SKANSKA

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The facts Skanska acquires Atkins Highways Services

The acquisition in numbers

f18m*

How much we paid for the operations and maintenance business.

£200m

The anticipated annual revenue of the contracts from 2014.

8

Six contracts for local authorities and two for the Highways Agency

1.200

The number of new employees joining Skanska.

55

Sites and offices where the new employees are based.

31 May

The date on which the deal concludes.

*£2m is deferred, subject to future performance

The Highways Agency contracts

- 1 Asset Support Contract Area 2 covers Wiltshire, Gloucestershire, Dorset and Somerset
- 2 Managing Agent Contract Area 6 covers Norfolk, Suffolk and Essex

The above contracts plus six local authority contracts are to be transferred as part of the acquisition subject to client consent.



The impact on Skanska UK

- The acquisition will double the size of Skanska UK's infrastructure services operating unit to 1,600 team members, making it one of the biggest in the UK business.
- The acquisition will increase the size of Skanska's UK workforce by 25 per cent.
- The acquisition will create a regional presence and opportunities for Skanska's existing operations to expand.
- Skanska will have an 8 per cent share of the £2.4 billion highways maintenance market in the UK.
- Skanska is now entering into discussions with the Highways Agency and local authorities over the novation of their maintenance contracts from Atkins to Skanska.

The impact on the new business

- The acquired contracts, including Area 2, will be managed as a single business stream, and together will form the whole of Skanska UK's highways maintenance business.
- At acquisition and in the initial stages, it will be business as usual for the acquired team.
- The acquisition builds on Skanska's Area 2 contract win and establishes a sustainable highways operations and maintenance business stream.
- Until 1 June, Atkins is still responsible for delivering services under the new contracts.

Why is Atkins selling?

- The sale of Atkins UK highways services operation is part of its strategy to optimise its portfolio of businesses.
- Atkins wishes to focus on growth sectors in design services, engineering and project management.
- Under Skanska's ownership, Atkins believes the highways services business will continue to flourish and grow.