



Quarterly report January–March 2016

Strong balance sheet and solid start to the year create favourable conditions for the future

1 January–31 March 2016

- Net sales during the period increased by 6 per cent to SEK 1,877 (1,764) million.
- Operating profit improved by SEK 110 million and amounted to SEK 184 (74) million. The operating margin was 10 (4) per cent.
- Profit/loss after financial items amounted to SEK 113 (-11) million.
- Profit/loss for the period after tax amounted to SEK 88 (-9) million.
- Cash flow before financing amounted to SEK -576 (-454) million.
- Earnings per share amounted to SEK 0.84 (-0.07).
- The return on capital employed amounted to 14 (8) per cent.
- The number of housing units sold during the period amounted to 788 (1,142).
- The number of production starts of housing units during the period amounted to 747 (715).

SEK million	2016 Jan-Mar	2015 Jan-Mar	2015 Jan-Dec
Net sales	1,877	1,764	13,070
Operating profit	184	74	1,377
Profit/loss after financial items	113	-11	1,033
Profit/loss for the period after tax	88	-9	798
Earnings per share, SEK	0.84	-0.07	7.08
Cash flow before financing	-576	-454	1,437
Net debt	4,552	10,155	4,216
Capital employed at period end	10,236	11,141	9,811
Return on capital employed	14%	8%	12%
Equity/assets ratio	29%	2%	31%
Number of housing units started	747	715	6,356
Number of completed housing units	549	486	5,252
Number of housing units sold	788	1,142	6,315
Number of housing units in ongoing production	8,976	7,905	8,778
Sales rate for housing units in ongoing production	70%	73%	69%

Comments from the CEO



The market

In general, demand in the housing markets in which Bonava operates remained favourable during the first quarter, particularly in Sweden and Germany. Sales to consumers remained strong in Sweden, Germany and in the Copenhagen region as well,

while Finland has been burdened by a relatively weak economy. During the quarter, we sold land assets as part of our efforts to refine our portfolio. The sales contributed to our ability to allocate capital to growing regions in line with our strategy.

Earnings outcome

I am pleased with our earnings for the first quarter. Sales to consumers were slightly lower than in the corresponding quarter last year, but the important factor is that we have started production of more housing units for consumers during the quarter compared with 2015. This also means that the number of housing units in ongoing production increased by nearly 1,100 to approximately 9,000 housing units, compared with the preceding year. No units were sold to investors during the quarter, which was in line with our expectations since this market may vary between quarters.

Group performance

We shall increase the differentiation in our offering with focus on affordable and sustainable housing units. We

are also working to create conditions for increased cost-effectiveness. However, this is a long-term process and it will take a few years for us to reap the benefits of this work. After the end of the period, the shareholders of NCC AB resolved at the annual general meeting to distribute Bonava (former NCC Housing) to the shareholders and list the company on Nasdaq Stockholm. We also presented our new brand and company name, Bonava, which combines the Swedish words *bo* and *nav*. *Bo* because we develop housing units and *nav* because our responsibility does not end with these housing units; we want to create homes and neighbourhoods where people live their lives.

Future

While approximately three-quarters of our housing units in ongoing production had been sold by the end of the quarter, only 12 per cent of these housing units had been profit recognised since the housing units had not yet been delivered. Not only does this more cautious method of recognition differentiate us in the market, it also ensures that we do not recognise revenue before it actually materialises. Combined with a strong start to the year, I believe we have the right prerequisites to capitalise on the market potential we have identified. After a great deal of hard work, my colleagues and I are truly looking forward to starting out on a new, exciting journey as an independent company.

Joachim Hallengren, CEO and President

About Bonava

Bonava is one of the leading housing developers in Northern Europe. Bonava develops and sells housing units to consumers and investors such as pension funds, insurance companies and commercial real estate owners. Bonava originates from NCC and has created homes and areas since the 1930s. Today, Bonava has nearly 1,400 employees with operations in Sweden, Finland, Denmark, Norway, Germany, St. Petersburg, Estonia and Latvia. The company's sales in 2015 amounted to SEK 13 billion.

Vision

Our vision is to create happy neighbourhoods where people have the highest quality of life. We understand that this means different things to different people and that it might vary over time. This is why we are on a constant quest to find out what makes people happy where they live.

Business concept

Bonava develops and sells affordable and sustainable housing units to consumers and investors in selected markets in Sweden, Germany, Finland, Denmark, Norway, St. Petersburg, Estonia and Latvia. Bonava is active through the process, from land acquisition until the housing unit has been delivered to the customer, in order to ensure customer focus throughout the whole value chain.

Financial objectives

- Return on capital employed is to amount to 10–15 per cent.
- Equity/assets ratio shall amount to at least 30 per cent.
- At least 40 per cent of consolidated profit/loss for the year after tax is to be distributed to shareholders.

Group performance, January–March 2016

All comparative figures in this report pertain to the corresponding period in the preceding year

Market development

Demand remained favourable in Sweden and Germany with increasing prices. In Finland, the prices increased in the beginning of the year, following a long period of weaker demand. Demand for small, affordable housing units remained strong in the investor market and among consumers in Finland. Demand for housing units was favourable in Copenhagen and prices increased in other parts of the country. Demand in Norway improved and prices increased during the quarter. In St. Petersburg, the market is hesitating as the purchase-decisions take longer time.

Net sales

Net sales amounted to SEK 1,877 (1,764) million. Higher net sales in Sweden and St. Petersburg were only partly offset by lower sales, mainly in Finland and Germany. The average price per housing unit for consumers amounted to SEK 2.7 (2.8) million.

In Sweden, the number of housing units handed over to consumers increased at the same time as the average price and net sales from land divestments increased.

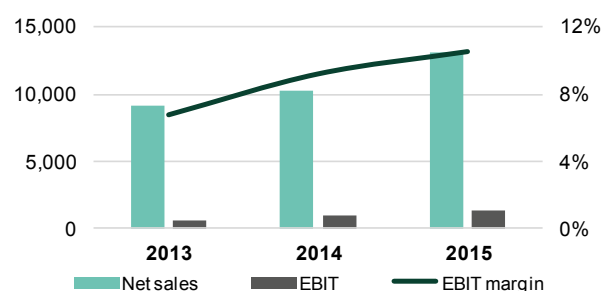
Net sales in Germany were lower compared to the preceding year since less housing units for consumers were profit recognised, and as no projects for investors were profit recognised. Last year, one investor transaction in Germany was profit recognised.

