



Investor presentation

3m 2013

Nordecon overview

Nordecon in brief

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

Nordecon in brief

VISION: To be the preferred partner in the construction industry for customers, subcontractors and employees.

MISSION: To offer our customers building and infrastructure construction solutions that meet their needs and fit their budget and thus help them maintain and add value to their assets.

SHARED VALUES:

Professionalism

We are professional builders – we apply appropriate construction techniques and technologies and observe generally accepted quality standards. Our people are results-oriented and go-ahead; we successfully combine our extensive industry experience with the opportunities provided by innovation.

Reliability

We are reliable partners – we keep our promises and do not take risks at the expense of our customers. Together, we can overcome any construction challenge and achieve the best possible results.

Openness

We act openly and transparently. We observe best practice in the construction industry and uphold and promote it in society as a whole.

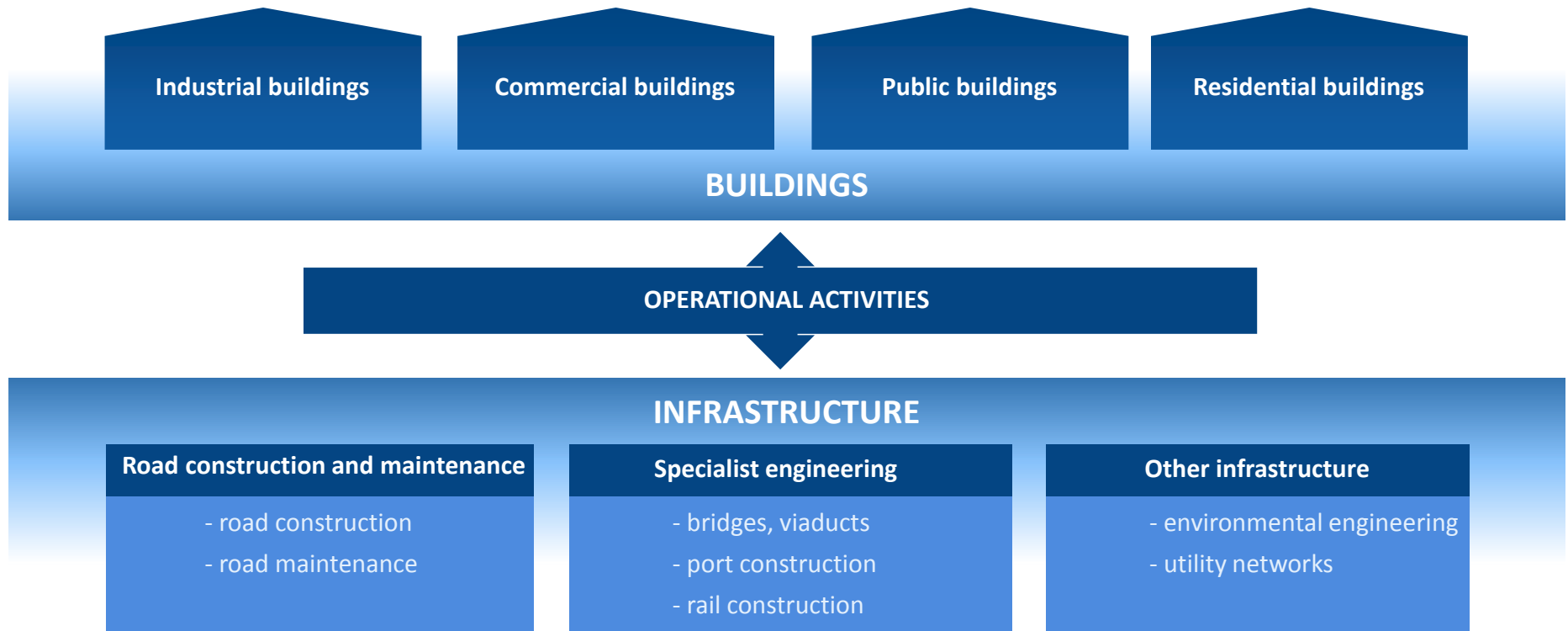
Employees

We inspire our people to grow through needs-based training and career opportunities consistent with their experience. We value our employees by providing them with a modern work environment that encourages creativity and a motivation system that fosters initiative.

