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1.040 Project Management
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SKANSKA

The world of Skanska and the road ahead

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March 2009

Skanska Corporate Presentation

Who we are

- Skanska is one of the world's leading companies in construction and project development
- Operations in selected "home markets" in Europe, USA and Latinamerica
- Four Business streams
- 4,000 repeat customers
- 58,000 employees
- Listed on the Stockholm Stock Exchange
- Revenues totaled SEK 144 billion in 2008

Mission and vision

“Skanska’s mission is to develop, build and maintain the physical environment for living, traveling and working.”

Skanska’s mission

“Skanska shall be a leader in its home markets – the customer’s first choice – in construction and project development”

Skanska’s vision

Goals

- To generate customers and shareholder value in the core of the Group operations – in well-implemented and profitable projects
- To be a leader in terms of size and profitability within its segments in the home markets of its construction business units, focusing on “Outperform” margins and cash flow
- To be a leading project developer in local markets and in selected product areas such as residential, office, retail and selected types of infrastructure development projects

Strategy

for achieving the operative and financial targets is

- to focus on core businesses in construction and project development
- to be an international company, with a leading position in selected home markets
- to execute all projects with zero defects according to the customer's expectations
- to recruit, develop and retain competent employees and to take steps to achieve increased diversity
- to identify and systematically manage risk
- to be a leader in the development and construction of green projects
- to be an industry leader in sustainability, particularly in safety, ethics, occupational health and the environment
- to capitalize on urbanization trends and take advantage of the Group's know-how and experience as a city builder
- to take advantage of the existing potential to coordinate the Group's purchasing
- to take advantage of efficiency gains that can be achieved through greater industrialization of the construction process

Long tradition



1887

AB Skånska Cementgjuteriet founded by R.F.Berg

1897

The first international order (Leeds)

1917

Finnish office opens

1954

First commercial development project in Malmö, Sweden

1965

Listed on the Stockholm Stock Exchange

1971

First U.S. assignment - the 63rd Street Subway Line in NYC

1982

First U.S. acquisition

1984

The name "Skanska", already in general use internationally

1997-2000

Triples in size, acquisitions in the Nordics, UK, central Europe and LA

Local and global



Local presence – global strength



United States
Latin America

Sweden
Norway
Denmark
Finland
Estonia
Poland
Czech Republic
Slovakia
Hungary
United Kingdom



Organization

Senior Executive Team

Skanska Financial Services

Group staff units

Construction

Residential Development

Commercial Development

Infrastructure Development

Skanska Sweden

Skanska Norway

Skanska Finland

Skanska Poland

Skanska Czech Republic

Skanska UK

Skanska USA Building

Skanska USA Civil

Skanska Latin America

Skanska Residential
Development Nordic

Skanska Commercial
Development Nordic

Skanska Commercial
Development Europe

Skanska Infrastructure
Development

Business streams



Construction



Residential Development



Commercial Development



Infrastructure Development

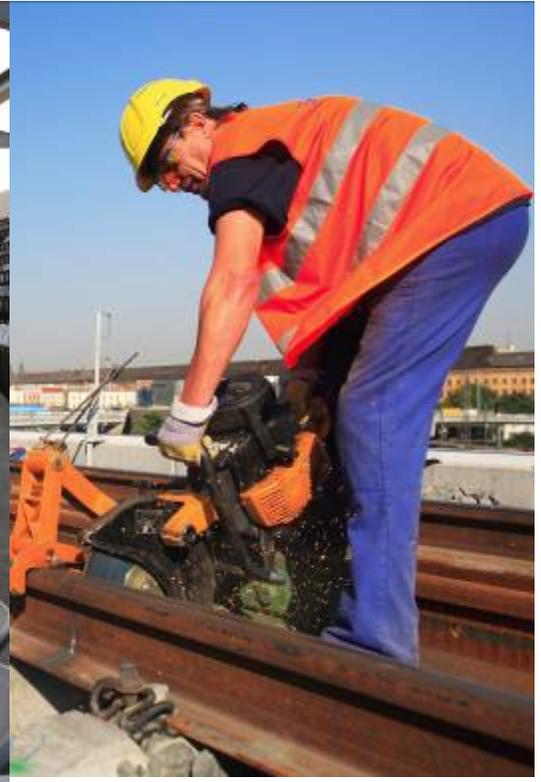
Construction



Dashwood House, London



Meadowlands Stadium, New Jersey



Rail network, Prague

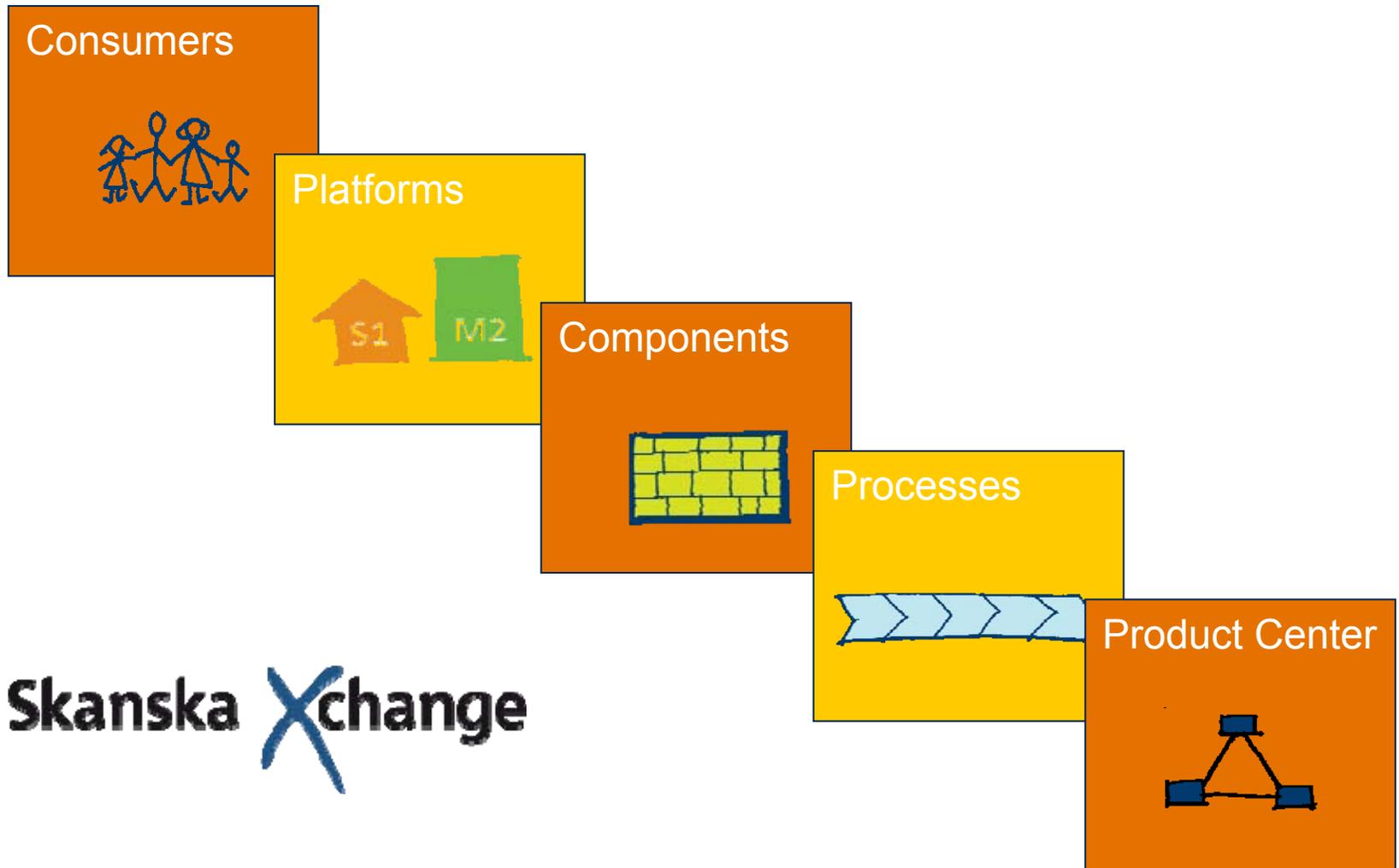
Construction refers to building construction (both non-residential and residential) and civil construction. Skanska's largest business stream in terms of revenue and employees.