Net sales in Finland declined since less housing units for consumers, and no housing units for investors, were profit recognised. The average price for housing units delivered to consumers increased in Finland.

Net sales in Denmark-Norway declined since less units were handed over to consumers. The average price for housing units for consumers was lower in Norway.

In St. Petersburg, net sales for the quarter increased as a result of a greater number of housing units for consumers being profit recognised. Fluctuations in exchange rates, primarily with respect to the rouble, had a negative impact of SEK -34 million on consolidated net sales compared with the corresponding period in the preceding year.

Net sales, operating profit and operating margin 2013–2015 (SEK million)



Operating profit

Operating profit/loss for the period amounted to SEK 184 (74) million. The increase derived mainly from increased sales with improved margins in projects for consumers in Sweden, while profit from projects for investors declined. The result from land divestments amounted to SEK 9 (13) million.

Sweden accounted for a large portion of the Group's earnings during the quarter as a result of improved profit from housing units for consumers and increased profit from land divestments. With respect to housing units for consumers, both sales and margins increased. In Germany profit declined since less housing units were handed over to consumers and no projects for investors were profit recognised during the quarter. In the preceding year, one project for investors was profit recognised in Germany.

In Denmark-Norway the profit improved as a result of increased margins on housing units for consumers, while profit in Finland declined since no housing units for investors were profit recognised. In St. Petersburg, profit improved as a result of a higher number of housing units being handed over to consumers.

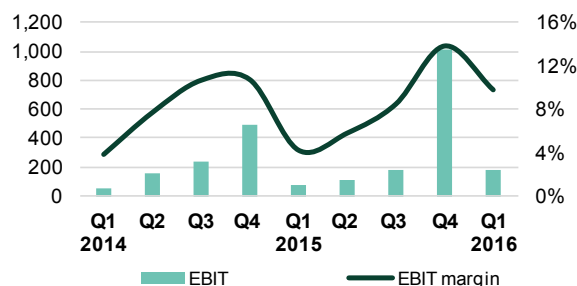
Due to the preparations for the listing of Bonava on Nasdaq Stockholm, expenses for the quarter increased by SEK 11 million. Expenses of SEK -39 million pertaining to land divestments in Estonia/Latvia were charged against profit in the segment "Other and eliminations" during the period. Fluctuations in exchange rates had a negative impact of SEK -4 million on profit compared to the same period the preceding year.

Seasonal effects

Bonava recognise revenues and earnings from sales of housing units when the sold and completed housing units are transferred to the customers. Bonava's operations are affected by seasonal variations due to cold weather and the Company's cyclical production year, and that a large share of its

annual production is completed and transferred to customers during the fourth quarter. Accordingly, earnings are usually stronger in the fourth quarter than in other quarters.

Operating profit and operating margin, 2014–2016 (SEK million)



Net sales and operating profit

SEK million	Net sales			Operating profit		
	2016 Jan-Mar	2015 Jan-Mar	2015 Jan-Dec	2016 Jan-Mar	2015 Jan-Mar	2015 Jan-Dec
Sweden	1,251	740	4,639	261	66	706
Germany	157	427	3,471	-28	22	422
Finland	88	204	1,791	-13	9	187
Denmark/Norway	256	329	1,760	6	-10	-3
St. Petersburg	106	45	773	25	17	197
Other and elim.	19	20	636	-68	-28	-132
Total	1,877	1,764	13,070	184	74	1,377

Cash flow, investments and financial position, January–March 2016

Total assets

The total assets amounted to SEK 16,704 (16,267) million.

Net debt

Net debt amounted to SEK 4,552 (10,155) million, of which net debt in Swedish tenant-owner associations and Finnish housing companies accounted for SEK 3,542 (2,853) million. The decrease in net debt was mainly due to the shareholders' contribution received from NCC AB in December 2015. As per 31 December 2015, the net debt amounted to SEK 4,216 million.

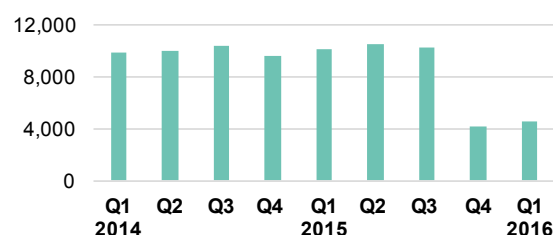
Net financial items, tax and net profit/loss for the period

Net financial items amounted to SEK -71 (-85) million. This improvement was attributable to lower net debt. Profit before tax for the first quarter of 2016 amounted to SEK 113 (-11) million.

Tax on profit/loss for the period amounted to SEK -26 (2) million, corresponding to a tax rate of 23 (21) per cent.

Net profit/loss for the period amounted to SEK 88 (-9) million.

Net debt, 2014–2016, SEK million



Capital employed and return on capital employed

Capital employed amounted to SEK 10,236 (11,141) million. Assets increased, mainly due to ongoing housing projects. The capital employed declined as a result of increased interest-free financing of ongoing housing projects and land. As per 31 December 2015, the capital employed amounted to SEK 9,811 million. The return on capital employed was 14 (8) per cent. This improvement was attributable to an improved operating profit and lower average capital employed.

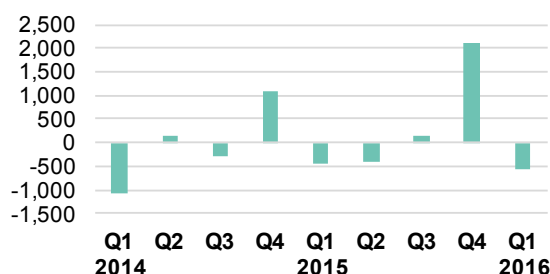
Cash flow

Cash flow before financing amounted to SEK -576 (-454) million. The improved result generated increased cash flow from the operating activities before changes in working capital. High sales rate for housing units in ongoing production enabled more production starts, which resulted in increased investments in ongoing housing projects. Investments in properties held for future development also increased, while cash flow from sales remained unchanged. Other changes in working capital were impacted positively by increased interest-free financing of both land investments and housing projects in ongoing production.

