

Skanska expands its highways operations and maintenance business with a major acquisition from Atkins

Today, Skanska UK announces it has signed an agreement to purchase a highways operations and maintenance business from Atkins for £18 million, of which £2 million is to be deferred and paid subject to future performance.

The business comprises eight live contracts with six local authorities and the Highways Agency to deliver operations and maintenance for the road and motorway network.

The purchase is in line with Skanska's strategy to position itself as a significant player in the UK highways operations and maintenance market, building on the Asset Support Contract Area 2.

The business Skanska will acquire reported revenue of £80.0 million and an operating profit of £1.3 million in the six months to 30 September 2012. It has a workforce of 1,200 people.

Commenting on the acquisition, Skanska UK's President and CEO, Mike Putnam, said: "We look forward to welcoming this skilled and experienced team into the Skanska family. This represents a significant, strategic development for our UK business. It demonstrates our strength and confidence in the UK market, on the back of four years of robust performance by our UK operations."

Executive Vice President Bill Hocking said: "Our new clients are set to benefit from Skanska's global highways maintenance experience, as well as our commitment to responsible project delivery with minimal impact on the environment. We look forward to working with our clients to safely achieve their goals and efficiency aspirations. This acquisition positions us well for further growth in this market."

**For further information
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Skanska assumes ownership on 1 June 2013.

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Notes to editors

The acquisition is in line with Skanska's strategy

The acquisition is designed to strengthen Skanska's credentials in highways maintenance. It is in line with the company's strategy to position itself as a significant player in this market, building on its first highways maintenance framework win with the Highways Agency in 2012, in joint venture with Atkins: the Asset Support Contract Area 2.

One of Skanska's five strategic growth areas is regional presence. We understand the benefits of having a local base in areas where we do business. It helps us to understand the needs and drivers of local authorities and communities, so that we can help them meet their aspirations.

Asset Support Contract Area 2

The Asset Support Contract Area 2 is a five-year contract with the Highways Agency and covers design and maintenance of motorways and major A roads in the south-west of England. Skanska is in joint venture with Atkins on this contract. Asset support contracts replaced the managing agent contractor model, with the aim of delivering substantial maintenance savings. Skanska and Atkins are also working together on the delivery of the improvement schemes on the M25.

Experience of delivering roads projects for local authorities

Skanska UK has solid experience of delivering roads projects for local authorities.

In Weymouth, for example, the team constructed a £60 million relief road for Dorset County Council, while in Scarborough we have delivered a £29 million road improvement scheme and park-and-ride facilities for North Yorkshire County Council. In Surrey, Croydon and Lewisham, Skanska is delivering street lighting PFI services.

In London, we delivered the South Central Maintenance Contract for Transport for London (£25 million pa). We have also delivered highway maintenance services to Haringey, Hackney, Hounslow, Ealing and the City of London.

About Skanska

	Skanska UK	Skanska globally
Employees	4,000	57,000
2012 revenue	£1.166 billion	About £12.5 billion (SEK123 billion)
2012 operating income	£42.1 million	About £927 million (SEK9.1 billion)
President and CEO	Mike Putnam	Johan Karlström
Established	2000	1887

Skanska is one of the world's leading project development and construction groups. The UK operation is one of the country's top 10 contractors.

Working collaboratively with customers, partners and our supply chain, we make a positive difference to society.

In the UK, Skanska is famous for building iconic structures like 30 St Mary's Axe (the Gherkin), Heron Tower, Barts and The Royal London hospitals and the QEII Bridge. Just as important are our extensive service-based contracts: upgrading London's gas infrastructure, a wealth of facilities maintenance contracts, long-term street lighting projects, and landscaping for the London 2012 Olympic Park in Stratford.

By combining our skills and experience in construction and infrastructure development, we have become a UK leader in delivering projects in healthcare, education, defence, transportation and municipal services, delivered through both private and public investment. Specialist in-house teams provide world-class foundations and piling expertise, as well as mechanical and electrical services for buildings and infrastructure.

Operating around the world in selected home markets in Europe, the US and Latin America, Skanska is listed on the Stockholm stock exchange and headquartered in Sweden's capital city.

Our values

Our Code of Conduct and Five Zeros together embody our values and the way we do business:

- zero loss-making projects
- zero accidents
- zero environmental incidents
- zero ethical breaches
- zero defects

Sustainability

Our forward-looking approach to sustainability is expressed through Our Journey to Deep Green™, where our ultimate aim is for all Skanska projects to have a near-zero impact on the environment. Our role as a leading green developer and contractor was confirmed when our President and CEO, Mike Putnam, was invited to be Co-Chair of the government's Green Construction Board, alongside Business Minister Michael Fallon, in 2012.

Recent project highlights

- An eight-year, £1.6 billion Gas Distribution Strategic Partnership working with Morrison Utility Services to help deliver National Grid's gas mains replacement programme.
- The design, construction, operation and maintenance of the UK's biggest hospital project, the £1 billion redevelopment of St Bartholomew's and The Royal London.
- Construction projects worth about £500 million for the London 2012 Olympic Games, including the wild-flower meadows that became one of the enduring memories of the Games.
- In joint venture, Skanska delivered the £1 billion widening of the M25, one of the world's busiest motorways, ahead of schedule. A £320 million design and construction contract to upgrade further sections of the M25 was awarded to the Skanska Balfour Beatty joint venture at the end of 2012.
- With a value of more than £400 million, seven Crossrail contracts have been secured by a Costain Skanska joint venture since 2010, including the Bond Street and Paddington stations.

Recent awards

- The Prime Minister's Better Public Building Award for University College Hospital (UCH) Macmillan Cancer Centre
- British Construction Industry (BCI) Awards 2012
- Employer of the Year, *Construction News* Awards 2012
- The greenest company in the UK across all industries, *The Sunday Times* Green List 2011

Development areas in the UK

- Infrastructure Development – Skanska UK is at the forefront of delivering public private partnerships – from financing projects, through design and construction, to facilities management.
- Residential Development – Skanska launched its first residential development in the UK in 2012, with a firm focus on sustainability and functional design.
- Project Development – commercial property development from concept to market.