Nordecon Group's main strategic objectives until 2013 (incl.)

- 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 with shareholders oriented towards long-term profitable growth
- A flexible, horizontally integrated business model across the Group
- Experienced management
- Professional and loyal employees
- Relative conservatism in risk-taking
- Selected support services centralised group wide (e.g. IT, legal) to streamline costs
- Revenue base aimed at dividing activities between buildings and infrastructure segments equally to minimise volume risk
- Group covers all main sub-segments in the construction markets

Core Competencies

Road construction and
maintenance

Environmental
construction

Other infrastructure

Industrial, civil and
commercial buildings

Real estate
development

Nordecon financial information and key facts

3m 2013

Period in brief

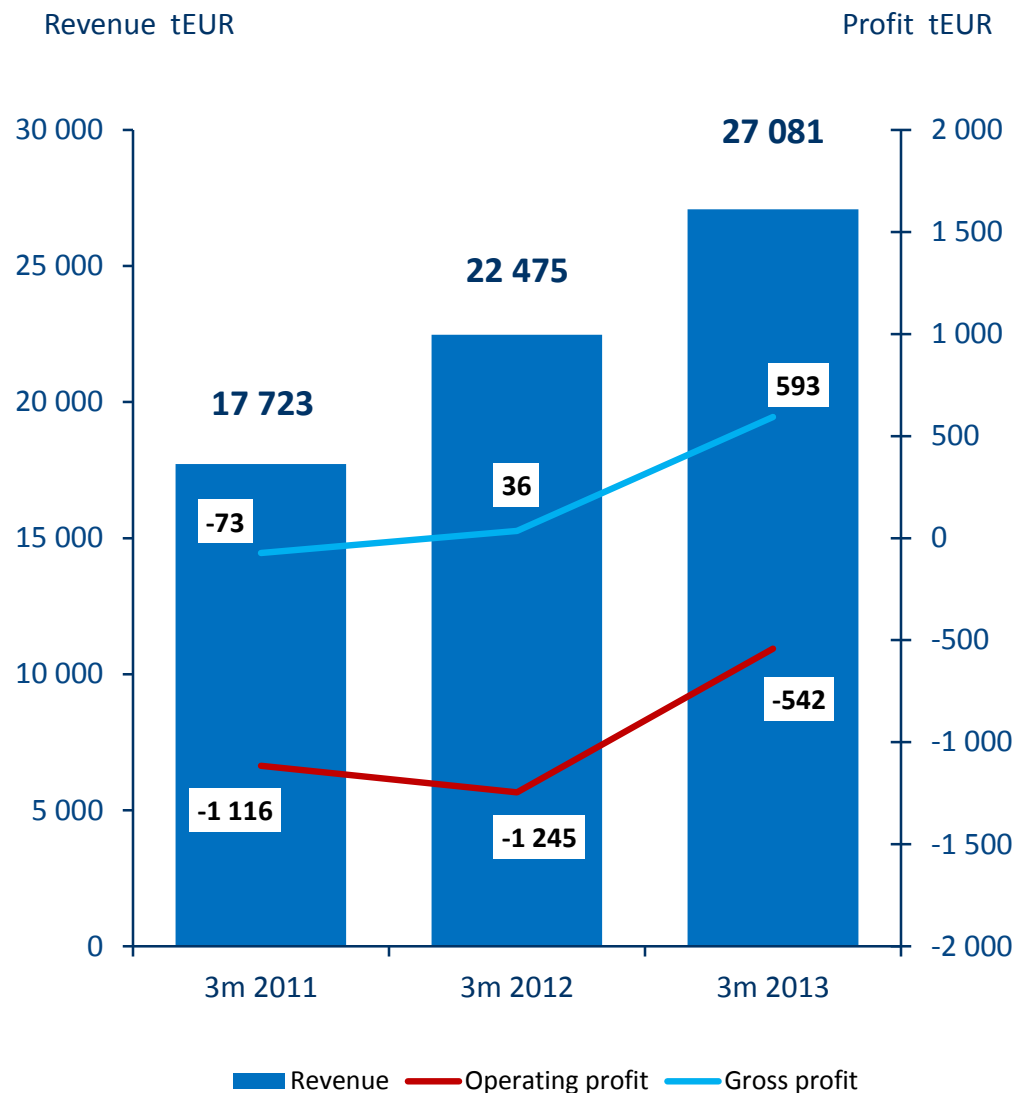
- Sales exceeded 3m 2012 comparative figure by 20%. Higher than usual amount of infrastructure projects that where work could be done also during the winter months
- Higher infrastructure revenue helped to reduce segment's fixed costs exposure that is usually highes in Q1. Gross profit in Q1 2013 amounted to 593 tEUR (Q1 2012: 36 tEUR)
- Administrative expenses remain under control at 3.3% to revenue (12 months rolling figure)
- Order book remained on the similar level as YE 2012. Intake of contracts in Q1 2013 equal to works performed.
- The banks refinanced (or gave binding confirmations) loans of 13 ,4 mEUR due in 2013, payments moved to 2014.
- Strong outside pressure on liquidity created by gap between the timing of receipts form (public sector) clients and payments to subcontractors.

