

Three Month Report 2014



Oculus, World Trade Center, New York, U.S.

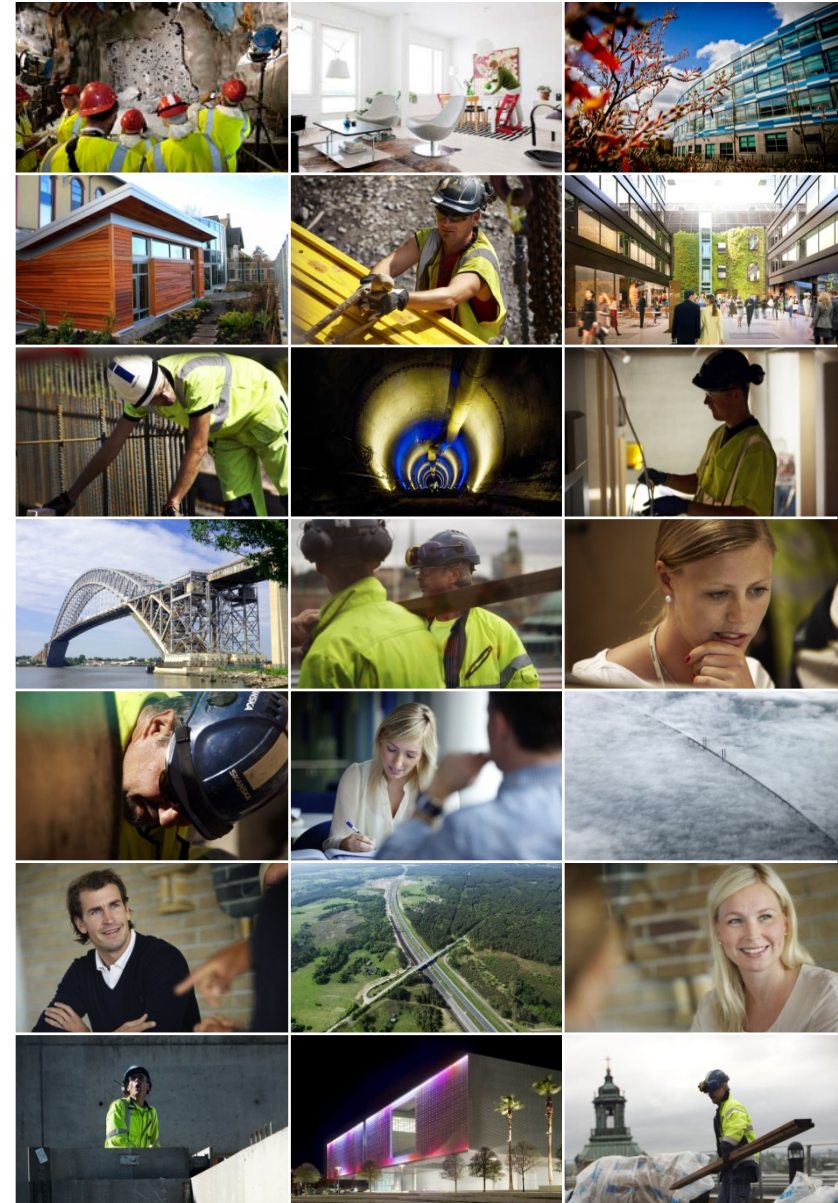
Skanska Safety Week 2014



Norsborg bus depot, Stockholm, Sweden

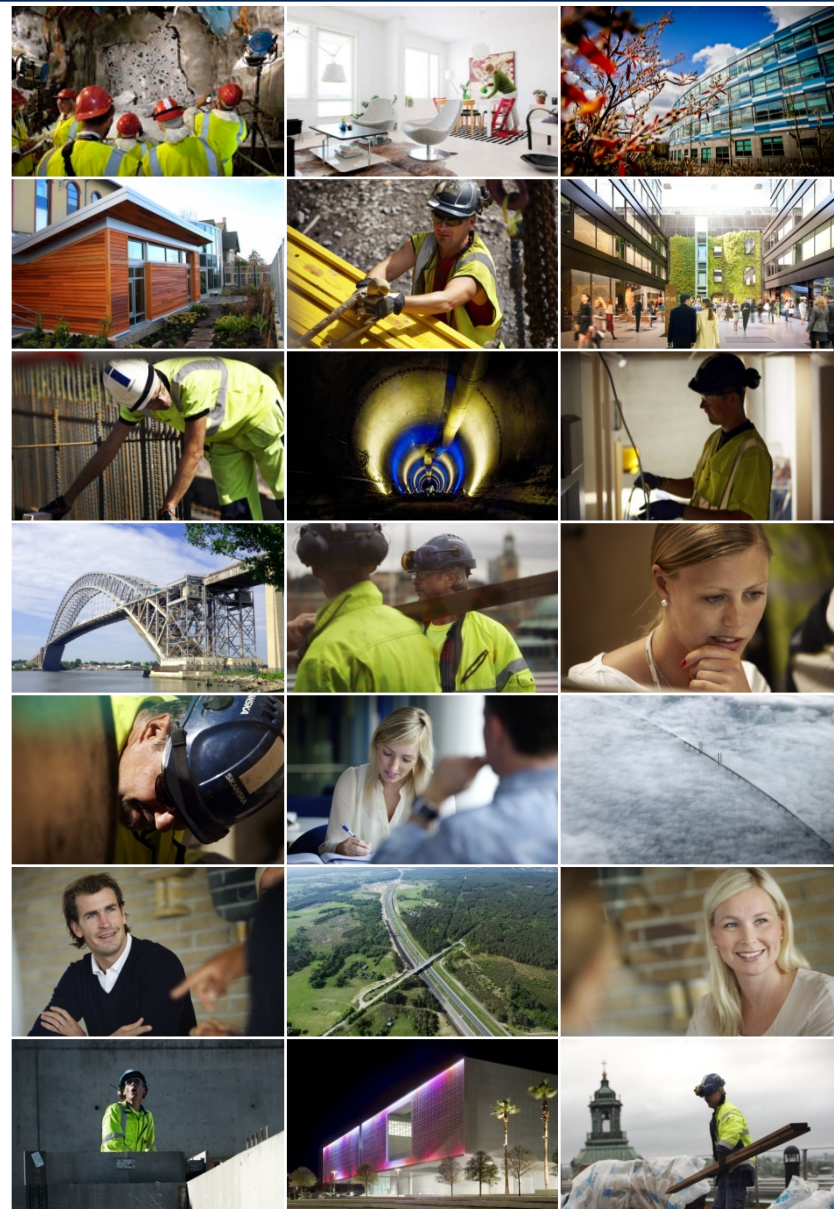
Three Month Report 2014 – Market

- Overall market outlook is improving
- Improving European economy
- No effect from events in Ukraine to date
- U.S. growth trend continuing



Three Month Report 2014 – Highlights

- Increased operating income SEK 656 M (519)
 - Strong performance by Nordic and UK construction operations
 - Residential Development continues to improve
- Significant increase in order bookings
- Maintaining a strong financial position



Construction

- Revenue SEK 26.9 bn (26.8)
- Order bookings SEK 32.5 bn (24.3)
 - 33% growth in local currency
 - UK, Norway and USA Building very strong
- Operating income SEK 544 M (518)
 - Strong performance in Nordic and UK operations
 - U.S. operations impacted by harsh winter conditions, but volume is expected to catch up
 - Latin America challenging



University of Connecticut, U.S.