Construction business units also perform contracting assignments for the three other business streams.

SKANSKA

Procurement







BIM in all
design/build
projects 2009

Residential Development



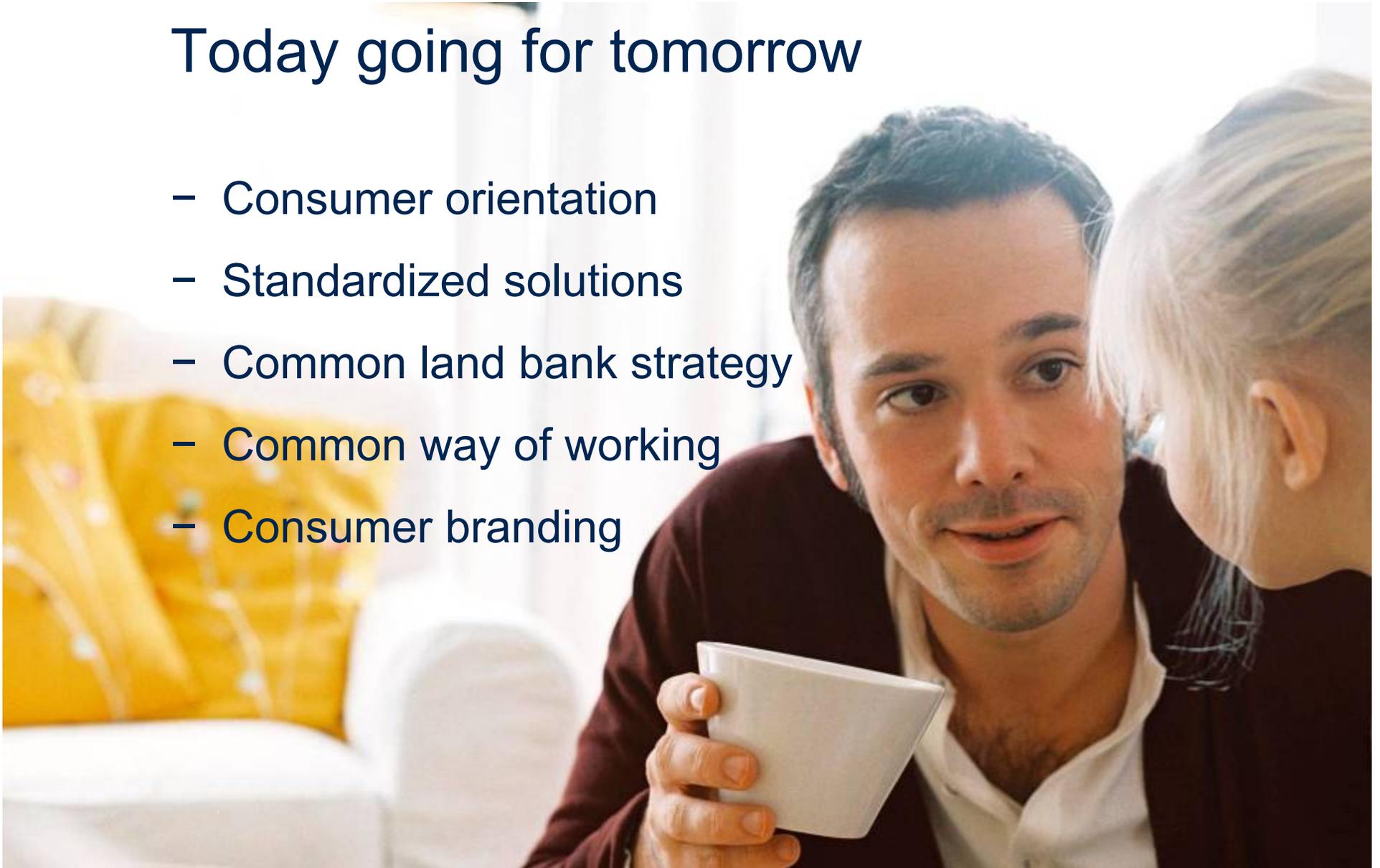
Majakka, Kotka, Finland

Develops residential units for immediate sale. Housing units tailored for selected customer categories. The construction assignments are carried out by Skanska's construction units in each respective market.

One of the largest residential developers in the Nordic countries. Also active in the Czech Republic.

Today going for tomorrow

- Consumer orientation
- Standardized solutions
- Common land bank strategy
- Common way of working
- Consumer branding



Challenges and ambitions

- Market leader
- Lowest cost
- Understanding consumer trends
- The preferred partner for the cities

Commercial Development



ÅF office, Sweden

Lintulahti, Finland

The Flundran block, Sweden

The business stream initiates, develops, leases and divests commercial property projects.

Focus on office buildings, shopping centers and logistics properties.