Key figures / ratios

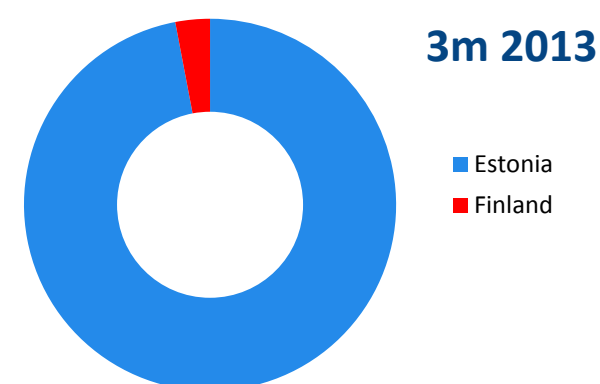
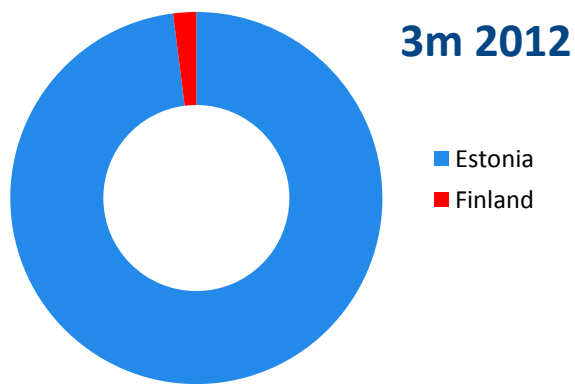
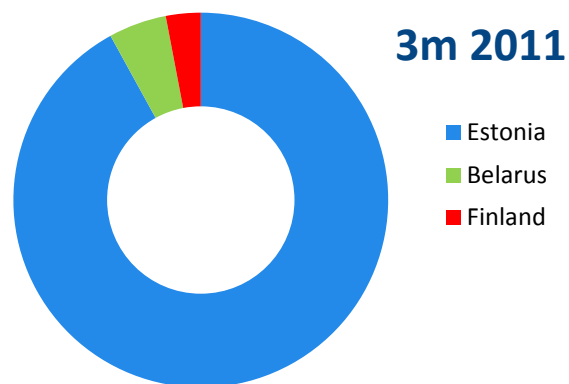
Figure / Ratio	3m 2013	3m 2012
Revenue (tEUR)	27,081	22,475
Revenue growth/decrease, %	20.0%	27.0%
Net profit/loss (tEUR)	-652	-1,408
Gross margin, %	2.2%	0.2%
EBITDA margin, %	-0.1%	-2.9%
Net margin, %	-2.4%	-6.3%
Earnings per share (EUR)	-0.02	-0.04
Equity ratio, %	29.5%	29.9%
Administrative expenses to revenue	4.6%	5.5%

Revenue and profit

- Revenue growth driven by infrastructure segment projects where the winter allowed to perform more work than usually
- Smaller part of revenue increase attributed to buildings segment and private sector clients
- Profit from higher revenue covered infrastructure segment's fixed costs which are usually the highest in Q1
- Main focus remaining on improving profitability



