

# Annual Shareholders Meeting Stockholm, April 13, 2012

SKANSKA

Johan Karlström  
President and CEO

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125

Celebrating our  
first 125 years

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# Business plan for 2011–2015

Profitable growth



## The Group – earnings and profitability

SEK bn	2011	2010
Profit for the year	8.1	3.9
Return on equity, %	41.5	21.1

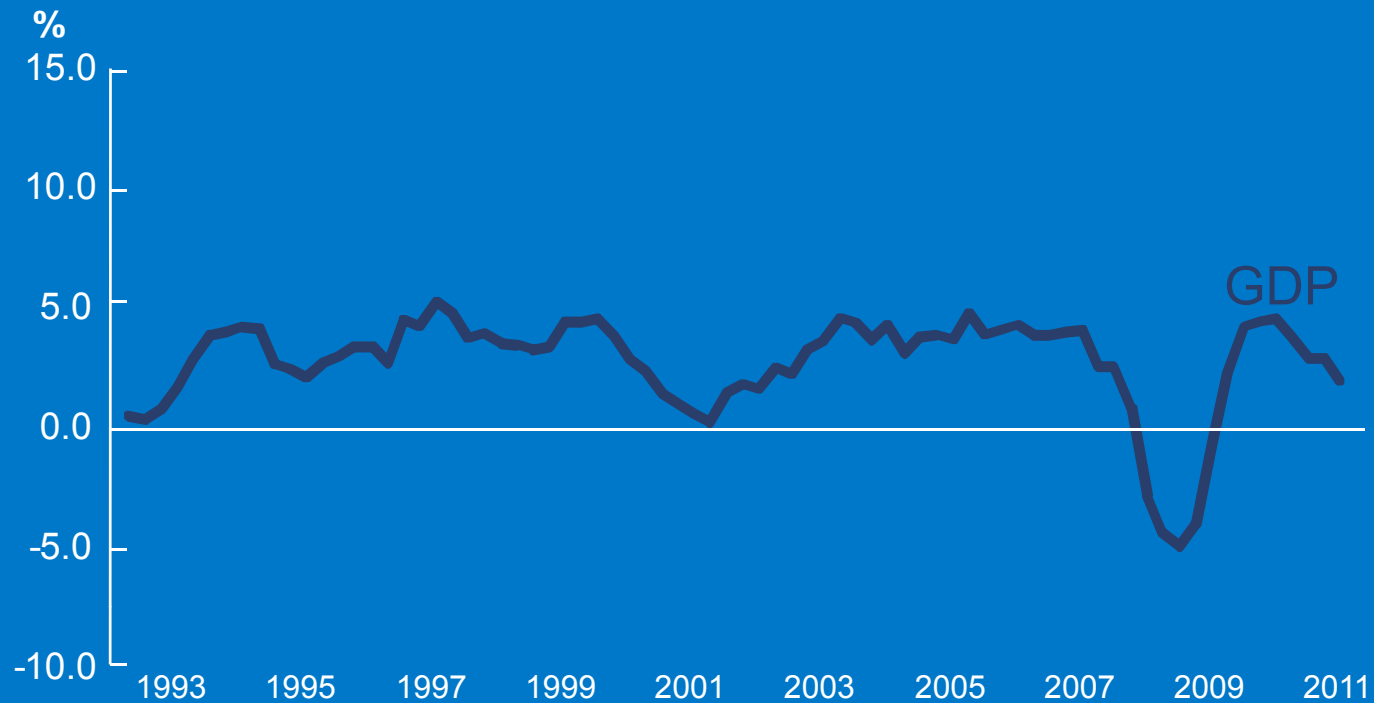
## Proposed dividend

Swedish kronor (SEK) per share	2011	2010
Dividend	6.00	12.00
Of which regular dividend	6.00	5.75
Of which extra dividend	—	6.25 <sup>1</sup>

<sup>1</sup> The extra dividend was disbursed when payment for the sale of the Autopista Central had been received

