

**SKANSKA**

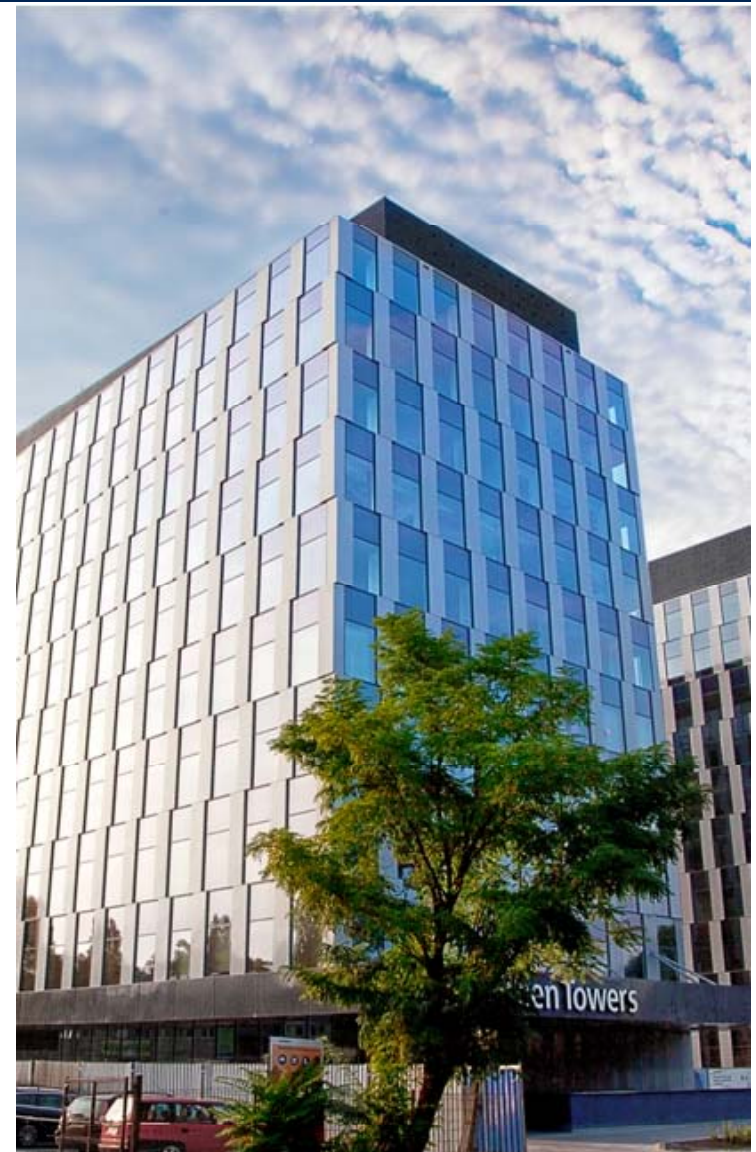
# Year-end report 2012



Hunts Library, North Carolina State University, U.S.

# Year-end report 2012

- Revenue growth in Construction
- Earnings in Construction at the same level as 2011 including write-downs in Latin America
- Construction Norway and Finland back on track
- Profitable divestments in CD and ID
- Strong cash flow in the last quarter
- Good outlook and strong position in the U.S.
- Unchanged dividend SEK 6.00 (6.00) per share



Green Towers, Wrocław, Poland

# Construction

- Revenue SEK 124.5 bn (115.0)
- Operating income in Construction SEK 3.5 bn (3.5)
- Project write-downs in Latin America of SEK 860 M
- Strong development of free working capital in Q4
- Order bookings SEK 120.1 bn (123.6),
- U.S. market strong



Norra Länken (The Northern Link), Stockholm

# New orders in Construction in Q4

SEK M

- Maintenance, U.K: 2,100  
(8,600 in total)
- Highway, U.K.: 1,680
- Building, U.S.: 1,400
- Hospital, U.S.: 1,000
- Transfer facility, U.S.: 990
- Shopping center, Finland: 960



M 25, UK

# Residential Development

- Revenue SEK 8.7 bn (8.6)
  - 3,060 (3,193) homes sold
  - 2,993 (3,630) homes started
- Operating income SEK -114 M (345)
  - Q4 SEK 128 M (87)
- Restructuring process of the Nordics
  - Organization in place
  - Enhanced efficiency of production and land bank



Park Ostrobramska, Poland

# Commercial Property Development

- Divestments of SEK 6.3 bn (5.0)
  - Divestments of SEK 3.0 bn in Q4
- Income from divestments SEK 1.7 bn (1.3)
- 13 project starts
  - 4 project starts in Q4
- 25 ongoing projects Jan 1, 2013
  - SEK 8.1 bn in investment value
  - 61% pre-leasing rate
- 230,000 sq. m leased in 2012
  - 65,000 sq. m in Q4



Green Corner, Warsaw, Poland

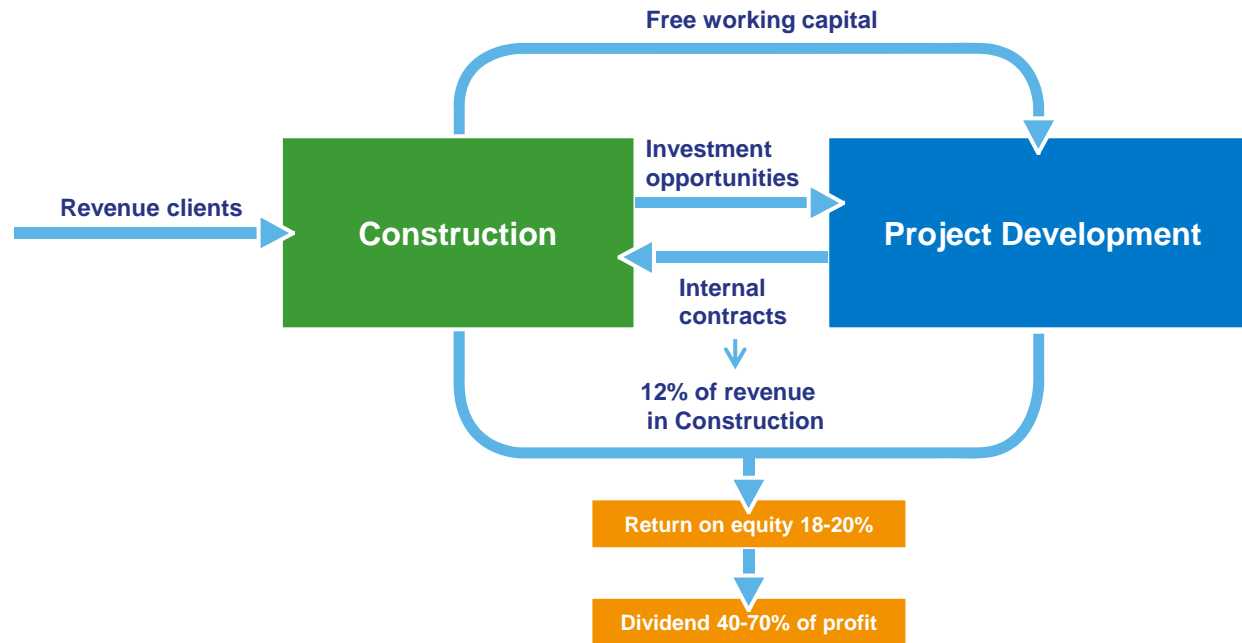
# Infrastructure Development

- Divestments of four hospitals and one highway
- Financial close
  - Midtown Tunnel, U.S.
  - Mullberg wind farm, Sweden
  - Woodlands school, U.K.



