

Skanska UK announces year end results

	2009 £m
Revenue	1,541.8
Operating Income	38.9
Operating margin	2.5%
Order bookings	1,695.1
Order backlog	2,149.7

Skanska UK today announces its results for the year ending December 31st 2009.

Revenue for the year at £1,541.8 million shows a slight increase on that in the same period of 2008. Operating income at £38.9 million equates to an Operating Margin of 2.5%. Order backlog and Order bookings, which includes Skanska's share of the M25 DBFO widening scheme, are also showing an increase on that reported in 2008.

Mike Putnam, President and CEO, Skanska UK said, "I am very pleased with these results. They are in line with our targets and evidence of the work we have undertaken to put our past behind us and get the business back on track.

"We have seen the market tightening during the year and have also seen a reduction in the number of opportunities, particularly in our building related operations. Key to our business model is ensuring that we carefully select and target the right projects for Skanska and our shareholders such that we can deliver to the expectations of our clients.

"We do expect similar market trading conditions through 2010, However 2010 has started on a brilliant note for us with the announcement earlier this week that we, together with our partners RM, have been selected as Preferred Bidder for the Essex Building Schools for the Future Programme – the result of a lot of hard work and commitment of our staff."

Operational highlights for Skanska UK during 2009:

- Mike Putnam became the new President and CEO of Skanska UK. Mike succeeded Mats Williamson who was promoted to Executive Vice President of Skanska AB. Prior to taking on his new role, Mike had previously held an Executive Vice President position of the business since the early 2000's, firstly with responsibility for the Civil Engineering Operating Units and more recently the Building related businesses. Mike initially joined the company in the early 1980's and following a short spell away from Skanska to gain wider industry experience rejoined in 1995 as Managing Director of one of our Operating Units.
- Skanska took what it believes to be an industry leading step in its journey to become a leading green construction company - the introduction of a green company car policy. One of Skanska's strategic objectives is to reduce energy use and associated CO₂ emissions globally, which includes the emissions from company cars. In line with this Skanska has committed to a target that 50 percent of the UK company car fleet will be under 130g CO₂ /km, by the end of this year, 2010.
- Skanska achieved a fantastic 4th place in the 2009 Sunday Times Best Green Companies league table. The ranking covers all industries and Skanska improved its position of 5th place in 2008.
- As part of the Connect Plus consortium, Skanska reached financial close on the M25 DBFO scheme. In joint venture with Balfour Beatty, Skanska is also undertaking construction works for the project to improve one of the busiest motorways in Britain.

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5th
February
2010

Press Release

- Skanska in consortium with Laing achieved financial close on the Surrey Street Lighting PFI scheme. Skanska is undertaking engineering works for the project and in the first five years, will use their expertise in infrastructure services and utilities to replace approximately 70,000 life expired light columns and refurbish and upgrade a further 19,000. As well as the £83.7 million construction contract, Skanska will also receive £1.5 million per annum for the maintenance and operation of the assets for 25 years.
- Skanska was awarded a contract worth £59.2 million by Network Rail to construct the Borough Viaduct as part of its Thameslink Programme. Under the contract, Skanska is constructing a 400m railway viaduct across Borough Market in the South East of London. Work also includes demolition of existing buildings to make way for the new rail structure, as well as the temporary relocation of Borough Market to an adjacent area as well as the removal, refurbishment and reconstruction of the existing cast iron market structure.
- Skanska was awarded a contract worth £28 million by Southend-on-Sea Borough Council, funded by the Department for Children, Schools and Families, to construct Belfairs High School in Leigh-on-Sea, Essex. Skanska drew upon the in-house skills of its Construction, Mechanical and Electrical installations, Structural Design and Piling expertise to put together a team to deliver the design and construction of the new school, which will cover an area of approximately 11,000 square metres and accommodate around 1300 students from years 7-13 (11-18 year olds). The project is scheduled for completion in summer 2011 ready for the start of the new school year.
- Skanska was awarded a £61 million contract by University College London Hospitals NHS Foundation Trust (UCLH) to construct a world-class cancer centre in London. Based on the site of the former Elizabeth Garrett Anderson and Obstetric Hospital which is now located in the new University College Hospital, the new world class Cancer Centre building with its internal courtyard and atrium, will cover a gross internal floor area in excess of 14,800 square meters and is set for completion in October 2011.
- Skanska was awarded a £150 million contract by the Ministry of Defence, for the design and construction of a secure facility at RAF Wyton, Cambridgeshire supporting part of the Defence Intelligence Modernisation Programme. The formal award of this contract followed the announcement in August 2008 that Skanska had been appointed Preferred Bidder for the scheme under the Defence Estate's (DE) prime contracting initiative. Construction began in the summer with completion of the main facility in late 2011 and the total completion of the scheme set for autumn 2013.
- Skanska was selected by Serco as their Preferred Bidder for the construction of two new prisons at Belmarsh West, London and Maghull, Liverpool.
- Skanska was awarded contracts for the construction of six schools in Bristol, as part of the national Building Schools for the Future (BSF) programme. The contracts amount to a total of around £100 million. The schools are being built for Bristol City Council through the Bristol Local Education Partnership, which was developed in 2005 for a ten-year period to design, construct and refurbish schools in the Bristol area as part of the Government's BSF programme. This latest award followed the successful completion of four new schools in Bristol under the UK's first BSF scheme where Skanska is currently undertaking the operation and maintenance phase.

This and other press releases can be found at www.skanska.co.uk. A copy of Skanska AB's results, also released today, can be found at www.skanska.com.

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