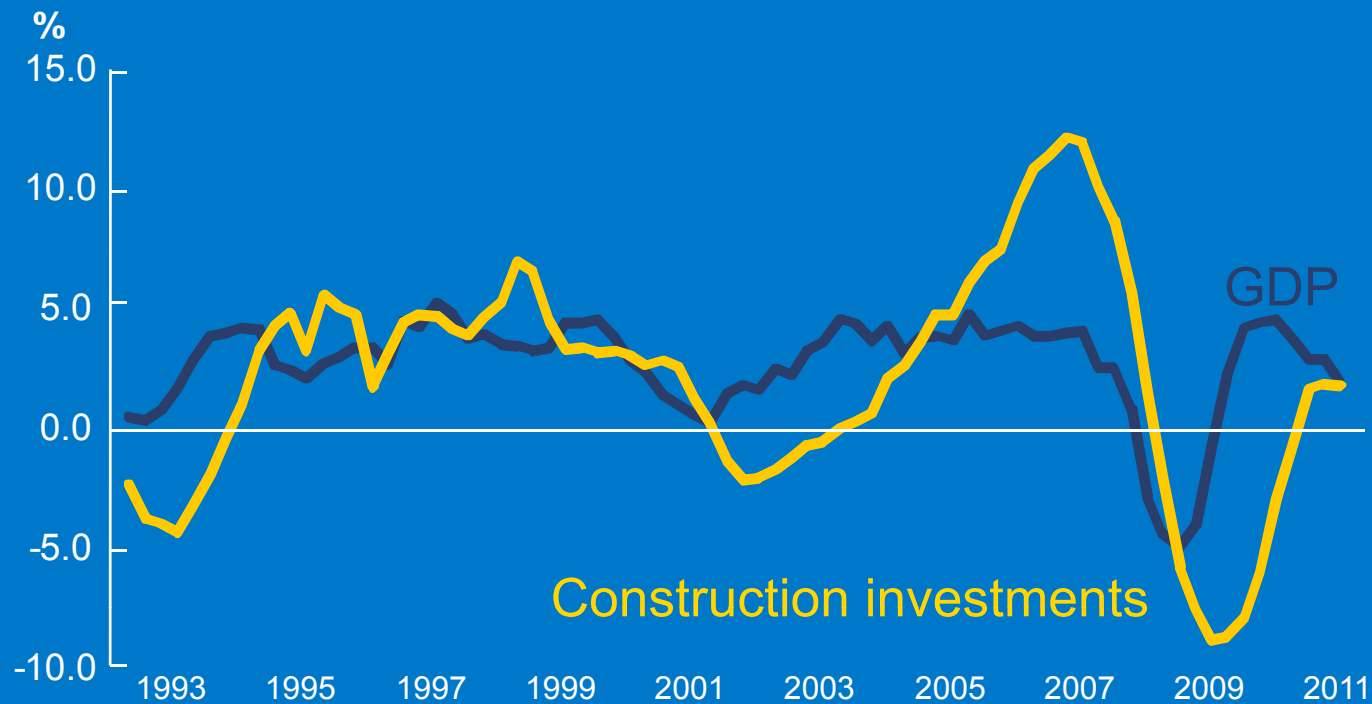
# Developments in Skanska's home markets

Year-on-year percentage change, fixed prices



# Developments in Skanska's home markets

Year-on-year percentage change, fixed prices





# Construction

SEK bn	2011	2010
Revenue	115.0	113.2
Operating income	3.5	4.4
Operating margin, %	3.0	3.9
Working capital	-19.9	-19.8



Värtan Interchange in Norra länken  
(Northern Link) highway, Stockholm

# Construction

## Measures in Norway and Finland

- Management changes
- Improved risk management
- Skills development

➤ Under implementation

➤ Effects over time

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# Construction

SEK bn	2011	2010
Order bookings	123.6	130.3
Order backlog	155.7	145.9
Book-to-build ratio, %	108	115



