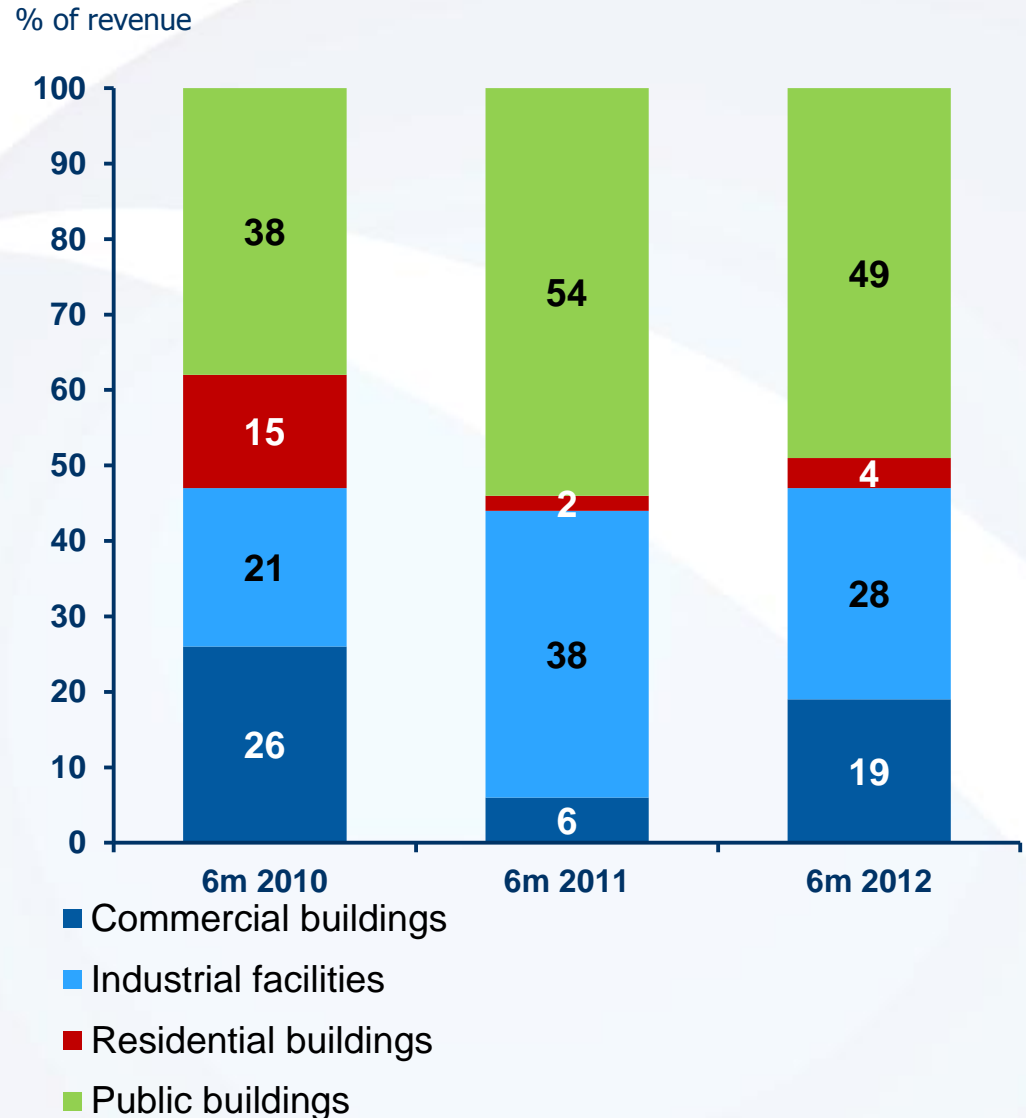
Revenue Distribution by Segments

- Buildings segment projects realize faster than civil engineering , i.e. stabilizes the order book that consists mostly of infrastructure projects
- Infrastructure share expected to rise slightly during remaining 2012