Revenue by geographic regions

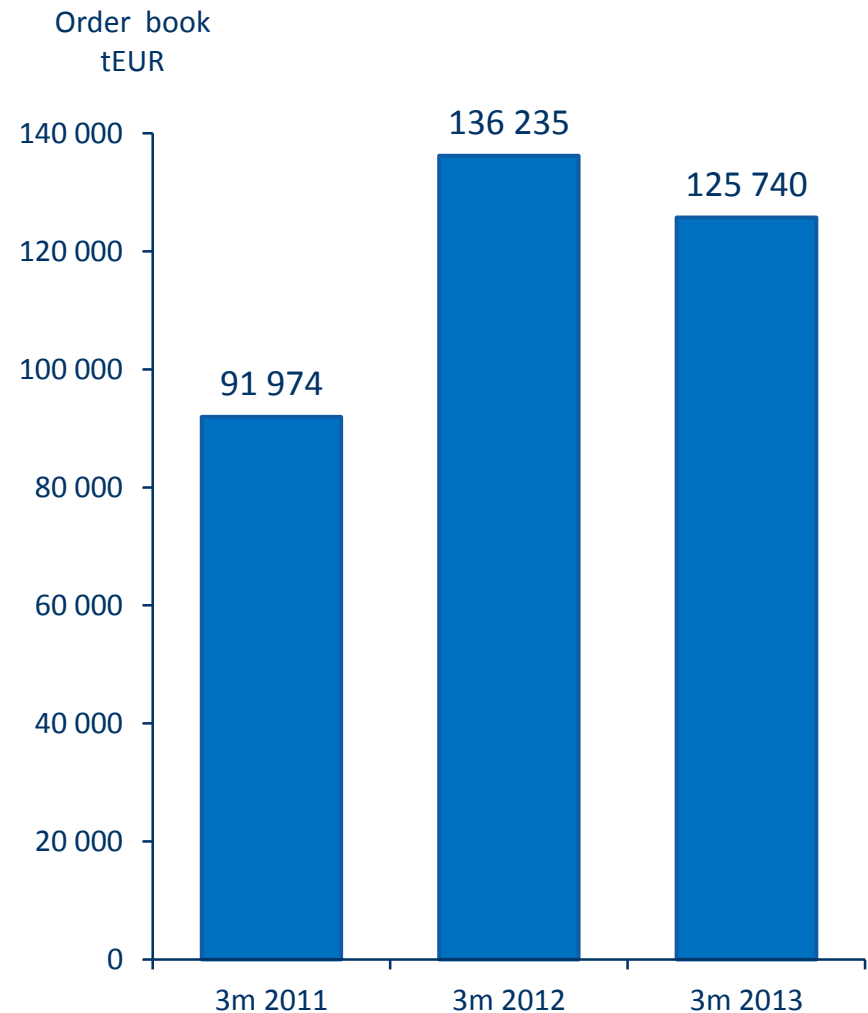


	3m 2011	3m 2012	3m 2013
Estonia	92%	98%	97%
Belarus	5%	0%	0%
Finland	3%	2%	3%

- Main focus to remain in Estonia until 2013 (incl.)
- Business in Finland remains limited to existing sub-segment (concrete works)
- In Ukraine ability to start again maintained