As per 31 March 2016, the equity/assets ratio amounted to 29 (2) per cent. Bonava's equity/assets ratio is affected by seasonal effects since assets increase during the first three quarters of the year and then decline in the fourth quarter, when a large number of housing units are transferred to customers and profit recognised.

The debt/equity ratio amounted to 0.9 (34.9). The change in the equity/assets ratio and debt/equity ratio between 31 March 2016 and the same date in the preceding year was mainly attributable to the shareholder contribution received from NCC AB in December 2015.

Cash flow before financing, 2014–2016, SEK million



Equity/assets and debt/equity ratio

Housing sales, housing starts and building rights, January–March 2016

Housing sales and housing starts

A total of 788 (1,015) housing units were sold to consumers and 0 (127) to investors during the period.

Sales of housing units/housing units in ongoing production

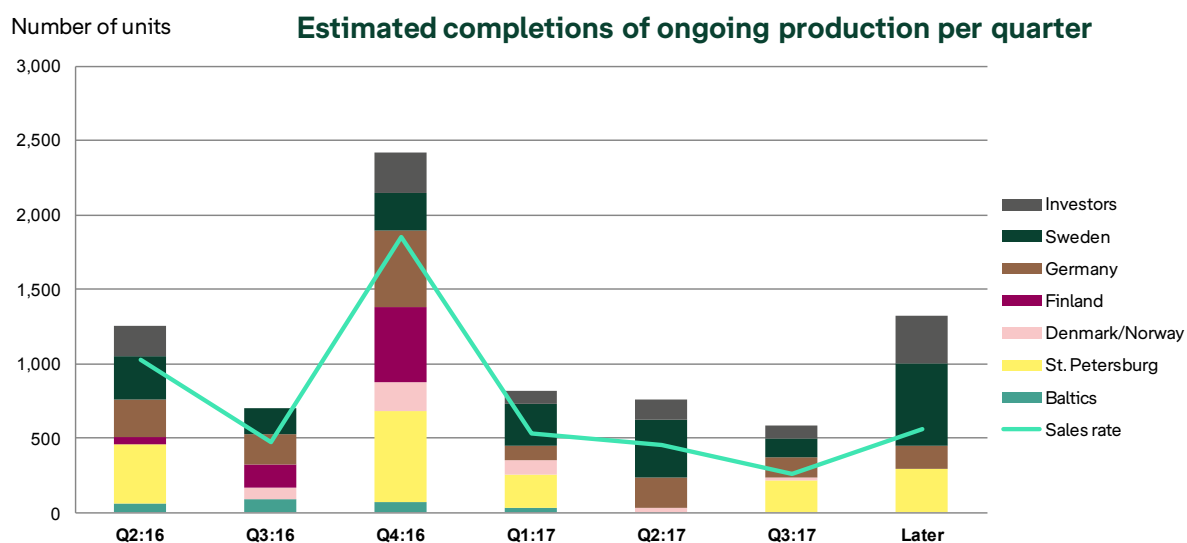
The number of production started units was 747 (588) for consumers and 0 (127) for investors. The number of housing units in ongoing production amounted to 8,976 (7,905). Strong sales in recent years has enabled an increase in the number of production starts. The total sales rate for housing

units in ongoing production was 70 (73) per cent, with a completion rate of 55 (56) per cent. At the end of the period, 99 (241) of the completed housing units for consumers were unsold.

Building rights

The building rights amounted to 28,900 (30,800), of which 18,500 (21,500) were included in the balance sheet. The decline was attributable to an active portfolio management, where land in non-prioritised markets has been divested and the number of production starts have increased.

	2016 Jan-Mar	2015 Jan-Mar	2015 Jan-Dec
Housing units in ongoing production for consumers, at period end	6,767	6,171	6,432
Housing units in ongoing production for investors, at period end	2,209	1,734	2,346
TOTAL	8,976	7,905	8,778
Sales rate for housing units in ongoing production	70%	73%	69%
Reservation rate for housing units in ongoing production	5%	9%	5%
Sold and reserved housing units in ongoing production	75%	82%	74%
Sold housing units for consumers	788	1,015	4,542
Sold housing units for investors	0	127	1,773
TOTAL	788	1,142	6,315
Started housing units for consumers	747	588	4,452
Started housing units for investors	0	127	1,904
TOTAL	747	715	6,356



The diagram shows the estimated completion for housing units for consumers and housing units to the investor market that are not yet profit recognised. The curve shows the sales rate. Sold housing units are profit recognised on the date of transfer.

Key ratios by segment

Sweden

Bonava focuses on cities and regions with favourable demographic and macroeconomic factors where Bonava can develop and maintain a strong market position. In Sweden, Bonava operates towards consumers in five cities, of which Stockholm is the most important market. Other cities in which Bonava operates are Gothenburg, Linköping, Uppsala and Umeå. Bonava's investor business focuses on around 15 cities in Sweden. In Sweden, Bonava offers both consumers and investors multi-family houses and single-family houses.



	2016	2015	2015
	Jan-Mar	Jan-Mar	Jan-Dec
Net sales, SEK million	1,251	740	4,639
Operating profit, SEK million	261	66	706
Operating margin, %	21	9	15
Capital employed, at period end, SEK million	4,807	4,986	4,978
Return on capital employed, %	18	7	14
Building rights, at period end, number	7,100	9,100	7,600
of which, off-balance-sheet building rights, number	2,500	2,100	2,500
Housing units sold to consumers, number	249	466	1,350
Started housing units for consumers, number	158	259	1,343
Profit-recognised housing units for consumers, number	294	184	956
Housing units in ongoing production for consumers, at period end, number	2,075	1,849	2,206
Housing units sold to investors, number	0	0	27
Started housing units for investors, number	0	0	158
Profit-recognised housing units for investors, number	0	24	156
Housing units in production for investors, at period end, number	290	264	290
Sales rate for housing units in ongoing production, %	73	83	71

Germany

Bonava operates in the following regions: Berlin, Hamburg, Baltic Sea, Sachsen, Rhen-Ruhr, Cologne/Bonn, Rhen-Main and Rhen-Neckar/Stuttgart. In Germany, Bonava offers both consumers and investors single-family houses and multi-family houses. Bonava has developed a construction system in Germany, which enables an efficient construction process.