Presence in Stockholm, Gothenburg, Öresund (Malmö-Copenhagen), Helsinki, Warsaw, Wroclaw, Prague and Budapest

Key functions in a CD unit



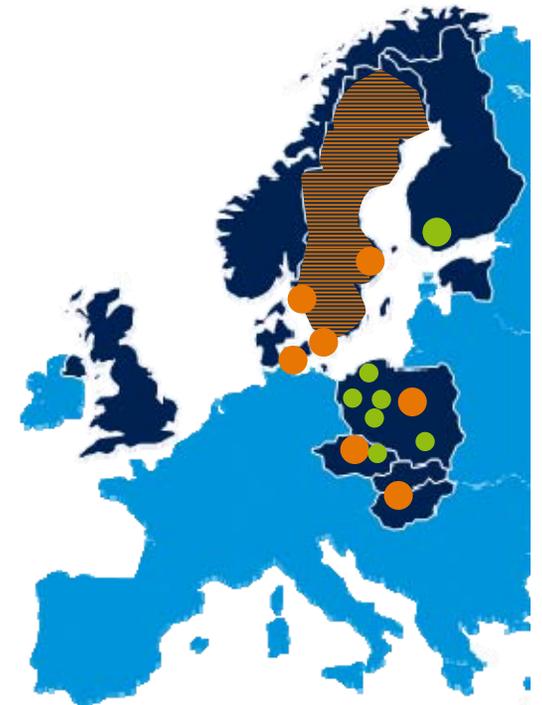
Competences

Marketing and sales, Construction, Real estate, Finance

Geographic expansion – CD



- 10 years ago ● Capital cities and major cities in Sweden
- 7 years ago ● Retail and logistic centers
- 3 years ago ● Regional cities Central Europa and Finland
- Today ● U.S.





A1, Poland



The London Hospital, U.K.



Brislington Enterprise College, U.K.

Infrastructure Development develops and invests in privately financed infrastructure projects such as roads, hospitals and power generation plants. Focus on creating new potential for projects in markets where Skanska has construction business units.

Key activities in ID

Project development and bid activities



Project execution



Asset management



Financing



Competences

Financial, legal, sector specialists, traffic experts

Skanska ID on the map



Americas

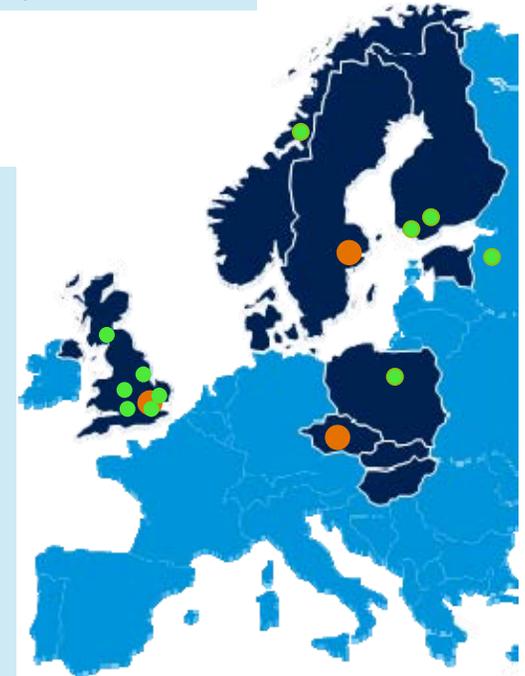
Projects:
Autopista Central, Chile
Breitener Energetica, Brazil
Ponte de Pedra Hydroelectric power, Brazil (sold)

Europe

Projects:
A1 motorway, Poland
E18 motorway, Finland
Nelostie motorway, Finland
E39 motorway, Norway
*Waste Water Treatment Plant
Russia (sold)*

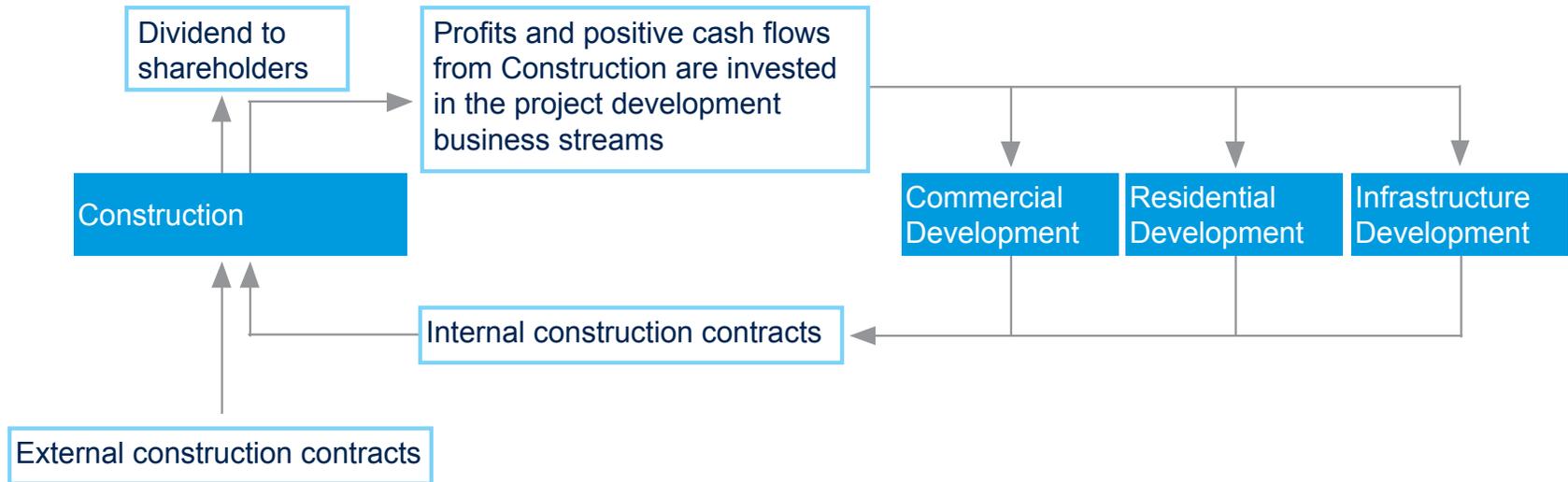
U.K.