Värtan Interchange in Norra länken  
(Northern Link) highway, Stockholm

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# Partihall Interchange

## Gothenburg, Sweden

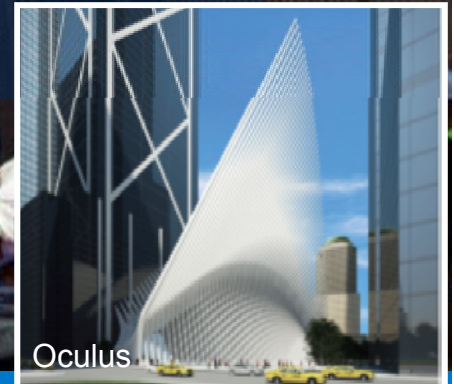
- Customer: Swedish Transport Administration
- Contract value: SEK 1.8 billion
- Completion: 2011





# WTC Transportation Hub and Oculus Ground Zero, New York, NY, U.S.A.

- Customer: Port Authority of New York and New Jersey
- Contract value: SEK 2.8 + 1.3 billion
- Completion: Oculus, 2013  
WTC Transportation Hub, 2014



# Residential Development

Number of homes



Limhamns sjöstad, Malmö, Sweden

# Residential Development

SEK bn	2011	2010
Revenue	8.6	7.6
Operating income	0.3	0.6
Operating margin, %	4.0	7.4
Return on capital employed, %	3.2	6.0



BoKlok (LiveSmart) homes

# Residential Development

Newly established in the U.K. and Poland

- First land acquisitions made in 2011
- First project start-ups planned for 2012



Cambridge, England, U.K.



