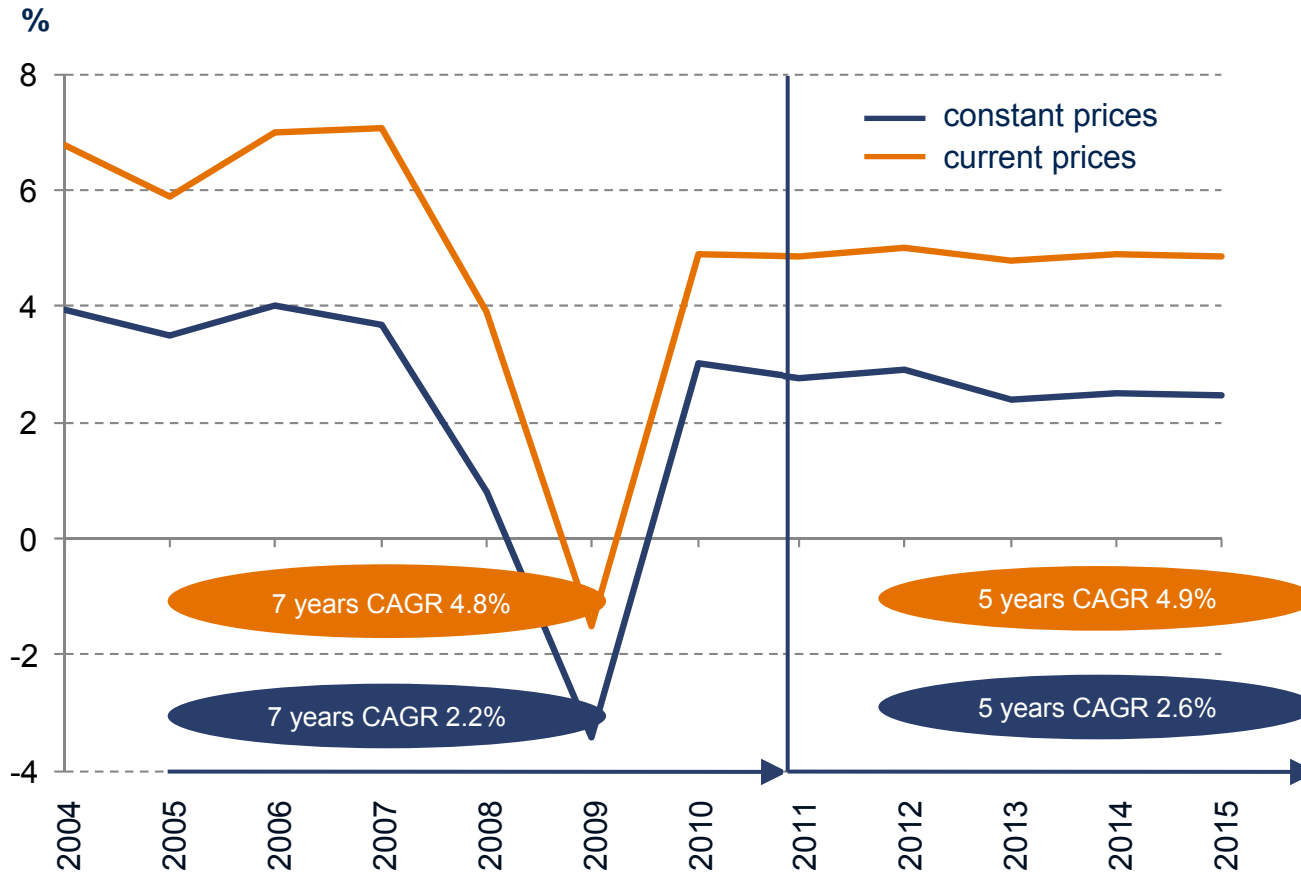


Financial synergies and new financial targets

Hans Börck,
CFO and Executive Vice President

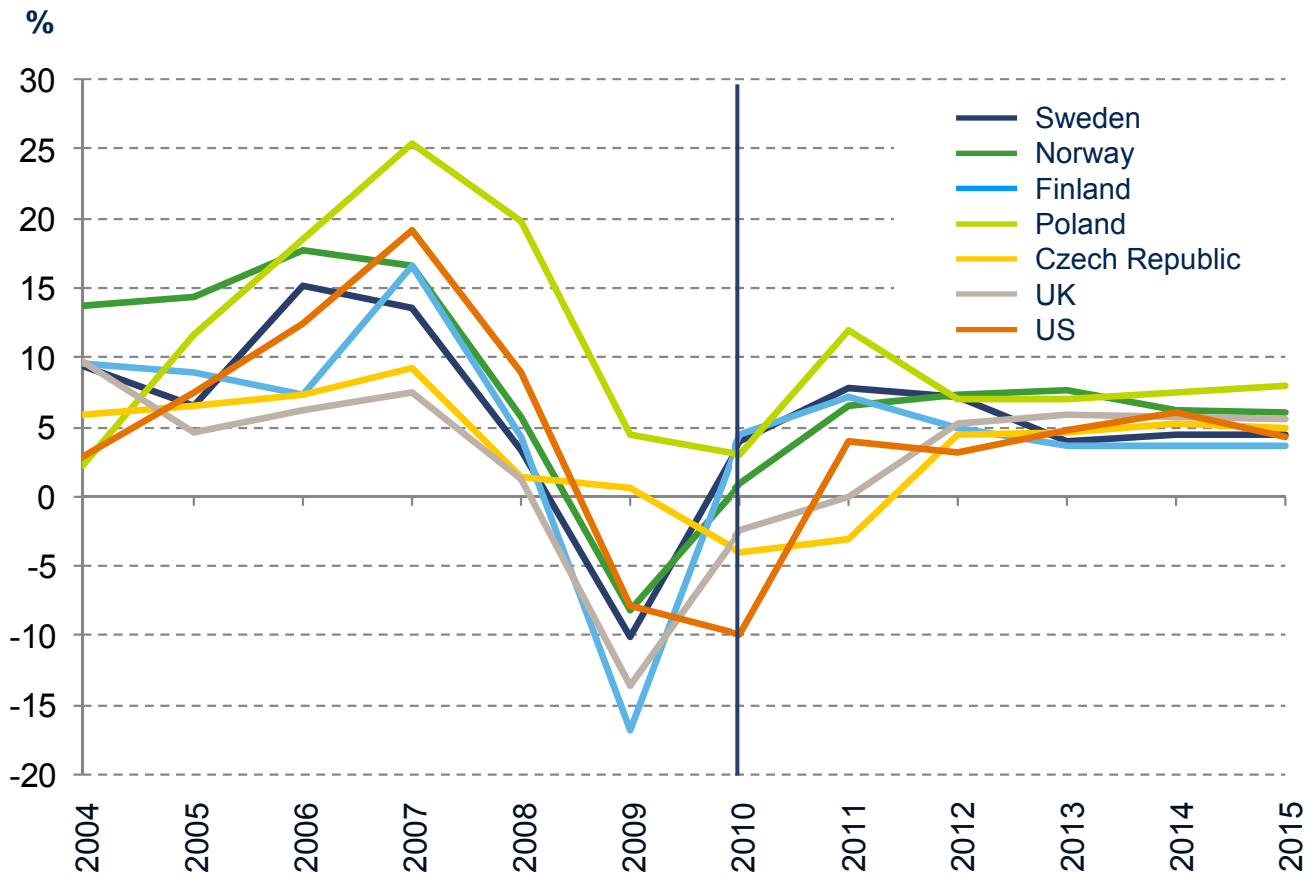


GDP Growth, Skanska footprint



Sources: Bloomberg, Citi Handlowy, EIU, HSBC, Norges