

Year-end Report 2010

January–December 2010 in brief

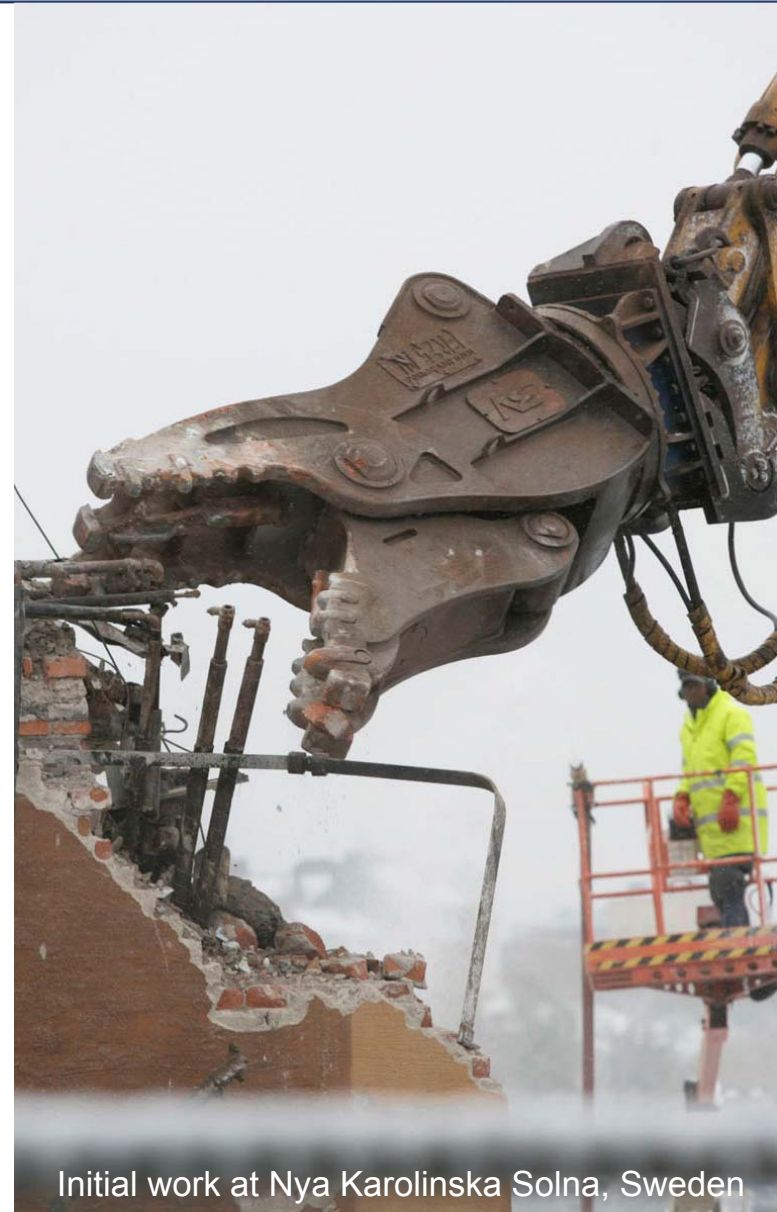
- Operating income of SEK 5.3 bn (5.2)
 - Gains from divestment of properties SEK 0.9 bn (0.8)
 - Gains from divestment of ID assets SEK 0.2 bn (0.0)
- Operating cash flow amounted to SEK 6.3 bn (7.2)
- Interest-bearing net receivables amounted to SEK 9.9 bn (8.1)
- Revenue in Construction SEK 113.2 bn (130.4)
 - Down 9% in local currencies
- Operating margin in Construction improved to 3.9% (3.7%)
- Order bookings increased by 2% to SEK 131.4 bn (128.8)
 - Up 6% in local currencies
- Backlog of SEK 147.1 bn represents 16 (13) months of construction
- Agreement regarding sale of Autopista Central signed

Dividend

- Proposed dividend
 - Regular SEK 5.75 (5.25) per share
 - Extra SEK 6.25 (1.00) per share
- The extra dividend is conditioned upon the sale of the Autopista Central concession having been completed and the full sale price having been paid
- Dividend policy: 40–70 percent of the net profit

Construction

- Record margins
 - Many projects in the end of the project cycle
 - Variation between markets
- Increased revenue in Q4
- 2010 Book-to-build 116%



Initial work at Nya Karolinska Solna, Sweden

Residential Development

- Operating margin 7.4%
(neg)
- 4,113 (810) homes started
- 3,176 (2,392) homes sold
- Stable prices
- Entered the U.K. market



First land acquisition in U.K.