Młoda Praga, Warsaw, Poland



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# Adjutantti

Espo, Finland

- 41 apartments
- Ready for occupancy: 2012



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## Øvre Tastarustå

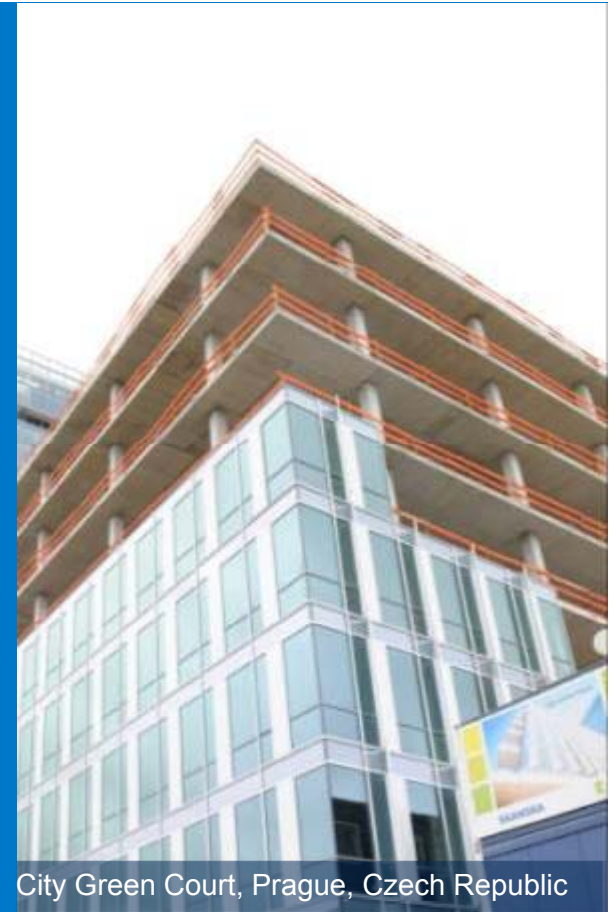
Stavanger, Norway

- 65 apartments and attached houses
- Ready for occupancy: 2012



# Commercial Property Development

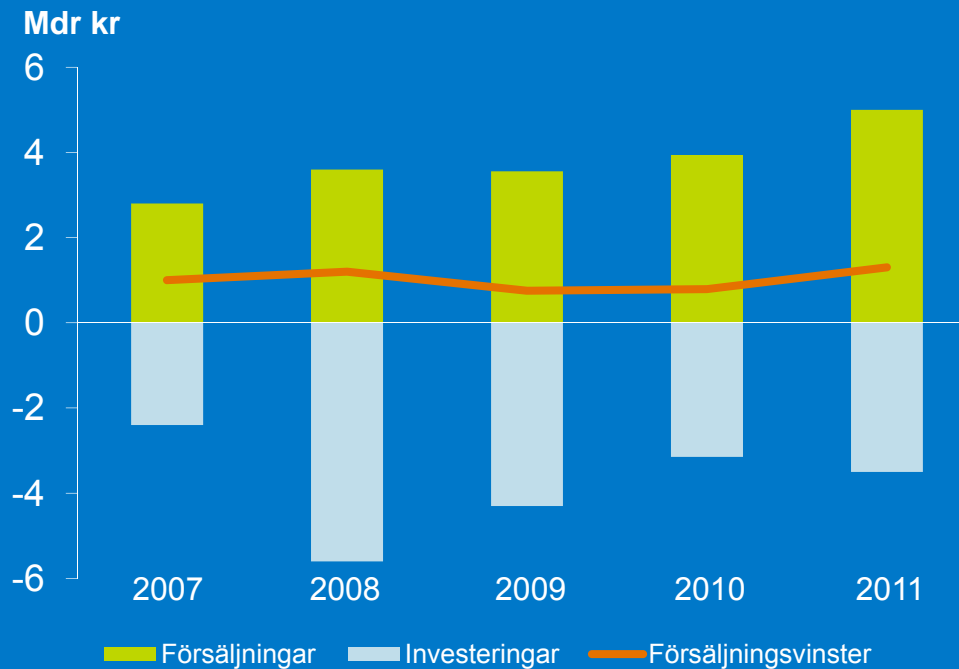
	2011	2010
<b>The year's project start-ups</b>		
Number	16	14
Total investment (SEK bn)	4.2	4.7
<b>Ongoing projects</b>		
Number	32	18
Total investment (SEK bn)	9.1	5.6
<b>New leases, sq. m (000)</b>	<b>221</b>	<b>116</b>



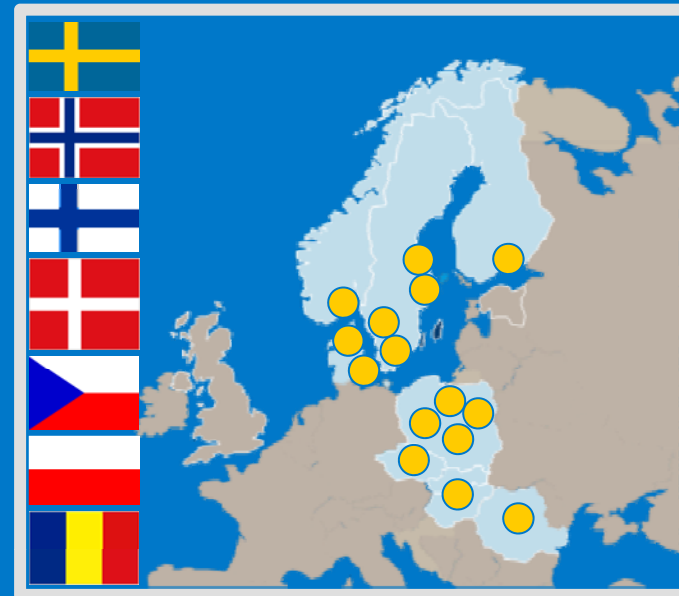
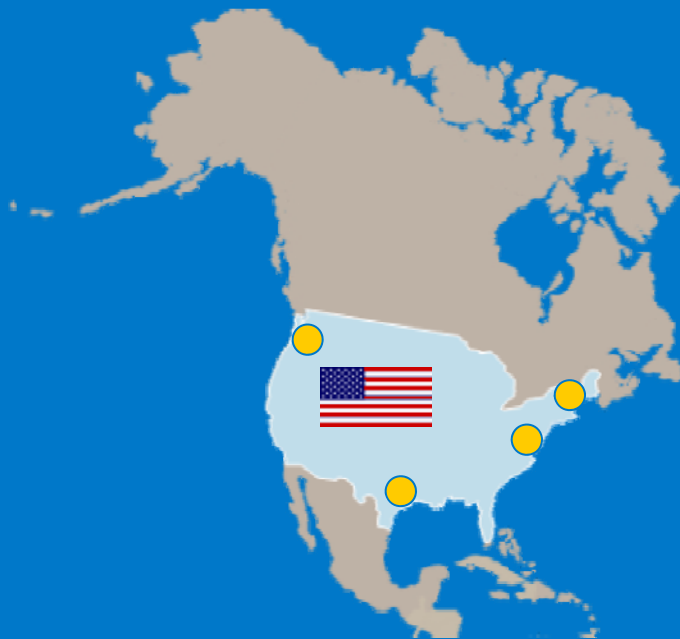
City Green Court, Prague, Czech Republic