Bank, Santander, SFS Research & Analysis & national statistical agencies

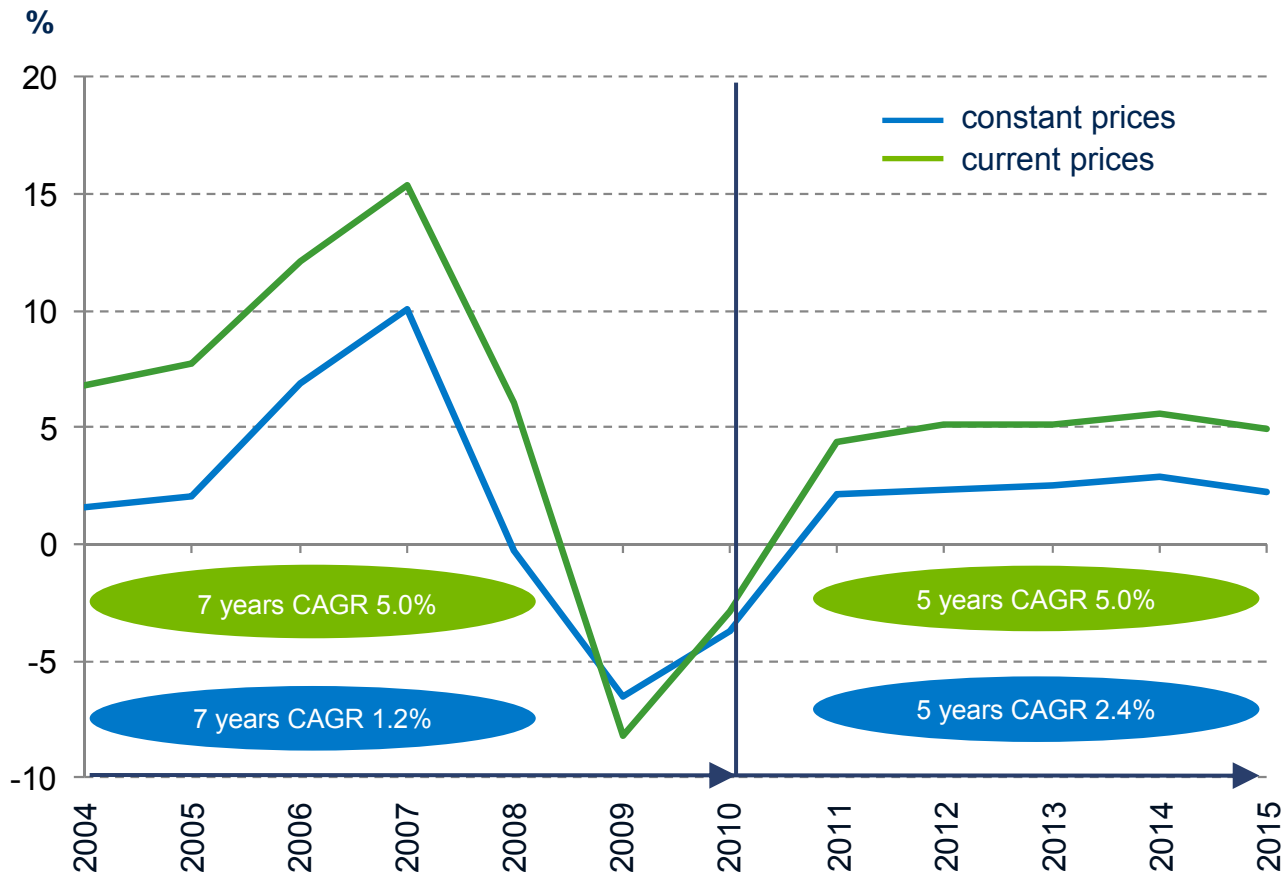
Construction investment growth, by home market* – current prices



Sources: Euroconstruct, FMI, Prognoscentret, SFS Research & Analysis & national statistical agencies