London Hospital, U.K.

# Synergies in Skanska's business model

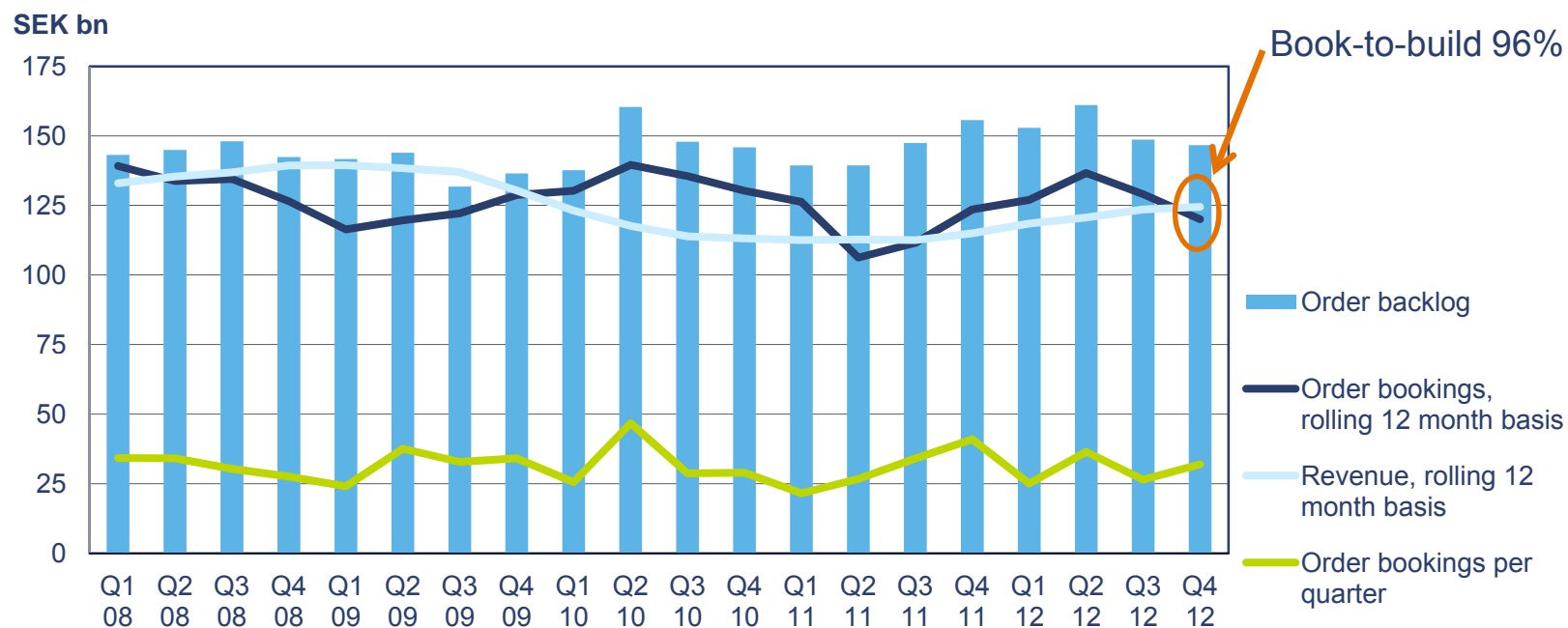


Internal revenue, SEK bn	Jan–Dec 2012	Jan–Dec 2011
Residential Development	4.5	4.4
Commercial Property Development	2.8	1.8
Infrastructure Development	7.6	8.6
<b>Total</b>	<b>14.9</b>	<b>14.8</b>



# Construction

## Order bookings and Order backlog



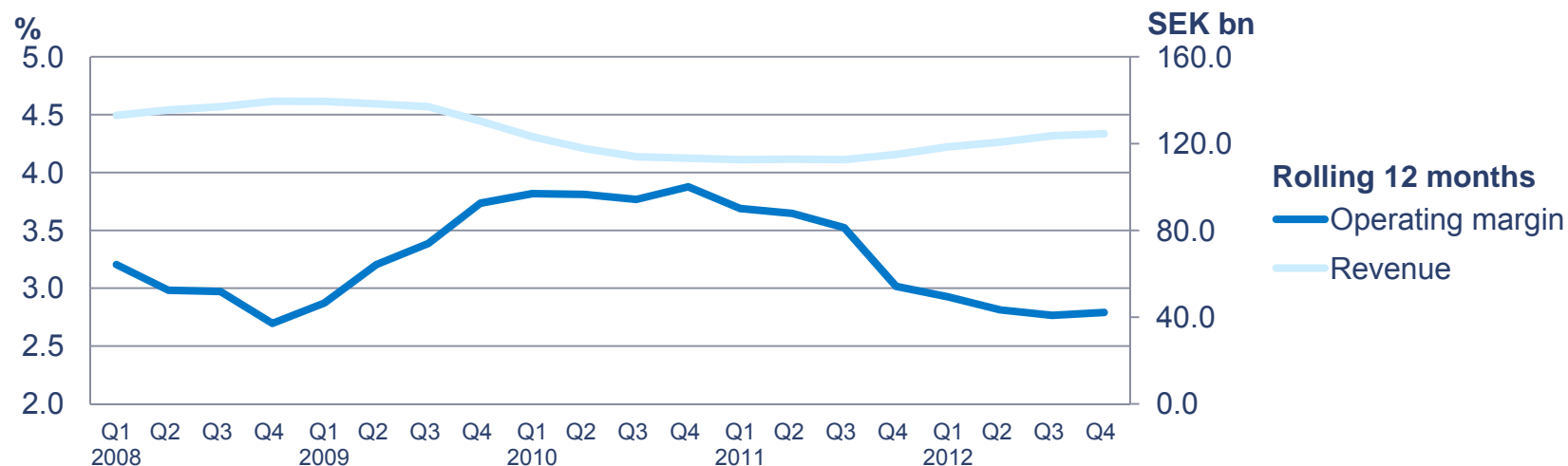
SEK bn	Jan–Dec 2012	Jan–Dec 2011
Revenue	124.5	115.0
Order bookings	120.1	123.6
Order backlog	146.7	155.7

# Construction

## Order bookings

SEK bn	Jan–Dec 2012	Jan–Dec 2011	Change in local currency, %	Book- to-build, R-12, %
Sweden	25.7	24.5	5	91
Norway	10.2	17.8	-43	72
Finland	6.6	8.4	-19	84
Poland	7.6	9.1	-13	85
Czech Republic	3.8	6.0	-33	68
UK	11.5	9.1	23	92
USA Building	28.0	25.9	3	105
USA Civil	17.7	13.1	29	142
Latin America	9.0	9.6	-9	110
<b>Total</b>	<b>120.1</b>	<b>123.6</b>	<b>-4</b>	<b>96</b>

# Construction Income statement



SEK bn	Jan–Dec 2012	Jan–Dec 2011
Revenue	124.5	115.0
<b>Gross income</b>	<b>9.6</b>	<b>9.3</b>
Selling and admin. expenses	-6.2	-5.9
<b>Operating income</b>	<b>3.5</b>	<b>3.5</b>
Gross margin, %	7.7	8.1
Selling and admin. expenses, %	-5.0	-5.1
Operating margin, %	2.8	3.0

