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In brief:

Net profit: 134,6 M PLN
Gross profit: 175,4 M PLN
EBIT: 150,1 M PLN
Sales: 2,8 bn PLN
Operating margin: 5,4 %
Net margin: 4,8 %
Order backlog: 5,5 bn PLN

Skanska

Skanska is the leader of the construction sector in Poland. We execute buildings, road, bridge and hydroengineering projects. We are also acting as developer. We conduct Public-Private Partnership projects, like A1 motorway – key road project in Europe. We employ ca. 6,000 people. Skanska is the most valuable construction company in Poland (according to Newsweek and A.T. Kearney). In 2008 we were ranked at the 1st place in "Company for Engineer" and "Ideal Employer" according to engineers and students. Skanska is also the best managed brand in Polish construction sector according to Marketing & More.

Among our most important projects are Złote Tarasy in Warsaw, Millenium bridge in Wrocław, Świnna Poręba water reservoir and football stadium in Kielce.

We are a part of Skanska Group that employs 60,000 people in Europe, USA and Latin America. Skanska is one of the largest construction companies in the world. Since 1965 Skanska has been listed on the Stockholm Stock Exchange. In 2008 Skanska Group showed sales at 143,7 bn SEK (ca. 61,8 bn PLN).

Press release

Skanska increases profitability and plans development

Warsaw, February 11 2009

In 2008 Skanska in Poland has made revenues of 2,8 billion PLN (3,2 billion PLN in 2007). Operating income (EBIT) was estimated at 150,1 million PLN (150,2 million PLN in 2007), operating margin at 5,4% (4,7% in 2007). Gross profit was 175,4 million PLN (170,2 million PLN in 2007), net profit 134,6 million PLN (141,8 million PLN in 2007). Even with a decrease in sales, 2008 was another year in which Skanska in Poland has increased profitability.

Only good projects

- Since 2005 we are achieving better results every year. This is an effect of our working philosophy. For us, profitability and not sales or share in the market are the key factor. We approach our projects in a selective way. We are interested only in good projects, meaning projects which satisfy our clients, our employees and which gain profit for the company – said Roman Wieczorek, President of Skanska in Poland. This process is supported by a risk management system introduced to the company a few years ago.

- During the times of crisis most of the companies are struggling to survive. For us it is a good moment for a dynamic development – states Roman Wieczorek.

Greenfield and takeovers

We started taking actions to adapt our company to difficult market a few months ago. We are reviewing all of our business processes to optimize cost, allocate our resources better and to manage risks.

- We did most of our work a few years ago, when we merged 40 companies into one, modern Skanska that we know today. Now we only need to improve our methods. We also want to expand the scale of our activities – explains Roman Wieczorek.

Skanska in planning to expand its activities into western and northern-western areas of Poland, where new branches of the company will be cre-

ated. We also plan organic growth and the development of competencies in regions, where are branches and located today.

- We consider both takeovers and greenfield investments. We are observing the condition of companies in our market, as well as land and real estate prices – said Roman Wieczorek.

Time of trial

In Skanska's opinion 2009 will be a time of verification for a lot of construction companies.

- Lower supply of contracts and construction capabilities, which were expanded in the last few years, will create trouble for a lot of companies. Without stable foundations and flexibility they might not survive – said Roman Wieczorek.

According to Skanska in 2009 there will be a drastic decrease in number of investments in cubature building. It is caused by postponing or resignation of investment and modernization plans in industry, as well as residential development hold.

- Our market is counting on infrastructural investments and full utilization of EU funds. Those would be the main factors stabilizing the construction market – summarized Roman Wieczorek.