	2016 Jan-Mar	2015 Jan-Mar	2015 Jan-Dec
Net sales, SEK million	157	427	3,471
Operating profit, SEK million	-28	22	422
Operating margin, %	-18	5	12
Capital employed, at period end, SEK million	1,551	1,251	1,361
Return on capital employed, %	26	27	31
Building rights, at period end, number	6,400	4,300	5,700
of which, off-balance-sheet building rights, number	3,100	1,700	3,600
Housing units sold to consumers, number	191	187	1,154
Started housing units for consumers, number	228	152	1,284
Profit-recognised housing units for consumers, number	46	102	896
Housing units in ongoing production for consumers, at period end, number	1,571	1,037	1,386
Housing units sold to investors ¹⁾ , number	0	0	860
Started housing units for investors ¹⁾ , number	0	0	860
Profit-recognised housing units for investors ¹⁾ , number	0	46	726
Housing units in production for investors, at period end, number	740	560	740
Sales rate for housing units in ongoing production, %	74	76	74

¹⁾ Of which, 321 units refers to sales of part of the property portfolio in Sonnengarten, which is included in the profit under Other and eliminations.

Finland

In Finland, Bonava operates in Helsinki and surrounding areas, Espoo, Vantaa, Turku, Tampere and Oulu. In Finland, Bonava's offering is targeted at consumers and investors, primarily in the form of multi-family houses.



	2016	2015	2015
	Jan-Mar	Jan-Mar	Jan-Dec
Net sales, SEK million	88	204	1,791
Operating profit, SEK million	-13	9	187
Operating margin, %	-15	4	10
Capital employed, at period end, SEK million	1,216	1,682	1,114
Return on capital employed, %	12	9	12
Building rights, at period end, number	8,400	8,600	8,400
of which, off-balance-sheet building rights, number	4,700	5,200	4,800
Housing units sold to consumers, number	111	117	672
Started housing units for consumers, number	0	76	784
Profit-recognised housing units for consumers, number	32	44	639
Housing units in ongoing production for consumers, at period end, number	698	534	698
Housing units sold to investors, number	0	127	886
Started housing units for investors, number	0	127	886
Profit-recognised housing units for investors, number	0	127	886
Housing units in production for investors, at period end, number	1,105	836	1,242
Sales rate for housing units in ongoing production, %	82	86	79

Denmark-Norway

Bonava operates in Copenhagen in Denmark and in Bergen in Norway. In Denmark and Norway, Bonava offers primarily consumers multi-family houses and single-family houses.



	2016	2015	2015
	Jan-Mar	Jan-Mar	Jan-Dec
Net sales, SEK million	256	329	1,760
Operating profit, SEK million	6	-10	-3
Operating margin, %	2	-3	0
Capital employed, at period end, SEK million	1,371	1,839	1,076
Return on capital employed, %	1	4	0
Building rights, at period end, number	1,300	2,000	1,300
of which, off-balance-sheet building rights, number	100	300	100
Housing units sold to consumers, number	64	64	300
Started housing units for consumers, number	36	5	241
Profit-recognised housing units for consumers, number	61	70	281
Housing units in ongoing production for consumers, at period end, number	424	416	450
Housing units sold to investors, number	0	0	0
Started housing units for investors, number	0	0	0
Profit-recognised housing units for investors, number	0	0	0
Housing units in production for investors, at period end, number	0	0	0
Sales rate for housing units in ongoing production, %	62	58	62

St. Petersburg

In Russia, Bonava operates solely in St. Petersburg. In St. Petersburg, Bonava's offering, which exclusively comprises multi-family houses, is targeted at consumers and investors.



	2016	2015	2015
	Jan-Mar	Jan-Mar	Jan-Dec
Net sales, SEK million	106	45	773
Operating profit, SEK million	25	17	197
Operating margin, %	24	37	26
Capital employed, at period end, SEK million	911	935	802
Return on capital employed, %	25	13	24
Building rights, at period end, number	4,300	4,700	4,700
of which, off-balance-sheet building rights, number	0	0	0
Housing units sold to consumers, number	122	152	865
Started housing units for consumers, number	291	96	533
Profit-recognised housing units for consumers, number	172	56	1,039
Housing units in ongoing production for consumers, at period end, number	1,736	2,201	1,447
Housing units sold to investors, number	0	0	0
Started housing units for investors, number	0	0	0
Profit-recognised housing units for investors, number	0	0	0
Housing units in production for investors, at period end, number	74	74	74
Sales rate for housing units in ongoing production, %	55	59	57

Note: Estonia/Latvia is included in the reporting segment Other and eliminations, see further Note 1 Significant accounting principles in the combined financial statements. Accordingly, no key ratios are provided for Estonia/Latvia.

Significant risks and uncertainties

Bonava's operations are exposed to several types of risks, both operational and financial. The operational risks impact the daily operations. These may be of a purely operational nature and pertain to investments in land, project development, seasonal exposure or assessment of the earnings capacity of projects.

Operational risks are managed as part of the internal corporate governance established by Bonava. The segments assess and manage risks through operational systems as well as developed processes and procedures.

The group's financial risks such as interest-rate, currency, refinancing, liquidity and credit risks are managed centrally in order to minimise and control the risk exposure.

Customer credit risks are managed by each individual segment. A centralised insurance function is responsible for group-common insurances within property and liability insurances, primarily property and contractor. This function also performs preventive risk-management work together with the segments, thus resulting in cost-efficiency and coordination of insurable risks. The risk that Bonava may fail to comply with the Company's Code of Conduct is managed by the CSR Compliance function.

See further the Prospectus in the section Risk factors.

Organisation and employees

The average number of employees in the group during the first quarter of 2016 amounted to 1,365 (1,263).

Significant events during the quarter

Share capital

On 25 January 2016, the extra general meeting of Bonava resolved in a new share issue, whereby the share capital was increased to SEK 500,000. The number of shares increased, from 1,000 to 108,435,822, through a share issuance, merger reverse share split and subsequent share split. The shares were also converted to shares of series A and shares of series B in order to reflect NCC's share structure, divided between 25,525,097 shares of series A and 82,912,725 shares of series B. A share of series A entitles the holder to 10 votes and a share of series B entitles to 1 vote.