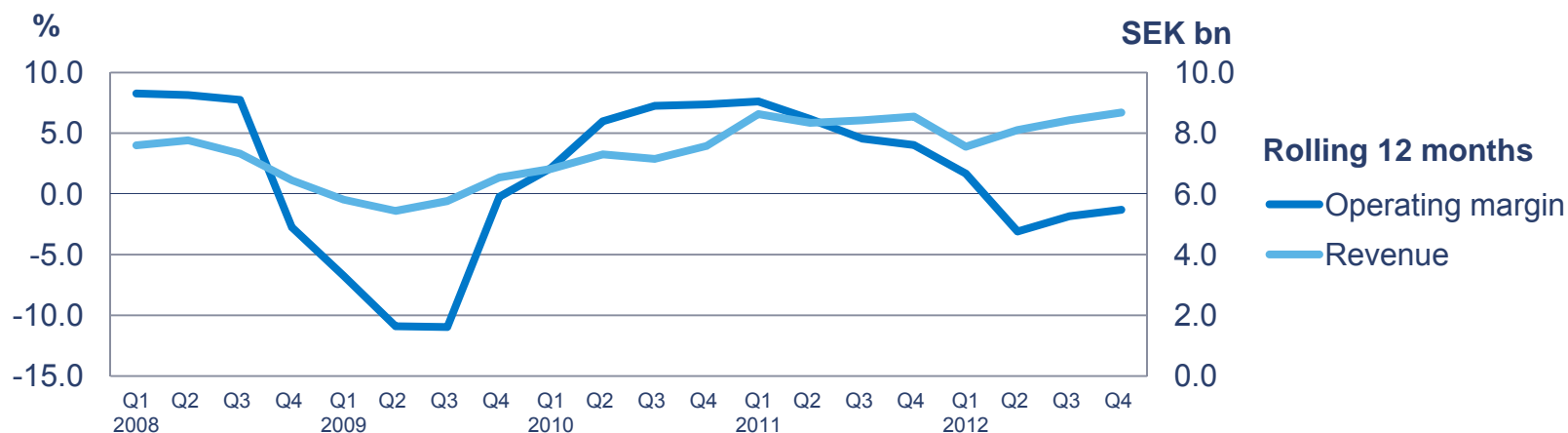
# Construction

## Income statement

	Operating income, SEK M		Operating margin, %	
	Jan–Dec 2012	Jan–Dec 2011	Jan–Dec 2012	Jan–Dec 2011
Sweden	1,155	1,287	4.1	4.8
Norway	161	-333	1.1	neg
Finland	131	-349	1.7	neg
Poland	418	937	4.7	9.1
Czech Republic	122	54	2.2	0.8
UK	457	421	3.7	3.3
USA Building	448	394	1.7	1.8
USA Civil	1,126	939	9.0	9.2
Latin America	-544	117	neg	1.9
<b>Total</b>	<b>3,474</b>	<b>3,467</b>	<b>2.8</b>	<b>3.0</b>

# Residential Development

## Income statement, segment reporting



SEK M	Jan–Dec 2012	Jan–Dec 2011
Revenue	8,682	8,550
<b>Gross income</b>	<b>706</b>	<b>1,030</b>
Selling and admin. expenses	-823	-680
Income from joint ventures	3	-5
<b>Operating income</b>	<b>-114</b>	<b>345</b>
Gross margin, %	8.1	12.0
Selling and admin. expenses, %	-9.5	-8.0
Operating margin, %	neg	4.0

# Residential Development

## Income statement

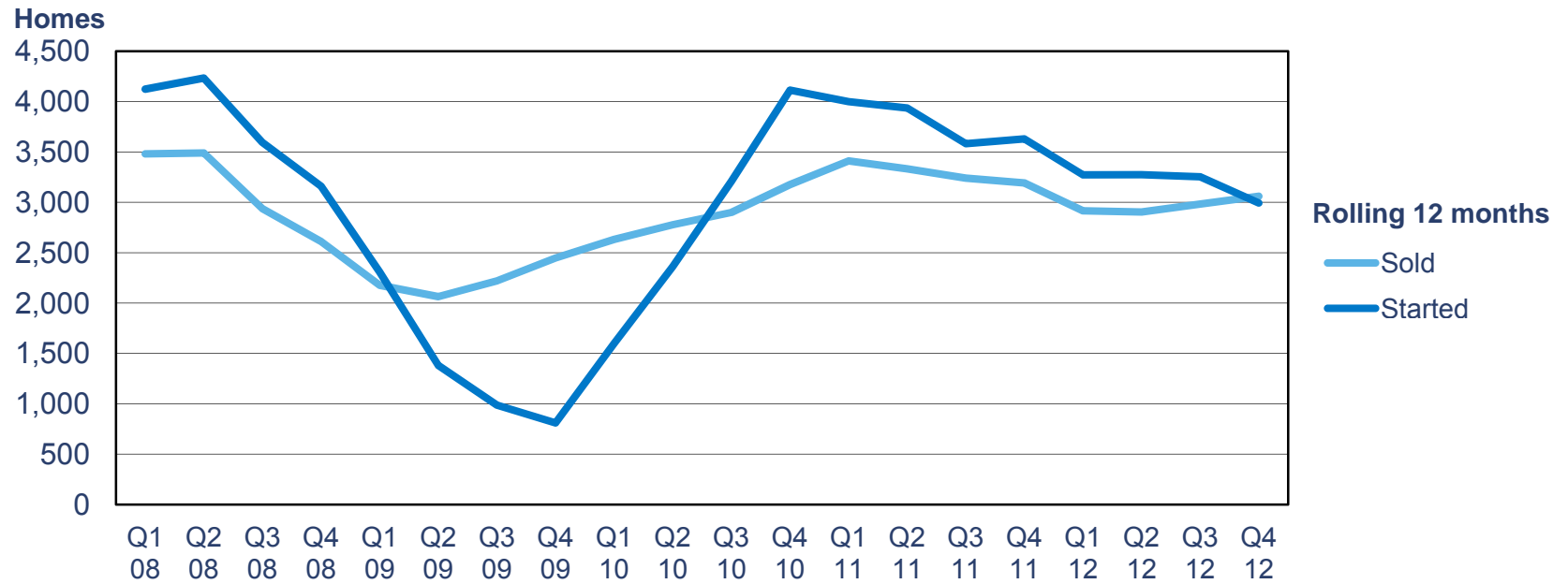
	Operating income, SEK M <sup>1</sup>		Operating margin, % <sup>1</sup>	
	Jan–Dec 2012	Jan–Dec 2011	Jan–Dec 2012	Jan–Dec 2011
Sweden	-254	121	neg	3.4
Norway	150	100	6.4	5.7
Finland	109	168	4.7	6.3
<b>Nordics</b>	<b>5</b>	<b>389</b>	<b>0.1</b>	<b>4.9</b>
Czech Republic	-63	3	neg	0.6
Other <sup>2</sup>	-56	-47	neg	neg
<b>Total</b>	<b>-114</b>	<b>345</b>	<b>neg</b>	<b>4.0</b>