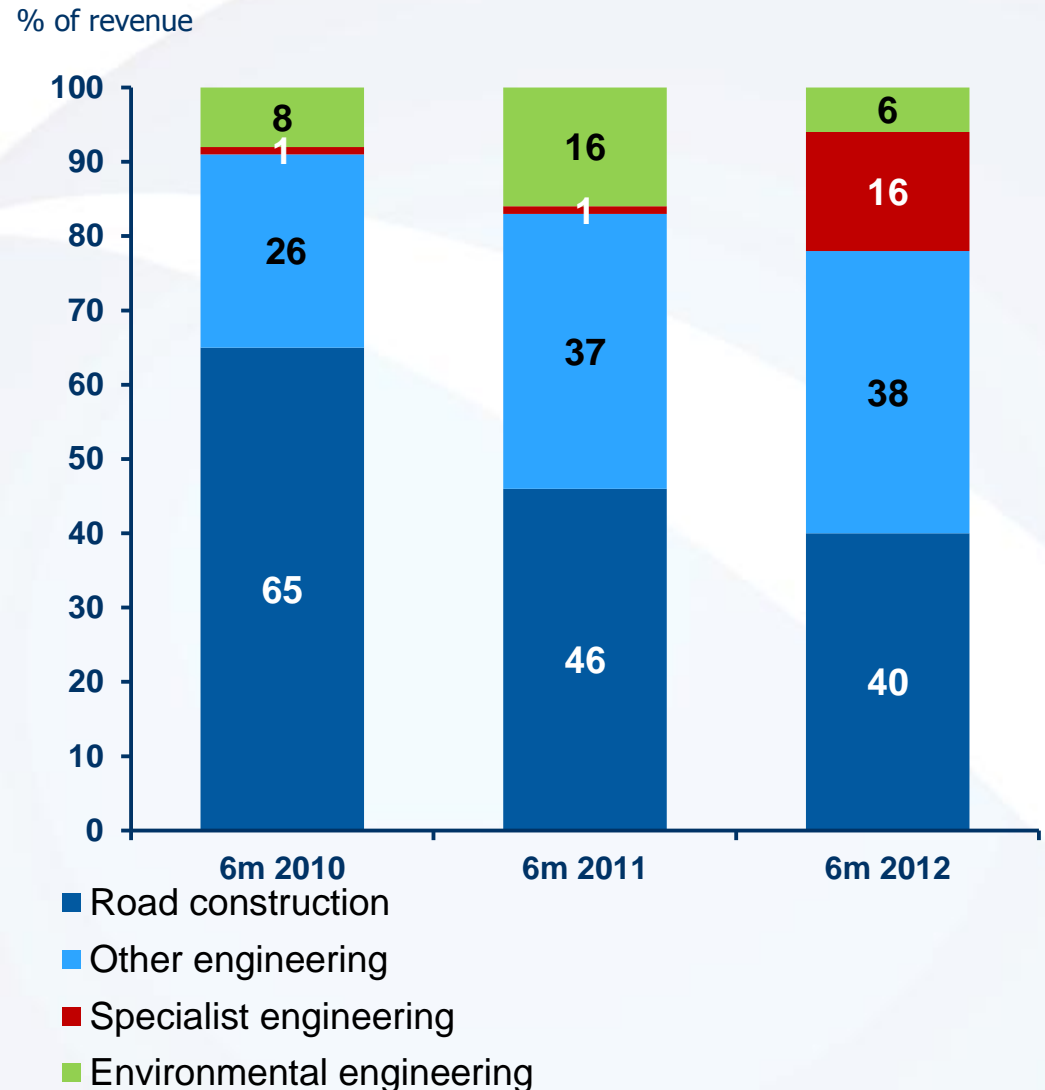
Revenue Distribution – Buildings

- Public sector investments dominates market
- Industrial facilities (e.g. agriculture investments) also financed by public sector
- Private investments in commercial property slowly increasing
- Residential buildings revenue from constructing, not developing real estate



Revenue Distribution – Civil Engineering

- Road construction and maintenance segment strong historically. Share decrease due increase in other subsegments. In gross values slight increase in revenue
- Large share of EU supported utility network and environmental construction (other engineering)
- Specialist engineering (port construction) share influenced solely by port of Sillamäe contract



Share Information



Index/share
OMX Tallinn index
NCN1T

1.01.2012

30.06.2012

+/-%

531.17

623.26

17.34

0.90 EUR

1.17 EUR

30.00

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