Legal structure

Bonava has amended the legal structure of the German Housing operation. NCC AB remains as a minority owner of NCC Deutschland GmbH, but Bonava holds an option to acquire NCC AB's shares during 2021. According to a profit sharing agreement, NCC AB will abstain from dividends and will instead receive annual compensation of EUR 1.3 million until the agreement is terminated, which may occur in five years' time at the earliest. The agreed profit sharing will lead to a debt of approximately SEK 57 million, corresponding to the fair value of five years of payment.

Significant events after period end

On 12 April 2016, NCC AB's annual general meeting resolved to approve the board of director's proposal to distribute all shares in Bonava.

On 12 April, the company also disclosed its new brand and company name, "Bonava". As per 4 April, the receivable on NCC AB regarding shareholder contribution of SEK 5.0 billion had been settled and payment had been received.

On 28 April 2016, Bonava entered into a material credit agreement with Danske Bank, Skandinaviska Enskilda Banken (publ), Svenska Handelsbanken AB (publ) and Swedbank AB (publ) regarding a multicurrency revolving credit facility intended for Bonava's general corporate requirements and as working capital within the group. The credit has a term of five years and amounts to SEK 2.7 billion, provided that Bonava is listed during 2016 and that customary terms and conditions are fulfilled. Bonava has also secured loans of EUR 30 million over a term of four years and of EUR 30 million over a term of five years.

Financial calendar 2016

- Bonava Capital Market Day: 31 May
- Interim report January–June: 19 July
- Interim report January–September: 8 November

Condensed consolidated income statement

SEK million	Notes	2016 Jan-Mar	2015 Jan-Mar	2015 Jan-Dec
	1			
Net sales	4	1,877	1,764	13,070
Production costs		-1,550	-1,551	-11,016
Gross profit		328	213	2,054
Selling and administrative expense		-144	-138	-640
Other operating expense			-1	-36
Operating profit	4	184	74	1,377
Financial income		3	3	11
Financial expense		-73	-88	-356
Net financial items		-71	-85	-345
Profit/loss after financial items	4	113	-11	1,033
Tax on profit/loss for the period		-26	2	-235
Net profit/loss for the period		88	-9	798
<i>Attributable to:</i>				
Bonava AB's shareholders		91	-8	768
Non-controlling interests		-3	-1	31
Net profit/loss for the period		88	-9	798

Per share data before and after dilution

Profit after tax, SEK	0.84	-0.07	7.08
Cash flow from operating activities, SEK	-4.86	-4.10	13.37
Shareholders' equity, SEK	43.86	2.30	43.08
Number of shares in millions, average	108.4	108.4	108.4

Consolidated statement of comprehensive income

SEK million Note 1	2016 Jan-Mar	2015 Jan-Mar	2015 Jan-Dec
Profit/loss for the period	88	-9	798
<i>Items that may be reclassified to profit or loss</i>			
Translation differences during the period in translation of foreign operations	19	-27	-59
Hedging of exchange-rate risk in foreign operations	-20	24	41
Cash flow hedges		3	33
Tax related to items that may be reclassified to profit or loss	4	-6	-16
	4	-6	-2
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation of defined-benefit pension plans		-2	-8
Tax related to items that will not be reclassified to profit or loss		0	2
	0	-1	-6
Other comprehensive income for the period	4	-8	-8
Comprehensive income for the period	92	-16	790
<i>Attributable to:</i>			
Bonava AB's shareholders	94	-14	759
Non-controlling interests	-2	-2	31
Total comprehensive income for the period	92	-16	790

Condensed consolidated balance sheet

SEK million	Notes	2016 31 Mar	2015 31 Mar	2015 31 Dec
	1			
ASSETS				
Fixed assets		869	679	773
Current assets				
Properties held for future development		5,100	6,082	4,737
Ongoing housing projects		7,770	7,031	7,043
Completed housing units		414	702	599
Current receivables		1,910	1,238	1,769
Cash and cash equivalents	2	640	534	585
Total current assets		15,835	15,587	14,732
TOTAL ASSETS		16,704	16,267	15,506
EQUITY				
Shareholders' equity attributable to the parent company's shareholders		4,756	249	4,672
Non-controlling interests		58	42	60
Total shareholders' equity		4,814	291	4,732
LIABILITIES				
Long term liabilities				
Long-term interest-bearing liabilities	2	2,089	1,431	2,033
Other long-term liabilities		135	223	487
Long-term provisions		740	346	357
Total long-term liabilities		2,963	1,999	2,877
Current liabilities				
Current interest-bearing liabilities	2	3,334	9,365	3,046
Other current liabilities		5,593	4,611	4,850
Total current liabilities		8,927	13,976	7,896
Total liabilities		11,891	15,975	10,773
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		16,704	16,267	15,506

Condensed consolidated statement of changes in shareholders' equity

SEK million Note 1	2016			2015		
	Shareholder s' equity	Non- controlling interests	Total shareholder s' equity	Shareholder s' equity	Non- controlling interests	Total shareholder s' equity
Opening balance, shareholders' equity, 1 January	4,672	60	4,732	294	44	338
Comprehensive income for the period	94	-2	92	-14	-2	-16
Transactions with shareholders	-11		-11	-32		-32
Performance-based incentive programme	1		1	0		0
Closing balance, shareholders' equity, 31 March	4,756	58	4,814	247	42	290

Condensed consolidated cash flow statement

SEK million	Notes 1	2016 Jan-Mar	2015 Jan-Mar	2015 Jan-Dec
OPERATING ACTIVITIES				
Profit/loss after financial items	4	113	-11	1,033
Adjustments for items not included in cash flow		11	13	52
Taxes paid		-48	-27	-125
Cash flow from operating activities before changes in working capital		77	-25	959
Cash flow from changes in working capital				
Sales of housing projects		1,489	1,503	10,075
Investments in housing projects		-2,393	-1,959	-9,842
Other changes in working capital		300	36	258
Cash flow from changes in working capital		-604	-420	491
Cash flow from operating activities		-527	-445	1,450
Cash flow from investing activities		-49	-9	-13
CASH FLOW BEFORE FINANCING		-576	-454	1,437
FINANCING ACTIVITIES				
Dividend paid				-104
Change in interest-bearing financial liabilities		569	402	-1,196
Change in long-term interest-bearing receivables		-2	4	-29
Change in current interest-bearing receivables		62	120	29
Cash flow from financing activities		628	526	-1,301
CASH FLOW FOR THE PERIOD		52	72	136
Cash and cash equivalents at beginning of period		585	463	463
Exchange-rate difference in cash and cash equivalents		3	0	-14
CASH AND CASH EQUIVALENTS AT PERIOD END		640	534	585
Current investments with a maturity exceeding three months				
TOTAL CASH AND CASH EQUIVALENTS AT PERIOD END		640	534	585

Notes

NOTE 1 – Basis for preparation and accounting principles

This quarterly report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and RFR 1 from the Swedish Financial Reporting Board, Supplementary Accounting principles for Groups. As per 31 March 2016, the establishment of the Bonava group was completed, when the Finnish operations were acquired from NCC AB. Accordingly, consolidated financial statements have been prepared as of this date.