# Commercial Property Development



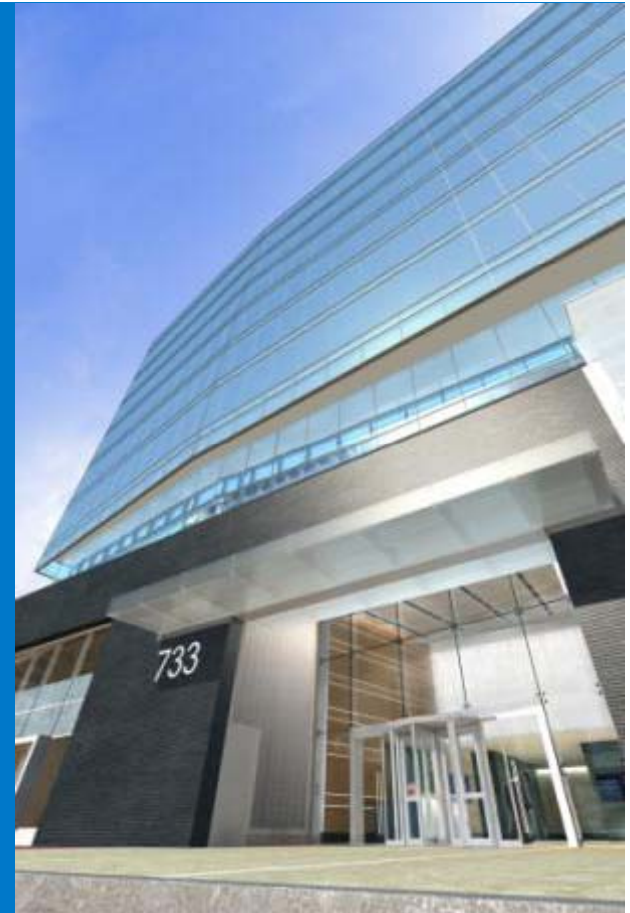
# Commercial Property Development Markets



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## 733 10th Street Washington, D.C., U.S.A.

- Investment: USD 85 M
- Completion: 2011



# Entré Lindhagen on Lindhagensterrassen Stockholm





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# Infrastructure Development





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# Infrastructure Development