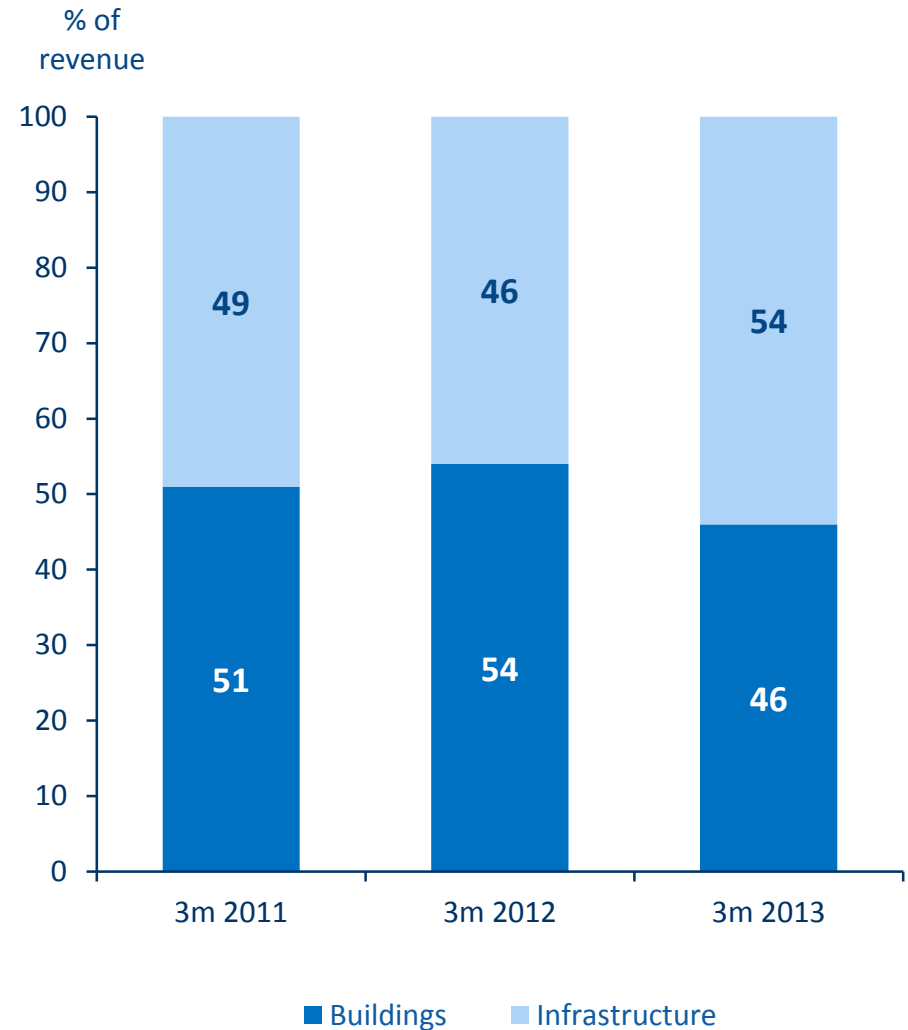
Order book

- Order book reflects current market situation, i.e. majority related with infrastructure projects (3m 2013: 56%). A strong increase of buildings segment projects compared to last year (3 m 2012: 22%) due to private clients investments.
- Q1 2013 biggest addition was more than 15 mEUR contract for the extension works of ASTRI shopping center in Narva
- Order book has decreased due to gradual performance of major contracts secured in 2011 and beginning of 2012. Addition of large contracts is irregular



Revenue distribution by segments

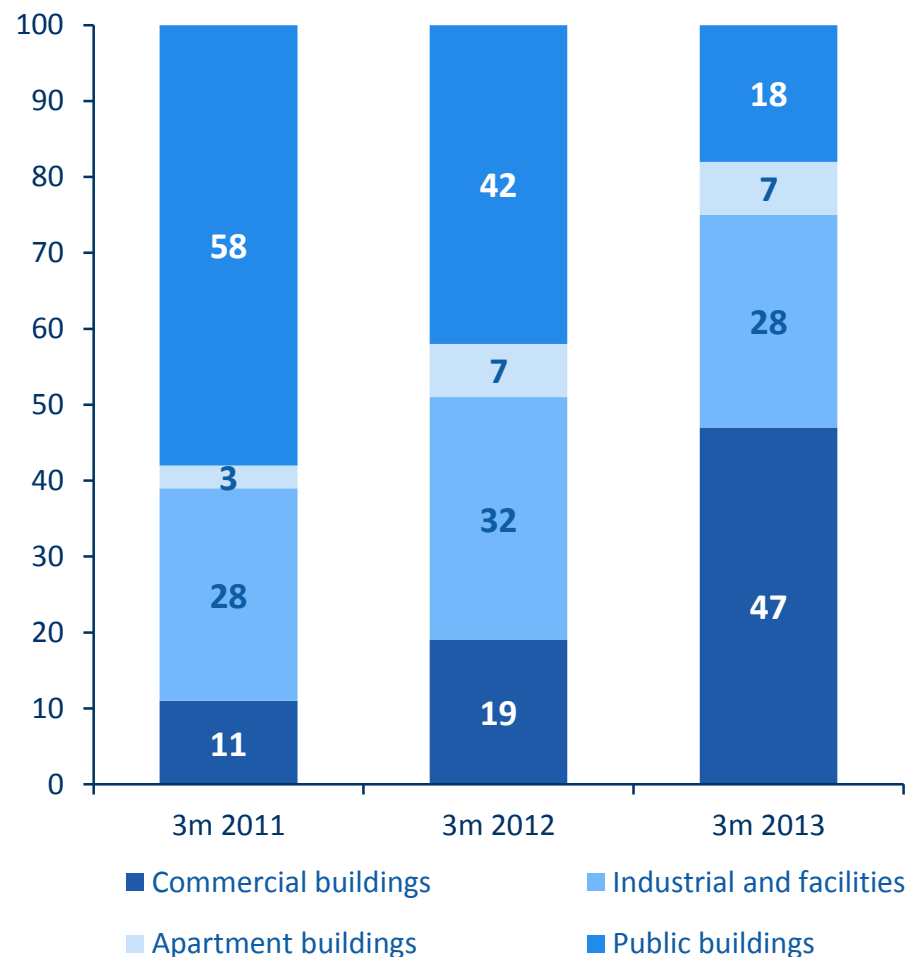
- Large infrastructure contracts (e.g. road construction) included sections where works could continue in winter months (earth works, construction of structures)



