

# Skanska USA

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Executive Vice President



# Skanska USA Overview

- Revenues of \$5.7 billion in 2009
  - Represents 32% of Skanska's revenue
- More than 7,000 employees
- 32 offices across the country
- Four business units operate in the U.S.
  - Building
  - Civil
  - Commercial Development
  - Infrastructure Development
- A leading player in the market



# U.S. Construction Business Units

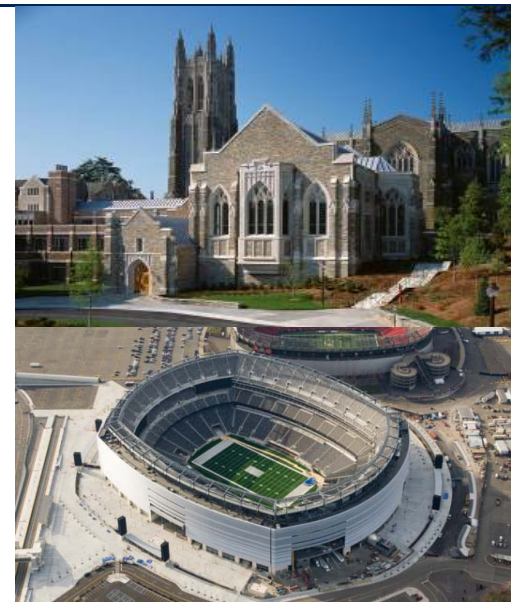


USA Building

USA Civil

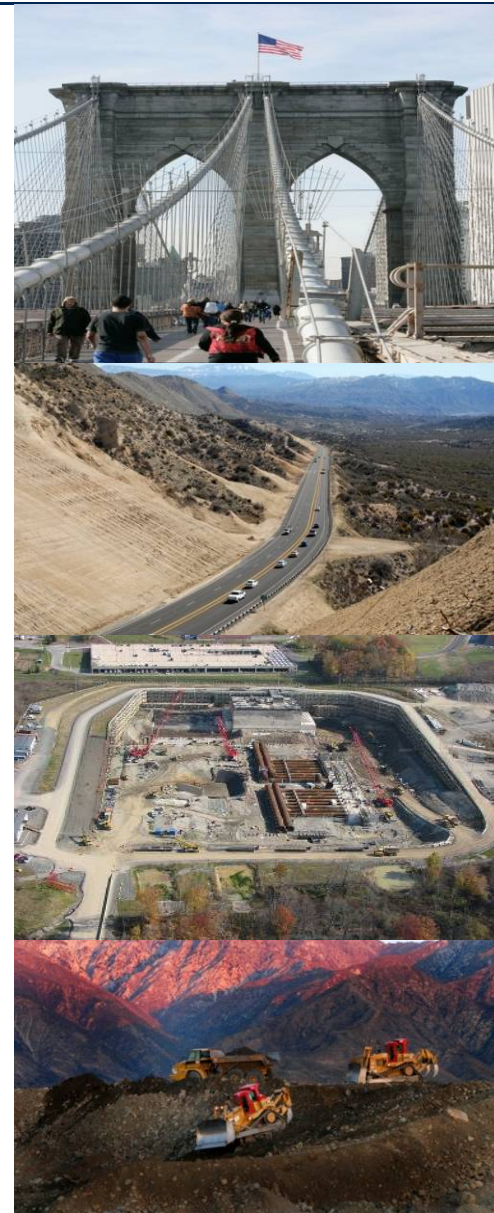
# Skanska USA Building

- Revenue of approximately \$4 billion in 2009
- Operating margin of 1.7%
- 3,000 employees
- Headquarters in Parsippany, New Jersey
- Delivery method: construction management
  - Low risk, low margin, high return on capital
- Segments (2009)
  - Healthcare (30%)
  - Education (18%)
  - Government (13%)
  - Corporate offices (13%)
  - Sports (11%)
  - Mission Critical/data and operation centers (5%)
  - Life Sciences (5%)