Projects:
Bristol BSF Schools
Bexley Schools
Midlothian Schools
Barts & the London Hospitals
Derby City General Hospital
New University Hospitals, Coventry
Central Nottinghamshire Hospitals
Walsall Manor Hospitals
Bridgend Prison, UK (sold)
King's Hospital, UK (sold)



● Office locations ● Project locations

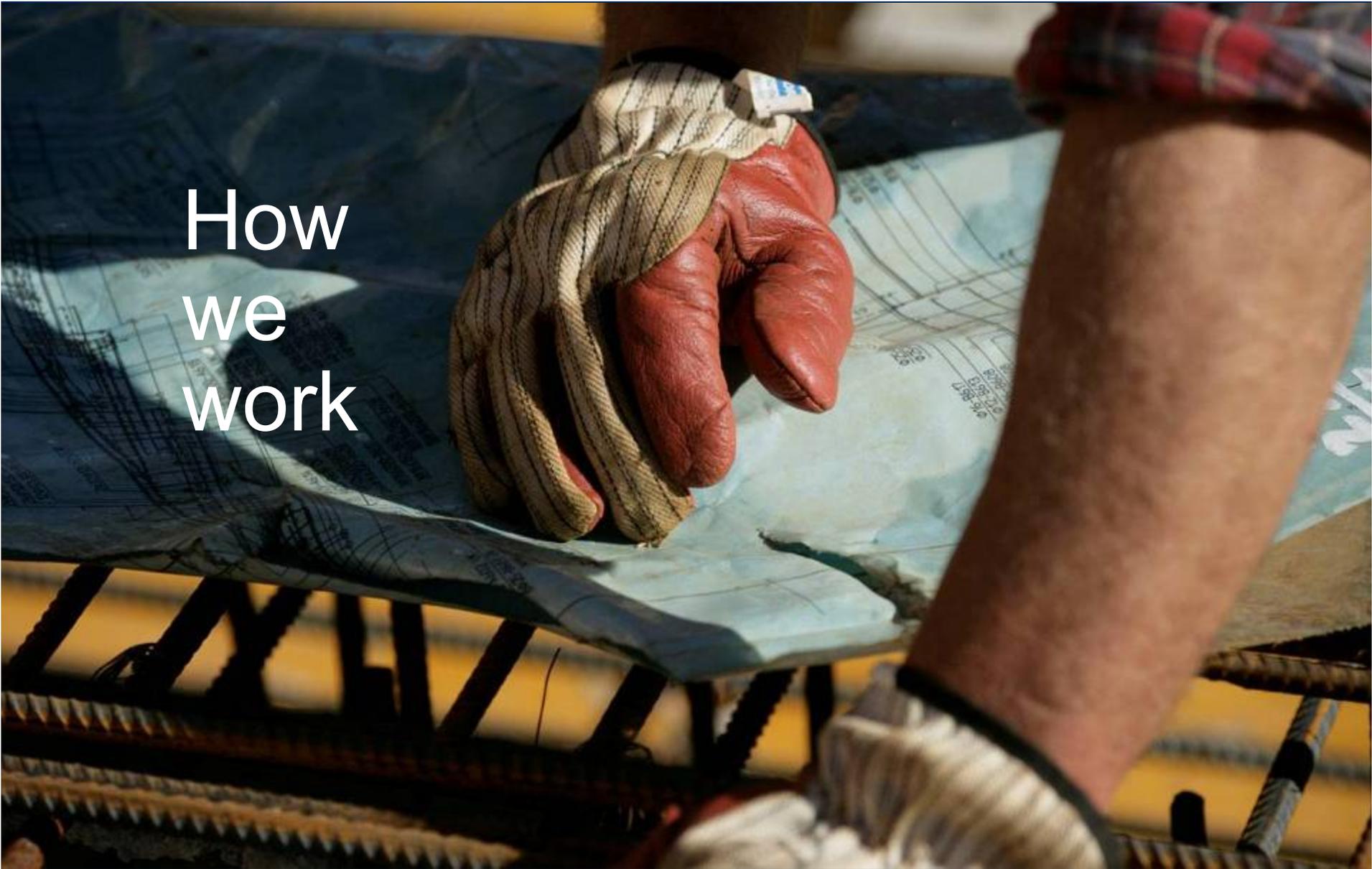
Skanska synergies



Our clients

- Thousands of clients in our selected home markets
- Varying sizes, authorities, investors as well as private persons
- Many world-leading Fortune Global 500 companies
- The UN has commissioned Skanska for several assignments in different parts of the world through the years
- A large number of public agencies and authorities such as the Departments of Transportation, Port Authorities, National Health Services and National Road Administrations in our home markets





How we work

Code of Conduct

- General principles including human rights
- Employee relations including health and safety
- Business ethics
- Environment



Skanska Sustainability Agenda



The five zeros



Zero
loss-making
projects



Zero
environmental
incidents



Zero
accidents



Zero
ethical
breaches



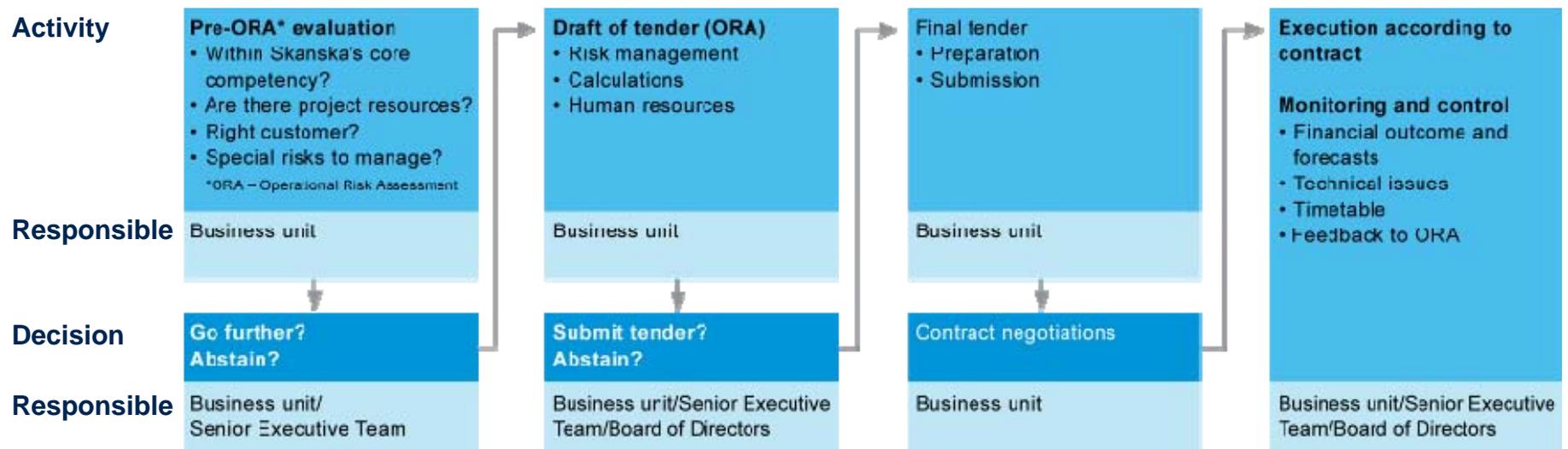
Zero
defects

Risk Management in Skanska

- We are in the risk business....
- Managing risk must be a key discipline in Skanska

Risk Management

Skanska Tender Approval Procedure (STAP)



Where
we are
heading

The road ahead...

