

Skanska achieves planning on first residential development scheme and announces second land purchase at Great Kneighton in Cambridge.

Skanska today announces it has received full planning consent for its first residential development scheme and has completed the purchase of its second development site at Great Kneighton in Cambridge.

In January of this year, Skanska confirmed the purchase of its first development site, which extends to around 6.5 acres, and forms part of Countryside Properties' Great Kneighton development. This news followed the announcement in December 2010 that it was to establish a Residential Development business in the UK.

The first site was purchased with outline planning permission for 128 properties including both houses and apartments and this latest news enables the company to move forward with its development plans. Construction is due to start in the fourth quarter of this year.

Skanska also today announces that it completed the purchase of its second residential development site, again at Great Kneighton in Cambridge. This new site extends to around 12 acres and has outline planning permission for up to 310 properties covering both houses and apartments.

In the next stage, Skanska will submit details to obtain detailed planning permission for its new homes on this second site. It is anticipated that the detailed planning application will be submitted during the first half of 2012 with construction planned to start later that year.

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Commenting, **Magnus Andersson**, President of Skanska Residential UK said: "Today is a very exciting day for Skanska. To have achieved full planning consent on our first site and completed our second land deal is a key milestone in our UK residential development plans. Cambridge is an exciting market for us and we look forward to delivering our homes there, which will be based on sound sustainable principles and developed to Level 4 of the Code for Sustainable Homes."

Ends

About Great Kneighton:

Great Kneighton is located immediately to the east of Trumpington, on the southern edge of the city of Cambridge. Great Kneighton will be a mixed-use scheme including 2,550 new homes, with community, retail, healthcare, education facilities including a site for a new primary and secondary school, access to 120 acres of parkland, and new and improved transport connections including an extensive footpath/cycleway network.

Notes to Editors - About Skanska:

Skanska is involved in some of the UK's most prestigious projects in both the Private and Public Sectors. Whilst known mainly for our large high-profile schemes, we also undertake many smaller projects including public realm improvements, hard and soft landscaping as

well as hundreds of utilities projects each year covering gas, electricity and water.

By combining the skills and experience of our construction operations and those of our Infrastructure Development Business Unit, we have become a UK leader in Private Finance Initiative/Public Private Partnership schemes covering healthcare, education, defence, transportation and street lighting.

In December 2010, we announced our intention to establish a Residential Development Business in the UK. This decision followed a comprehensive review of the UK market, which identified a high-volume, long term need for high-quality residential properties in the UK. This, coupled with the extensive environmental requirements placed on new UK homes fits perfectly with Skanska's knowledge and experience. In January 2011, we purchased our first residential development site in Cambridge.

Our business model is to integrate our core disciplines to deliver project solutions across our chosen market areas. By integrating all disciplines and working together with our clients, our partners and our supply chain, we make a real difference to the delivery of projects. We focus is on creating sustainable solutions and we aim to be leaders in green construction, health and safety and business ethics. We work strictly in accordance with the Skanska Code of Conduct and to our Five Zeros, which reflect our core values: Zero loss-making projects, Zero accidents, Zero environmental incidents, Zero ethical breaches and Zero defects.

Our commitment to contribute to a more sustainable world is resolute. In June 2011, we were named the Greenest company in the UK across all industries in the Sunday Times Best Green Companies Awards. We seek to use our position to influence both our clients and our supply chain to make more sustainable decisions, taking a longer-term view over the infrastructure we develop. Our ability to demonstrate real responsibility to people, organisations and the environment in which we work attracts the next generation of talent who want to make a real difference.

Backed by the financial strength of, Skanska AB, we focus totally on our customers in the UK, understanding their needs.

We employ approximately 4,600 staff in the UK and undertake around £1.3 billion worth of work each year. We carry out all aspects of the construction, development and infrastructure process - from financing projects, through design and construction right through to facilities management, operation and maintenance.

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. Based on its global green experience, Skanska aims to be the clients' first choice for Green solutions. The Group currently has 52,000 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 2010 totalled around £11 billion.