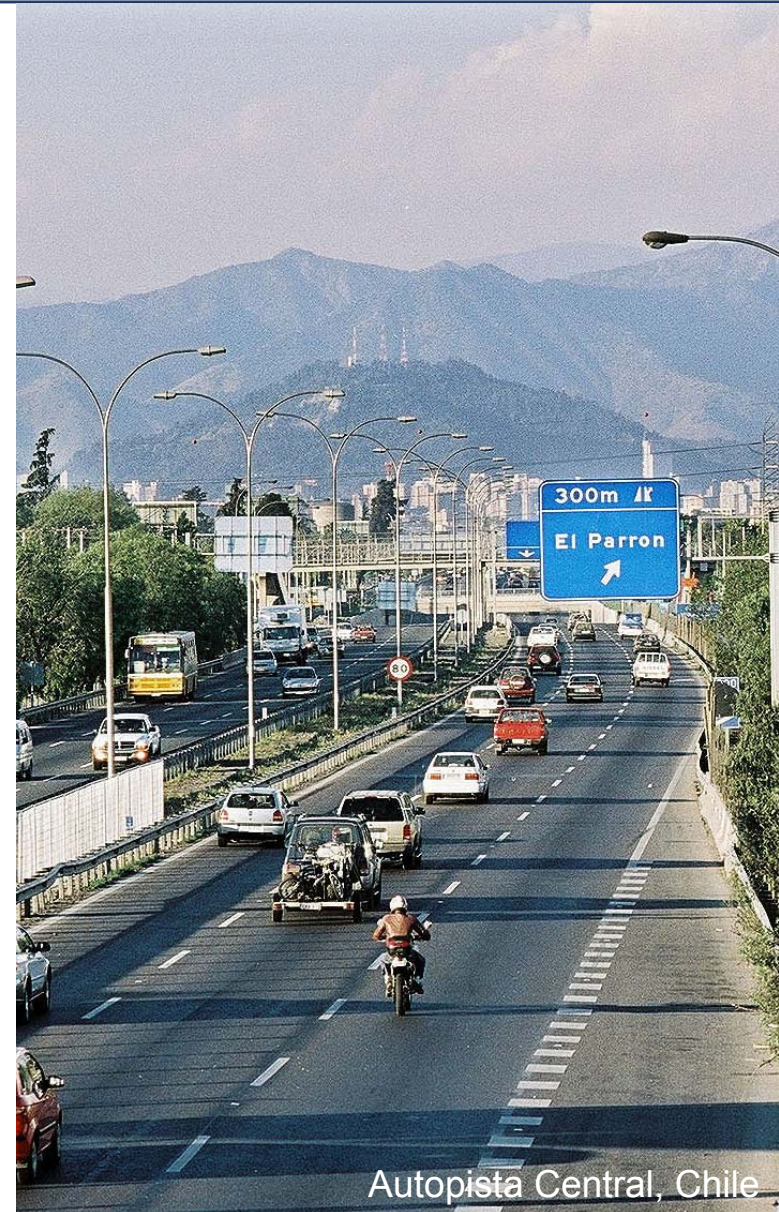
Commercial Property Development

- Strong interest from investors
- 14 new projects started in 2010 with an investment value of SEK 4.7 bn
- 116,000 sq. m of new leases
- Land investments in 2010
 - 220,000 sq. m building rights
 - SEK 0.8 bn
 - Nordics, Central Europe and U.S.



Infrastructure Development

- Financial Close
 - NKS, Sweden
 - Essex Schools, U.K.
 - Antofagasta highway, Chile
- Divestments
 - Bexley, U.K.
 - E 39, Norway
- Autopista Central, Chile
 - Sales agreement signed



Autopista Central, Chile

Construction revenue from Development units

<u>New orders 2010</u>	SEK bn
Residential Development	4.5
Commercial Property Development	2.8
<u>Infrastructure Development</u>	17.1
Total	24.4