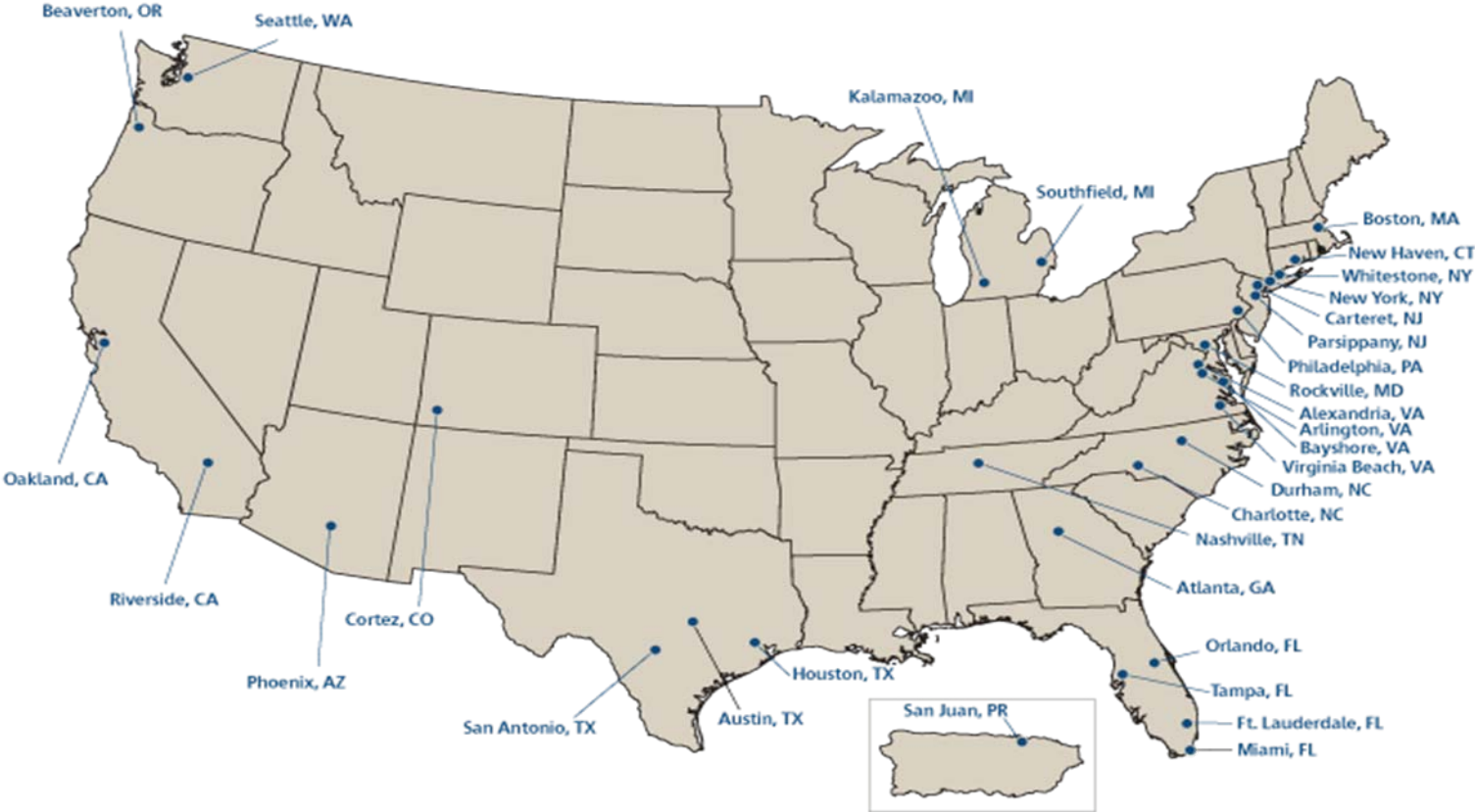


# Skanska USA Civil

- Revenue of approximately \$1.7 billion in 2009
- Operating margin of 8.6%
- 4,200 employees
- Headquarters in Whitestone, New York
- Delivery method: Lump sum bid
  - Higher risk, higher margin
- Segments (2009)
  - Water & Waste Water (40%)
  - Mass Transit/Tunnels (25%)
  - Bridges (15%)
  - Roads (13%)
  - Ports

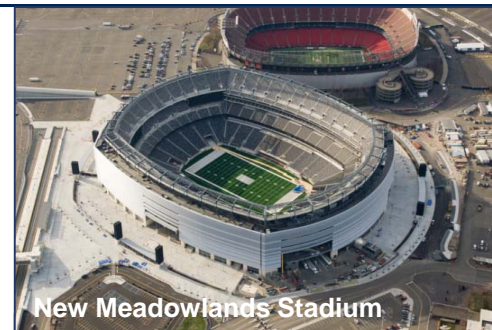


# Skanska USA locations



# Select USA Mega-projects

- New Meadowlands Stadium
  - \$1.1 billion project in East Rutherford, N.J.
  - 2.1 million square feet on 180 acres
  - Home field for the New York Giants and New York Jets
- The United Nations
  - \$1.5 billion project in New York, N.Y.
  - 2.6 million square feet
  - Renovating and upgrading of the international agency's headquarters
- Catskill/Delaware Water Treatment Plant (Cat/Del)
  - \$1.1 billion joint-venture project in Valhalla, N.Y.
  - Facility will produce 7.6 billion liters daily of clean water using ultraviolet light
- No. 7 Subway Line
  - \$1.14 billion joint-venture project in New York, N.Y.
  - 1.5-mile extension of the 7 line between Times Square and the West Side



New Meadowlands Stadium



The U.N.