* excluding Latin America

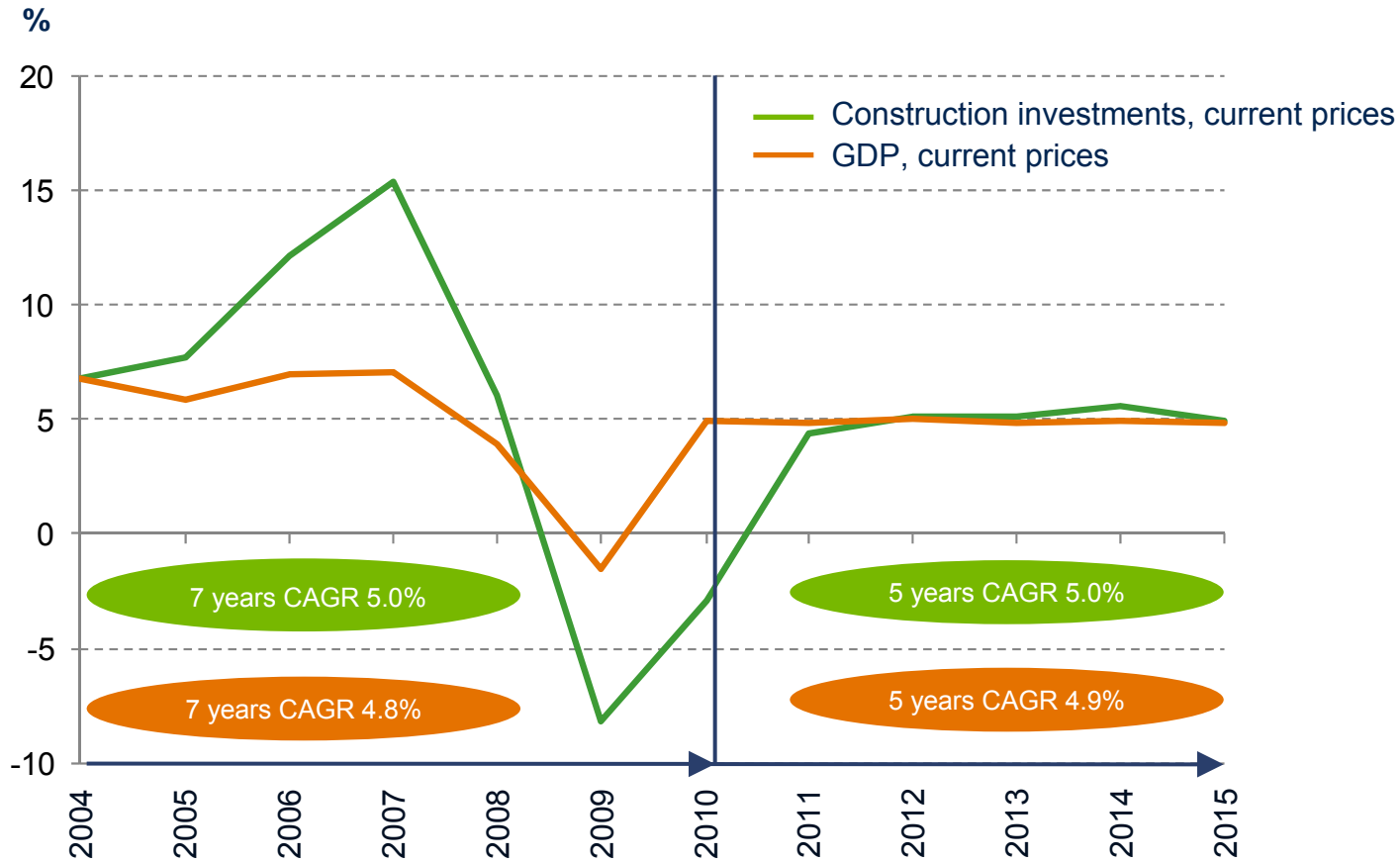
Construction investment growth* Skanska footprint



Sources: Bloomberg, Citi Handlowy, EIU, Euroconstruct, FMI, HSBC, Norges Bank, Santander, Prognoscentret, SFS Research & Analysis & national statistical agencies

* excluding Latin America

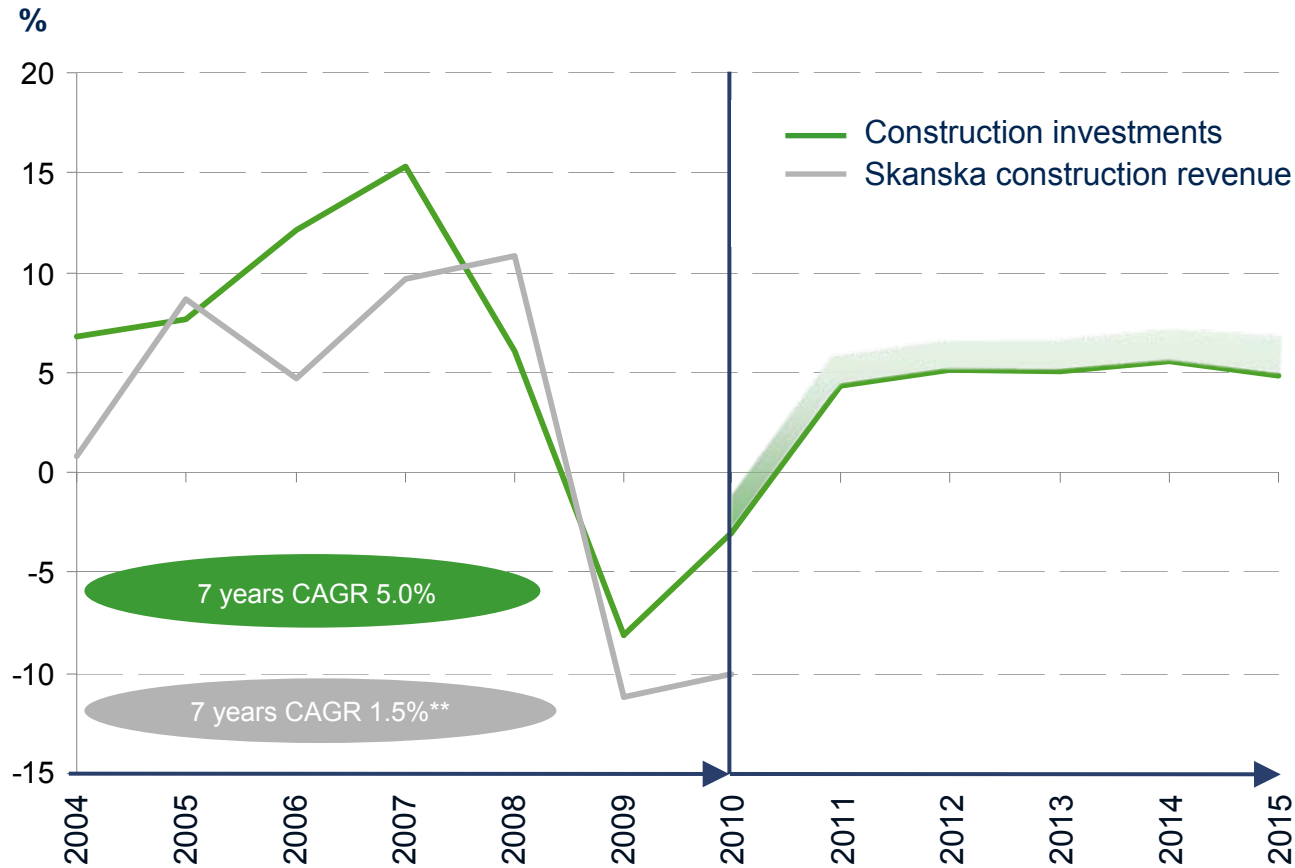
Construction investment* and GDP growth, Skanska footprint