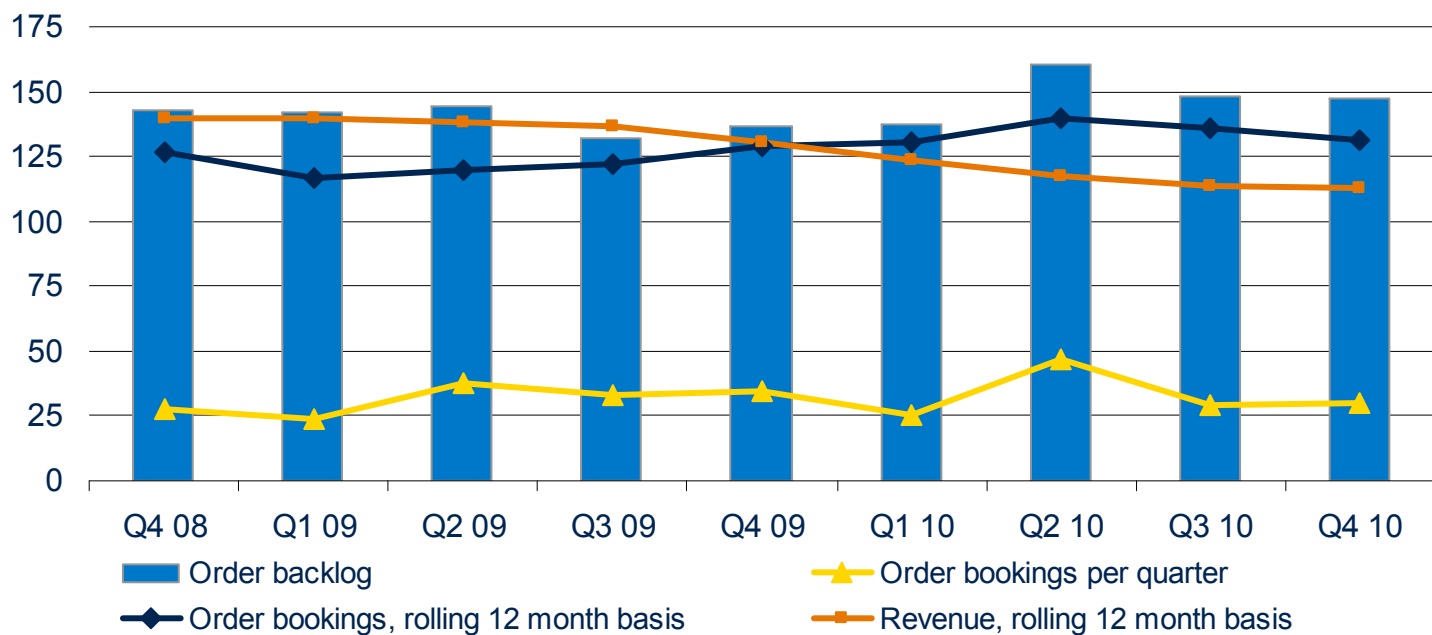
Revenue in Construction in 2010 from Development units SEK 10.1 bn



Construction

Order situation

SEK bn	Jan–Dec 2010	Jan–Dec 2009	Oct–Dec 2010	Oct–Dec 2009
Revenue	113.2	130.4	30.9	31.6
Order bookings	131.4	128.8	30.1	34.2
Order backlog	147.1	136.5		
Book-to-build ratio	116%	99%		



Construction

Order bookings

SEK bn	Jan–Dec 2010	Jan–Dec 2009	Change in local currency	Book- to-build, R-12
Sweden	40.5	21.8	86%	174%
Norway	13.0	11.3	17%	115%
Finland	8.7	6.3	54%	126%
Poland	6.8	14.0	-50%	76%
Czech Republic	6.7	9.0	-19%	79%
UK	15.0	20.2	-21%	105%
USA Building	25.6	29.8	-9%	112%
USA Civil	7.1	11.9	-36%	62%
Latin America	8.0	4.7	82%	140%
Total	131.4	128.8	6%	116%

Construction

Income statement

SEK bn	Jan–Dec 2010	Jan–Dec 2009	Oct–Dec 2010	Oct–Dec 2009
Revenue	113.2	130.4	30.9	31.7
Gross income	10.1	11.2	2.9	2.8
Selling and administrative expenses	-5.8	-6.3	-1.6	-1.6
Operating income	4.4	4.9	1.3	1.2
Gross margin, %	9.0	8.6	9.4	8.8
Selling and admin. expenses, %	-5.1	-4.8	-5.2	-5.1
Operating margin, %	3.9	3.7	4.2	3.8

Construction

	Operating income SEK M		Operating margin %	
	Jan–Dec 2010	Jan–Dec 2009	Jan–Dec 2010	Jan–Dec 2009
Sweden	1,225	970	5.3	3.9
Norway	182	455	1.6	4.0
Finland	-79	232	neg	3.2
Poland	593	338	6.6	4.6
Czech Republic	397	524	4.6	4.5
UK	425	464	3.0	2.5
USA Building	418	511	1.8	1.7
USA Civil	944	1,128	8.2	8.6
Latin America	284	248	5.0	4.1
Total	4,389	4,870	3.9	3.7

Residential Development

Income statement, segment reporting

SEK M	Jan–Dec 2010	Jan–Dec 2009	Oct–Dec 2010	Oct–Dec 2009
Revenue	7,581	6,544	2,431	1,965
Gross income	1,095	578	310	267
Selling and administrative expenses	-589	-590	-185	-184
Income from joint ventures and associated companies	53	-4	-3	3
Operating income	559	-16	122	86
Gross margin, %	14.4	8.8	12.8	13.6
S & A, %	7.8	9.0	7.6	9.4
Operating margin, %	7.4	neg.	5.0	4.4