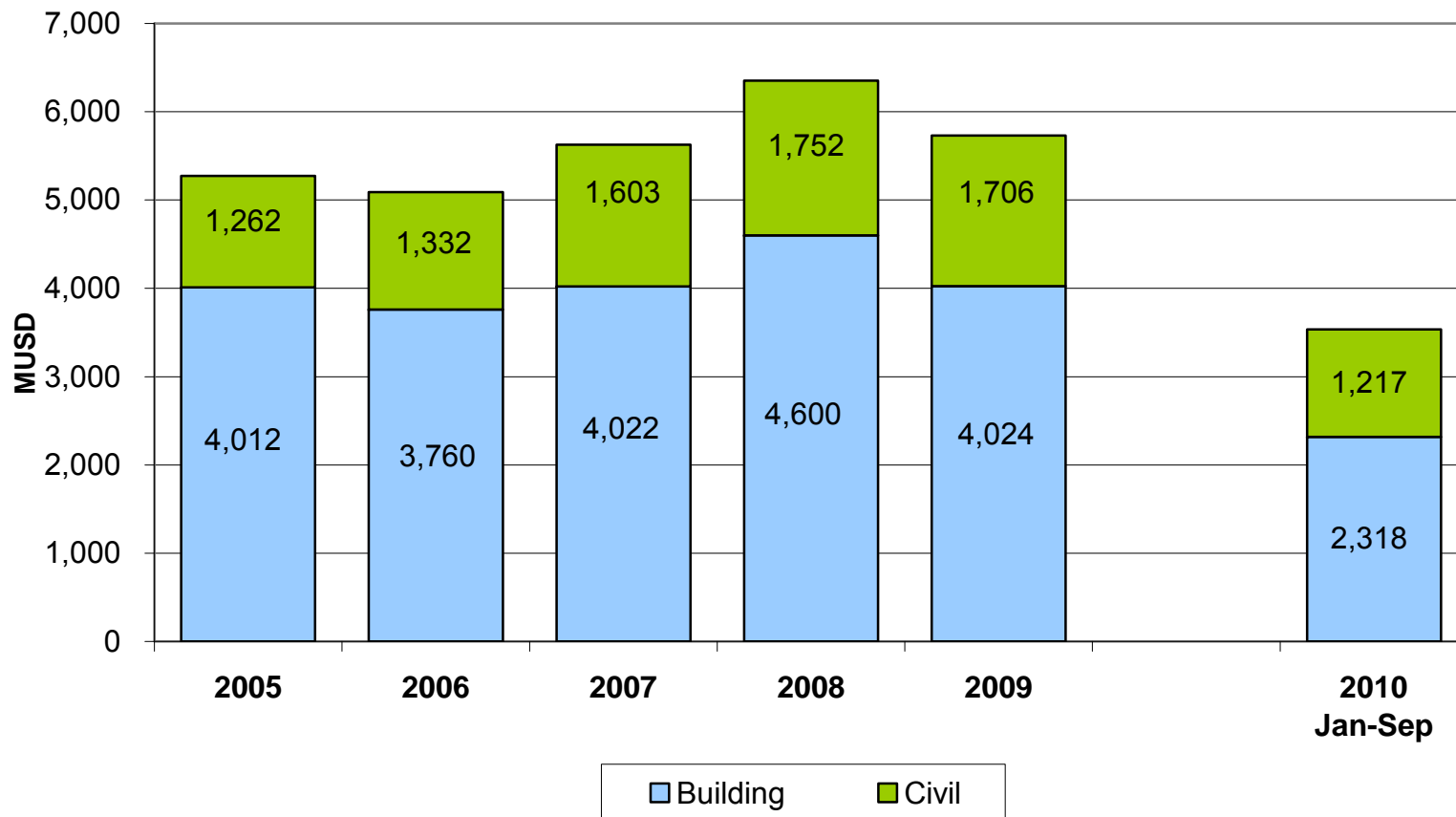


Cat/Del Water Treatment Plant



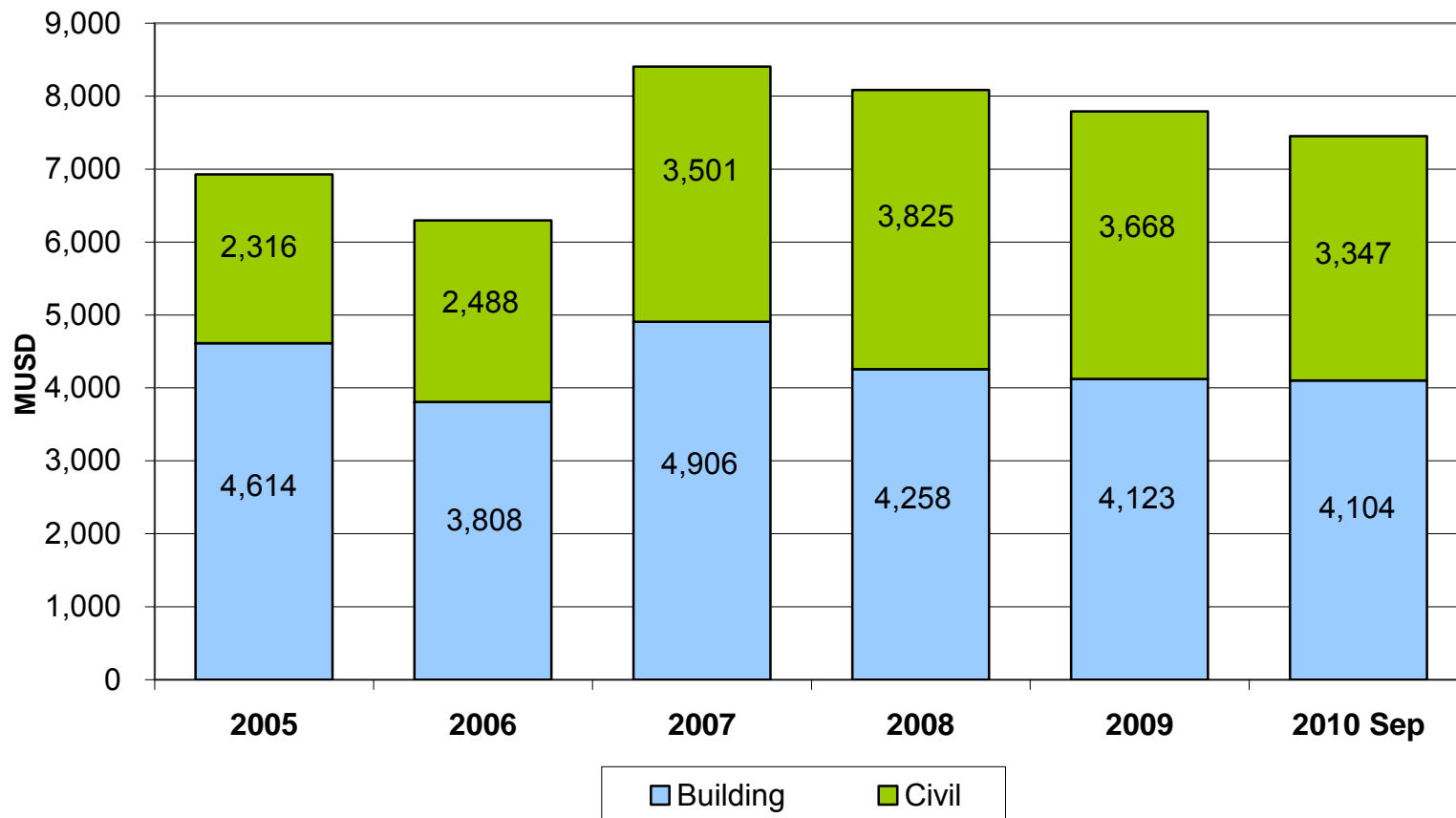
No. 7 Subway Line

# Revenue – USA Construction

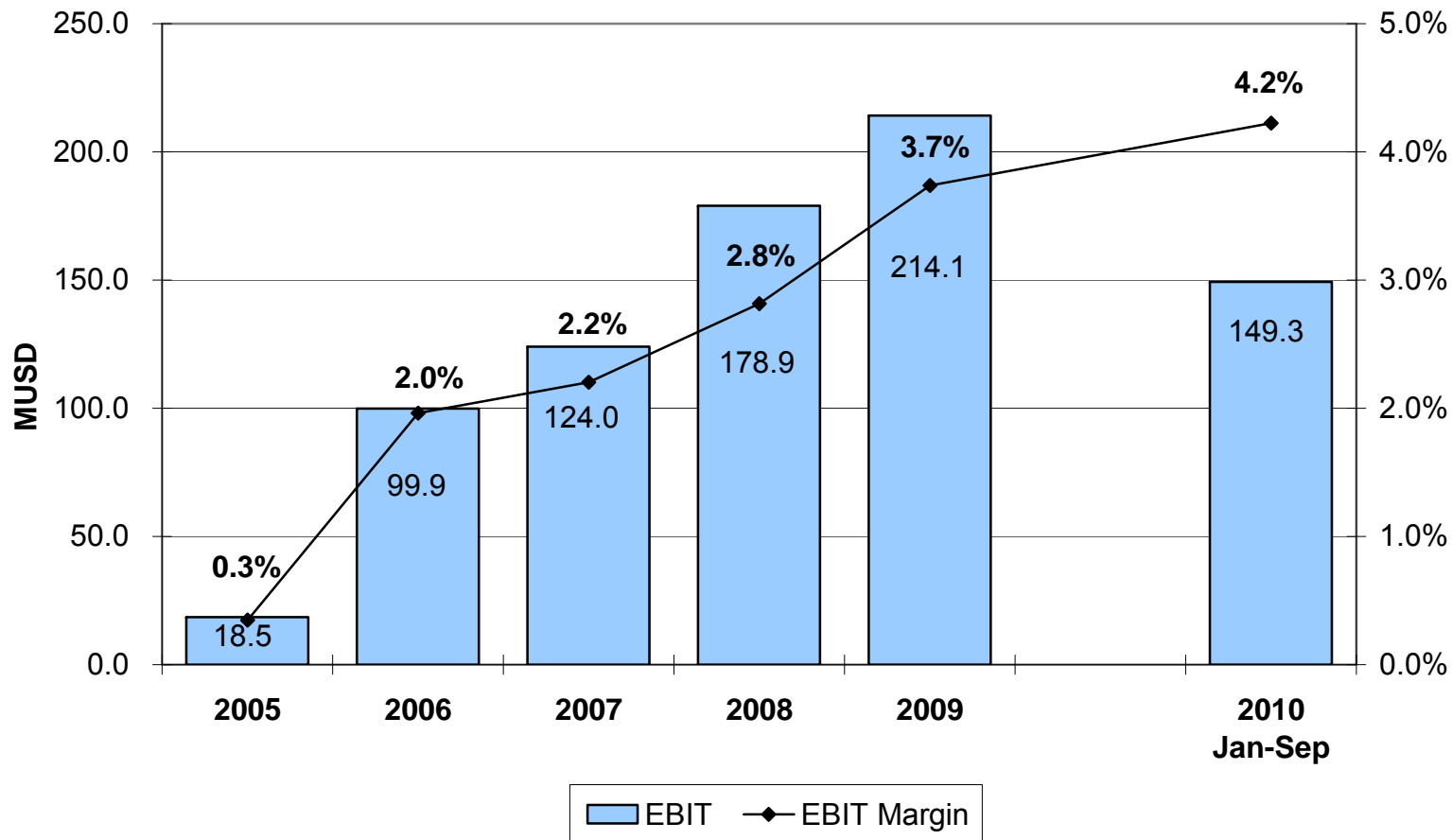




# Backlog – USA Construction



# EBIT/Margin – USA Construction

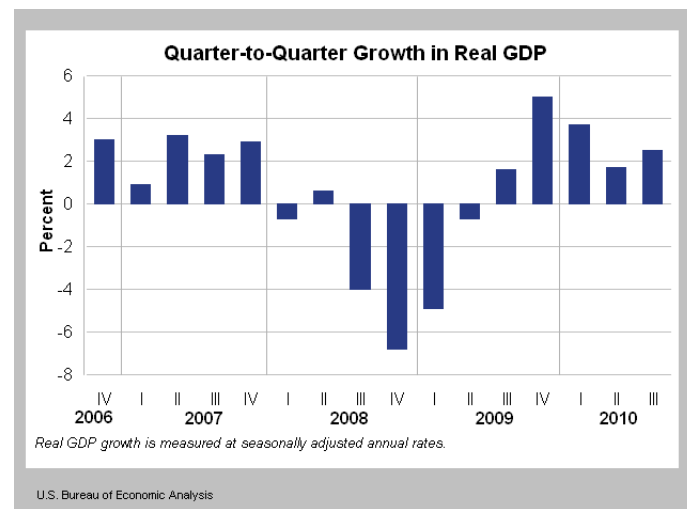


# The U.S. Construction Market



# U.S. Economy – Current Indicators

- GDP positive for 4th straight quarter (2.5%)
- Consumer confidence up (+4.2 pts)
- Consumer spending up (+2.6%)
- Inflation under control (CPI +1.2%)
- Unemployment still very high (9.8%)
- State budgets strained
- Federal dept mounting
- Recent elections (resolution or gridlock?)