- Long-term growth in project development
- Increase profitability and efficiency in construction
- Safety
- Green
- Customer orientation
- Branding
- People



Long-term growth in project development



Increase profitability and efficiency in Construction



Safety



Increased focus

- Visible leadership
 - Planning
 - Safety tours

That makes a difference!

Green

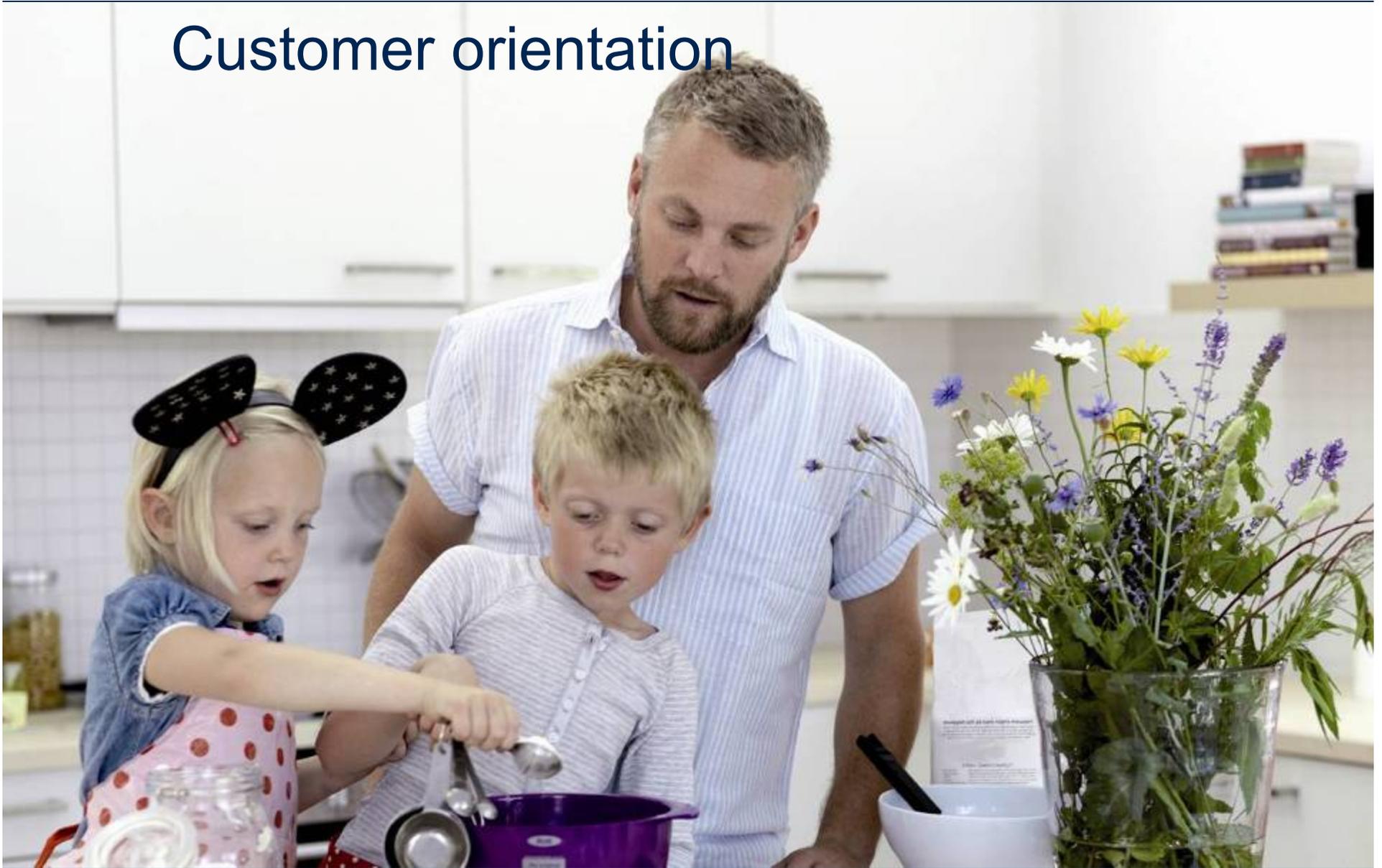
Vision

We are determined to become the leading green project development and construction company

Goal

To develop economically attractive green solutions for our customers

Customer orientation



Branding



People



Skanska's HR focus



- Improve managers' effectiveness at people management
- Ensure Employee Satisfaction
- Succession planning

