

Skanska UK announces year end results for 2010

	2010 £m	2009 £m	Percentage change
Revenue	1,277	1,541	(17.1%)
Operating Income	38.2	38.9	(1.8%)
Operating margin	3.0%	2.5%	
Order bookings	1,343	1,695	(20.8%)
Order backlog	2,239	2,189	2.3%

Skanska UK today announces its results for the year ending December 31st 2010.

Revenue for the year at £1,277 million shows a reduction of 17.2% on 2009. This reduction largely reflects the current recession in the market, but also the loss of our term contracts with BT at the end of 2009. Operating income at £38.2 million equates to an Operating Margin of 3%, an increase on that reported at the end of 2009. Whilst order bookings are down, order backlog is also showing an increase on that reported at the same period last year.

Mike Putnam, President and CEO, Skanska UK said, "I am pleased with our results for 2010. They are in line with our targets and expectations and are evidence of the commitment of our staff to the business, and the focus we have all placed on managing Skanska UK to deliver stable results during these challenging market conditions.

"Whilst we expect market trading conditions to remain similar during the coming year, we will continue to carefully select and target the right projects for Skanska focussing upon delivering the expectations of our clients and shareholders alike.

"The new year marked the start of our new "Profitable Growth" Business Plan for the group. In the UK, we are looking at a number of exciting opportunities and sectors to strengthen our position. These include our focus on the Energy from Waste sector where we are actively working to secure opportunities and Residential Development, which we announced recently. This was followed in January by the purchase of our first development site in Cambridge.

"The year has also started on a high note, with the award of a £30million project to construct the Isaac Newton Academy in Ilford for the London Borough of Redbridge."

Skanska UK Operational Highlights:-

- In 2010, Skanska's Health & Safety performance showed a 25 percent improvement on that in the previous year. At the end of year, the company had achieved a third successive annual reduction in lost time accidents and reportable injuries.

Also during the year, as part of its commitment to achieving zero accidents, Skanska launched its Injury Free Environment (IFE) programme. The IFE programme aims to involve everyone to raise the safety values and beliefs to a new level. This approach has proved very successful in the USA with Skanska.

- Skanska announced that as part of its new business plan covering the period up to 2015, which focuses on profitable growth, the company would expand its Residential Development operations and establish a new business in the UK. At the start of the new year, Skanska announced that it has secured its first Residential Development site in Cambridge.
- Skanska signed a contract with Notting Hill Housing to construct its first ModernaHus development in the UK. ModernaHus is Skanska's low energy, MMC residential solution and for many years, the company has been delivering this pioneering residential platform in Scandinavia.

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Press Release

- In The Sunday Times Best Green Company Awards, Skanska was named the UK's Leading Green Contractor, achieved second place across all industries, received the award for Best Large Firm, and received an award for Best Corporate Environment Strategy.
- Skanska was declared a Business Superbrand for the third consecutive year achieving the ranking of 260 out of 500. The company has improved its position by around 100 places in two years.
- Cecilia Fasth has recently joined Skanska UK's Executive Management Team as Executive Vice President. Cecilia was most recently heading up Green Business for the Skanska Group. In her new role, Cecilia has responsibility for the development of Bundled Construction, a term Skanska uses to describe its way of delivering projects by adding finance and development components to design build projects. Cecilia will also have responsibility for Skanska UK's Green Business function.
- Roger Bayliss, Executive Vice President has taken responsibility for the Finance function across Skanska's UK operations. Roger joined Skanska UK's Executive Management Team in late 2008, and has most recently had responsibility for Business Improvement, a role which recently included leading the development of the company's new Business Plan.
- Paul Chandler was promoted to the Executive Management Team of Skanska UK in the role of Executive Vice President, with specific responsibility for Building Operations across the UK.

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.

Ends