Sources: Bloomberg, Citi Handlowy, EIU, Euroconstruct, FMI, HSBC, Norges Bank, Santander, Prognoscentret, SFS Research & Analysis & national statistical agencies

* excluding Latin America

Skanska Construction revenue growth vs. market growth*, Skanska footprint

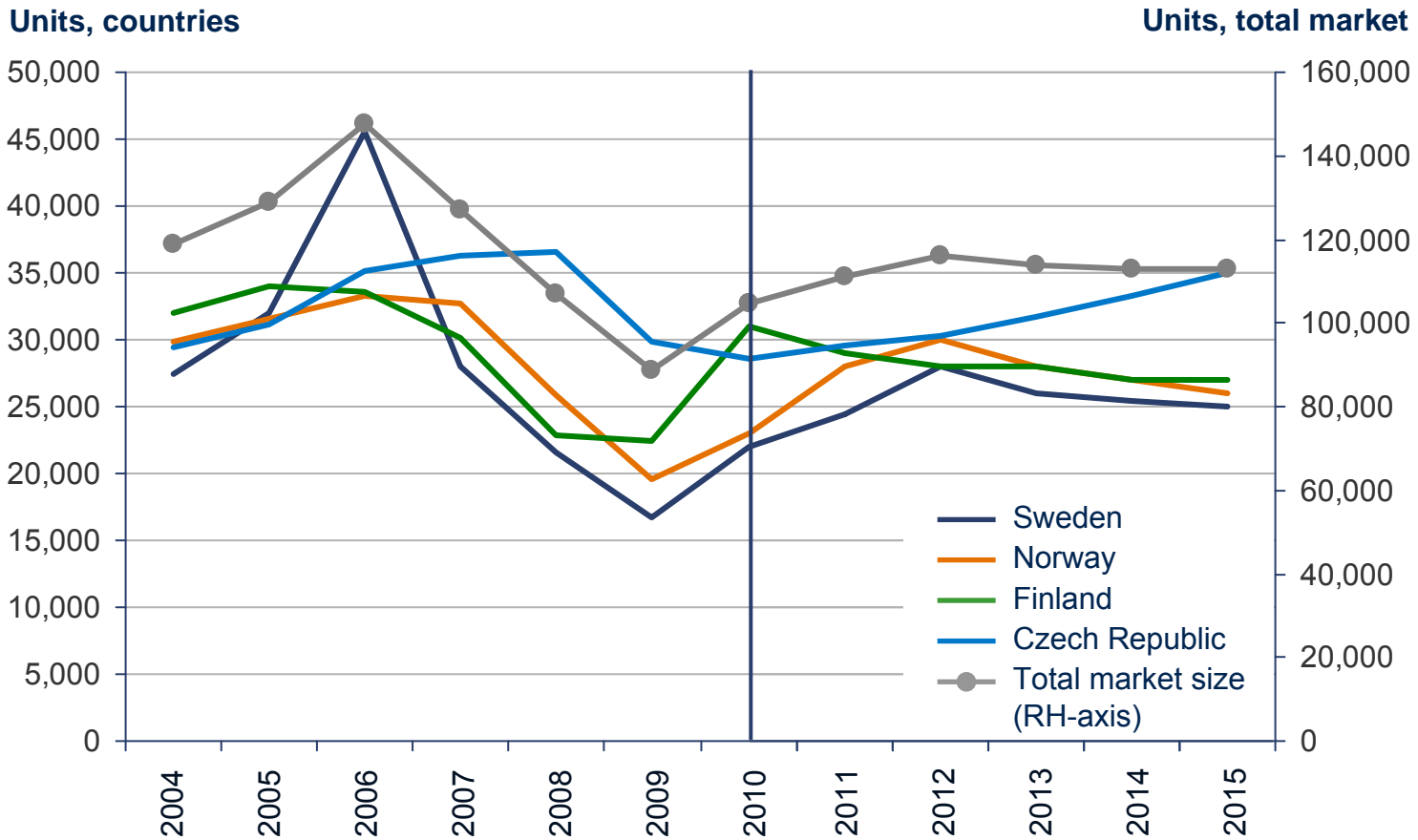


Sources: Euroconstruct, FMI, Prognoscentret, SFS Research & Analysis & national statistical agencies

* excluding Latin America
 ** adjusted for currency effects, disposals & acquisitions