Tougher times = implications for Skanska



Threats/challenges

Opportunities

Tougher market

Prepare and act

Come out stronger

SKANSKA

Skanska 2008

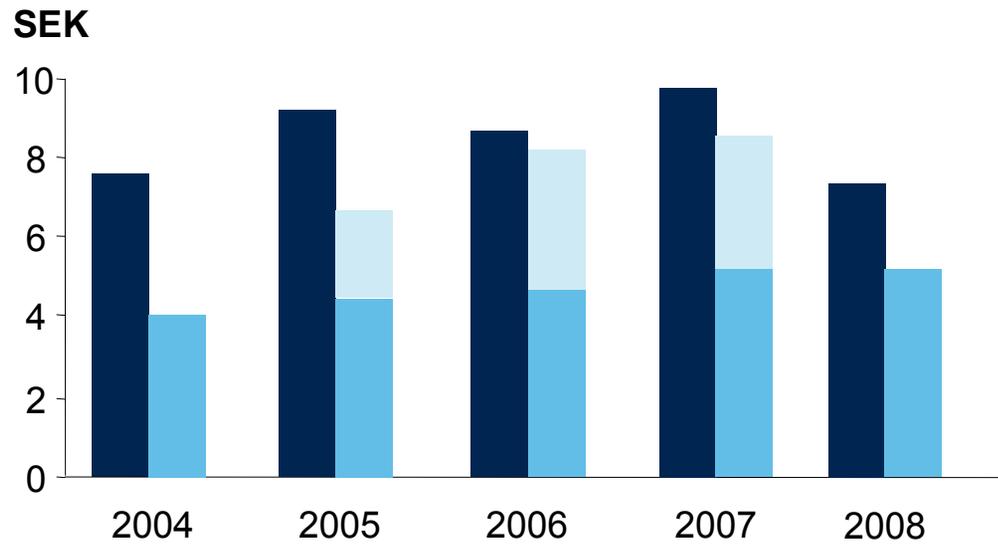


Key ratios

	SEK M	EUR M	USD M
Revenue	143,674	14,923	21,802
Operating income	4,086	424	620
Income after financial items	4,410	458	669
Earnings per share after repurchases, SEK/EUR/USD	7.44	0.77	1.1
Return on equity, %	15.9	15.9	15.9
Return on capital employed, %	18.3	18.3	18.3
Order bookings ¹	126,524	13,142	19,199
Order backlog ¹	142,402	13,012	18,440

¹ Refers to Construction operations

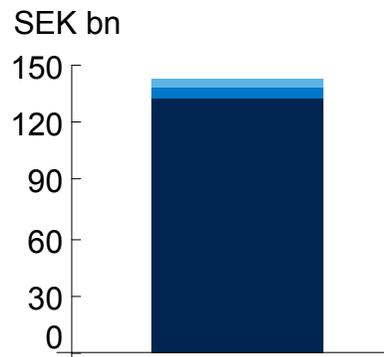
Earnings and dividend per share



- Earnings per share
- Dividend per share
- Extra dividend per share

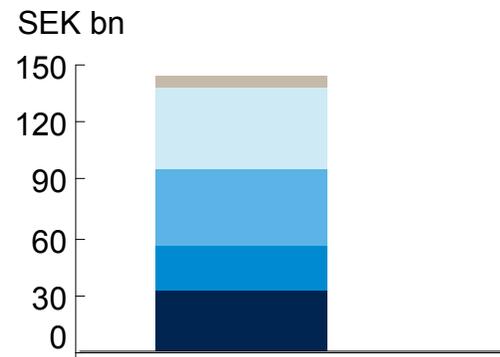
Key facts 2008 by business stream

Revenue
SEK 144 bn



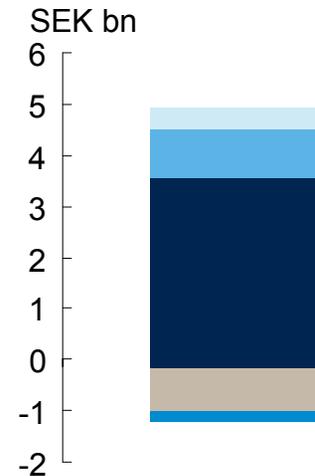
- Construction, 93%
- Residentail Development, 4%
- Commercial Development, 3%
- Infrastructure Development, 0%

Revenue by geographic area
SEK 144 bn



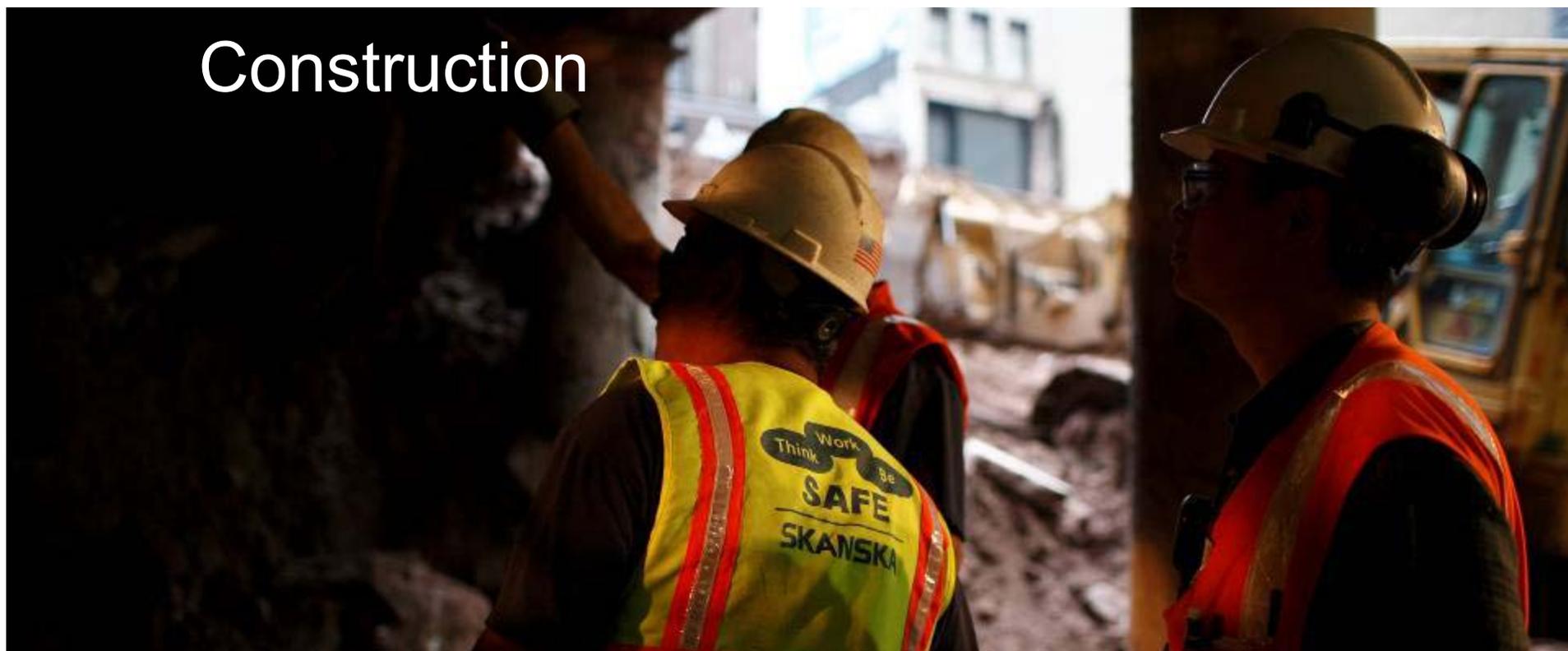
- Sweden, 22%
- Other Nordic countries, 17%
- Other European countries, 28%
- United States, 29%
- Other markets, 4%

Operating income
SEK 4.1 bn



- Construction, 73%
- Residentail Development, neg
- Commercial Development, 19%
- Infrastructure Development, 8%
- Central & eliminations, neg