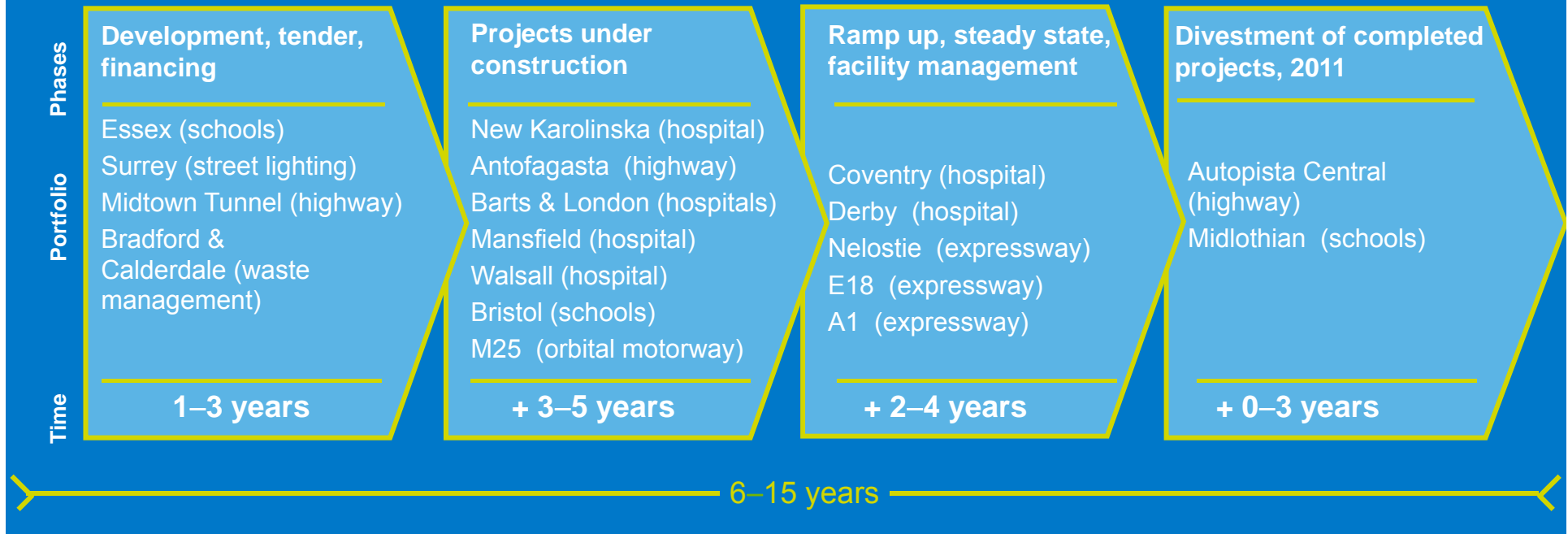
## Autopista Central, Chile

- After-tax capital gain about SEK 4.5 bn



# Infrastructure Development

## Project portfolio in different development phases, 2011/2012

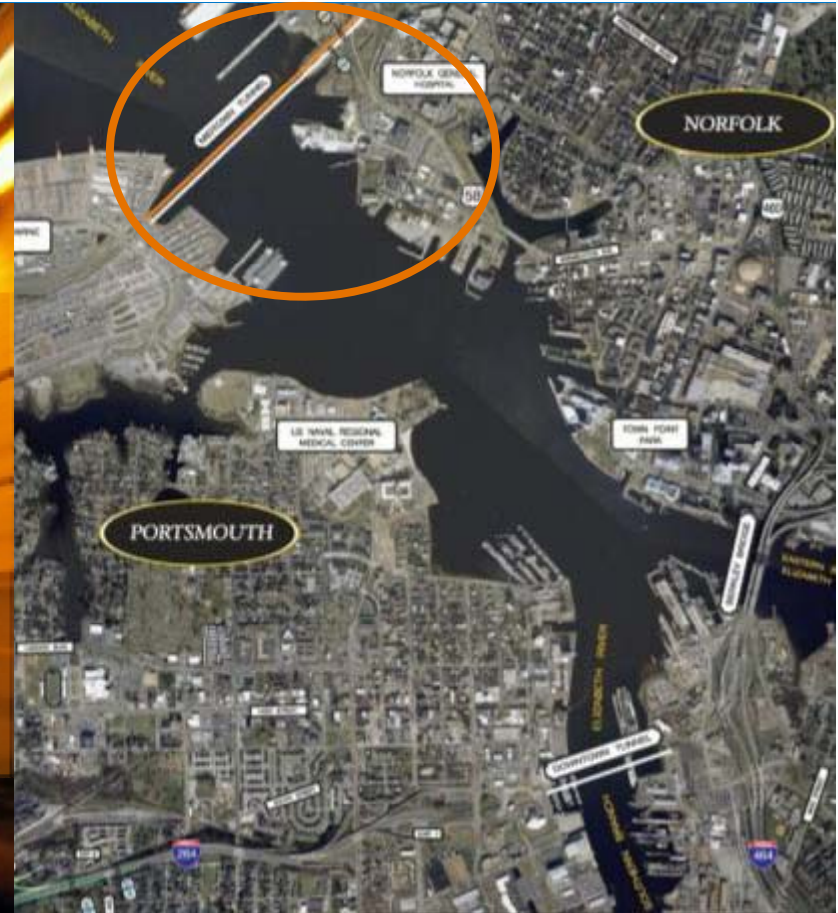




# Midtown Tunnel

Virginia, U.S.A.

- Contract value: about SEK 4 bn (Skanska's share)