1 Development gain only, construction margin reported under Construction

2 Start-ups in new markets

# Residential Development

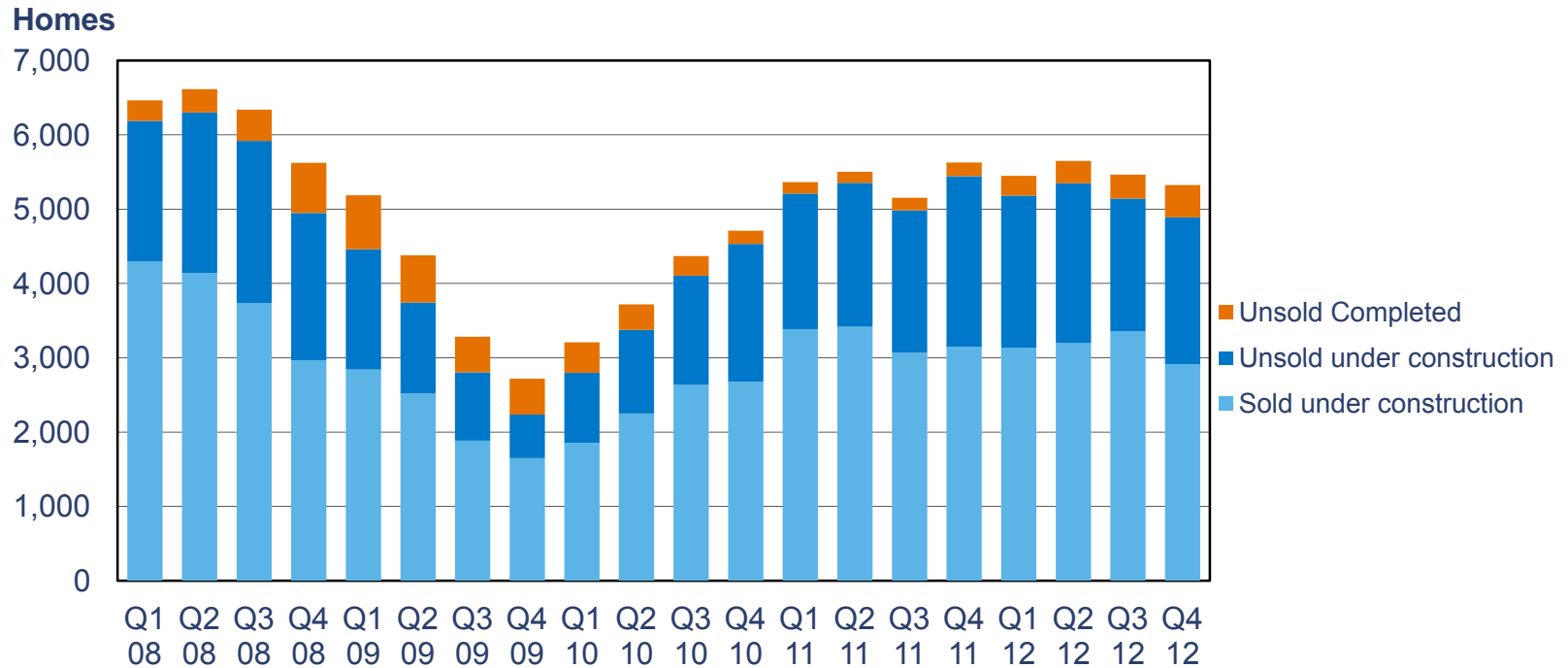
## Homes sold and started



Homes sold		Homes started	
Jan-Dec 2012	Jan-Dec 2011	Jan-Dec 2012	Jan-Dec 2011
3,060	3,193	2,993	3,630

# Residential Development

## In production status



Homes in production		Of which sold, %		Unsold completed homes	
Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011
4,890	5,445	60	58	435	184



# Commercial Property Development

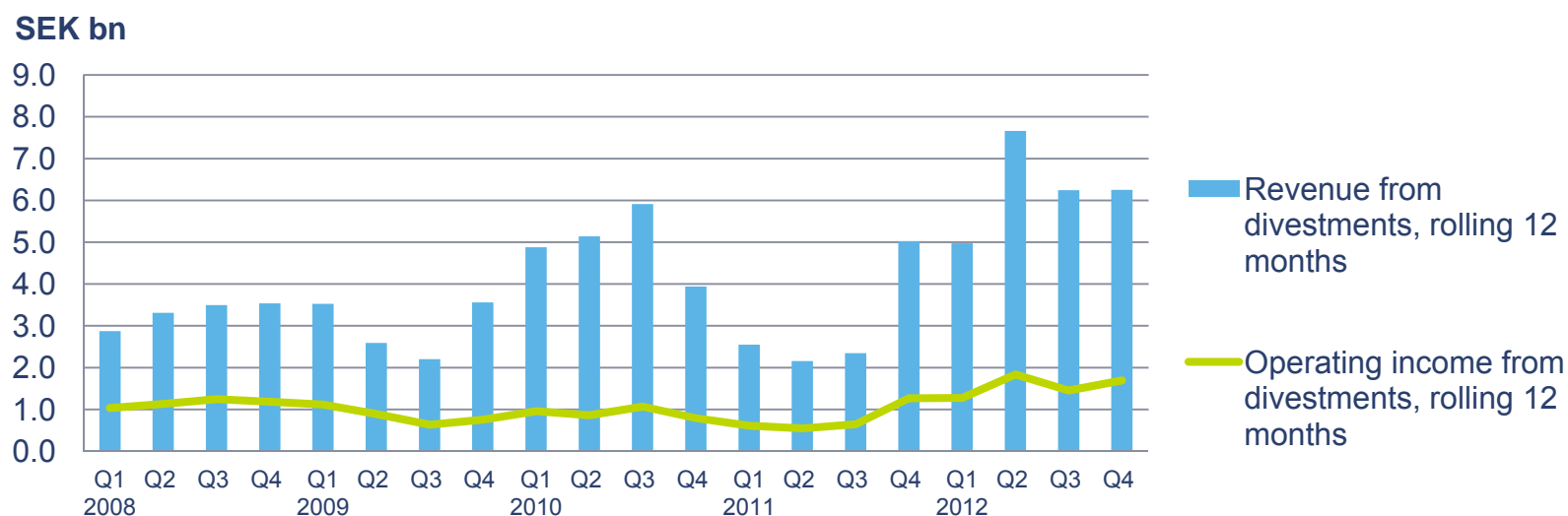
## Income statement, segment reporting

SEK M	Jan–Dec 2012	Jan–Dec 2011
Revenue	6,742	5,633
<b>Gross income</b>	<b>1,923</b>	<b>1,603</b>
Selling and administrative expenses	-488	-412
Income from J/V and associated companies	13	5
<b>Operating income</b>	<b>1,448</b>	<b>1,196</b>
of which gain from divestments of properties <sup>1</sup>	1,693	1,266
of which write downs/reversal of write downs	–	-47
1 Additional gain included in eliminations was	107	136