Residential Development

- Revenue SEK 2.0 bn (2.6)
 - 765 (964) homes sold
 - 809 (800) homes started
 - Lower volumes in Finland and Norway, but higher in Sweden
- Operating income SEK 139 M (153)
- Profitability continues to improve
 - Gross margin 13.4% (10.7)



BoKlok Flex, Strandallén, Södertälje, Sweden

Commercial Property Development

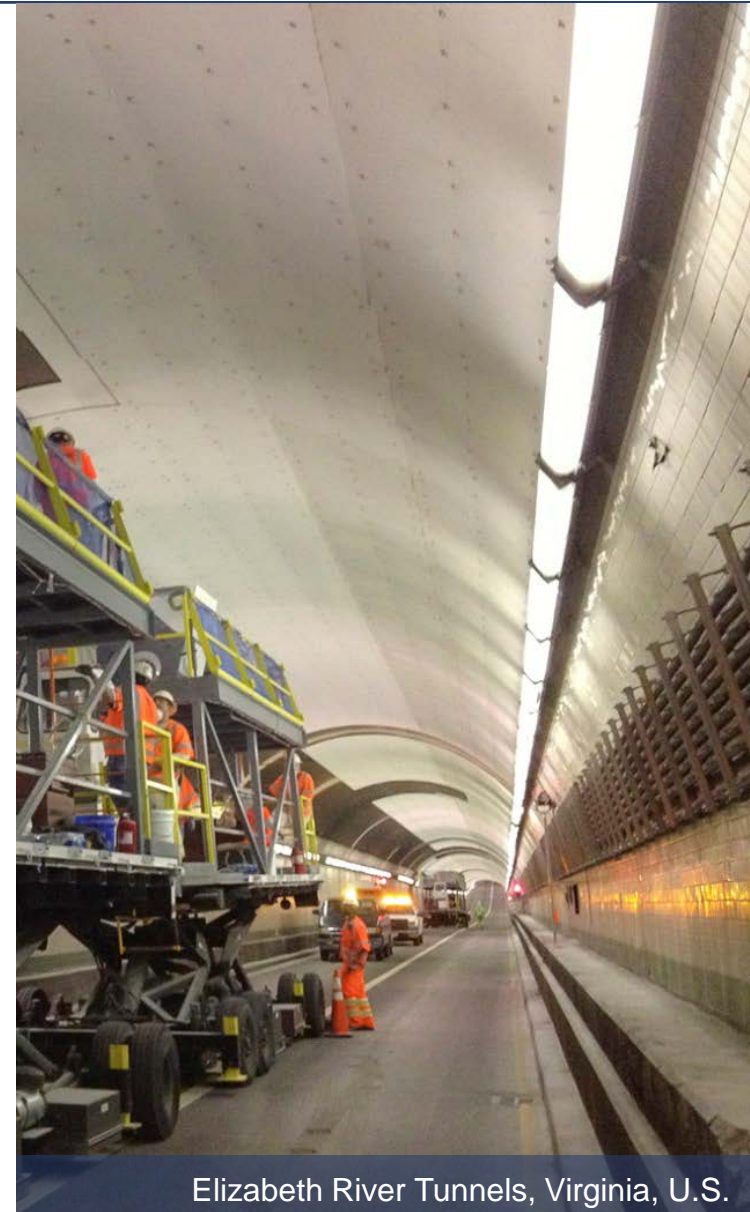
- Divestments of SEK 929 M (157)
- Income from divestments SEK 135 M (35)
- 31 ongoing projects
 - SEK 12.1 bn in investment value
 - 61% pre-leasing rate
 - 50% completion rate
 - 2 project starts
- 33,000 sq m leased
 - 347,000 sq m past 12 months



Watermark Seaport, Boston, U.S.

Infrastructure Development

- Net present value of SEK 5.0 bn in project portfolio
- Preferred bidder on I-4 Ultimate, Florida, U.S.



Elizabeth River Tunnels, Virginia, U.S.

New orders in Construction in Q1

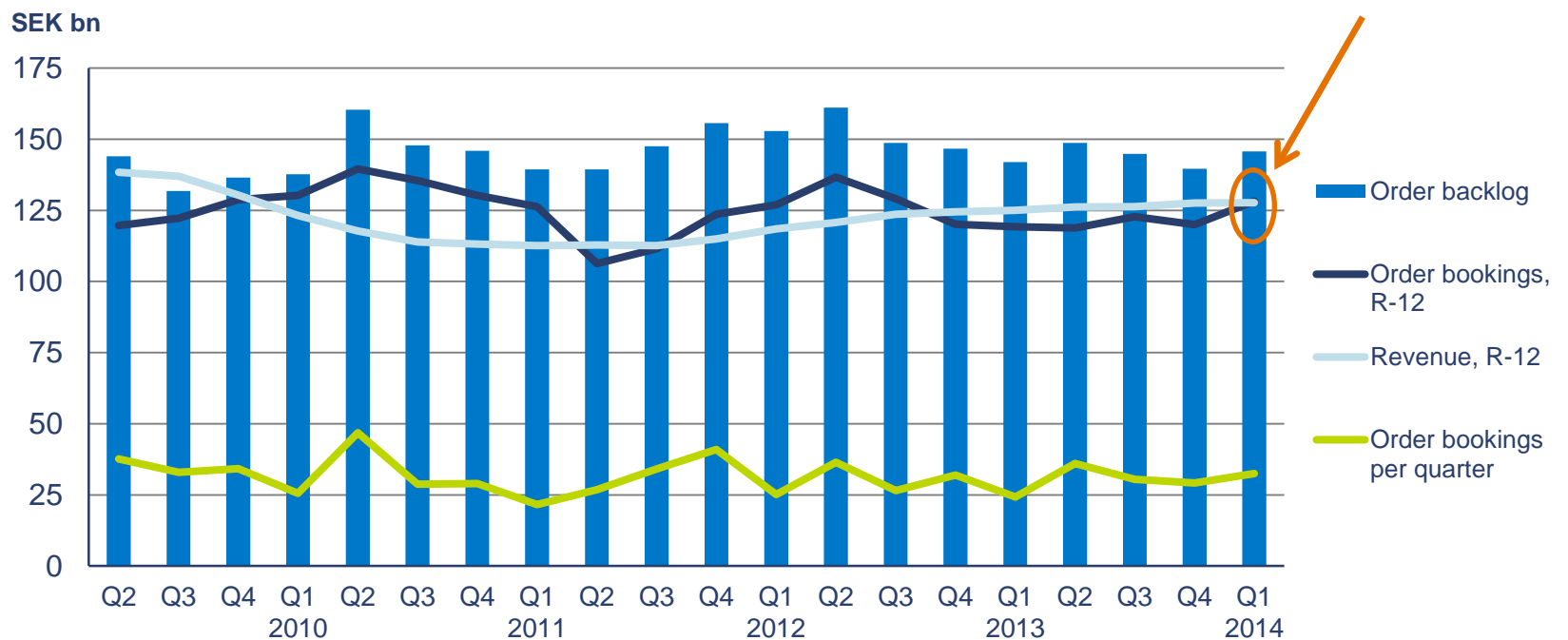
SEK M

Highway, Norway	1,700
Hospital, Florida, U.S.	1,500
Boardwalk, New York, U.S.	1,300
Renovation, New York, U.S.	1,200
Office, UK	990
Hospital, Connecticut, U.S.	965
Total bookings in Q1	32,496