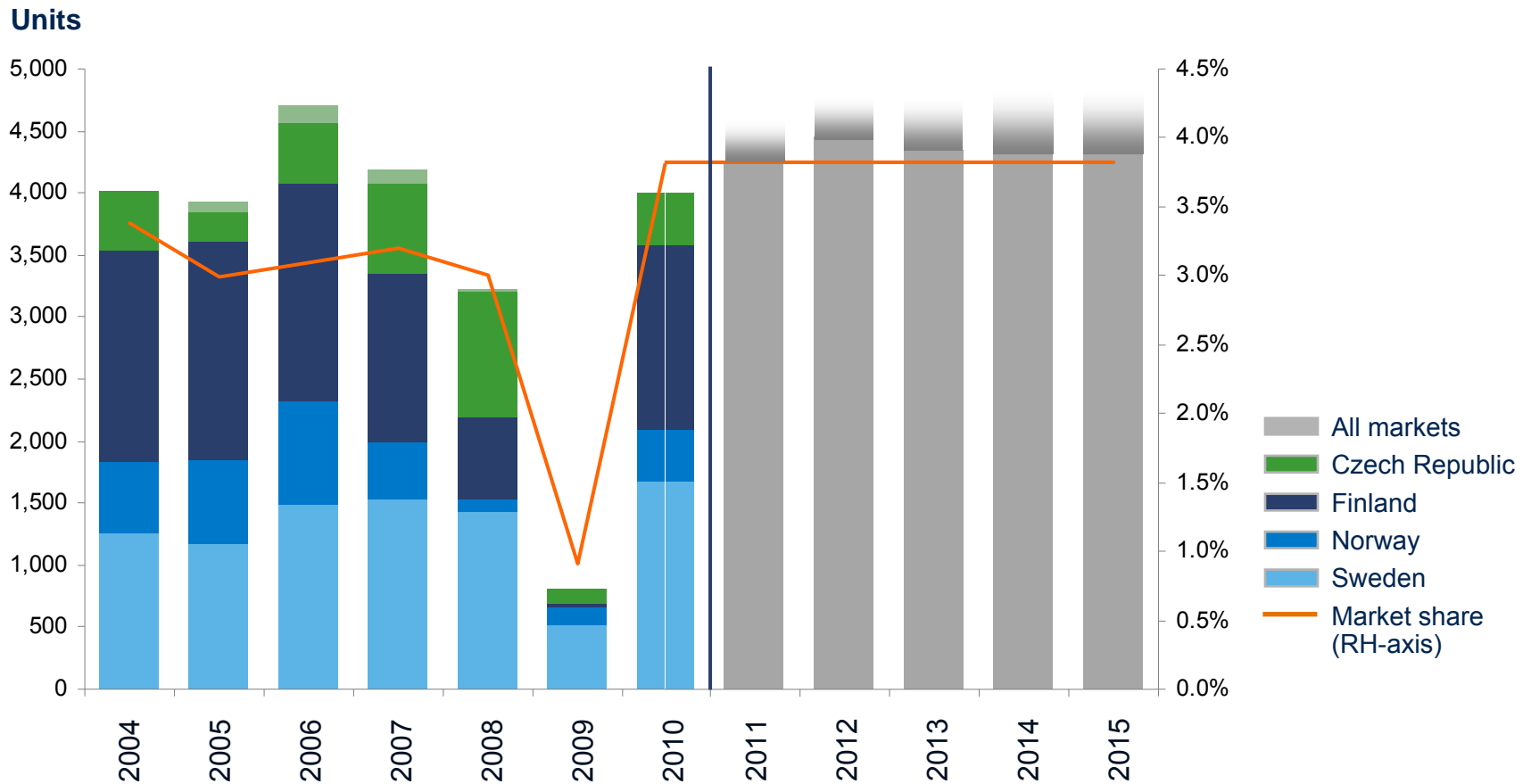
Residential market

Number of starts



Sources: Prognoscentret, REAS, National Statistical Agencies, SFS Research & Analysis

Skanska RD, number of starts by country and total market share*



Sources: CZSO, Euroconstruct, Prognoscentret, REAS, SFS Research & Analysis

* excluding Poland & UK

Construction

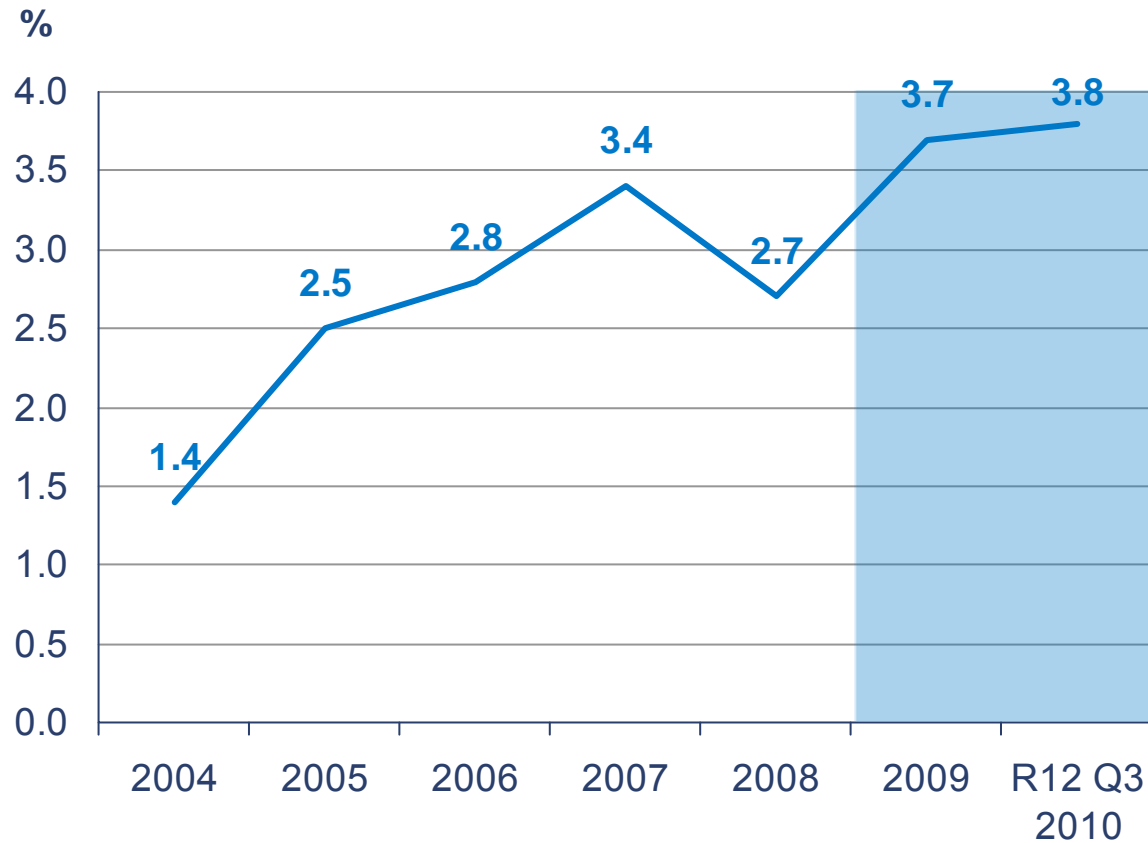
Business plan:

