

| [May 26 2009](#)

Skanska reaches financial close for M25, London's Orbital Road

Skanska, as part of Connect Plus, has reached financial close for the widening of the M25 orbital road around London. The project is being carried out as a Public Private Partnership (PPP) and Skanska is part of the team responsible for the Design, Build, Finance and Operate (DBFO).

Connect Plus, in addition to Skanska Infrastructure Development with 40 percent interest, includes Balfour Beatty with 40 percent as well as Atkins and Egis, each with a 10-percent interest. The design-build project is being carried out by Skanska UK and Balfour Beatty in a 50/50 joint venture.

"We now have the financing in place, despite the prevailing economic situation. This is highly positive for us for a number of reasons," says Johan Karlström, President and CEO of Skanska. "It makes new investment for our Infrastructure Development operations possible as well as securing a major construction assignment for our UK construction operations. Moreover, Skanska is breaking new ground for transport infrastructure in the PPP segment in the UK, where to date we have been successful with regard to hospitals and schools."

Skanska, as part of Connect Plus, will be responsible for the design, construction, financing and operation and maintenance of the M25 motorway for 30 years for the British Highways Agency. The operation and maintenance undertaking will be carried out by joint venture between Balfour Beatty, Atkins and Egis.

The project comprises renovation and widening of two sections in the North East and North West quadrants of the M25 north of London. A total of 63 km is being widened from three to four lanes in each direction. The widening is between junctions 16 to 23 and 27 to 30. The assignment covers design and construction of the roadways, including on- and off-ramps and related undertakings such as motorway control systems, drainage and landscaping.

The project also includes complete refurbishment of the 1.2 km long Hatfield Tunnel on the access road A1(M).

The main construction work will begin this summer and is scheduled to be fully completed in July 2012.

The M25 is one of the world's busiest motorways, also known as the London Orbital Motorway, connects the entire Greater London.

Skanska Infrastructure Development is a leader in the global Public Private Partnerships (PPP) market. The business unit invests in, develops and operates roads, hospitals, schools, power plants and other social infrastructure in partnership with the public sector.

Skanska UK reported revenues of SEK 17.9 billion in 2008, with about 4,900 employees. The company is active in building and civil construction, utilities and building services. Skanska is also a leader in the British program for private public partnerships, PFI (Private Finance Initiative).

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This and previous releases can also be found at www.skanska.com

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Skanska is one of the world's leading project development and construction groups with expertise in construction, development of commercial and residential projects and public-private partnerships. The Group currently has 55,000 employees in selected home markets in Europe, in the US and Latin America. Headquartered in Stockholm, Sweden and listed on the Stockholm Stock Exchange, Skanska's sales in 2008 totaled SEK 144 billion.