E18, Larvik, Norway

Construction Order situation



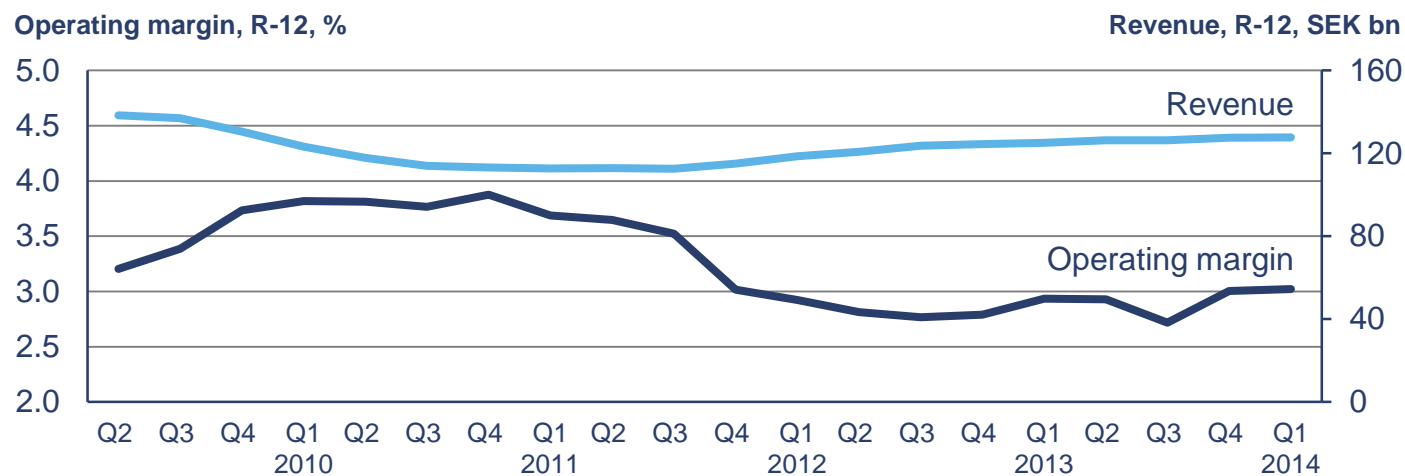
SEK bn	Jan-Mar 2014	Jan-Mar 2013	Jan-Dec 2013
Revenue	26.9	26.8	127.6
Order bookings	32.5	24.3	120.1
Order backlog	145.7	142.0	139.6

Construction

Order bookings

SEK bn	Jan–Mar 2014	Jan–Mar 2013	Book- to-build, R-12, %	Months of production
Sweden	5.8	6.6	97	11
Norway	4.4	3.5	101	9
Finland	1.6	1.8	105	12
Poland	1.9	1.7	96	9
Czech Republic	1.0	0.4	91	14
UK	3.9	1.7	94	18
USA Building	11.0	4.8	129	17
USA Civil	1.4	2.1	76	20
Latin America	1.3	1.4	70	6
Total	32.5	24.3	100	14

Construction Income statement



SEK bn	Jan-Mar 2014	Jan-Mar 2013	Jan-Dec 2013
Revenue	26.9	26.8	127.6
Gross income	2.0	1.9	9.7
Selling and administrative expenses	-1.4	-1.4	-5.9
Operating income	0.5	0.5	3.8
Gross margin, %	7.3	7.2	7.6
Selling and administrative expenses, %	-5.3	-5.3	-4.6
Operating margin, %	2.0	1.9	3.0

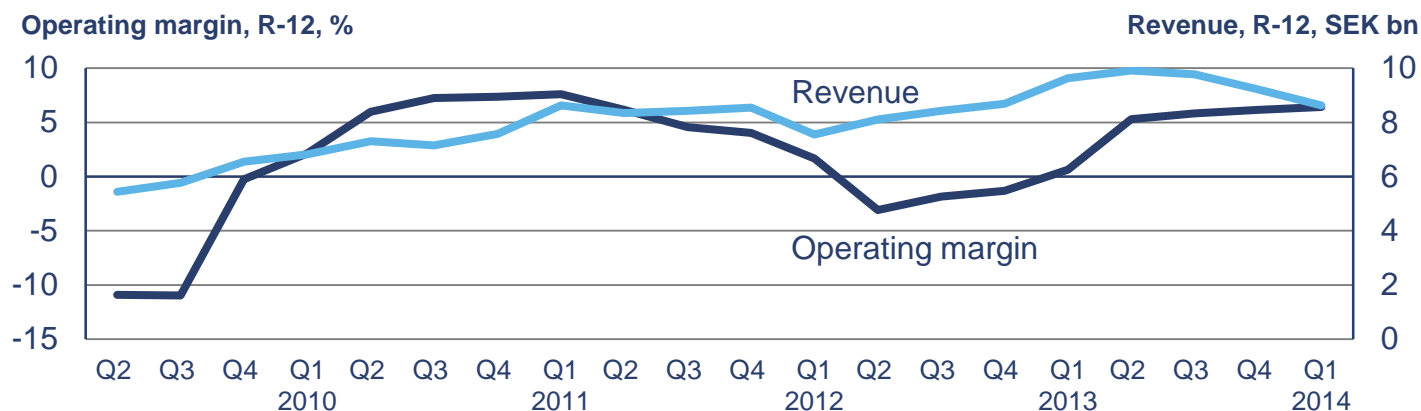
Construction

Income statement

	Operating income, SEK M		Operating margin, %	
	Jan–Mar 2014	Jan–Mar 2013	Jan–Mar 2014	Jan–Mar 2013
Sweden	129	82	2.1	1.4
Norway	80	66	2.7	1.9
Finland	43	23	3.0	2.0
Poland	-11	-24	neg	neg
Czech Republic	-48	-63	neg	neg
UK	112	79	3.1	3.1
USA Building	75	106	1.2	1.5
USA Civil	215	239	6.4	7.7
Latin America	-51	10	neg	0.5
Total	544	518	2.0	1.9

Residential Development

Income statement, segment reporting



SEK M	Jan–Mar 2014	Jan–Mar 2013	Jan–Dec 2013
Revenue	2,012	2,609	9,234
Gross income	269	278	1,055
Selling and administrative expenses	-132	-133	-484
Income from joint ventures	2	8	2
Operating income	139	153	573
Gross margin, %	13.4	10.7	11.4
Selling and administrative expenses, %	-6.6	-5.1	-5.2
Operating margin, %	6.9	5.9	6.2