- Construction revenue growth by growing faster than the market within selected areas of operational strength

Construction

	Average 2004–2010		R-12 Q3 2010		
	%	SEK bn	%	SEK bn	
External revenue	91.4	111.5	86.6	100.4	Business plan: Market growth + Acquisitions + Market share growth in selected areas
Revenue generated by the development streams					
Residential development	2.3	2.9	3.3	3.5	Revenue growth from increased development investments
Commercial development	1.3	1.6	1.8	1.9	
Infrastructure development	5.0	6.1	8.3	8.1	
	8.6	10.5	13.4	13.5	
Total	100.0	122.0	100.0	113.9	
Operating income from development streams		SEK 350 M		Approx. SEK 500 M	Increase

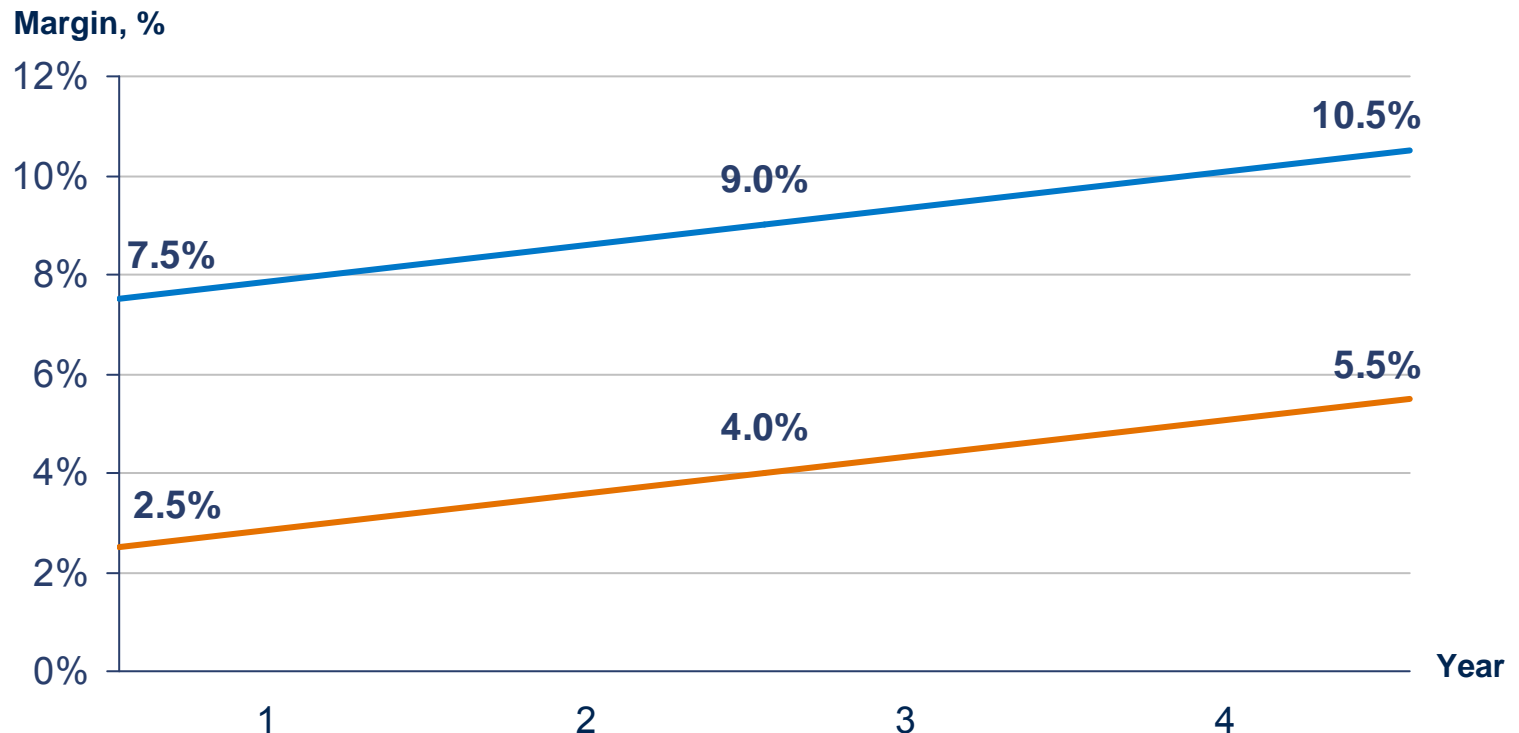
Construction Operating margin



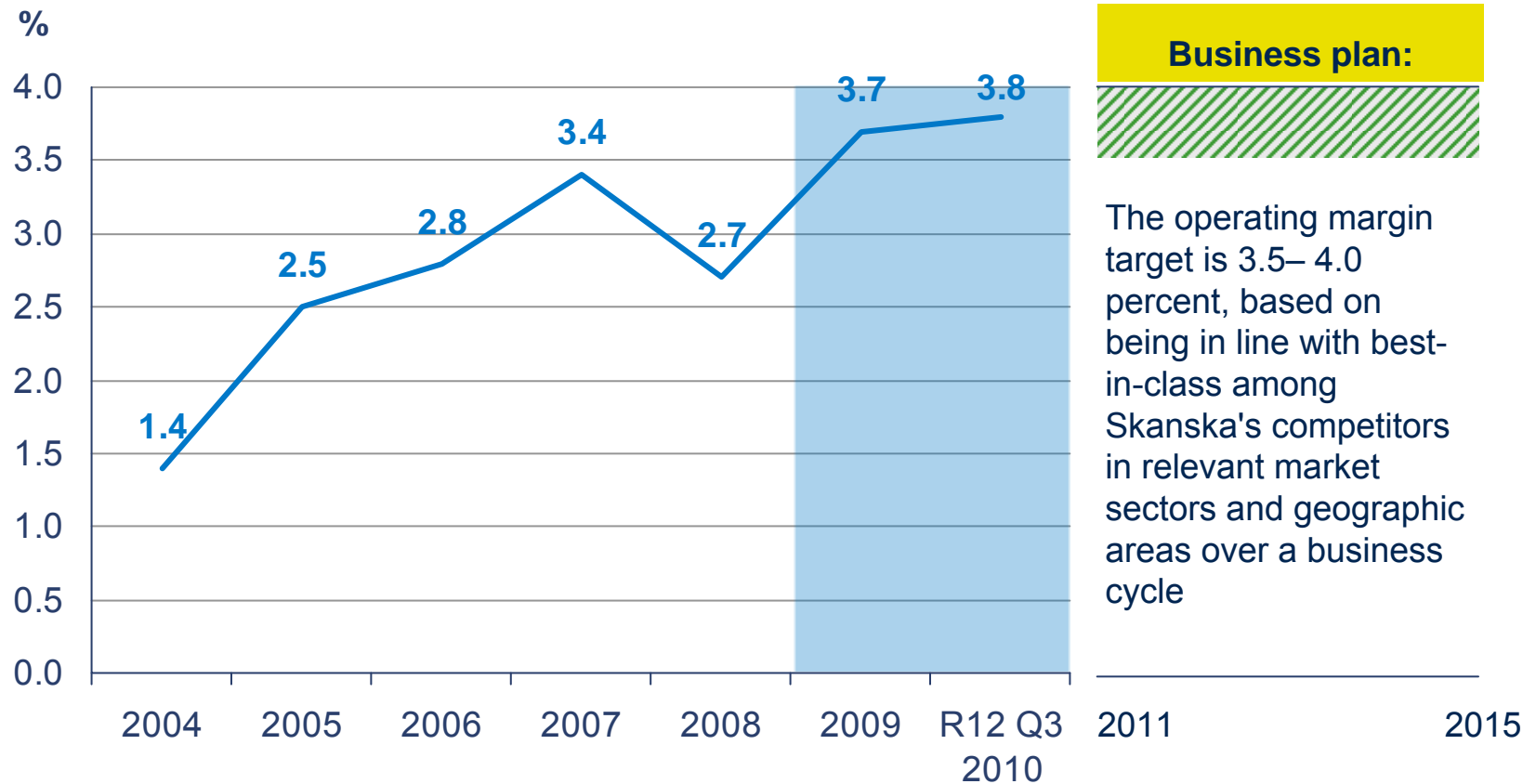
Margin phasing in a large construction project (example)

Assumption:

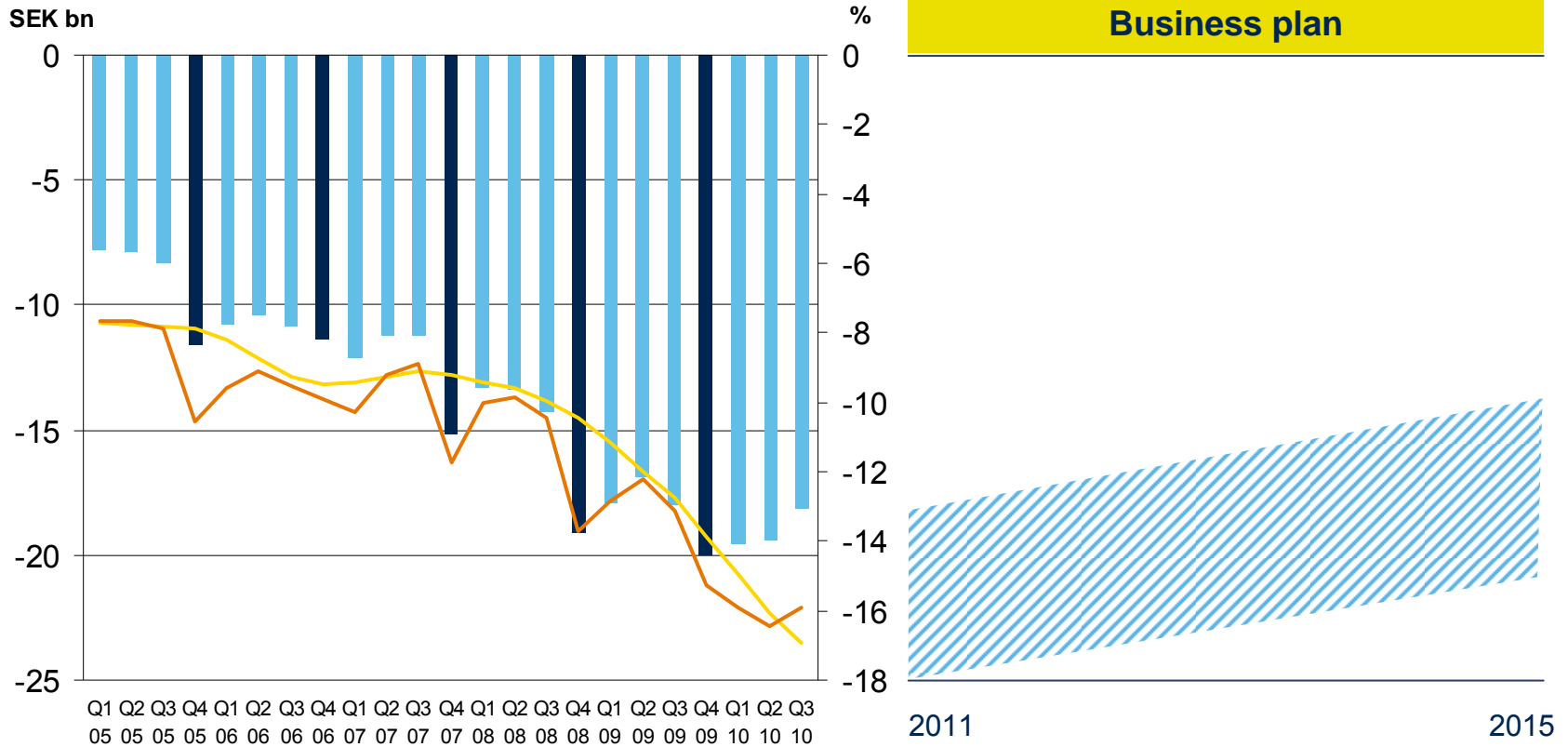
- Bid gross margin 9%, S&A 5%, expected operating margin 4%
- 4 year project