Development gain only, construction margin reported under Construction

# Commercial Property Development

## Property divestments



### Sale of commercial properties

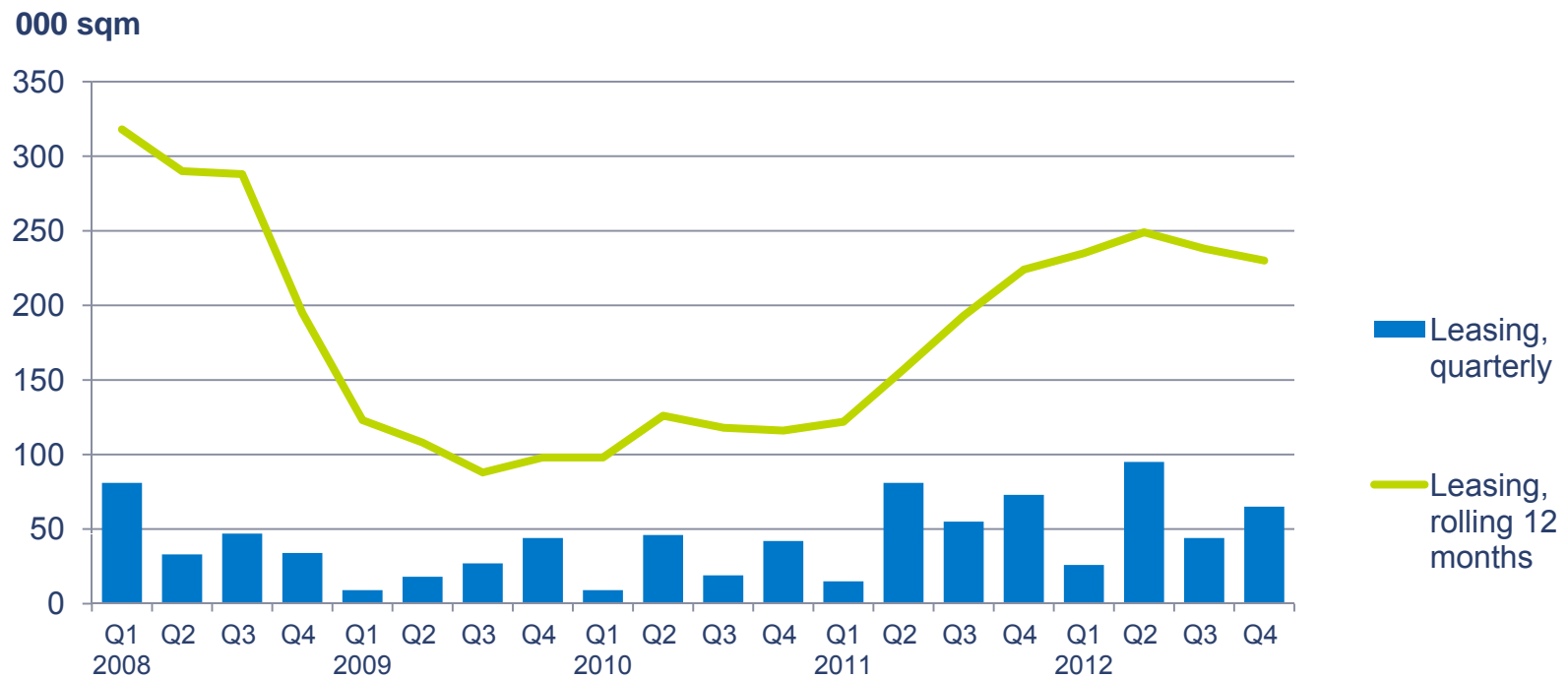
SEK M	Sales price	Capital gain
YTD	6,253	1,693

# Commercial Property Development

## Carrying amounts and market values

SEK bn	Carrying amount, end of period	Carrying amount, upon completion	Market value	Occupancy Rate %	Degree of completion %
Completed projects	2.5	2.5	3.5	79	100
Ongoing projects completed 2012	2.0	2.0	2.7	76	100
Ongoing projects Jan 1, 2013	3.8	8.1	9.9	61	48
Undeveloped land and development properties	5.7	5.7	6.4		
<b>Total</b>	<b>14.1</b>	<b>18.4</b>	<b>22.5</b>		
of which projects sold according to segment reporting	1.7	2.6	3.5		

# Commercial Property Development Leasing



New leases of space were signed for 230,000 sqm in 2012 and 65,000 sqm in Q4

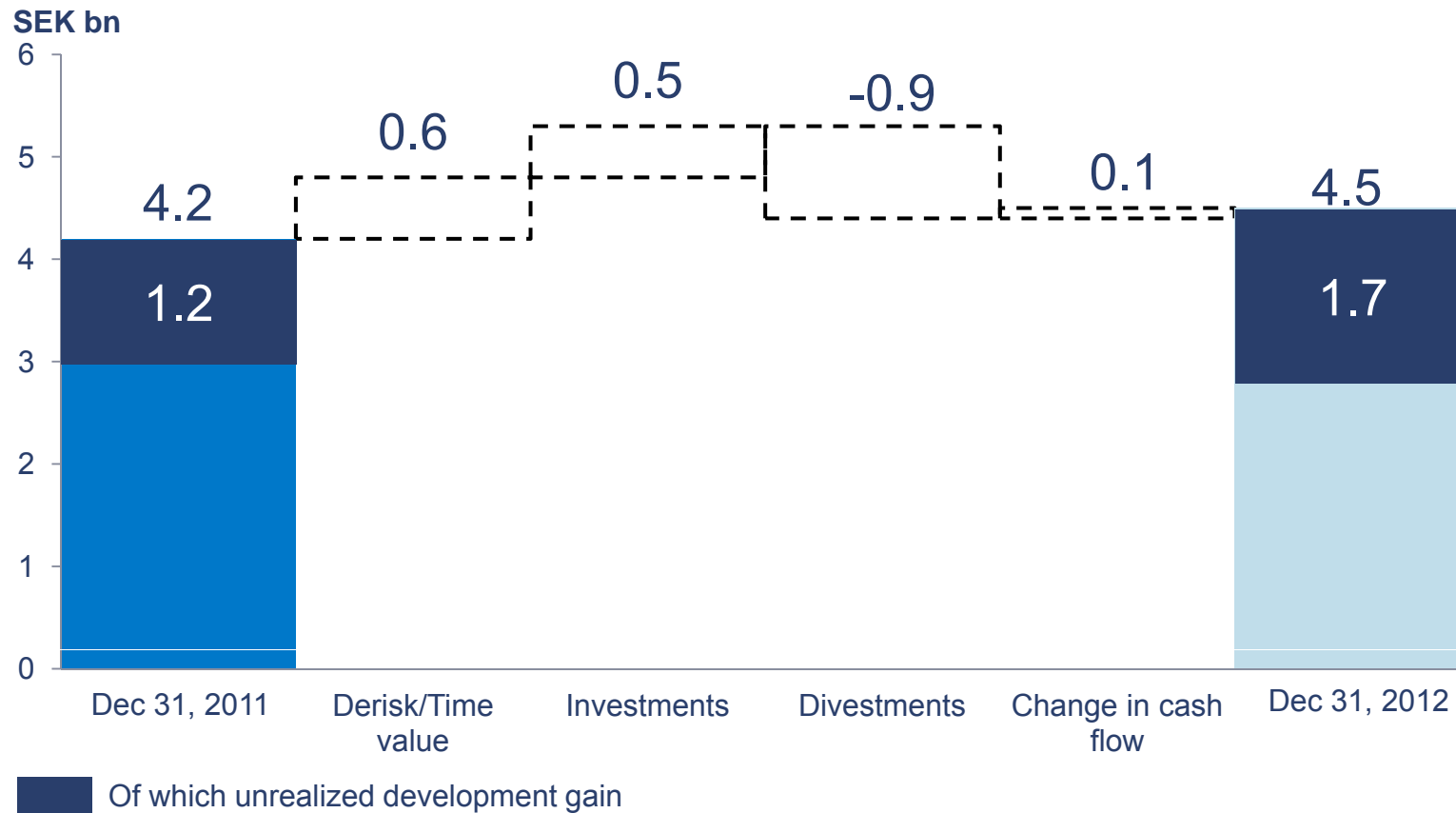
# Infrastructure Development

## Income statement

SEK M	Jan–Dec 2012	Jan–Dec 2011
Revenue	242	286
<b>Gross income</b>	<b>9</b>	<b>-57</b>
Selling and admin. expenses	-186	-132
Income from joint ventures	765	4,915
<b>Operating income</b>	<b>588</b>	<b>4,726</b>
of which gains from divestments of shares in projects	414	4,600

