

Skanska signs contract to construct HMP Grampian

Skanska today announces that it has signed a contract with the Scottish Prison Service for the construction of HMP Grampian. The contract is valued at £57 million and will be included in Skanska's order bookings for the fourth quarter of 2011.

Under the contract, 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. The new facility will include the full range of prison buildings including kitchen, laundry, links and education, prisoner regimes, recreations facilities, visits, staff and administration.

Using its in-house skills, Skanska will also develop the structural and civil design as well as undertaking the installation of mechanical and electrical services.

Enabling works have begun with main construction scheduled to begin in early 2012 and completion is set for summer 2013.

Commenting on the award, **Alex MacLeod**, Skanska's Operations Director with responsibility for Scotland said "We are delighted to have won this contract and to again be working with the Scottish Prison Service with whom we have worked over many years, most recently at HMP Glenochil and HMP Polmont. I look forward to continuing this successful relationship at HMP Grampian."

Ends

Notes to Editors - About Skanska:

Skanska is involved in some of the UK's most prestigious projects in both the Private and Public Sectors. Whilst known mainly for our large high-profile schemes, we also undertake many smaller projects including public realm improvements, hard and soft landscaping as well as hundreds of utilities projects each year covering gas, electricity and water.

By combining the skills and experience of our construction operations and those of our Infrastructure Development Business Unit, we have become a UK leader in Private Finance Initiative/Public Private Partnership schemes covering healthcare, education, defence, transportation and street lighting.

In December 2010, we announced our intention to establish a Residential Development Business in the UK. This decision followed a comprehensive review of the UK market, which identified a high-volume, long term need for high-quality residential properties in the UK. This, coupled with the extensive environmental requirements placed on new UK homes fits perfectly with Skanska's knowledge and experience. In January 2011, we purchased our first residential development site in Cambridge. This was followed in October 2011 with the announcement we had purchased our second site, again in Cambridge.

Our business model is to integrate our core disciplines to deliver project solutions across our chosen market areas. By integrating all disciplines and working together with our clients, our partners and our supply chain, we make a real difference to the delivery of projects. We focus on creating sustainable solutions and we aim to be leaders in green construction, health and safety and business ethics. We work strictly in accordance with the Skanska Code of Conduct and to our Five Zeros, which reflect our core values: zero loss-making projects, zero accidents, zero environmental incidents, zero ethical breaches and zero defects.

Our commitment to contribute to a more sustainable world is resolute. In June 2011, we were named the

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This and other press releases can be found at www.skanska.co.uk

Greenest company in the UK across all industries in the Sunday Times Best Green Companies Awards. We seek to use our position to influence both our clients and our supply chain to make more sustainable decisions, taking a longer-term view over the infrastructure we develop. Our ability to demonstrate real responsibility to people, organisations and the environment in which we work attracts the next generation of talent who want to make a real difference.

Backed by the financial strength of Skanska AB, we focus totally on our customers in the UK to understand their needs.

We employ approximately 4,600 staff in the UK and undertake around £1.3 billion worth of work each year. We carry out all aspects of the construction, development and infrastructure process - from financing projects, through design and construction right through to facilities management, operation and maintenance.

Skanska is one of the world's leading project development and construction groups with expertise in construction, development of commercial and residential projects and public-private partnerships. Based on its global green experience, Skanska aims to be the clients' first choice for Green solutions. The Group currently has 52,000 employees in selected home markets in Europe, in the US and Latin America. Headquartered in Stockholm, Sweden and listed on the Stockholm Stock Exchange, Skanska's sales in 2010 totalled around £11 billion.