# U.S. Construction Market Summary

## – Challenges

- Focus on debt reduction and state budget deficits will cause funding challenges for public projects
- Office/Commercial/Retail markets will remain quiet until employment picks up
- Competition intense – pressure on margins

## – Opportunities

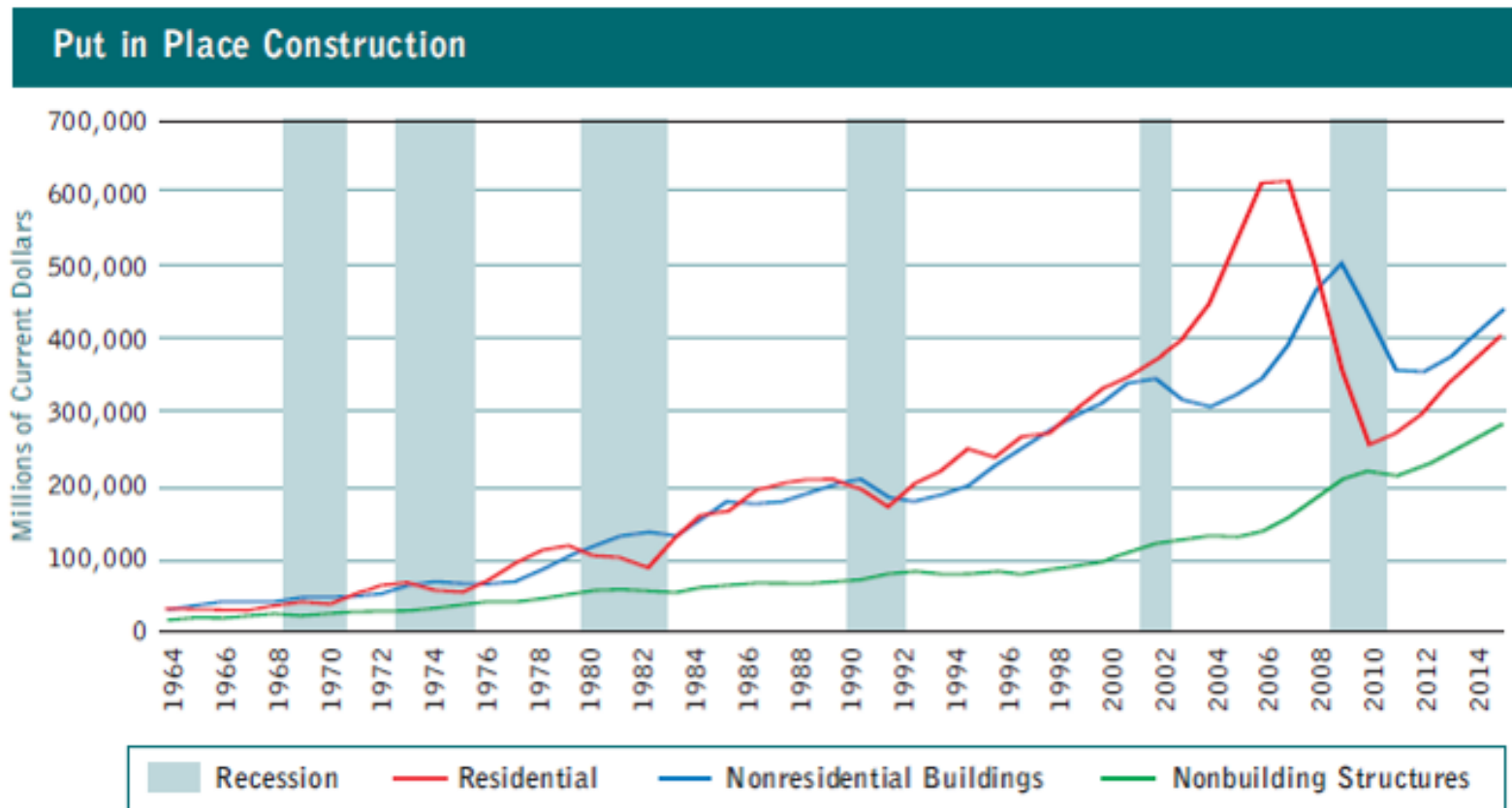
- Huge demand for infrastructure improvements
- Interest in PPPs is growing
- Healthcare and education sectors still solid
- Green construction growing rapidly
- Big demand for energy efficient data centers



	USD bn
Total:	888.2
Residential Market:	274.5
Non-residential Bldgs:	384.2
Civil/infrastructure:	229.4
Skanska relative market:	613 bn
Skanska Market share:	~1.0%

Source: FMI 2010 Q3

Nonresidential Building construction will decline next year; Civil/Infrastructure construction will remain positive through 2014