Residential Development

Income statement

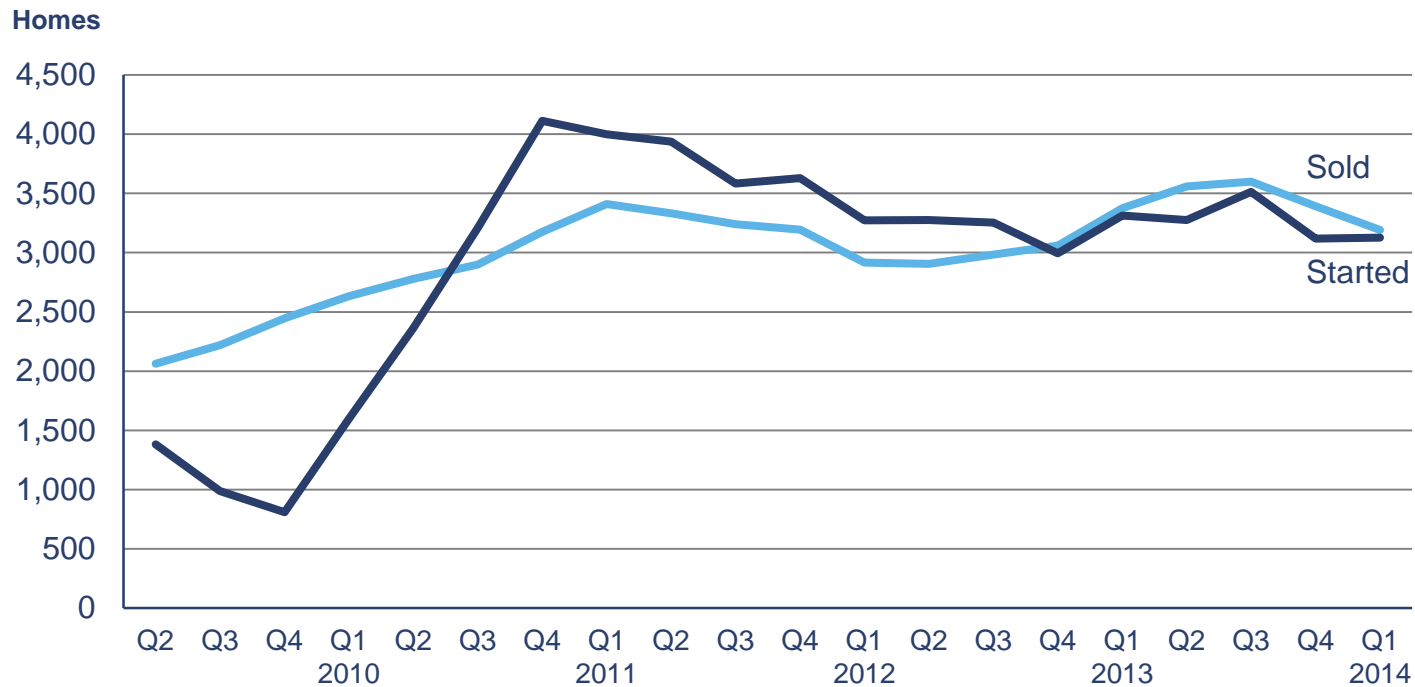
	Operating income, SEK M ¹		Operating margin, % ¹	
	Jan-Mar 2014	Jan-Mar 2013	Jan-Mar 2014	Jan-Mar 2013
Sweden	100	78	8.3	7.5
Norway	19	36	8.6	6.0
Finland	17	47	4.5	5.8
Nordics	136	161	7.5	6.6
Other European countries ²	3	-8	1.5	neg
Total	139	153	6.9	5.9

1 Development gain only, construction margin reported under Construction

2 Czech Republic, Poland and the UK

Residential Development

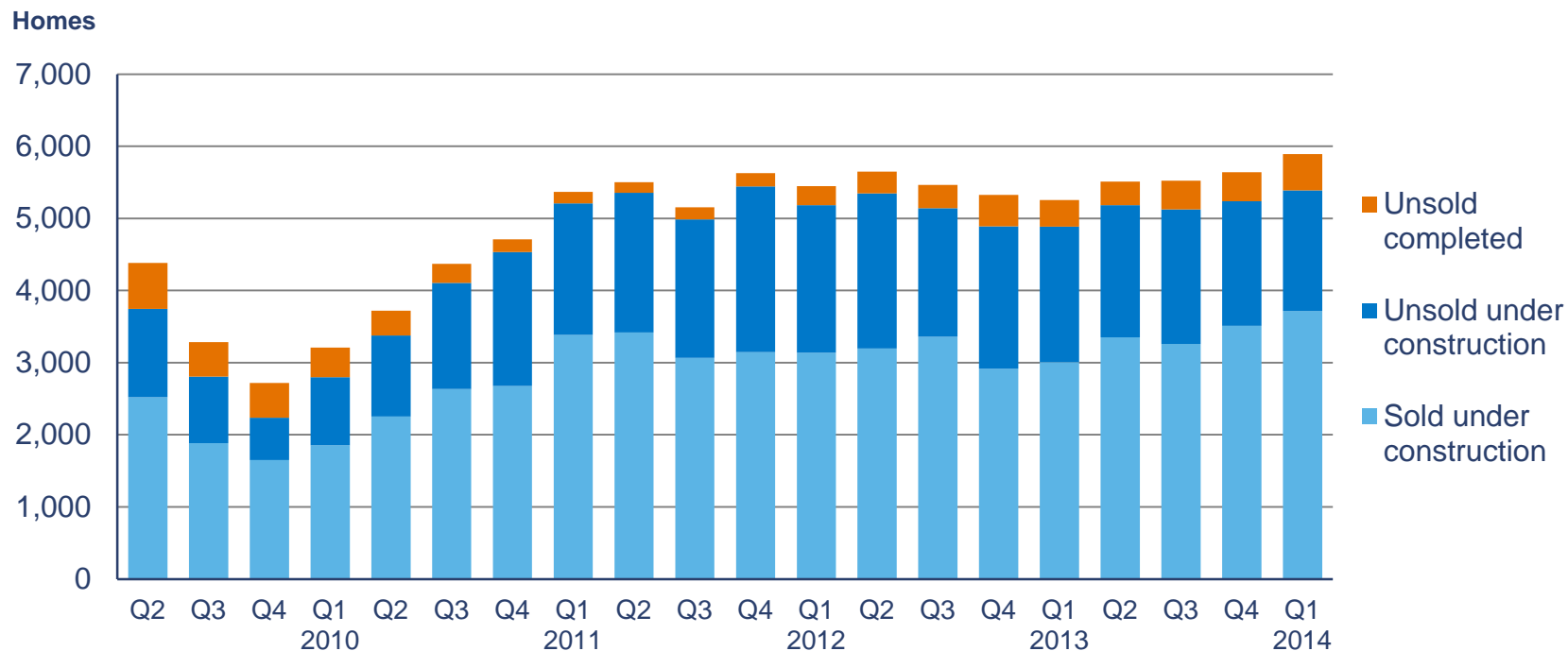
Homes started and sold, R-12



Homes started			Homes sold		
Jan–Mar 2014	Jan–Mar 2013	Jan–Dec 2013	Jan–Mar 2014	Jan–Mar 2013	Jan–Dec 2013
809	800	3,118	765	964	3,391

Residential Development

Homes in production



Homes in production		Of which sold, %		Unsold completed homes	
Mar 31, 2014	Mar 31, 2013	Mar 31, 2014	Mar 31, 2013	Mar 31, 2014	Mar 31, 2013
5,389	4,888	69	62	502	367