Construction



Meadowlands, New Jersey

SEK M	2008	2007
Revenue	139,498	129,258
Operating income	3,761	4,443
Operating margin, %	2.7	3.4
Capital employed, SEK bn	0	0.3
Number of employees	56,482	57,857

Residential Development



Silverdal, Stockholm

SEK M	2008	2007
Revenue	6,450	7,679
Operating income	-177	724
Capital employed, SEK bn	6.3	4.4
Return on capital employed, %	-3.1	14.9
Number of employees	676	565

Commercial Development



ÅF office, Stockholm

SEK M	2008	2007
Revenue	3,961	3,130
Operating income	953	910
<i>o/w gain from divestment of properties</i>	1,183	1,051
Capital employed, SEK bn	11.5	7.3
Return on capital employed, %	10.4	14.2
Number of employees	176	141

Infrastructure Development



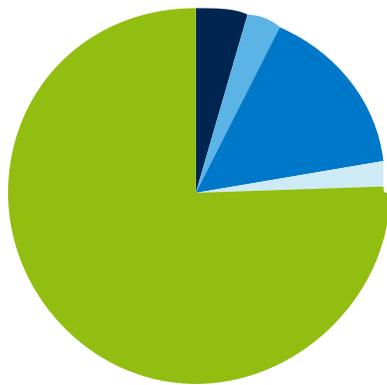
Highway A1, Poland

SEK M	2008	2007
Revenue	55	116
Operating income	396	-107
Capital employed, SEK bn	1.8	2.5
Return on capital employed, %	17	58
Number of employees	133	121

Infrastructure Development

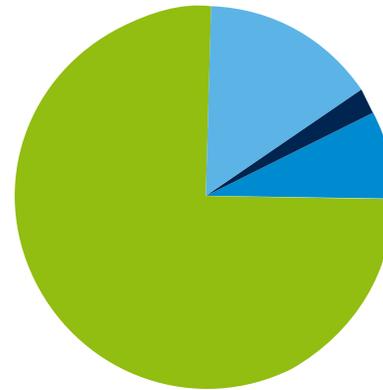
Estimated gross present value by:

Geografic Location



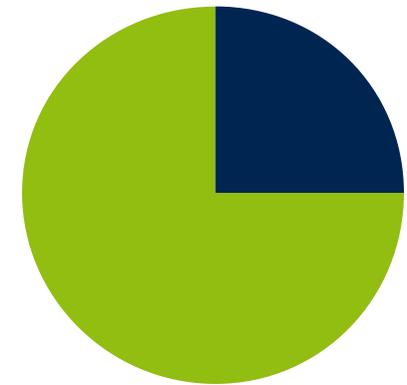
- Nordics, 5%
- United Kingdom, 15%
- Other European countries 3%
- Brazil 2%
- Chile 75%

Category



- Facility, 2%
- Highway, 8%
- Social infrastructure, 15%
- Highway Autopista Central, Chile, 75%

Payment type



- Availability, 25%
- Market risk, 75%

Two compensation models

	Availability model	Market risk model
Compensation	Predetermined	End-user fees
Project company's responsibility/rights	Responsible for providing availability and service to an agreed standard	Right to collect end-user fees e.g. toll-road usage
Credit and payment risk	Low	High
Normal capital structure	5-10% equity	20-25% equity
Value creation in Skanska	Mainly in construction	Mainly through return on equity investment
Location	Europe	U.S., Latin America

ID project portfolio

Project	Type of project	Country
In operation, fully or partially, Dec. 2008		
Nelostie	Highway	Finland
E39	Highway	Norway
Autopista Central	Highway	Chile
Coventry	Hospitals	U.K.
Bexely schools	Schools	U.K.
(Manaus) Breitener	Power plant	Brazil
Midlothian	Hospital	U.K.
A1	Highway	Poland
Mansfield	Hospital	U.K.
Derby	Hospital	U.K.
E18	Highway	Finland
Bristol	Schools	U.K.
Under investment		
Barts and London	Hospital	U.K.
Walsall	Hospital	U.K.