Residential Development

Segment reporting

	Operating income SEK M		Operating margin %	
	Jan–Dec 2010	Jan–Dec 2009	Jan–Dec 2010	Jan–Dec 2009
Sweden	293	58	8.9	1.8
Norway	51	-13	3.6	neg
Denmark	—	-38	—	neg
Finland	169	-18	7.1	neg
Nordics	513	-11	7.3	neg
Czech Republic	46	-5	9.0	neg
Total	559	-16	7.4	neg

Development gain only, construction margin reported under Construction

Residential Development

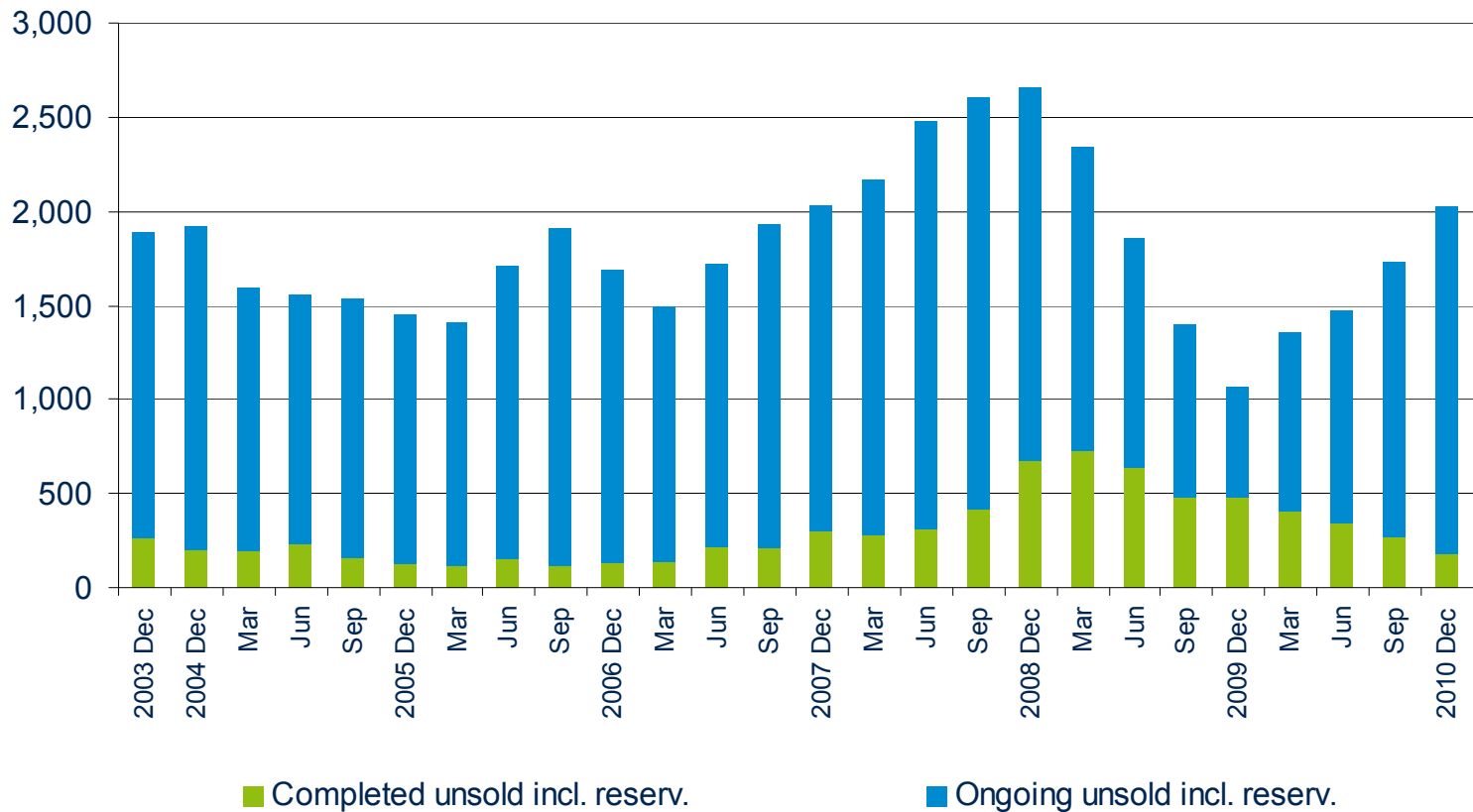
	Homes under construction		Of which sold, %		Completed unsold homes	
	Q4, 2010	Q3, 2010	Q4, 2010	Q3, 2010	Q4, 2010	Q3, 2010
Sweden	1,945	2,004	58	66	34	30
Norway	516	395	71	70	4	1
Finland incl. Estonia	1,532	1,167	60	69	39	61
Nordics	3,993	3,566	60	67	77	92
Czech Republic	541	541	51	45	100	170
Total	4,534	4,107	59	64	177	262