As per 31 March 2016, Bonava constitutes a segment within the NCC AB group. No consolidated financial statements have been prepared for earlier periods, since Bonava was not a group at the time. Since the group has no financial history, combined financial statements have been prepared for the financial years 2013-2015 and for the comparative figures in this quarterly report. The basis for preparation of the combined financial statements is presented in Note 1 Significant accounting principles in the combined financial statements, which are available in the prospectus "Admission to trading of shares of series A and shares of series B in Bonava AB (publ) on Nasdaq Stockholm" published on www.bonava.com.

The formation of the Bonava Group comprised transactions that are under common control. These types of transactions are not regulated by IFRS and the group must instead establish a principle for this. The group has chosen to apply the principles described under the basis for preparation of the combined financial statements when preparing the consolidated financial statements. In short, this entails that the assets and liabilities of the units have been aggregated and recognised based on the carrying amounts they represent in NCC AB's consolidated financial statements and that the transactions have been recognised as if they had occurred at the beginning of the earliest period presented (meaning that comparative figures have been included). The interim-information on pages 1 to 11 constitutes an integrated part of this financial report.

The accounting principles applied in the preparation of this quarterly report apply to all periods and comply with the accounting principles presented in Note 1 Significant accounting principles in the combined financial statements. These principles are also available at www.bonava.com.

NOTE 2 – Specification net debt

	2016	2015	2015
SEK million	31 Mar	31 Mar	31 Dec
Long-term interest-bearing receivables	134	105	131
Current interest-bearing receivables	96	55	146
Cash and cash equivalents	640	534	585
Total	870	694	863
Long-term interest-bearing liabilities	2,089	1,431	2,033
Current interest-bearing liabilities	3,334	9,365	3,046
Pension liabilities		54	
Total	5,422	10,850	5,079
Net debt	4,552	10,155	4,216
<i>of which, attributable to Swedish tenant-owner associations and Finnish housing companies</i>			
Interest-bearing liabilities	3,672	2,963	3,268
Cash and cash equivalents	130	110	90
Net debt	3,542	2,853	3,177

NOTE 3 – Pledged assets, contingent liabilities and guarantee obligations

SEK million	2016 Jan-Mar	2015 Jan-Mar	2015 Jan-Dec
Assets pledged			
<i>For own liabilities:</i>			
Property mortgages	1,211	1,102	859
Restricted bank funds	15	3	27
Total assets pledged	1,226	1,105	886
Contingent liabilities and guarantee obligations			
<i>Own contingent liabilities:</i>			
Deposits and concession fees ¹⁾	1,897	2,032	718
<i>Held jointly with other companies:</i>			
Liabilities in consortiums, trading companies and limited partnerships	24	24	24
Total contingent liabilities and guarantee obligations	1,921	2,056	742

¹⁾ Deposit guarantees constitute collateral granted by NCC AB for investments and concession fees paid to tenant-owner associations formed by NCC Boende AB, a wholly owned subsidiary of Bonava. Such guarantee is to be restored when one year has passed after the final acquisition cost for the tenant-owner association's building has been established. According to agreements between Bonava AB and NCC AB, NCC AB shall be indemnified for any costs attributable to these guarantees.

NOTE 4 – REPORTING BY OPERATING SEGMENTS

SEK million

Jan-Mar 2016	Sweden	Germany	Finland	Denmark/ Norway	St. Petersburg	Other and elim.	Total
Net sales	1,251	157	88	256	106	19	1,877
Operating profit	261	-28	-13	6	25	-68	184
Net financial items							-71
Profit after net financial items							113
Capital employed, at period end	4,807	1,551	1,216	1,371	911	380	10,236

Jan-Mar 2015	Sweden	Germany	Finland	Denmark/ Norway	St. Petersburg	Other and elim.	Total
Net sales	740	427	204	329	45	20	1,764
Operating profit	66	22	9	-10	17	-28	74
Net financial items							-85
Profit after net financial items							-11
Capital employed, at period end	4,986	1,251	1,682	1,839	935	448	11,141

Jan-Dec 2015	Sweden	Germany	Finland	Denmark/ Norway	St. Petersburg	Other and elim.	Total
Net sales	4,639	3,471	1,791	1,760	773	636	13,070
Operating profit	706	422	187	-3	197	-132	1,377
Net financial items							-345
Profit after net financial items							1,033
Capital employed, at period end	4,978	1,361	1,114	1,076	802	481	9,811

SEK million	Jan-Mar 2016		Jan-Mar 2015		Jan-Dec 2015	
Other and eliminations	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Bonava's head office*	12	-30	4	-24	14	-111
Sale of German property portfolio					480	51
Sale of properties in Latvia	1	-39				
Operations in Estonia and Latvia	18	1	12	-2	129	-62
Adjustments and eliminations	-12		4	-2	13	-10
TOTAL	19	-68	20	-28	636	-132

*Activities to create an independent Bonava generated costs of SEK 11 (0) million during the quarter, of which the head office accounted for SEK 9 (0) million. The corresponding cost for the full-year 2015 amounted to SEK 57 million, of which SEK 12 million pertained to the head office.