Commercial Property Development

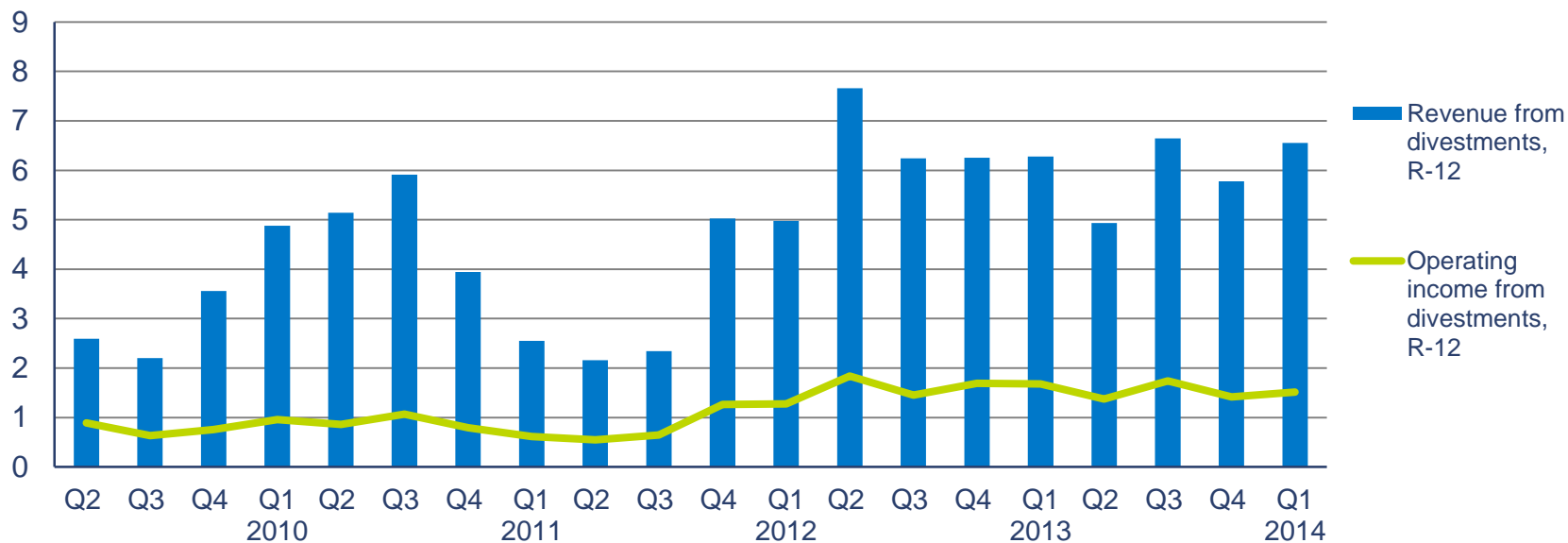
Income statement, segment reporting

SEK M	Jan–Mar 2014	Jan–Mar 2013	Jan–Dec 2013
Revenue	1,063	271	6,206
Gross income	215	91	1,547
Selling and administrative expenses	-126	-128	-495
Income from joint ventures and associated companies	2	7	16
Operating income	91	-30	1,068
of which gain from divestments of properties ¹	135	35	1,415
of which write downs/reversal of write downs	–	–	-13
1 Additional gain included in eliminations	24	4	112