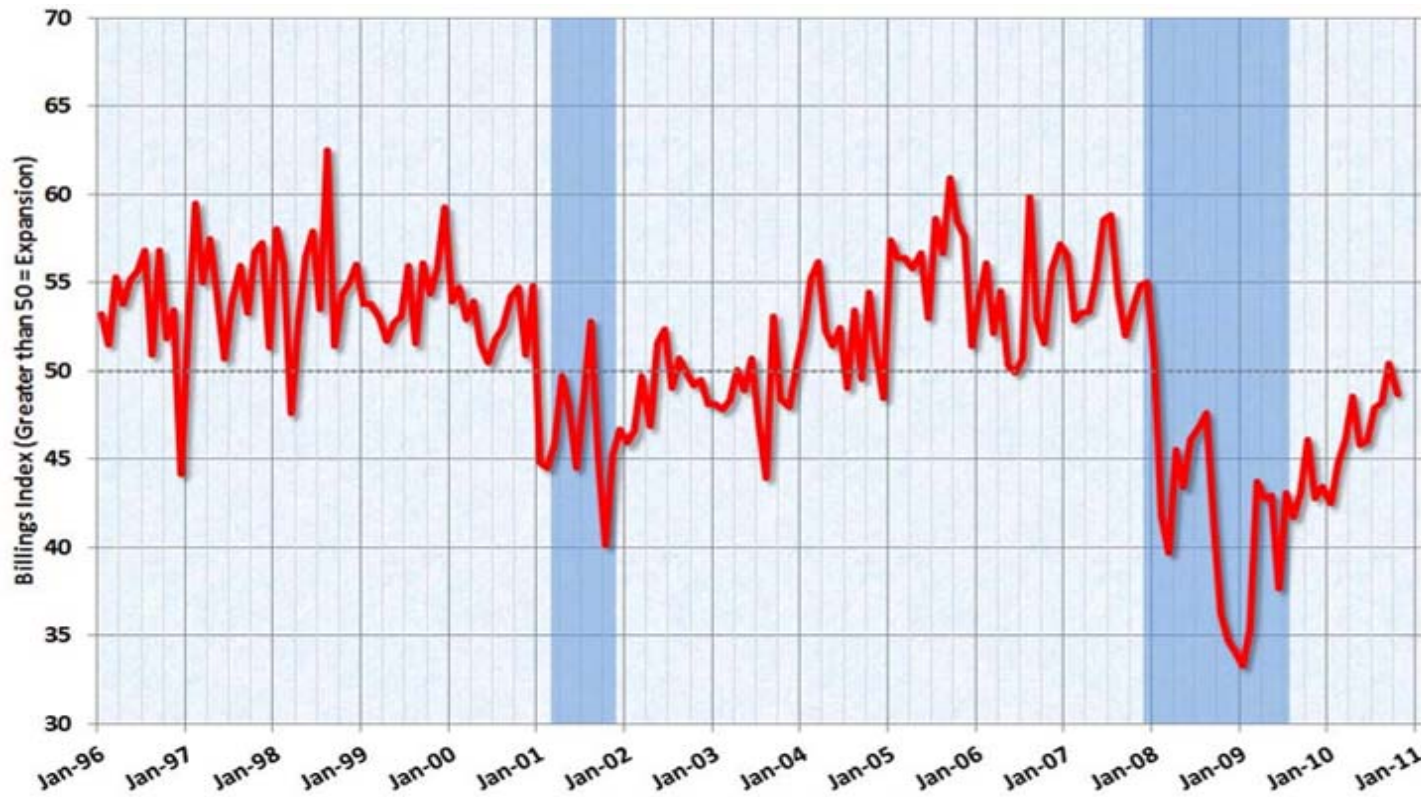


Source: FMI's Construction Outlook, 3Q 2010 Forecast

# ENR Construction Industry Confidence Index

- What it tells us as of Sept 22, 2010
  - Segments with highest CICI
    - power (60)
    - transportation (44)
    - water (44)
    - healthcare (62)
    - education (36)
  - Segments with lowest CICI
    - retail (32)
    - office (29)
    - hospitality (27)
    - multi-family (32)
- We're in the right markets

# Architectural Billing Index



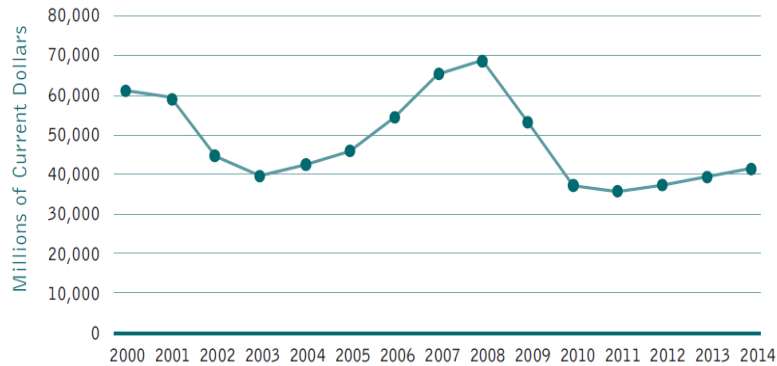
Any score above 50 indicates an increase in billings