- Investment: about SEK 0.8 bn (Skanska's share)
- Construction start-up (estimated): 2013



## New Karolinska Solna

- Construction contract: SEK 14.5 billion
- Investment: SEK 0.6 billion (Skanska's share)
- Completion: 2016/2017



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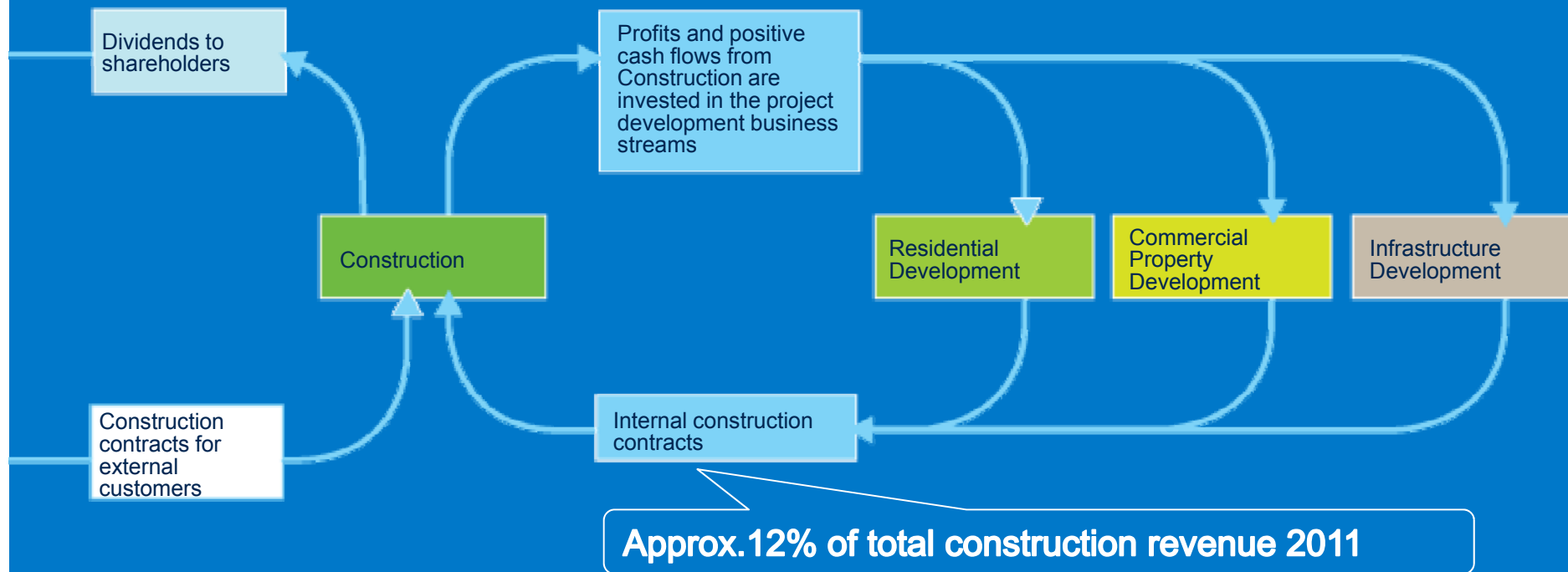
# Business plan for 2011–2015