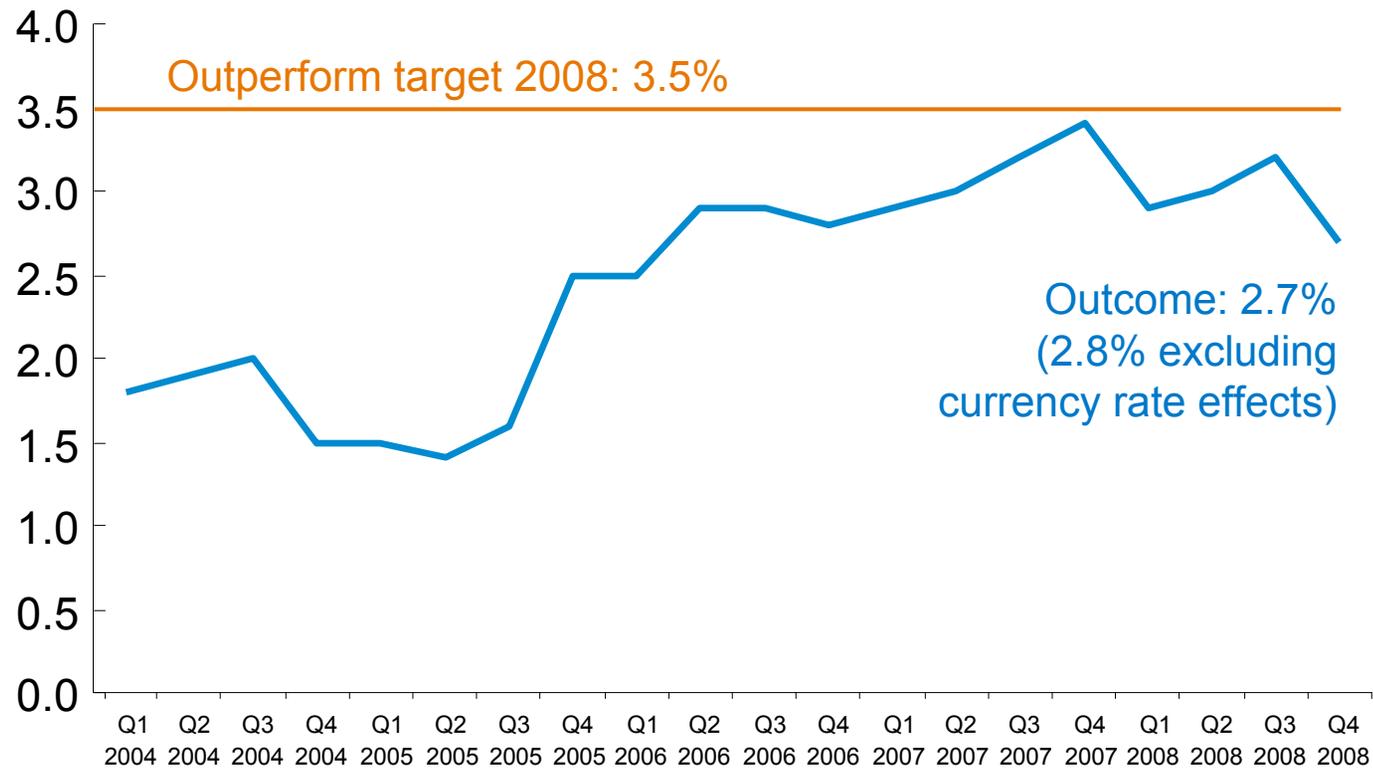
Longterm financial “Outperform” targets

	Group			
Return on equity, target %	20.0			
	Construction	Residential Development	Commercial Development	Infrastructure Development
Operating margin, target %	4.0	12.0		
Return on capital employed, target %		18.0		16.0 ¹
Value creation, SEK M per annum			500/700 ²	

- 1 Incl. unrealized investment gains and changes in market value, excluding currency rate effects
- 2 Accrued development gain minus expenses in the development organization, based on annual gross investments of SEK 4-5 billion.

Operating margin in Construction

Rolling 12 months



The largest shareholders

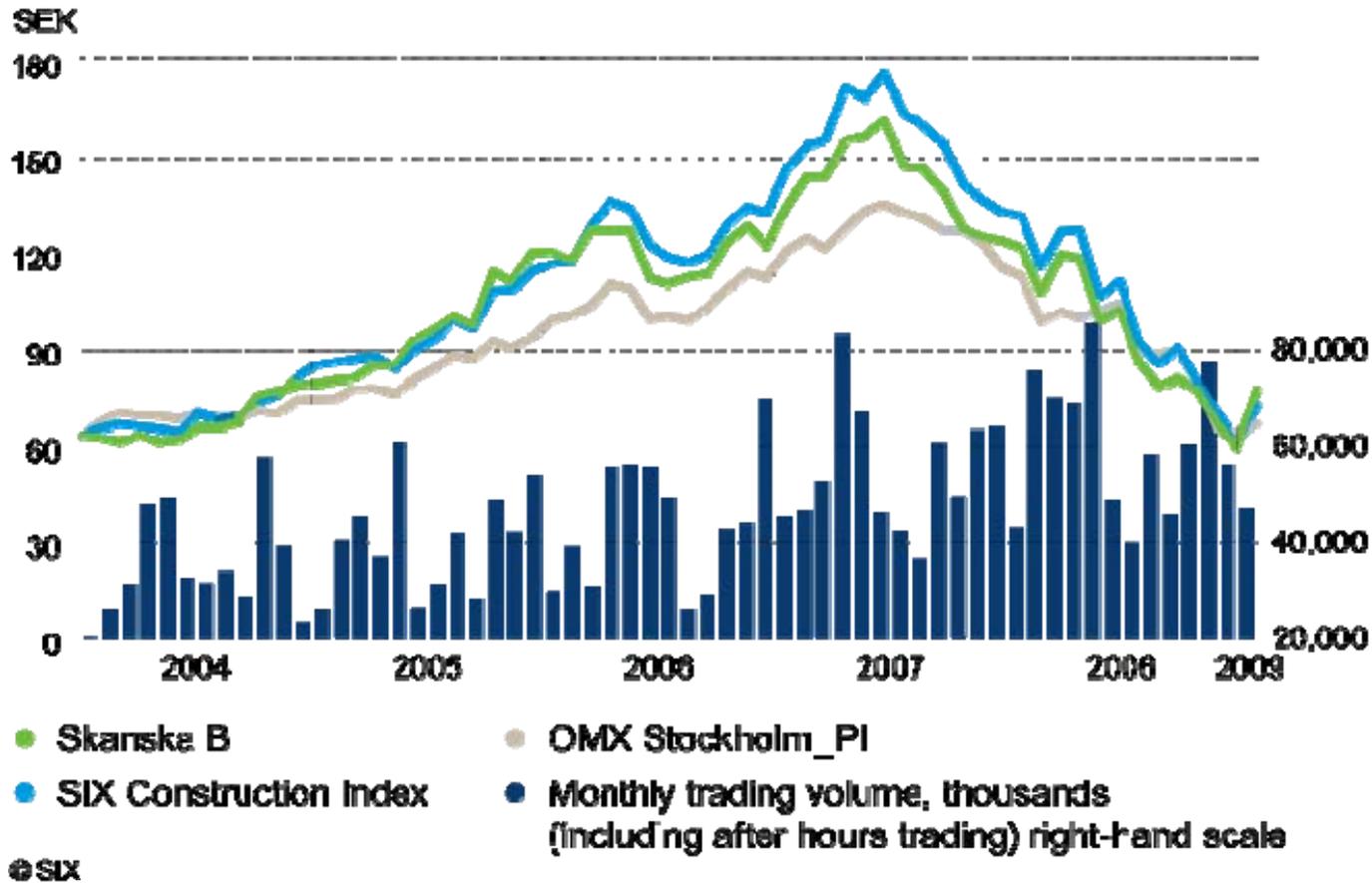
December 31, 2008

	% of capital stock	% of voting power
Industrivärden	7.3	26.8
AMF Pension (AMF Pension Funds included)	7.8	5.3
Alecta	6.9	4.6
SHB Pension Foundation	1.1	3.0
Swedbank Robur Funds	4.0	2.7
SEB	0.4	2.4
SEB Funds	2.4	1.6
SHB	0.2	1.6
SHB Pension Fund	0.2	1.6
AFA Insurance	2.1	1.4
10 largest shareholders in Sweden	32.4	51.1
Other shareholders in Sweden	42.1	31.6
Total in Sweden	74.5	82.7
Shareholders abroad	25.5	17.3
Total	100.0	100.0

Total number of outstanding A and B shares: 418,553,072

Skanska share price movement

January 1, 2004–January 31, 2009





Amazing projects in Skanska



Meadowlands, New York



United Nations, New York



Älvsborg Bridge, Sweden



ÅF Office, Sweden



The London Hospital, U.K.



Manaus, Brazil



Järvastaden, Sweden