Residential Development

	Homes started				Homes sold			
	Jan-Dec 2010	Jan-Dec 2009	Oct-Dec 2010	Oct-Dec 2009	Jan-Dec 2010	Jan-Dec 2009	Oct-Dec 2010	Oct-Dec 2009
Sweden	1,681	518	503	156	1,227	1,144	367	237
Norway	461	143	192	137	396	209	158	71
Finland incl. Estonia	1,556	28	530	28	1,138	770	300	220
Nordics	3,698	689	1,225	321	2,761	2,123	825	528
Czech Republic	415	121	0	0	415	269	101	66
Total	4,113	810	1,225	321	3,176	2,392	926	594

Residential Development

Number of unsold homes



Commercial Property Development

Income statement, segment reporting

SEK M	Jan–Dec 2010	Jan–Dec 2009	Oct–Dec 2010	Oct–Dec 2009
Revenue	4,648	4,546	496	2,475
Gross income	1,277	1,114	229	489
Selling and administrative expenses	-355	-334	-105	-101
Income from J/V and assoc. companies	-2	0	-1	4
Operating income	920	780	123	392
of which gain from divestments of properties ¹	791	754	93	370
of which writedowns/reversal of writedowns	18	-79	22	-57
¹ Additional gain included in eliminations was	80	88	-9	48

Development gain only, construction margin reported under Construction

Commercial Property Development

Sale of commercial properties

SEK M	Sales price	Capital gain
Q1	1,574	234
Q2	796	203
Q3	1,252	350
Q4	320	84
Total	3,942	871

- Earlier eliminated construction profits, SEK 80 M included
- Divestments in Q4
 - Boklunden, Burlöv, Sweden
 - Löten, Uppsala, Sweden

Commercial Property Development

Specification of projects

SEK bn	Carrying amount, end of period	Carrying amount, upon completion	Market value	Occupancy rate, %	Degree of completion, %
Completed projects	4.8	4.8	6.4	89	100
Completed projects 2010	0.2	0.2	0.2	100	100
Total completed projects	5.0	5.0	6.6		
Undeveloped land and development properties	3.0	3.0	3.5		
Subtotal	8.0	8.0	10.1		
Ongoing projects	2.0	5.6	7.0	32	36
Total	10.0	13.6	17.1		
of which ongoing projects sold according to segment reporting	53	73	90		

- New leases were signed for 116,000 sq. m in 2010 and 39,000 sq. m of space in Q4

Infrastructure Development

Income statement

SEK M	Jan–Dec 2010	Jan–Dec 2009	Oct–Dec 2010	Oct–Dec 2009
Revenue	319	151	84	37
Gross income	-101	-59	-35	-34
Selling and administrative expenses	-138	-155	-38	-33
Income from joint ventures and associated companies	536	401	89	153
Operating income (EBIT)	297	187	16	86
of which gains from divestments of shares in projects	192	0	8	0
Capital employed, SEK bn	2.7	1.9		

