

Skanska UK announces year end results for 2011

	2011	2010	Percentage change
Revenue	£1,222 m	£1,277 m	(4)%
Operating Income	£40.4 m	£38.2 m	6%
Operating margin	3.3%	3.0%	10%
Order bookings	£878 m	£1,343 m	(35)%
Order backlog	£1,891 m	£2,239 m	(16)%

Skanska UK today announces its results for the year ending December 31st 2011.

Revenue for the year at £1,222 million shows a very slight reduction on that in 2010. Operating Income at £40.4 million equates to an Operating Margin of 3.3%, an increase on that in the previous year. Order bookings at £878 million for the year show a reduction on the previous year; however, during the fourth quarter of 2011, bookings picked up to £284 million showing an increase on that during the fourth quarter of 2010.

Mike Putnam, President and CEO, Skanska UK said, "Today's results are evidence of the focus we are placing on managing operations across Skanska UK. Revenue for the year is in line with our targets and expectations and I am very pleased that we have seen a slight increase in Operating Income, equating to an Operating Margin of 3.3%.

"Order bookings for the year are down and this is a reflection of the current recession in the market and the reduction in public projects resulting from government spending cuts. Whilst I expect market-trading conditions to remain similar during the coming year, the pipeline of projects looks reasonable. We will continue to carefully select and target the right projects for Skanska focussing upon delivering the expectations of our clients and shareholders.

"During the last financial year, we launched our Profitable Growth business plan and good progress has been made during the year across a number of our focus areas including Green Business, where we are developing a number of opportunities for green retrofitting in the commercial buildings sector. We have expanded our Regional Presence and opened a new office for the midlands in Birmingham and, as Skanska Residential, recently launched our "Homes by Skanska" offering for the UK market, which focuses on delivering contemporary, sustainable homes with built-in functionality designed for everyday life. We have been developing our first residential site in Cambridge, with completed homes being available for sale later this year."

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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.

Skanska UK Operational Highlights:-

- 2011 was the second year of Skanska's Injury Free Environment (IFE) programme - part of the company's commitment to achieving zero accidents and incidents. IFE focuses on involving everyone, both Skanska staff and those that work with the company in the supply chain for example, raising safety values and beliefs to a new level.

In addition, as part of its commitment to creating an injury free environment, Skanska announced an industry-leading step, launching a new policy relating to the boom type mobile elevated work platforms (MEWPS) it will allow on its UK sites. Working closely with manufacturers and suppliers and trialling safety devices specifically designed to guard against crush type injuries to operators and raise the alarm in the event an operator encounters an entrapment situation.

- Skanska was named the greenest company in the UK across all industries in The Sunday Times Best Green Companies Awards. The awards were launched four years ago and since this time, Skanska has been placed in the top five every year rising to the number one spot for 2011 – a clear demonstration of the company's consistent approach to green leadership and

performance.

- Skanska UK received the British Quality Foundation's (BQF) 2011 Achievement Award for Sustainable Future. Chosen by an independent awards panel, the company was recognised for its outstanding environmental or social contribution to achieving a more sustainable world.
- Skanska was declared a Business Superbrand for the fourth consecutive year improving its overall position by more than 100 places since its first entry into the league.
- Skanska UK's Procurement team won the Chartered Institute of Purchasing and Supply (CIPS) award for being the first construction company in the UK to have all operating units accredited and procurement processes compliant to the sustainable procurement British standard BS8903.
- Skanska and John Laing, in a 50/50 consortium, announced that they reached Financial Close on the Croydon & Lewisham Street Lighting PFI project - the second street lighting PFI that the consortium is involved in, following financial close of the Surrey Street Lighting project at the end of 2009.

At Croydon and Lewisham, the consortium is taking responsibility for the design, build, finance and operation of the stock of lighting columns and illuminated street furniture across both of the boroughs for a period of 25 years. Skanska, which has combined its experience in infrastructure services, utilities and public realm works, is responsible for the design, installation and ongoing operations works on the project. During the first five years, the team will replace approximately 38,000 street lights and 8,000 street signs and bollards. Work also includes the refurbishment of a further 4,000 street lights.

- Skanska and its joint venture partners Costain announced that Crossrail has formally awarded them the C405 - Crossrail Paddington Station contract, the first station to be awarded as part of the £14.8bn Crossrail programme and a key interchange with the existing Network Rail services at Paddington Mainline station and with London Underground. The contract is valued at around £150 million and is due for completion in 2018. This is the fourth Crossrail scheme to be awarded to the team, who will carry out the project under a 50/50 joint venture.
- Skanska was awarded a contract to undertake a major office refurbishment project at Finsbury Circus, near Liverpool Street Station in the City of London. The client for the scheme is Hamburg-based Union Investment Real Estate GmbH, the owner of Finsbury Circus House, which has appointed CORE to manage the project on its behalf. Valued at around £30 million, the project is due for completion in January 2013.
- Skanska were also awarded a £50 million development scheme in Bevis Marks, again in the City of London. The client for this project is Bevis Marks Development Ltd, the shareholders of which are AXA Real Estate on behalf of its Real Estate Opportunities Fund II, MGPA and Eurohypo. Completion is set for the autumn of 2013.
- Skanska received a contract from the Scottish Prison Service for the construction of HMP Grampian. The contract is valued at £57 million and completion is set for summer 2013.

Skanska will undertake the design and construction of the new prison for both male and female prisoners, with both adults and young offenders being accommodated.

8th February
2012

Press Release

- Skanska and Bath Spa University celebrated the signing of a contract for the development of a world-class academic building in the heart of the Newton Park campus. Skanska was awarded the main construction contract as part of the overall £40 million development, which will transform academic facilities for students.