

Skanska UK reports positive results for first quarter

Skanska UK has delivered a positive start to 2013, reporting revenue of just under £260 million and operating income of £7.5 million for the first three months of the year.

This performance equates to an operating margin just shy of 3 per cent. “This is a very credible performance given the prolonged recession facing the construction industry,” acknowledged President and CEO Mike Putnam. “We are well on track to achieve our financial targets for the year.”

Commenting on the company’s pipeline of work, Putnam said: “Although our reported order bookings for the first quarter of almost £170 million are behind expectations, we have a healthy pipeline of future opportunities.”

Skanska announced its acquisition of Atkins Highways Services in February, which is expected to complete by the end of the second quarter and will boost its workforce by 1,250 people.

In the quarter, the company reported its seventh contract for Crossrail, working with Costain to deliver the £110 million station at Bond Street. Also secured was 100 Cheapside, an 18-month contract to demolish and construct a ten-storey commercial building in the City of London.

During this period, Skanska started work on the £1.6 billion gas infrastructure replacement project for National Grid, working in joint venture with Morrison Utility Services. “This involved the mobilisation of more than 3,000 people within a matter of weeks. We are now up and running, delivering works in the east of England and north London,” said Putnam.

Skanska also started work on the £321 million later upgraded sections of the M25 during the quarter. Working with Balfour Beatty, the company is upgrading two sections of the M25 to managed motorway.

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About Skanska

	Skanska UK	Skanska globally
Employees	4,000	57,000
2012 revenue	£1.166 billion	About £12.5 billion (SEK123 billion)
2012 operating income	£42.1 million	About £927 million (SEK9.1 billion)
President and CEO	Mike Putnam	Johan Karlström
Established	2000	1887

Skanska is one of the world's leading project development and construction groups. The UK operation is one of the country's top 10 contractors.

Working collaboratively with customers, partners and our supply chain, we make a positive difference to society.

In the UK, Skanska is famous for building iconic structures like 30 St Mary's Axe (the Gherkin), Heron Tower and the QEII Bridge. Just as important are our extensive service-based contracts: upgrading London's gas infrastructure, a wealth of facilities maintenance contracts, long-term street lighting projects, and landscaping for the London 2012 Olympic Park in Stratford.

By combining our skills and experience in construction and infrastructure development, we have become a UK leader in delivering projects in healthcare, education, defence, transportation and municipal services, delivered through both private and public investment. Specialist in-house teams provide world-class foundations and piling expertise, as well as mechanical and electrical services.

Skanska UK is backed by the financial strength of Skanska AB in Sweden. Operating around the world in selected home markets in Europe, the US and Latin America, Skanska is listed on the Stockholm stock exchange.

Our values

Our Code of Conduct and Five Zeros together embody our values and the way we do business:

- zero loss-making projects
- zero accidents
- zero environmental incidents
- zero ethical breaches
- zero defects

Sustainability

Our forward-looking approach to sustainability is expressed through Our Journey to Deep Green™, where our ultimate aim is for all Skanska projects to have a near-zero impact on

the environment. Our role as a leading green developer and contractor was confirmed when our President and CEO, Mike Putnam, was invited to be Co-Chair of the government's Green Construction Board, alongside Business Minister Michael Fallon, in 2012.

Recent project highlights

- An eight-year, £1.6 billion Gas Distribution Strategic Partnership working with Morrison Utility Services for National Grid.
- The £1 billion redevelopment of St Bartholomew's and The Royal London hospitals.
- Construction projects worth about £500 million for the London 2012 Olympic Games.
- The £321 million later upgraded sections of the M25, in joint venture with Balfour Beatty.
- With a value of more than £400 million, seven Crossrail contracts secured by a Costain Skanska joint venture since 2010, including Bond Street and Paddington stations.

Top awards

- The Prime Minister's Better Public Building Award for University College Hospital (UCH) Macmillan Cancer Centre, British Construction Industry Awards 2012
- Employer of the Year, *Construction News* Awards 2012
- The greenest company in the UK across all industries, *The Sunday Times* Green List 2011

Development areas in the UK

- Infrastructure Development – Skanska UK is at the forefront of delivering public private partnerships – from financing projects, through design and construction, to facilities management.
- Residential Development – Skanska launched its first residential development in the UK in 2012, with a firm focus on sustainability and functional design.
- Project Development – commercial property development from concept to market.