NOTE 5 – Fair value of financial instruments

In the table below, disclosures are made concerning how fair value has been determined for the financial instruments that are continuously measured at fair value in Bonava's balance sheet. When determining fair value, assets must be divided into three levels. No transfers have been made between the levels during the period. Bonava has no financial instruments in level 1 or 3. Derivatives in level 2 comprise of currency forward contracts used for hedging purposes. The measurement of fair value for currency forward contracts is based on published forward rates in an active market. As per 31 March 2015, the Company had one interest-rate swap used for hedging purposes. This was closed in 2015. The measurement of interest-rate swaps is based on forward interest rates prepared on the basis of observable yield curves.

SEK million	31 Mar 2016		31 Mar 2015		31 Dec 2015	
	Level 2	Total	Level 2	Total	Level 2	Total
Derivative instruments used for hedging purposes	16	16	6	6	15	15
Total assets	16	16	6	6	15	15
Derivative instruments used for hedging purposes	15	15	32	32	0	0
Total liabilities	15	15	32	32	0	0

It has been deemed that the fair value of long term and current interest-bearing liabilities does not materially deviate from the carrying amount. For financial instruments recognised at amortised cost, accounts receivables, other receivables, cash and cash equivalents, accounts payable and other interest-free liabilities, the fair value is deemed to match the carrying amount.

NOTE 6 – Transactions with related parties

Bonava originates from the operating segment Housing of NCC AB.

Bonava has had multiple transactions with other NCC companies and the pricing has followed the transfer pricing policy established by the NCC group.

Joint ventures and joint arrangements are categorised as related parties. The Nordstjernan group, companies in the Axel Johnson group and the FastPartner group are also categorised as related parties. Transactions with these parties are not significant and not specifically specified below.

Transactions with NCC	2016	2015	2015
	Jan-Mar	Jan-Mar	Jan-Dec
Sales	0	0	1
Purchases	875	867	3,690
Financial income	0	1	1
Financial expenses	50	69	269
Current receivables	136	50	187
Long-term interest-bearing liabilities	11	0	11
Current interest-bearing liabilities	1,613	7,718	1,676
Accounts payable	394	97	154
Other current liabilities	51	295	318
Cash and cash equivalents (NCC Treasury)	375	285	349

Parent company

January–March 2016

The parent company comprises of the operations in Bonava AB. The Company's net sales amounted to SEK 12 (0) million. Profit/loss after financial items amounted to SEK -56 (0) million.

Parent company's condensed income statement

SEK million	2016 Jan-Mar	2015 Jan-Mar	2015 Jan-Dec
Net sales	12		14
Selling and administrative expenses	-42		-39
Operating profit	-30		-25
Result from participations in group companies			-205
Financial income	1		0
Financial expenses	-27		13
Profit/loss after financial items	-56		-217
Appropriations			88
Profit before tax	-56		-129
Tax on profit/loss for the period	12		-17
Profit/loss for the period	-44		-145

Parent company's condensed balance sheet

SEK million Note 1	2016 31 Mar	2015 31 Mar	2015 31 Dec
ASSETS			
Fixed assets	1,491	0	1,173
Current assets	5,532		5,306
Total assets	7,024	0	6,478
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	5,116	0	4,858
Provisions	3		5
Long-term liabilities	39		37
Current liabilities	1,865		1,579
Total shareholders' equity and liabilities	7,024	0	6,478

Notes to the parent company's income statement and balance sheet

NOTE 1 – Accounting principles

The Company has prepared the quarterly report pursuant to the Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 *Accounting for Legal Entities*.

As of 1 January 2016, the company applies RFR 2 Accounting for Legal Entities. The company previously applied the general advice on annual accounts and consolidated financial statements issued by the Swedish Accounting Standards Board (K3). The transition from K3 to RFR 2 took place at the beginning of 2015 and has not had any impact on the company's earnings and financial position in this report.

Transactions with related parties

Apart from transactions with the NCC group, no transactions with a significant impact on the company's financial position and earnings have taken place between Bonava and related parties.

Acquisitions and divestments

The company received all of the shares of NCC Asuminen Oy from NCC AB through a shareholders' contribution. After this transaction, Bonava and its subsidiaries comprise a legal group.

Pledged assets, contingent liabilities and guarantee obligations

As per 31 March 2016, the parent company had no significant pledged assets, contingent liabilities or guarantee obligations.

Significant events after the period end

On 12 April 2016, NCC AB's annual general meeting resolved to approve the board of director's proposal to distribute all shares of Bonava AB.

On 22 April 2016, the annual general meeting of Bonava resolved of a bonus issue without issuing shares, whereby the company's share capital increased by SEK 409,500,000 to a total of SEK 410,000,000, meaning that the nominal value increased from approximately SEK 0.0046 to approximately SEK 3.78.

Quarterly overview

	2016	2015	2015	2015	2015	2014	2014	2014	2014
SEK million	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Net sales	1,877	7,314	2,128	1,864	1,764	4,564	2,257	2,051	1,353
Operating profit	184	1,015	180	108	74	491	241	158	51
Profit/loss after financial items	113	939	93	12	-11	388	144	57	-37
Profit/loss for the period	88	723	75	9	-9	345	112	44	-28
Cash flow from operating activities before changes in working capital	77	976	7	2	-25	410	178	-19	-59
Cash flow from changes in working capital	-604	1,124	164	-377	-420	681	-466	199	-1,017
Cash flow from investing activities	-49	31	-19	-17	-9	-5	-16	-18	-15
Cash flow from financing activities	628	-2,106	45	234	526	-1,084	134	38	1,144
Cash flow for the period	52	26	197	-158	72	2	-171	200	53
Net debt	4,552	4,216	10,355	10,620	10,155	9,600	10,412	10,030	9,922
Average number of employees	1,365	1,332	1,280	1,299	1,263	1,266	1,258	1,254	1,181

Housing development

	2016	2015	2015
The group	Jan-Mar	Jan-Mar	Jan-Dec
Building rights, at period end	28,900	30,800	29,100
Of which, off-balance-sheet building rights	10,400	9,300	11,000
Housing development for consumers			
Housing units profit recognised during the period	629	471	3,968
Housing units started during the period	747	588	4,452
Housing units sold during the period	788	1,015	4,542
Housing units in ongoing production, at period end	6,767	6,171	6,432
Sales rate in ongoing production	62%	65%	60%
Reservation rate in ongoing production	6%	11%	6%
Completion rate in ongoing production	53%	51%	46%
Completed housing units not profit recognised, at period end	212	325	429
Housing units for sale (ongoing and completed), at period end	2,669	2,374	2,713
Housing development for investors			
Housing units profit recognised during the period	0	197	1,768
Housing units started during the period	0	127	1,904
Housing units sold during the period	0	127	1,773
Housing units in ongoing production, at period end	2,209	1,734	2,346
Sales rate in ongoing production	94%	100%	94%
Completion rate in ongoing production	64%	72%	69%
Completed housing units not profit recognised, at period end	0	0	0
Housing units for sale (ongoing and completed), at period end	131	0	131