Infrastructure Development

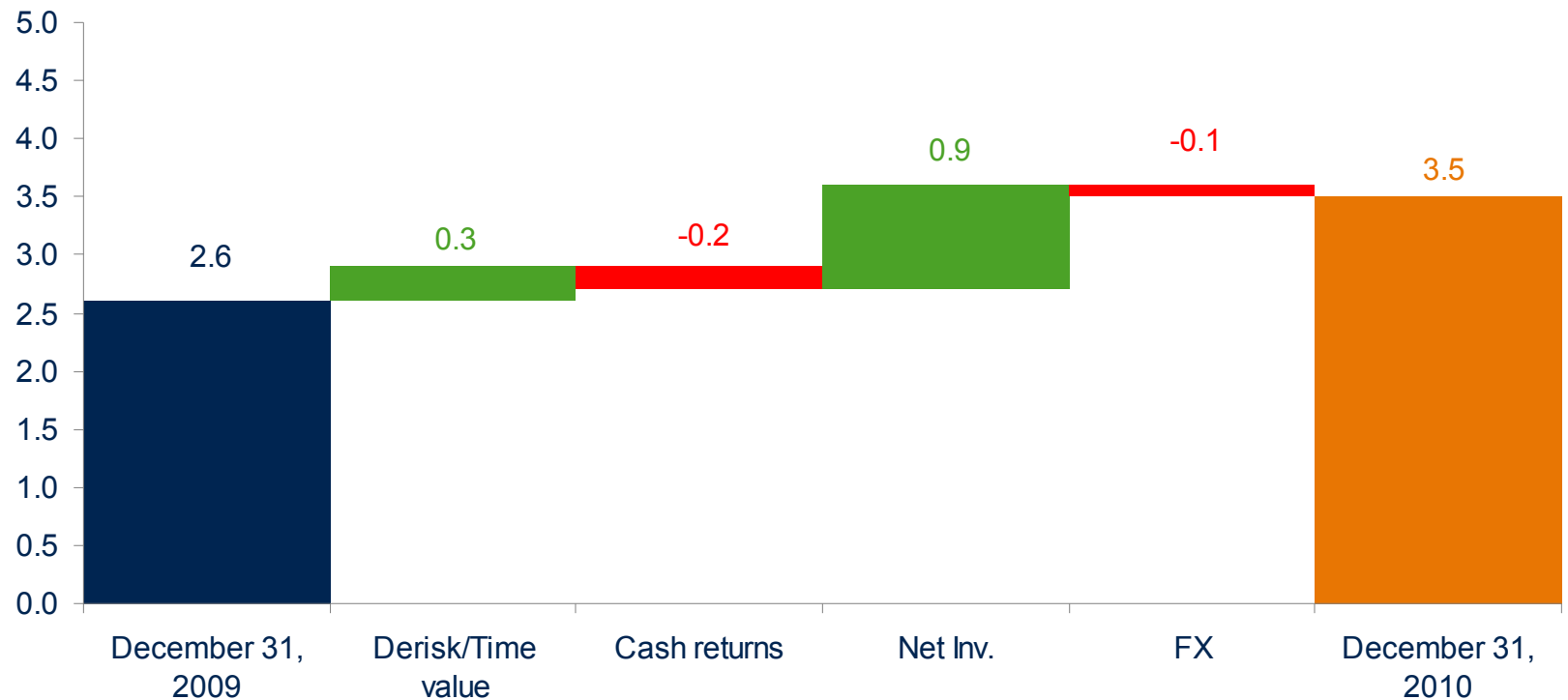
Unrealized development gains, ID projects

SEK bn	Dec 31 2010 ¹	Sep 30 2010	Dec 31 2009
Present value of cash flow from projects	4.6	11.6	11.5
Present value of remaining investments	-1.1	-1.1	-1.0
Net present value of projects	3.5	10.5	10.5
Carrying amount	-1.7	-2.0	-2.1
Unrealized development gain, Skanska ID	1.8	8.5	8.4

¹Autopista Central excluded

Infrastructure Development

Net Present Value of ID projects excl. Autopista Central, SEK bn



Autopista Central

- Agreement signed Dec 28
- Closing, latest in Q3 2011
- Latest (Sep 30) unrealized development gain included in ID portfolio, SEK 6.5 bn
- Estimated tax ~ 20%
- Estimated income after taxes, SEK 5 bn