# Infrastructure Development

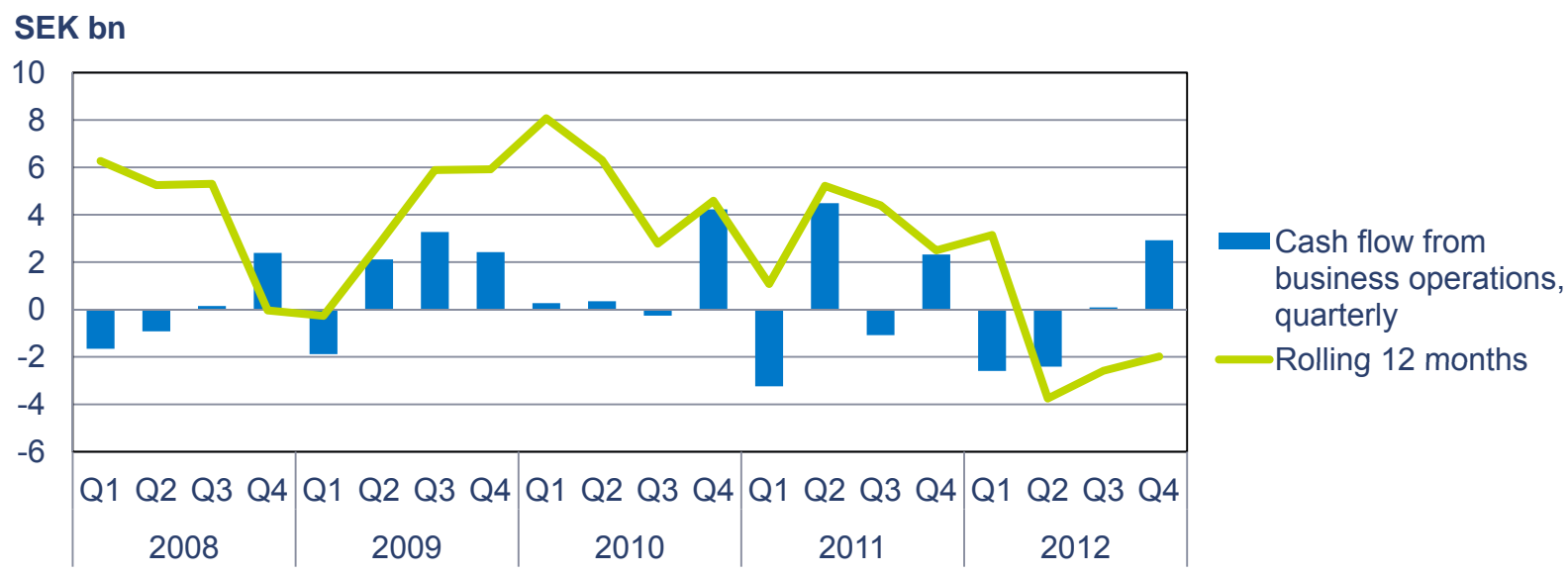
## Net present value and unrealized development gain



# Group Income statement

SEK M	Jan–Dec 2012	Jan–Dec 2011
Operating income from business streams	5,396	9,734
Central	-723	-699
Eliminations	-68	52
<b>Operating income</b>	<b>4,605</b>	<b>9,087</b>
Net financial items	-234	12
<b>Income after financial items</b>	<b>4,371</b>	<b>9,099</b>
Taxes	-1,066	-970
<b>Profit for the period</b>	<b>3,305</b>	<b>8,129</b>
Earnings per share, SEK	8.00	19.72
<i>Tax rate, %</i>	24	11

# Group Cash flow

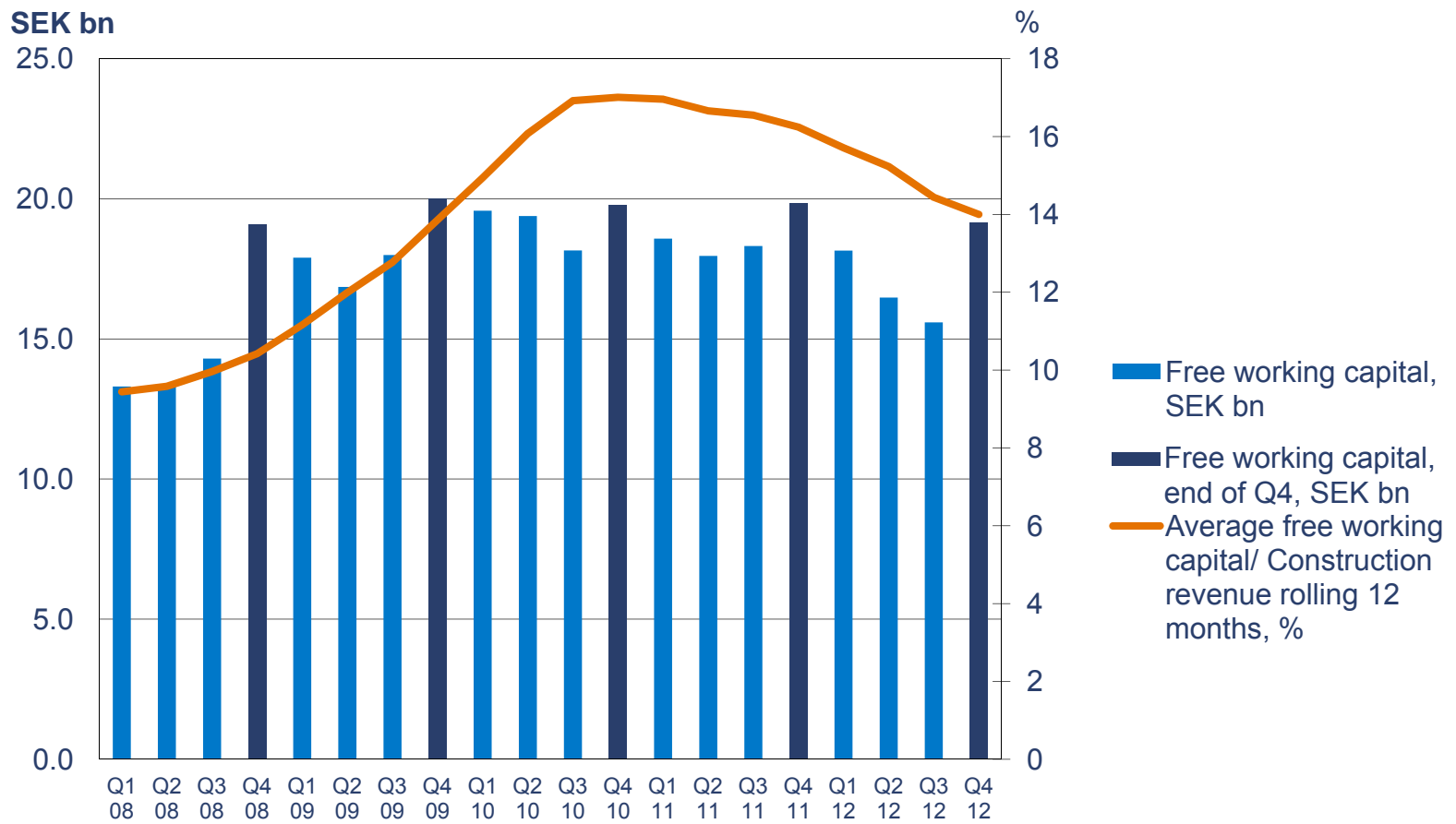


SEK bn	Jan-Dec 2012	Jan-Dec 2011
Cash flow from operations	-2.0	2.5
Net strategic investments	-0.0	-1.4
Dividend etc.	-2.7	-5.1
Cash flow before change in interest-bearing receivables and liabilities	-4.7	-4.0