Development gain only, construction margin reported under Construction

Commercial Property Development Divestments

SEK bn



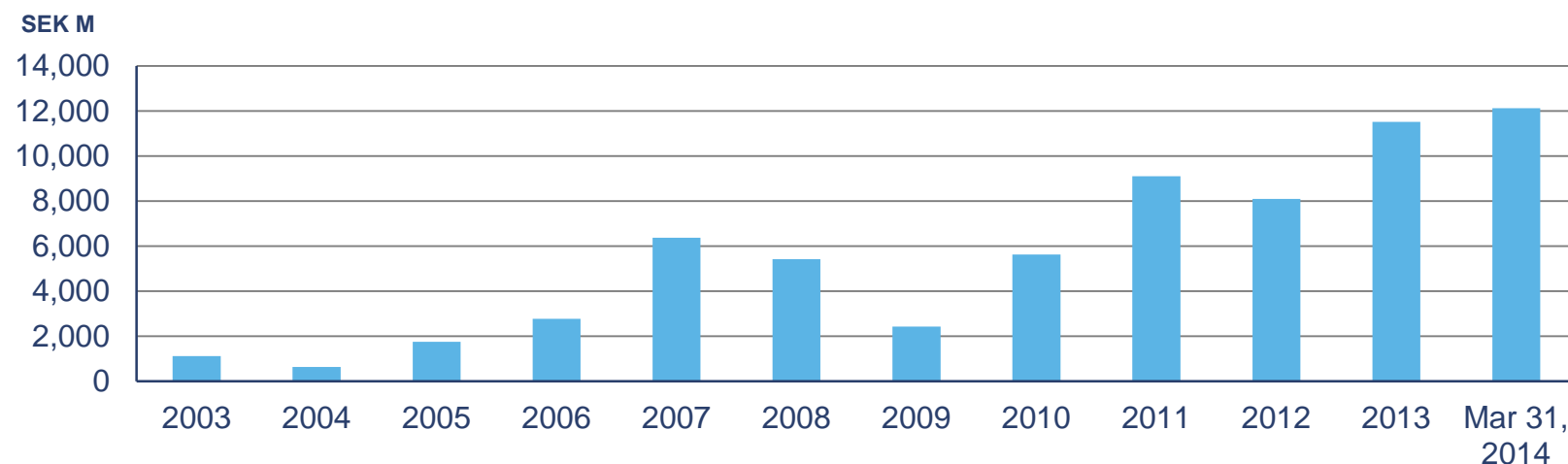
Sale of commercial properties

SEK M	Sales price	Capital gain
Year-to-date	929	135

Commercial Property Development

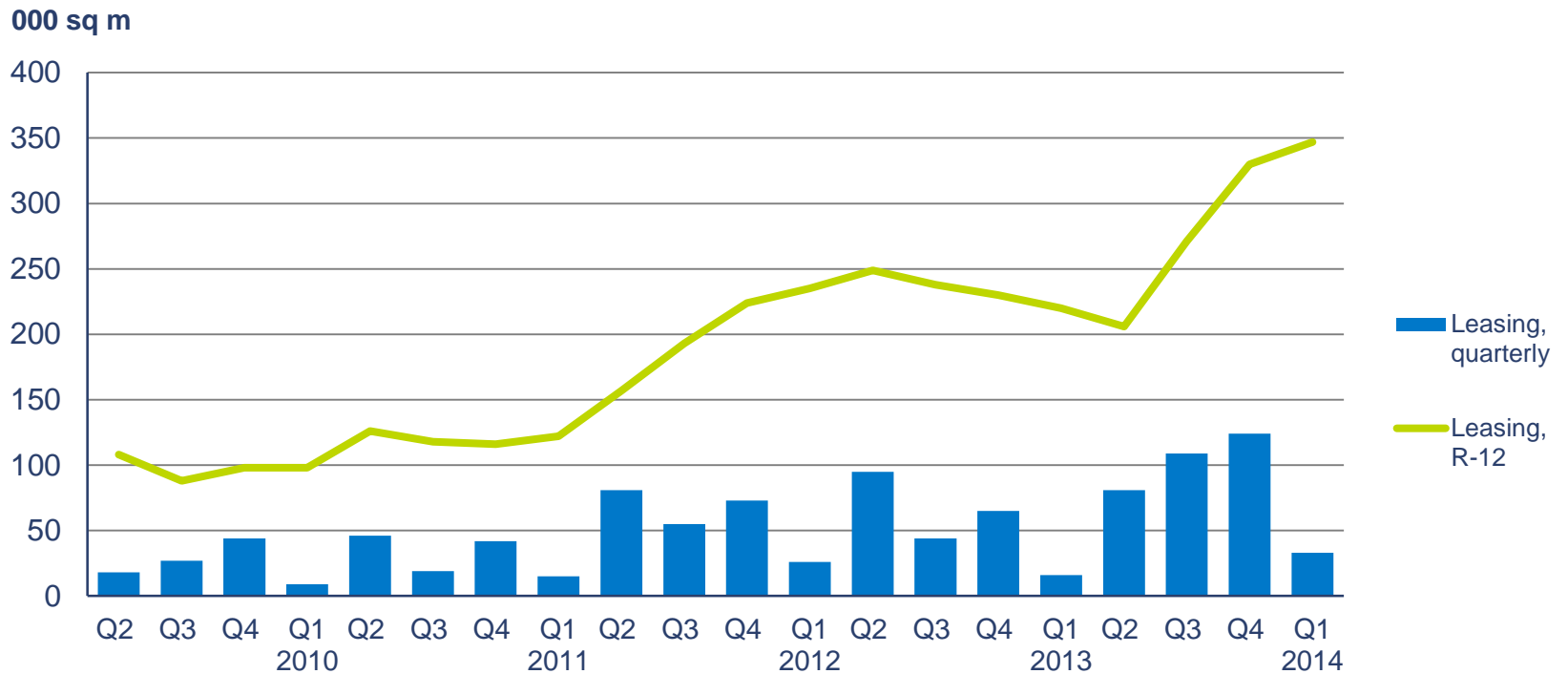
Carrying amounts and market values

Ongoing projects, carrying amount upon completion



SEK bn	Carrying amount, end of period	Carrying amount, upon completion	Market value	Occupancy rate, %	Degree of completion, %
Completed projects	2.7	2.7	3.4	84	100
Undeveloped land and development properties	5.1	5.1	5.8		
Ongoing projects	5.9	12.1	15.1	61	50
Total	13.7	19.9	24.3		
of which ongoing projects sold according to segment reporting	0.9	1.6	2.1		

Commercial Property Development Leasing



New leases of space were signed for 33,000 sq m in Q1

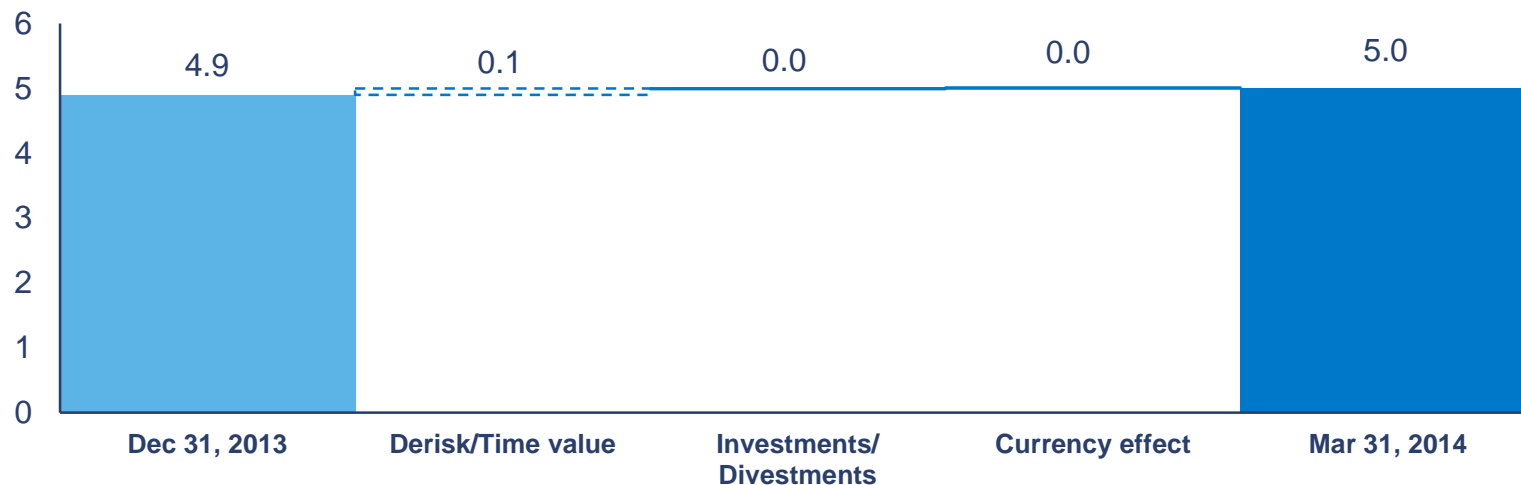
Infrastructure Development

Income statement

SEK M	Jan–Mar 2014	Jan–Mar 2013	Jan–Dec 2013
Revenue	17	29	87
Gross income	-37	-33	-111
Selling and administrative expenses	-35	-31	-134
Income from joint ventures	171	119	646
Operating income	99	55	401
of which gains from divestments of shares in projects	–	–	118

Infrastructure Development Project portfolio

Net present value of projects, SEK bn



SEK bn	Mar 31, 2014	Dec 31, 2013
Present value of cash flow from projects	5.8	5.7
Net present value of projects	5.0	4.9
Carrying amount	-3.3	-3.1
Unrealized development gain	1.7	1.8
Cash flow hedge	1.1	1.0
Effect in unrealized Equity	2.8	2.8