Group

Income statement, segment reporting

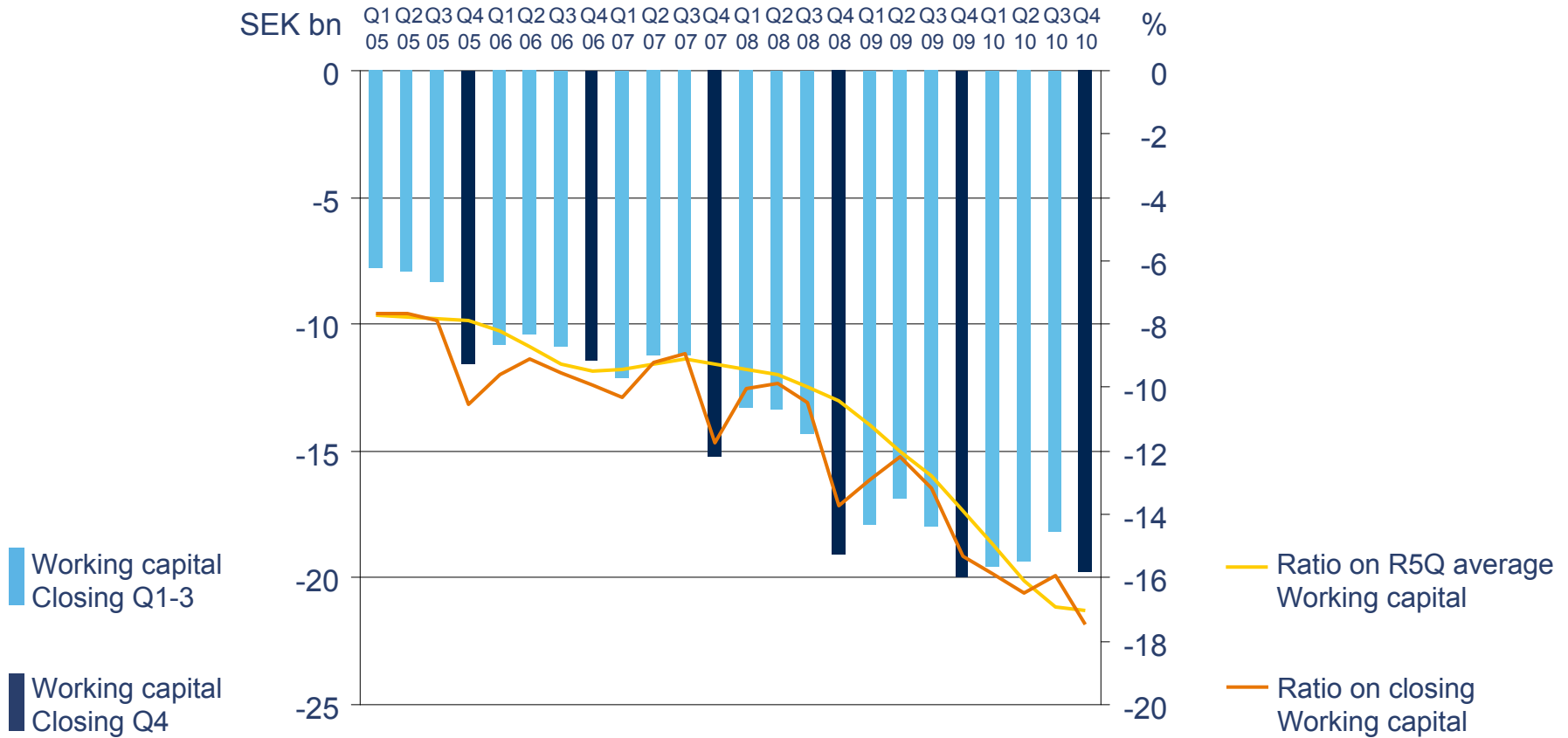
SEK M	Jan–Dec 2010	Jan–Dec 2009	Oct–Dec 2010	Oct–Dec 2009
Operating income from business streams	6,164	5,883	1,549	1,756
Central	-792	-680	-257	-239
Eliminations	-33	31	-23	31
Operating income	5,339	5,172	1,269	1,548
Net financial items	-35	-233	-19	-52
Income after financial items	5,304	4,939	1,250	1,496
Taxes	-1,364	-1,344	-270	-447
Profit for the period	3,940	3,595	980	1,049
Earnings per share, SEK	9.54	8.65	2.37	2.54
<i>Tax rate, %</i>	26	27	22	30

Balance sheet – summary

Group

SEK bn	Dec 31 2010	Dec 31 2009
Total assets	77.7	83.8
Equity attributable to equity holders	20.7	20.0
Interest-bearing net receivables (+)/net debt (-)	9.9	8.1
Capital employed, closing balance	25.7	27.8
Equity/assets ratio, %	26.8	24.1

Working capital ratio for Construction



Group

Changes in equity

SEK bn	Jan–Dec 2010	Jan–Dec 2009	Oct–Dec 2010	Oct–Dec 2009
Opening balance	20.2	18.6	18.0	19.0
Dividend to shareholders	-2.6	-2.2	0	0
Effects of equity-settled share-based payments	0.2	0.1	0	0
Repurchase of shares	-0.3	-0.4	0	-0.1
Profit for the period (IFRS)	4.0	4.2	1.3	0.9
Other comprehensive income	-0.7	-0.1	1.5	0.4
Closing balance	20.8	20.2	20.8	20.2

Group

Operating cash flow

SEK bn	Jan–Dec 2010	Jan–Dec 2009	Oct–Dec 2010	Oct–Dec 2009
Cash flow from business operations before change in working capital	4.5	5.6	1.2	1.5
Change in working capital	0.0	0.4	1.9	1.1
Net investments	1.9	1.3	1.5	-0.4
Cash flow adjustment	-0.1	0.0	0.0	0.3
Taxes paid in business operations	-1.7	-1.1	-0.3	0.0
Cash flow from business operations	4.6	6.2	4.3	2.5
Cash flow from financing operations	0.0	-0.4	0.0	0.0
Dividend ¹	-2.9	-2.5	-0.1	-0.2
Cash flow before change in interest- bearing receivables and liabilities	1.7	3.3	4.2	2.3

