

July 14, 2017

08:00 am CET

The operating income in second quarter 2017 for Skanska Group is about SEK 1.5 billion (1.7) including write downs of SEK 780M in U.S. and UK in total

Skanska makes project write downs of SEK 420M in the U.S. civil operations and of SEK 360M in the UK operations in the second quarter 2017.

After the write downs the operating income in the second quarter 2017 for the Skanska Group is expected to be about SEK 1.5 billion (1.7) and for the first six months 2017 about SEK 3.3 billion (3.6). Operating income per business stream is expected as follows:

SEK billion	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016
Operating income				
Construction	0.1	0.9	0.5	1.3
Residential Development	0.7	0.4	1.1	0.7
Commercial Property Development	1.0	0.5	1.3	1.8
Infrastructure Development	0.0	0.1	0.9	0.2
Central and eliminations	-0.3	-0.2	-0.5	-0.4
Total	1.5	1.7	3.3	3.6

In the U.S. civil operations the project write downs are mainly due to not achieving estimated production rates and projects being delayed. The earlier communicated ongoing negotiations with clients regarding design changes in certain projects are progressing and have no financial impact in the second quarter.

To reduce organizational costs and restore profitability the U.S. civil operations will focus on its core geographies and product lines going forward.

In the UK operations the project write downs are mainly due to not achieving estimated production rates, projects being delayed with estimated penalties and multiple changes driven by clients causing cost overruns.

A telephone conference will be held at 9:00 am (CET), today Friday July 14. During the conference call, Skanska's President and CEO Johan

Karlström and CFO Peter Wallin will 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 +44 203 364 5374, or +1 855 753 2230.

Skanska's full and final Six Month Report will be presented on July 20, 2017.

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The information provided herein is such as Skanska AB is obligated to disclose pursuant to the EU market securities act (EU) no. 596/2014.

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

Skanska is one of the world's leading construction and project development companies, focused on selected home markets in the Nordic region, Europe and USA. Supported by global trends in urbanization and demographics, and by being at the forefront in sustainability, Skanska offers competitive solutions for both simple and the most complex assignments, helping to build a sustainable future for customers and communities. The Group has about 41,000 employees. Skanska's sales in 2016 totaled SEK 151 billion.