

July 10, 2014

08:00 am CET

Losses in the Latin American operations impact Skanska's operating income by SEK 500 M in the second quarter 2014

Skanska takes a charge of SEK 500 M in its operations in Latin America in the second quarter of 2014. Around SEK 380 M of the charge is related to write downs in two power plant projects in Brazil and one petrochemical plant project in Argentina. All three projects will be completed before the end of the year. Around SEK 120 M of the charge is related to restructuring costs.

After the charge, the operating income for the second quarter of 2014 is expected to be SEK 620 M for the Construction business stream and SEK 920 M for the Skanska Group.

Going forward, the size of the Latin American operations will be significantly reduced. Focus will be placed on the operations & maintenance (O&M) business.

Against this background, Johan Henriksson is appointed new Business Unit President for Skanska LA. Johan has been with Skanska for close to 20 years, and is currently the CFO for the construction unit Skanska USA Civil. Prior to that, Johan has held the positions as CFO for Skanska Infrastructure Development and Skanska Sweden, respectively. Johan will report to Mats Williamson, Executive Vice President Skanska AB, and he assumes his new position immediately.

A telephone conference will be held at 10:00 am (CET), today Thursday July 10. During the conference call, Skanska's President and CEO Johan Karlström and CFO Peter Wallin will briefly describe the situation and respond to questions.

To participate in the telephone conference, with the possibility to ask questions, please dial +46 8-505 564 74, or +44 20 3364 5374, or +1 855 753 2230.

All other information related to the second quarter 2014, will be presented in Skanska's Six Month Report on July 18, 2014.

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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 premises, and public-private partnerships projects. Based on its global green experience, Skanska aims to be the clients' first choice for Green solutions. The Group currently has 57,000 employees in selected home markets in Europe, in the US and Latin America. Skanska's sales in 2013 totaled SEK 136 billion.