Source: Architectural Magazine Oct 20, 2010

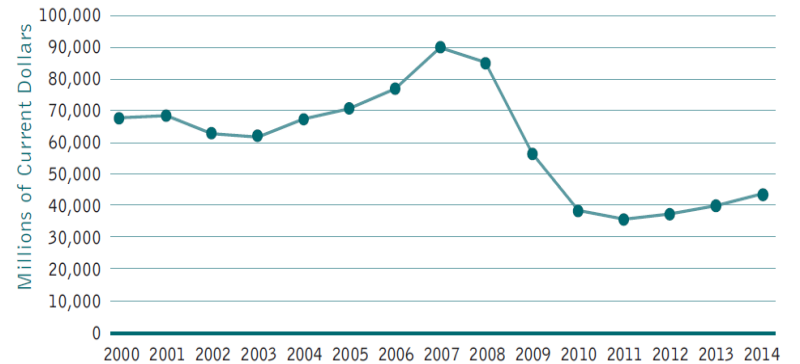


# Non Residential Building – Markets

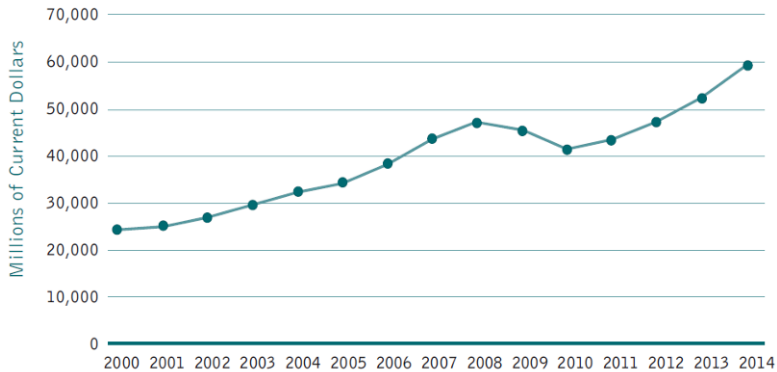
Value of Office Construction



Value of Commercial Construction



Value of Health Care Construction



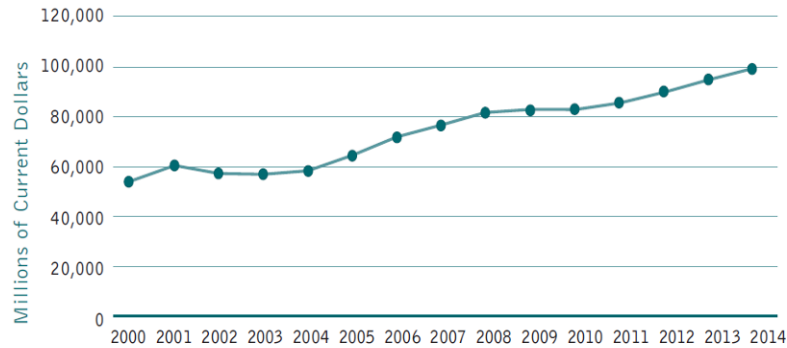
Value of Education Construction



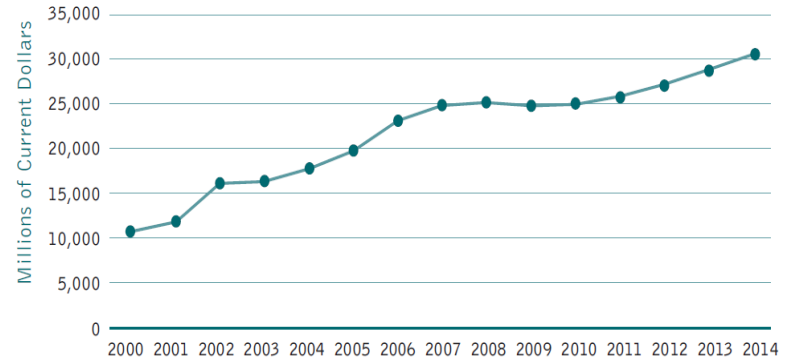
Source: FMI's Construction Outlook, 3Q 2010 Forecast

# Civil Infrastructure – Markets

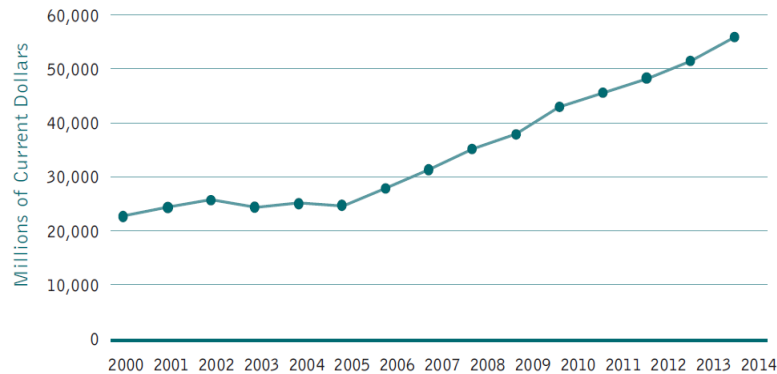
Value of Highway and Street Construction



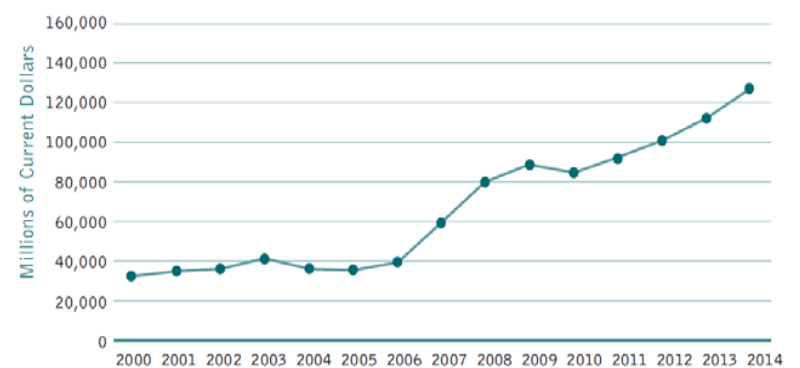
Value of Sewage and Waste Disposal Construction



Value of Transportation Construction



Value of Power Construction



Source: FMI's Construction Outlook, 3Q 2010 Forecast

# U.S. Strategy



# Strategy for Profitable Growth

1. Realize revenue synergies across all U.S. units
2. Become a national civil contractor
3. Grow building market share through “Centers of Excellence”
4. Leverage our U.S. leadership in green to capitalize on “Greening of America”