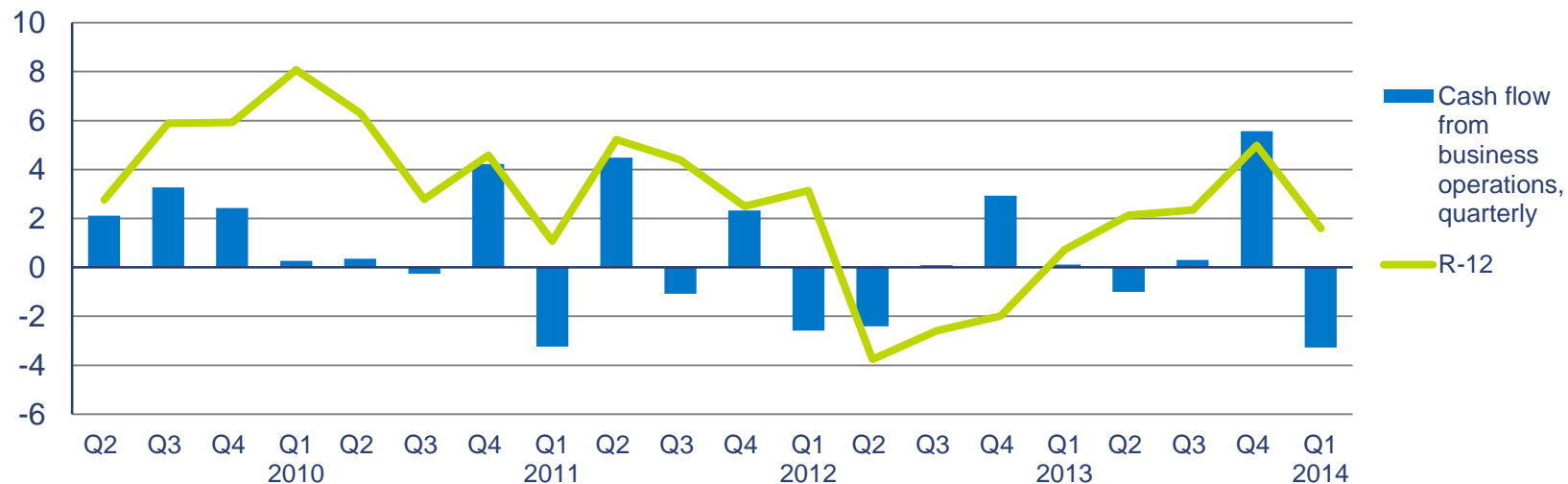
Group

Income statement

SEK M	Jan–Mar 2014	Jan–Mar 2013	Jan–Dec 2013
Operating income from business streams	873	696	5,875
Central	-181	-168	-685
Eliminations	-36	-9	-46
Operating income	656	519	5,144
Net financial items	-62	-73	-241
Income after financial items	594	446	4,903
Taxes	-149	-108	-1,430
Profit for the period	445	338	3,473
Earnings per share, SEK	1.08	0.82	8.43
Tax rate, %	25	24	29

Group Cash flow

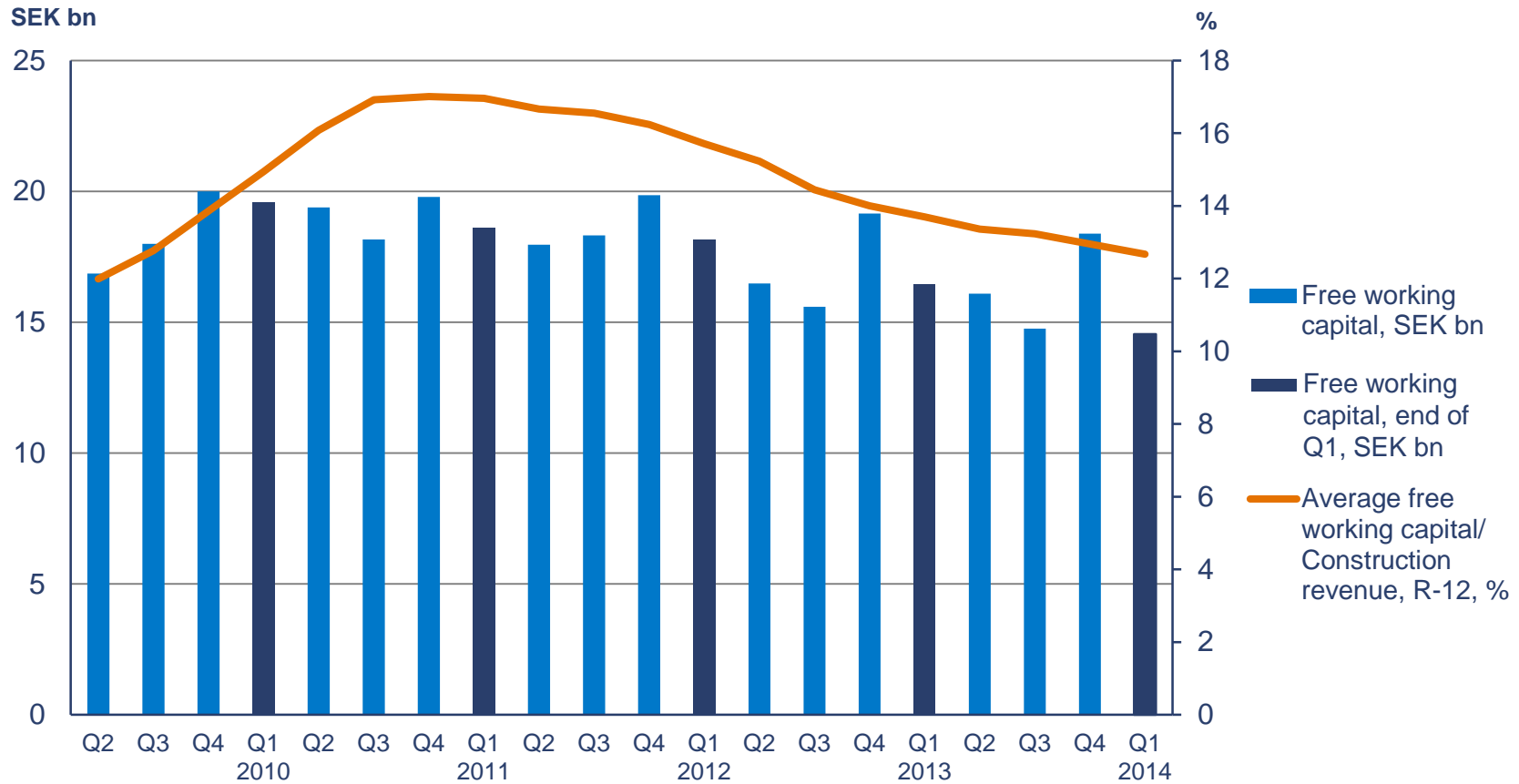
SEK bn



SEK bn	Jan–Mar 2014	Jan–Mar 2013	Jan–Dec 2013
Cash flow from operations	-3.3	0.1	5.0
Net strategic investments	0.1	–	-0.2
Dividend etc.	-0.1	-0.1	-2.8
Cash flow before change in interest-bearing receivables and liabilities	-3.3	0.1	2.0

Construction

Free working capital



Group Financial position

Operating net financial assets/liabilities, SEK bn



SEK bn	Mar 31, 2014	Mar 31, 2013	Dec 31, 2013
Total assets	84.5	85.2	87.7
Equity attributable to equity holders	21.3	20.4	21.4
Interest-bearing net receivables (+)/net debt (-)	-2.6	-1.3	1.0
Operating net financial assets/liabilities	3.3	5.0	6.7
Capital employed, closing balance	35.6	35.7	35.4
Equity/assets ratio, %	25.2	23.9	24.4

Group

Change in financial position

SEK bn	Jan–Mar 2014	Jan–Mar 2013	Jan–Dec 2013
Opening balance interest-bearing net receivables	1.0	-2.0	-2.0
Cash flow before change in interest-bearing receivables and liabilities	-3.3	0.1	2.0
Change in pension liability	-0.3	0.7	0.6
Other changes	0.0	0.0	0.4
Change in interest-bearing net receivables	-3.6	0.8	3.0
Closing balance interest-bearing net receivables/net debt	-2.6	-1.3	1.0
Pension liability, net	3.1	3.1	2.9
Interest-bearing debt co-ops	2.9	3.2	2.8
Operating net financial assets/liabilities	3.3	5.0	6.7