Profitable growth

Follow-up



# Synergies





## 2011 – well in line with the business plan

- Increased revenue in Construction
  - Increased investments in development business streams
  - Acquisitions of construction businesses in the Nordic countries, Poland and the U.S.
  - Continued good profitability
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# Financial targets, 2011–2015

	Target	2011 outcome	
<b>Group</b>			
Return on equity	18-20%	42%	+
Financial strength – net cash position <sup>1</sup>	Positive	SEK 9.5 bn	+
<b>Construction</b>			
Average operating margin over a business cycle	3.5-4.0%	3.0%	—
<b>Project development business streams</b>			
Return on capital employed	10-15%	9%	—

<sup>1</sup> Excluding net pension liabilities and construction loans for cooperative housing associations and housing corporations



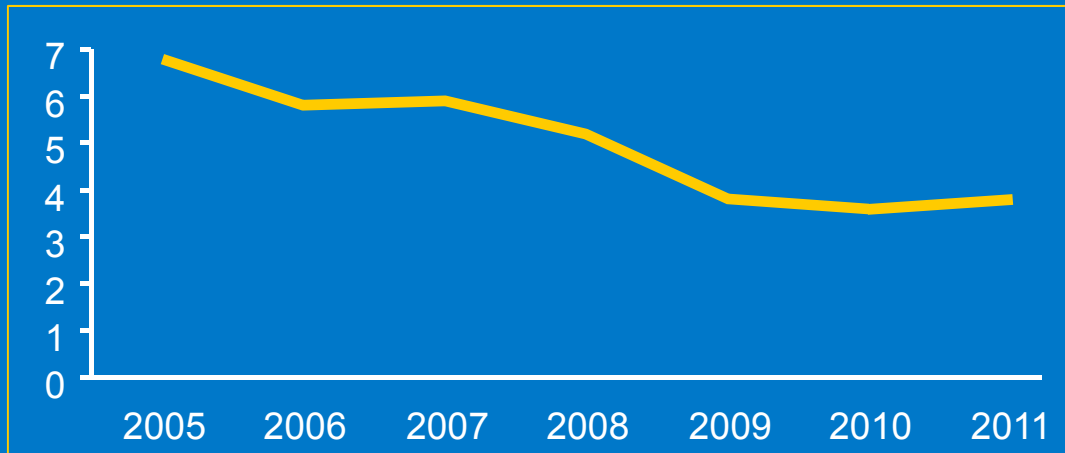
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# Safe work sites



Bromma Blocks retail center, Stockholm

## Lost Time Accident Rate (LTAR)



- Our work sites must become even safer
- The Skanska Safety Road Map – an important tool

## Qualitative targets – the five zeros vision



- loss-making projects
- environmental incidents
- work site accidents
- ethical breaches
- defects

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# Employees



# Proficiency profiles at Skanska

A good manager at Skanska...

...acts in  
accordance with  
Skanska's  
values

...develops our  
business

...is  
operationally  
proficient

...practices  
good leadership

...has basic professional capabilities



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# Skanska Employee Ownership Program (SEOP)

- 9,600 employees
- Own investment SEK 653 M



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# Outlook for 2012



## Outlook for 2012 Construction

- Strong order backlog
  - Stable trend in most home markets
  - Strengthened market position by means of acquisitions in the Nordic countries, Poland and the U.S.
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## Outlook for 2012

### Development business streams

- High-quality project portfolio
- Continued high level of activity and value creation
- Some uncertainty about the housing market



## Outlook for 2012

### By way of summary

- A good starting position in terms of order backlog and project portfolio
  - Stable market outlook
  - Strong financial position
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