# Construction

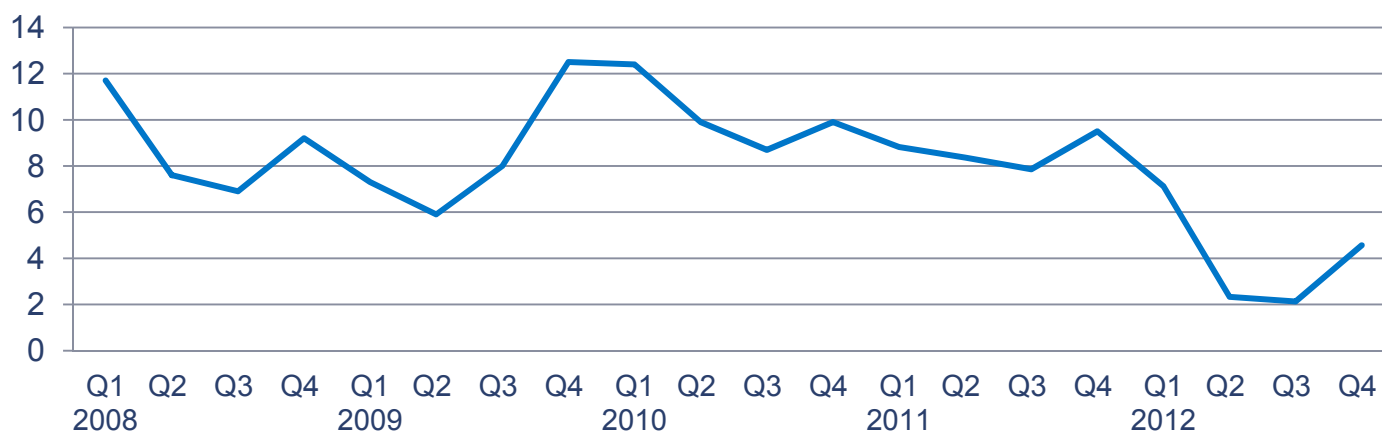
## Free working capital



# Group

## Financial position

### Operating net financial assets/liabilities SEK bn



SEK bn	Dec 31 2012	Dec 31 2011
Total assets	88.2	82.8
Equity attributable to equity holders	19.4	19.6
Interest-bearing net receivables (+)/net debt (-)	-1.9	2.9
Operating net financial assets/liabilities	4.6	9.5
Capital employed, closing balance	34.5	30.2
Equity/assets ratio, %	21.9	23.7

# Group

## Change in financial position

SEK bn	Jan–Dec 2012	Jan–Dec 2011
<b>Opening balance interest-bearing net receivables</b>	<b>2.9</b>	<b>9.9</b>
Cash flow before change in interest-bearing receivables and liabilities	-4.7	-4.0
Change in pension liability	-0.1	-2.6
Other changes	-0.0	-0.3
<b>Change in interest-bearing net receivables</b>	<b>-4.8</b>	<b>-7.0</b>
<b>Closing balance interest-bearing net receivables/net debt</b>	<b>-1.9</b>	<b>2.9</b>
Pension liability, net	3.6	3.6
Interest-bearing debt co-ops	2.8	3.0
<b>Operating net financial assets/liabilities</b>	<b>4.6</b>	<b>9.5</b>

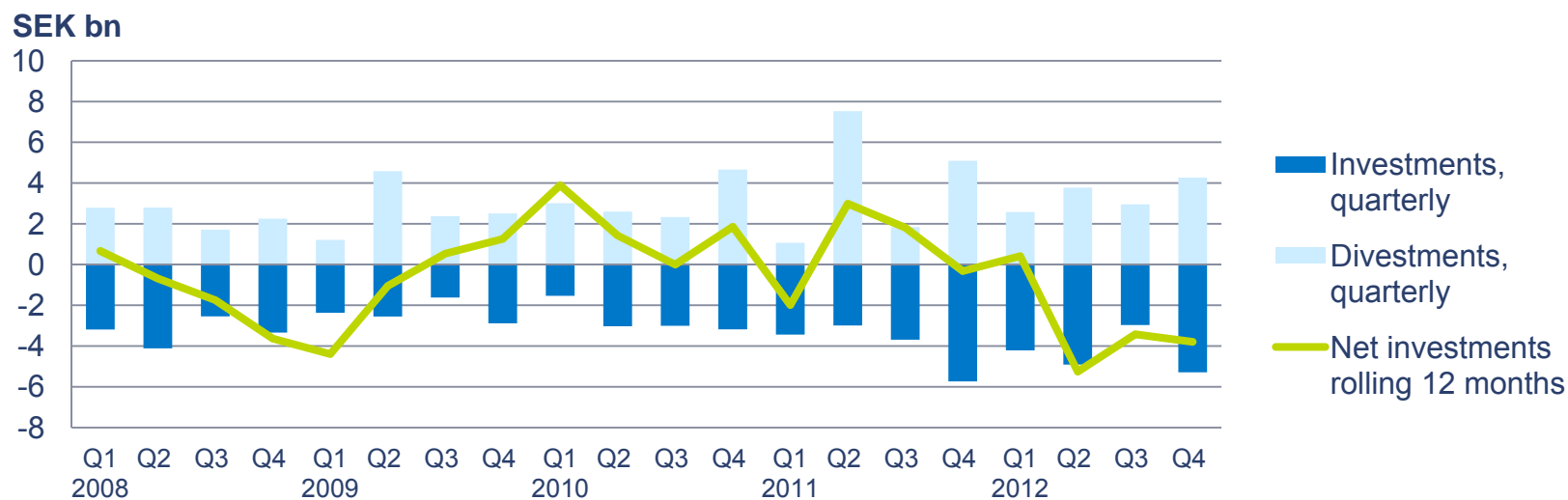
# Group

## Change in equity

SEK bn	Jan–Dec 2012	Jan–Dec 2011
<b>Opening balance</b>	<b>19.6</b>	<b>20.8</b>
Dividend to shareholders	-2.5	-4.9
Other changes in equity not included in total comprehensive income for the year	-0.0	0.1
Profit for the period	2.9	7.6
<b>Other comprehensive income</b>		
Translation differences	-0.3	-0.4
Effects of actuarial gains and losses on pensions	-0.2	-2.3
Effects of cash flow hedges	-0.0	-1.3
<b>Closing balance</b>	<b>19.4</b>	<b>19.6</b>