Group

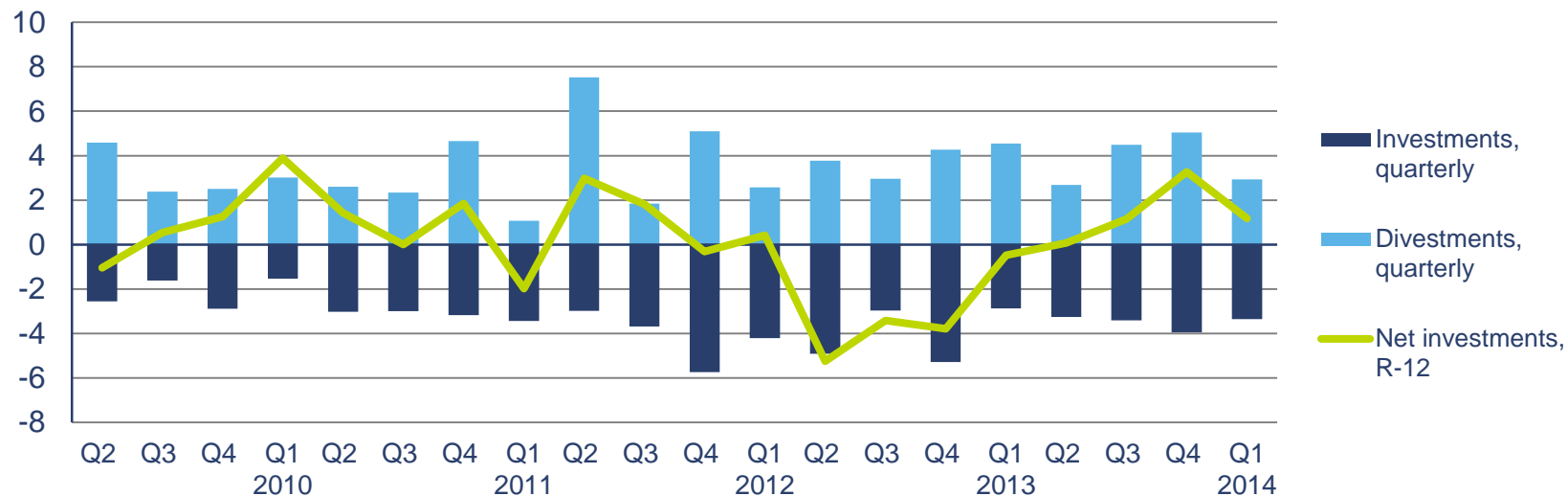
Change in equity

SEK bn	Jan–Mar 2014	Jan–Mar 2013	Jan–Dec 2013
Opening balance	21.4	19.4	19.4
Dividend to shareholders	–	–	-2.5
Other changes in equity not included in total comprehensive income for the year	-0.1	0.0	0.0
Profit for the period	0.4	1.0	3.8
Other comprehensive income			
Translation differences	-0.0	-0.5	-0.4
Effects of remeasurements of pensions	-0.2	0.6	0.5
Effects of cash flow hedges	-0.2	-0.1	0.5
Closing balance	21.3	20.4	21.4

Group

Investments and capital employed

SEK bn



SEK bn	Jan-Mar 2014	Jan-Mar 2013	Jan-Dec 2013
Capital employed in:			
Residential Development	11.3	10.7	10.8
Commercial Property Development	13.4	13.0	13.5
Infrastructure Development	2.0	1.1	2.0
Total in Development Streams	26.8	24.8	26.3

Market outlook

Construction

- Overall market improving
 - ➡ - Nordic countries
 - Commercial building market improving in Sweden
 - Civil market stable. Norway strong, Sweden stable, Finland weaker
 - ➡ - Other European countries
 - Civil construction improving in the UK and Poland
 - Commercial building market improving in Poland
 - Czech Republic market remains weak
 - ➡ - The Americas
 - The U.S. continues to be a good market, but with fierce competition
 - Latin American market remains weak



Florida Polytechnic University, Lakeland, U.S.

Market outlook

Residential Development

- ➔ – Nordic countries
 - Sweden improving
 - Norway weaker but stabilizing
 - Finland remains weak
- ➔ – Other European countries
 - Poland relatively stable
 - Czech Republic stabilized at a low level



Fredriksdal, Stockholm, Sweden

Market outlook

Commercial Property Development

- General
 - Tenants: Stable vacancy rates
 - Investors: Demand for green properties with stable tenants, valuations attractive
-  - Nordic countries
 - High interest from domestic investors and tenants in Sweden
-  - Other European countries
 - Higher demand in Poland
-  - Vacancy rates continue to decline in our U.S. markets



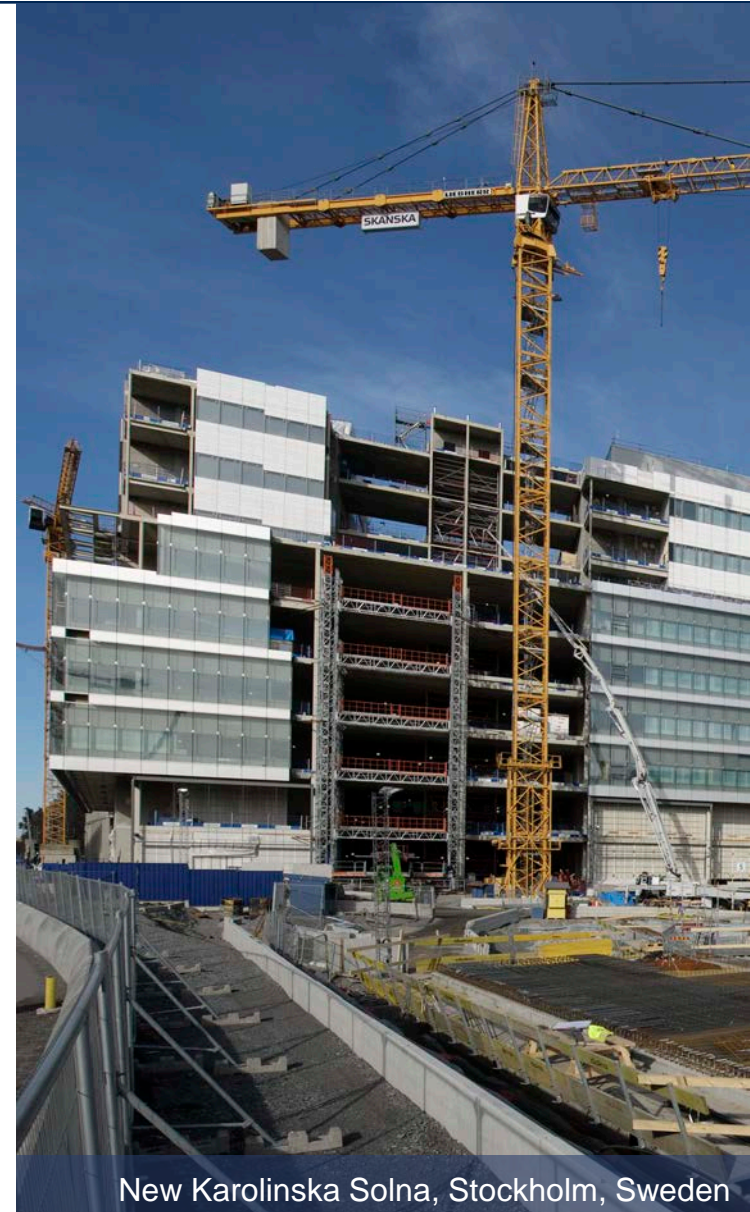
Stone34, Seattle, U.S.

Market outlook

Infrastructure Development



- All countries
 - The potential for PPPs in the U.S. continues to improve, but competition is fierce
 - Thin pipeline in Europe



New Karolinska Solna, Stockholm, Sweden