# 1. Realize Revenue Synergies

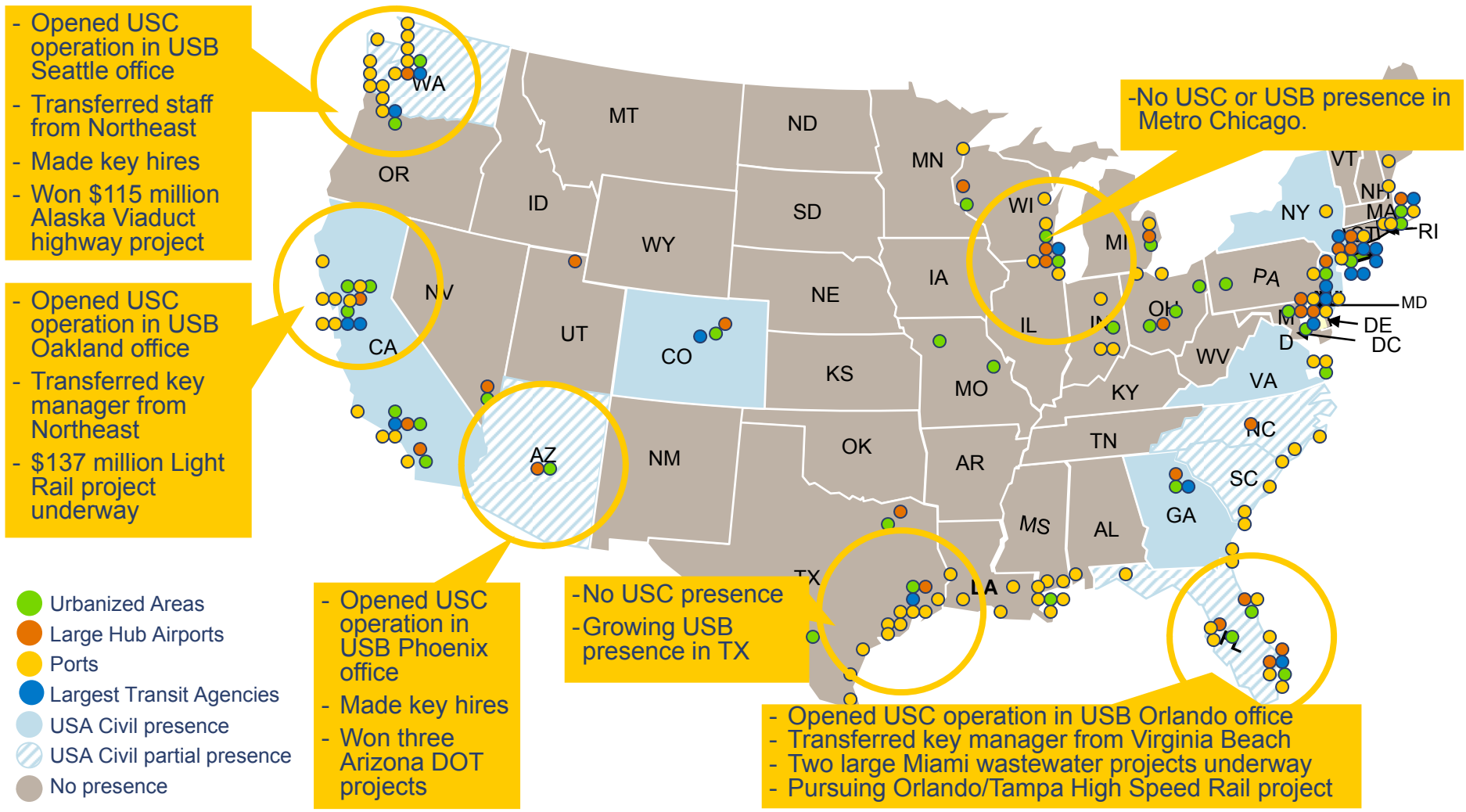
- ID/Civil
  - Ronald Reagan Parkway, Gwinnett City, G.A.
  - Midtown Tunnel, Norfolk to Portsmouth, V.A.
- CD/Building
  - 733 10th Street, Washington, D.C.
  - 1776 Wilson Boulevard, Arlington, V.A.
  - 3009 Post Oak Boulevard, Houston, T.X.
  - 150 Second Street in Boston, M.A.
- Civil/Building
  - 11th Street Bridge, Washington, D.C.
  - Alaskan Way Viaduct, Seattle, W.A.
  - New Meadowlands Stadium, East Rutherford, N.J.
  - World Trade Center Hub, New York, N.Y.



## 2. Become a National Civil Contractor in the U.S.

- Spread existing expertise
  - Do water, wastewater, transit and bridge work anywhere in the U.S., and marine work along the coasts
  - 26 people have relocated to share their expertise
- Expand footprint
  - Organic growth
  - Strategic acquisitions

# Growth Opportunities for USA Civil



### 3. Grow USB Market Share Through “Centers of Excellence”

- Centers of Excellence
  - Healthcare
  - Mission Critical
  - Sports
  - Federal
  - Aviation
  
- Strategy
  - Grow market share and brand nationwide and support local operations with market expertise



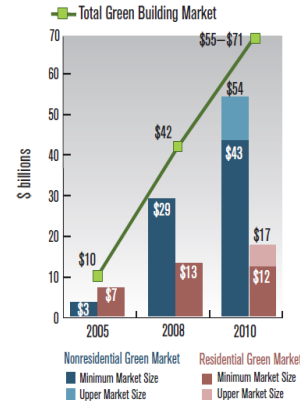


# 4. Capitalize on “Greening of America”

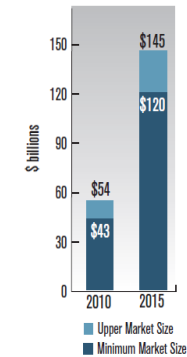
- Green consulting services through Skanska Integrated Solutions (SIS)
  - Life cycle analysis
  - CO2 footprint calculations
  - Energy modeling
  - Energy Performance Guarantees

**Green Construction will triple in the United States by 2013**

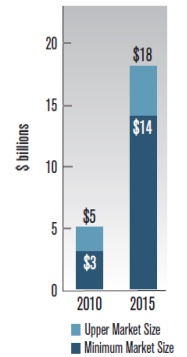
Total New Green Building Market (2005–2010)



Projected NEW Nonresidential Green Market Size



Projected Retrofit/Renovation Green Building Market Size



# Summary

- Strategically well positioned to take advantage of a tough environment
  - Building
    - Government
    - Healthcare
    - Education
    - Green
  - Civil
    - U.S. will rebuild infrastructure
- Realizing synergies across U.S. businesses
- Growth organically and through acquisitions
- Our financial strength and bonding capacity are huge advantages – now is time to take market share