Construction Operating margin



Construction – Working capital



■ Working capital Closing Q1-3
 ■ Working capital Closing Q4
 — Ratio on R5Q average Working capital
 — Ratio on closing Working capital

Investments in development streams

<u>Investments p.a.</u>	<u>Average 2004–2010</u>	<u>Q3 YTD 2010 grossed up</u>
Residential development	-5.5	-7.3
Commercial development	-2.6	-3.5
Infrastructure development	-0.4	-0.7
Total development	-8.5	-11.5
<u>Net investments p.a.</u>		
Residential development	-0.7	-2.0
Commercial development	0.1	0.4
Infrastructure development	0.2	-0.5
Total development	-0.4	-2.1

Business plan:

Significant increase in investment in the development stream, while maintaining a high rate of turnover in the portfolio

ROCE in development streams

	2004–2010				2011–2015
	Average Capital employed	Annual ROCE, %	Add ROCE from Construction revenue, %	Group ROCE, %	
Residential development	6.5	6%	1.5%	7.5%	Higher
Commercial development	8.8	13%	0.5%	13.5%	Same
Infrastructure development	2.0	40%	10%	50%	Lower
Total development	17.3	13%	2%	15%	

Business plan:

- Target ROCE 10–15% per annum for the three development streams

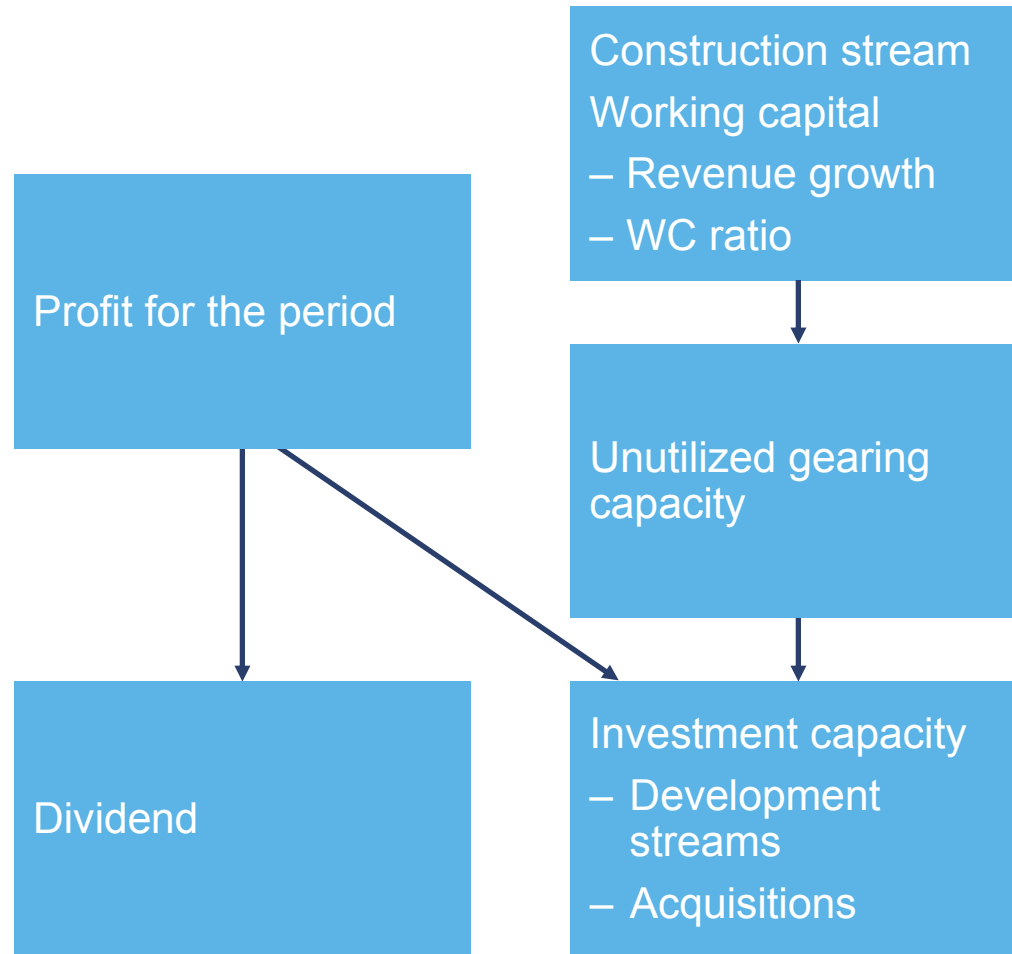
Summary Financial synergies (I/II)

	Annual average return 2004–2010
Return on Commercial paper	1.4%
Return on Swedish OMX 30	12.4%
Return on CE in development streams (SEK 17.3 bn)	13.0%
Excess return vs. Commercial paper	SEK 2,000 M p.a.
Excess return vs. Swedish OMX 30	SEK 100 M p.a.

Summary Financial synergies (II/II)

	SEK M
Excess return on CE in development streams	100–2,000
Additional operating income in Construction	350
Grand total p.a.	450–2,350
of which unrealized development gain	700

Investment capacity



Unutilized gearing capacity

Business plan

- Target to have a net cash position that shall never be below zero¹⁾ excluding net pension liabilities and construction credits in residential development co-ops

Q3 2010:	SEK bn
Net cash	4.4
Net pension liabilities	2.6
Construction credits	1.7
	8.7

1) Rolling 12 months

Return on equity

Average ROE 2004–2010 approx. 20% p.a.

Business plan target ROE 18–20% p.a.

Dividend pay-out rate

Average pay-out ratio 2004–2009:

– Regular dividend	57%
– Extra dividend	17%
<hr/>	
	74%

Business plan dividend pay-out target 40–70%