Overview of selected key ratios

	2016	2015	2015
Amounts in SEK million, unless otherwise stated	Jan-Mar	Jan-Mar	Jan-Dec
Profitability ratios			
Return on capital employed, % ¹⁾	14	8	12
Financial ratios at period end			
Interest coverage ratio, times	4.4	2.4	3.9
Equity/assets ratio, %	29	2	31
Interest bearing liabilities/total assets, %	32	67	33
Net debt	4,552	10,155	4,216
Debt/equity ratio, times	0.9	34.9	0.9
Capital employed, at period end	10,236	11,141	9,811
Capital employed, average	10,791	11,118	10,882
Capital turnover rate, times	1.2	1.0	1.2
Share of risk-bearing capital, %	29	2	31
Average interest rate, at period end, % ²⁾	3.07	3.84	3.06
Average period of fixed interest, year ²⁾	0.1	0.2	0.2
Average interest rate, at period end, % ³⁾	1.16	1.49	1.26
Average period of fixed interest, year ³⁾	0.1	0.1	0.1
Per share data before and after dilution			
Profit after tax, SEK	0.84	-0.07	7.08
Cash flow from operating activities, SEK	-4.86	-4.10	13.37
Shareholders' equity, SEK	43.86	2.30	43.08
Number of shares in millions, average	108.4	108.4	108.4
Financial objectives			
Return on capital employed, %	10-15		
Equity/assets ratio, %	at least 30		
Dividend as a percentage of consolidated profit/loss for the period after tax, %	at least 40		

1) Calculation are made on the basis of a 12-month average.

2) Excluding loans in Swedish tenant-owner associations and Finnish housing companies.

3) Pertains to loans in Swedish tenant-owner associations and Finnish housing companies.

Definitions

Industry-related definitions

Housing units in ongoing production

Refers to the period from production start to completion of a building. A housing unit is considered complete on receipt of the inspection documentation.

Building right

Estimated possibility to develop a site. With respect to housing units, a building right corresponds to an apartment or a semi-detached or detached house. Either ownership of a site or an option of ownership of the site concerned is a prerequisite for being granted access to a building right.

Production start

The time at which Bonava starts production of a building. At this time, capitalised expenditure for the site and development expenses recognised as housing units in production.

Properties held for future development

Refers to Bonava's holding of land and building rights for future housing development and capitalised project development of properties.

Completed housing units

Refers to housing units for which inspection documentation has been received but the unit has not yet been sold; alternatively, where the finished

housing unit has been sold but not yet occupied by the buyer.

Completion rate

Worked up expenses in relation to the estimated total expenses of ongoing housing projects.

Sales rate

Number of sold housing units in production in relation to total number of housing units in production.

Profit-recognised housing units

Number of sold housing units taken possession of by the buyer. Once the buyer takes possession, the purchase price is recognised as net sales and worked up expenses are recognised as production costs.

Reservation rate

Number of reserved housing units in production in relation to the total number of housing units in production.

Housing units sold

Number of housing units for which a binding sales contract has been signed with the customer and production of the housing unit has started.

Key financial ratios

Share of risk-bearing capital

Sum total of shareholders' equity and deferred tax liabilities as a percentage of total assets.

Return on capital employed

Profit/loss after financial items including results from participations in associated companies following the reversal of interest expense in relation to average capital employed.

Balance sheet total

Sum total of assets, liabilities and shareholders' equity respectively.

Dividend yield

The dividend as a percentage of the share price at year-end.

Average interest rate

Nominal interest rate weighted by interest-bearing liabilities outstanding on the balance-sheet date.

Average period of fixed interest

The remaining period of fixed interest weighted by interest-bearing liabilities outstanding.

Average shareholders' equity

Average of the shareholders' equity balances at 1 January, 31 March, 30 June, 30 September and 31 December.

Average capital employed

Calculated as the average of the capital employed balances at 1 January, 31 March, 30 June, 30 September and 31 December.

Capital turnover rate

Net sales divided by average capital employed.

Net debt

Interest-bearing liabilities and provisions less financial assets including cash and cash equivalents.

Net sales

Net sales are recognised when the housing unit is transferred to the end customer. Property sales are recognised on the date when significant risks and benefits are transferred to the buyer, which normally coincides with transfer of the ownership. The same definition applies for net revenues.

Earnings per share

Net profit/loss for the period attributable to Bonava's shareholders divided by the weighted number of shares during the period in question.

Interest-coverage ratio

Profit/loss after financial items plus financial expense divided by financial expense.

Operating margin

Operating profit as a percentage of net sales.

Debt/equity ratio

Net debt divided by shareholders' equity.

Equity/assets ratio

Shareholders' equity as a percentage of total assets.

Capital employed

Total assets less interest-free liabilities including deferred tax liabilities.

Stockholm on 29 April 2016

For the board of directors of Bonava

Joachim Hallengren, CEO

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Bonava is one of the leading housing developers in Northern Europe. Bonava originates from NCC and has created homes and housing areas since the 1930s. Today, Bonava has 1,400 employees with operations in Sweden, Finland, Denmark, Norway, Germany, St. Petersburg, Estonia and Latvia, and generates sales of SEK 13 billion.

THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

Auditors' review report

To the Board of Directors of Bonava AB (publ), reg. no. 556928-0380

Introduction

We have reviewed the condensed interim report for Bonava AB (publ) as at March 31, 2016 and for the three months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Matter of emphasis

The condensed interim report for the three months period ending 31 March, 2015 has not been reviewed and the comparative figures in the condensed interim report for the three months period ending 31 March, 2016 is therefore not reviewed.

Stockholm, May 18, 2016
Ernst & Young AB

Mikael Ikonen
Authorized Public Accountant