Revenue distribution – buildings

- Share of public sector contracts declining because of competition and absence of large contracts
- Industrial facilities also partly financed by public sector (e.g. agriculture investments)
- Commercial buildings show strong increase as private clients showed increased investment volumes in 2012
- Residential buildings revenue from constructing, not developing of real estate

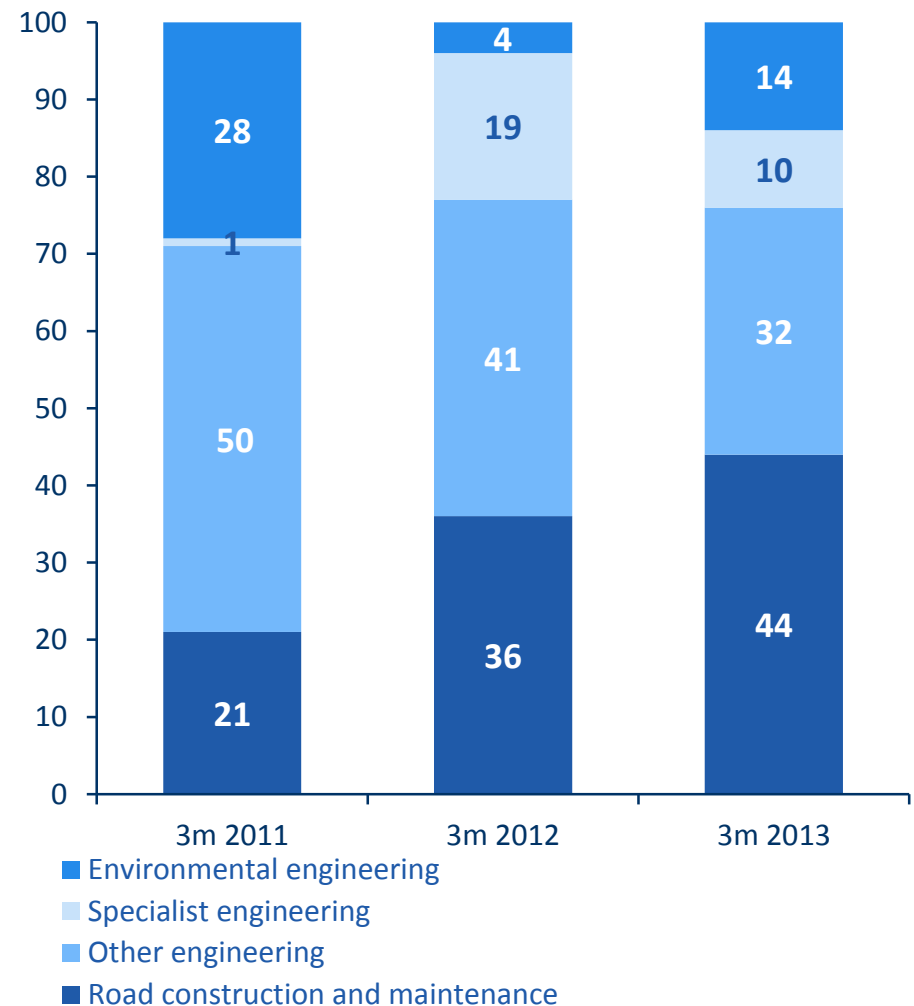
% of revenue



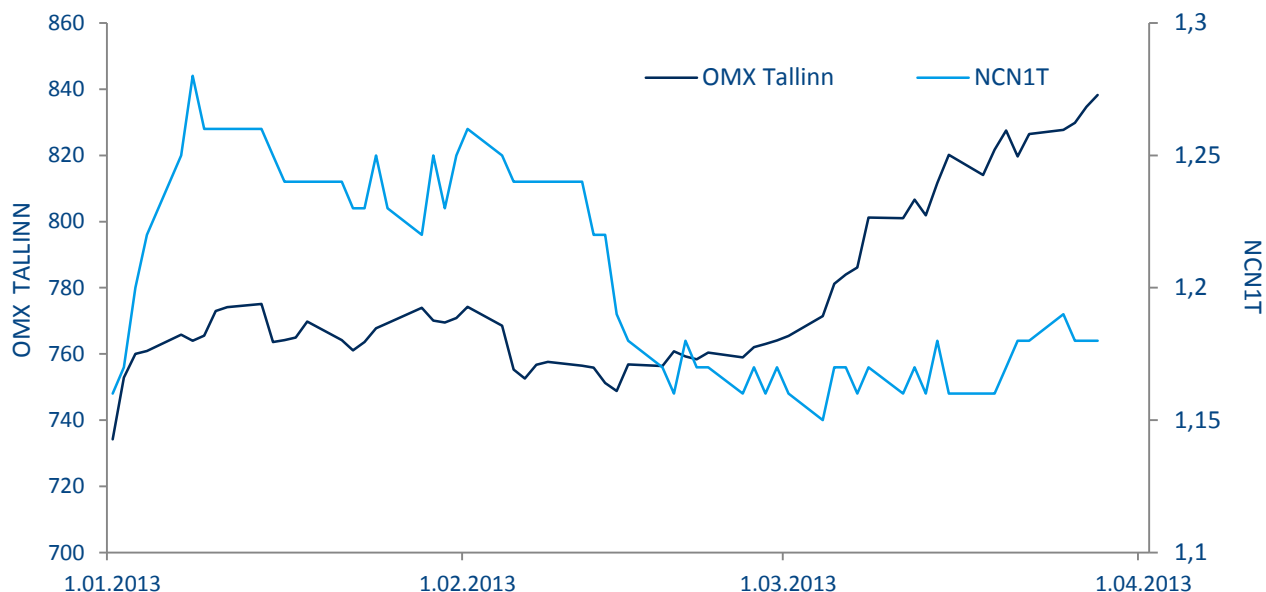
Revenue distribution – infrastructure

- Road construction and maintenance segment strong historically. Share increased as major contracts continued partly during winter
- Large share of EU supported utility networks (other engineering) and environmental construction. Financed from the 2013 ending EU budget. Addition of new contracts this year thus smaller than in previous years
- Specialist engineering (port construction) share decreasing as port construction contracts are nearing towards finish in 2013

% of revenue



Share and shareholders information



Index/share	1.01.2013	31.03.2013	+/-%
OMX Tallinn index	734.20	838.20	+14.17
NCN1T	1.16 EUR	1.18 EUR	+1.72

Largest shareholders of Nordecon AS at 31 March 2013

Shareholder	Number of shares	Ownership interest (%)
AS Nordic Contractors	16,507,464	53.67
Luksusjaht AS	2,094,619	6.81
ING Luxembourg S.A.	2,007,949	6.53
Skandinaviska Enskilda Banken AB, Swedish Clients	1,211,308	3.94
SEB Pank AS clients	669,344	2.18
State Street Bank and Trust Omnibus Account A Fund	597,464	1.94
Ain Tromp	578,960	1.88
ASM Investments OÜ	519,600	1.69
SEB Elu- ja pensionikindlustus AS	262,700	0.85
Skandinaviska Enskilda Banken Finnish Clients	257,410	0.84

Shareholder structure of Nordecon AS by ownership interest at 31 March 2013

	Number of shareholders	Ownership interest (%)
Shareholders with interest exceeding 5%	3	67.01
Shareholders with interest between 1% and 5%	5	11.63
Shareholders with interest below 1%	1,955	21.36
Total	1,963	100.00

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