# Group

## Investments and capital employed



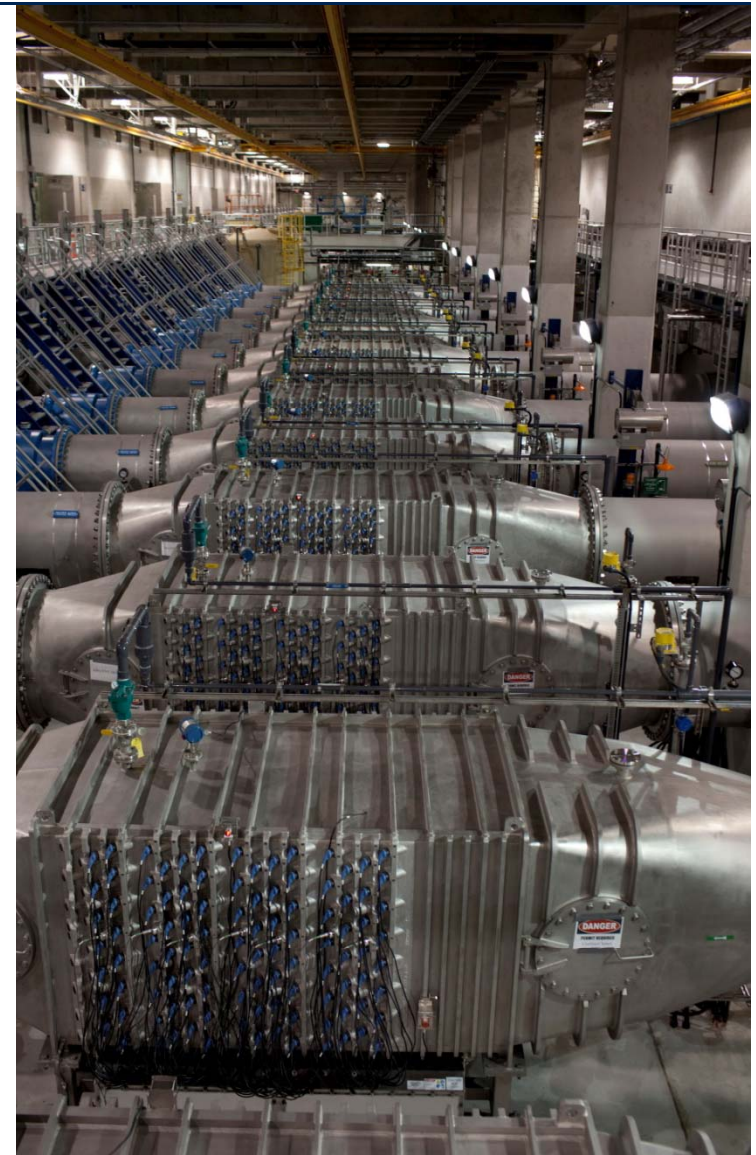
SEK bn	Dec 30, 2012	Dec 30, 2011
<b>Capital employed in:</b>		
Residential Development	11.3	12.7
Commercial Property Development	13.6	11.0
Infrastructure Development	1.1	1.4
<b>Total in Development Streams</b>	<b>26.0</b>	<b>25.1</b>



Q4

## Market outlook Construction

- General
  - Stable but large local differences
  - Fierce competition
-  - USA Civil
  - Large and complex civil construction projects
-  - USA Building
  - Healthcare, Aviation, IT-facilities
  - Commercial buildings
-  - Nordics
  - Norway strong
  - Large civil projects stable
-  - Other European countries



Catskill/Delaware UV Water Treatment, NYC, U.S.



Q4

# Market outlook Residential Development

- General
  - Strict lending practices and uncertainty in the market
-  - Norway
  - Good demand and rising prices
-  - Poland
-  - Sweden, Finland, U.K.
  - Long decision processes
-  - Czech Republic



Lomma, Sweden



Q4

## Market outlook Commercial Property Development

- General
  - Tenants: Relative stable vacancy rates
  - Investors: Demand for green properties with stable tenants, valuations attractive
-  - Nordics
  - Tenants long decision processes
  - Investors picky
-  - Other European countries
  - Higher demand in Poland
-  - The U.S.
  - Vacancy rates declining



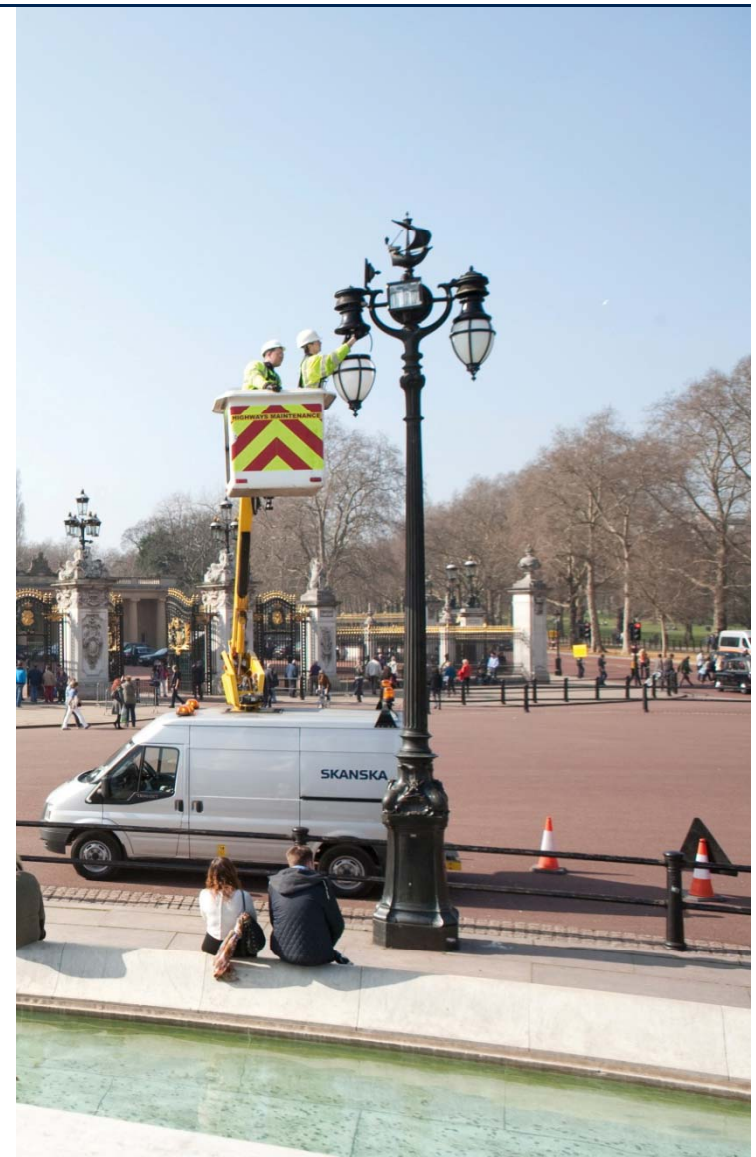
Green House, Budapest, Hungary





## Market outlook Infrastructure Development

- Good potential for PPP in the U.S.
- European market more limited



Streetlights, London, UK

# Going forward

	Construction	Project Development		
		Residential	Commercial Property	Infrastructure
<b>Opportunities</b>	– USA	– Poland	– Project portfolio	– USA
<b>Challenges</b>	– Latin America	– Sweden	– Land in the Nordics	– Long processes
<b>Actions</b>	– Restructuring in Latin America – Expanding US operations	– Implementation of restructured Residential business	– Leasing – Divestments	– Prepare new bids



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