¹Of which repurchases of shares

Group

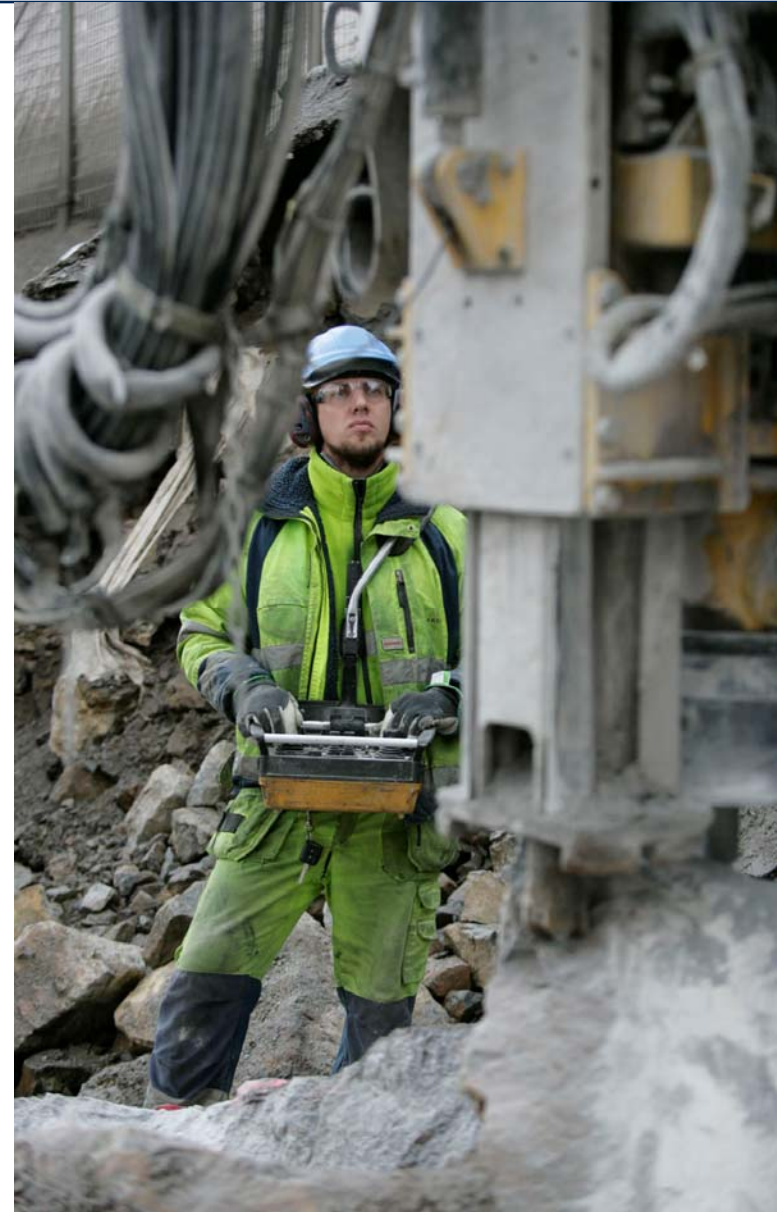
Change in interest-bearing net receivables

SEK bn	Jan–Dec 2010	Jan–Dec 2009	Oct–Dec 2010	Oct–Dec 2009
Opening balance interest-bearing net receivables	8.1	4.5	4.4	4.9
Cash flow	1.7	3.3	4.2	2.3
Translation differences	-0.7	-0.5	-0.1	0.1
Change in pension liability	0.8	0.7	1.4	0.6
Other changes	0.0	0.1	0.0	0.2
Change in interest-bearing net receivables	1.8	3.6	5.5	3.2
Closing balance interest-bearing net receivables	9.9	8.1	9.9	8.1

Market outlook

Construction

- Positive outlook
 - Nordics
- Stable outlook
 - Larger civil projects
 - Healthcare buildings
- Weak outlook
 - Czech Republic
- Mixed picture
 - U.S.
 - U.K.
 - Poland



Market outlook

Residential Development

- All Nordics
 - Stable and good market
- Czech Republic
 - Continues to improve
- U.K.
 - Weak market
 - Opportunities for land investments



Ulfstorp, Sweden

Market outlook

Commercial Property Development

- Nordics and Central Europe
 - Strong interest from investors
 - Falling yield levels
 - Stable vacancy rates
- U.S.
 - Potential in selected cities



City Green Court, Prague, Czech Republic

Market outlook

Infrastructure Development

- Uncertainty in U.K. PPP market
- Growing interest in PPP in other European markets
- Potential for PPP in U.S. and Latin America



Guildford, Surrey, U.K.

Going forward

- Mixed picture of the market situation
- Opportunities in the market
 - Use financial strength to win new projects
- Continue to increase activity in Development businesses
 - Investments in land
 - Start new projects



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