

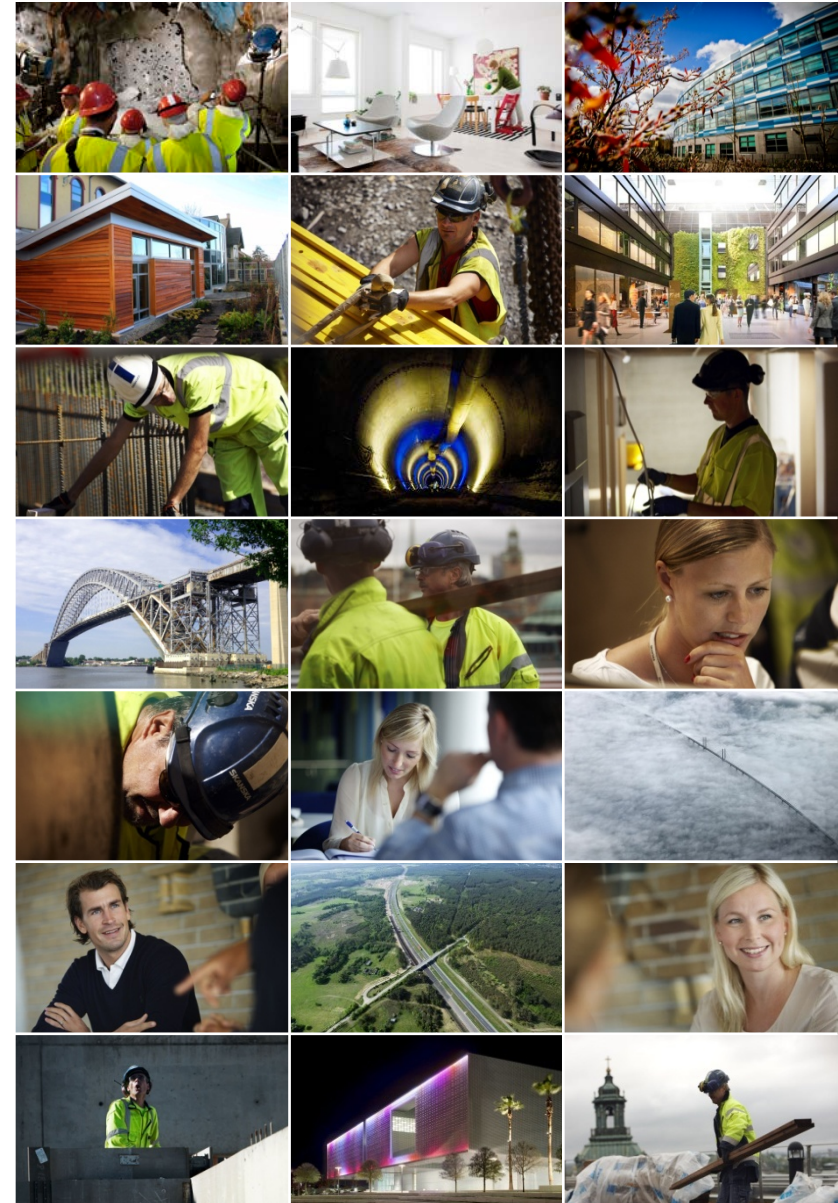
# Six Month Report 2015



Stockholm Bypass Tunnel, Kungens Kurva, Sweden

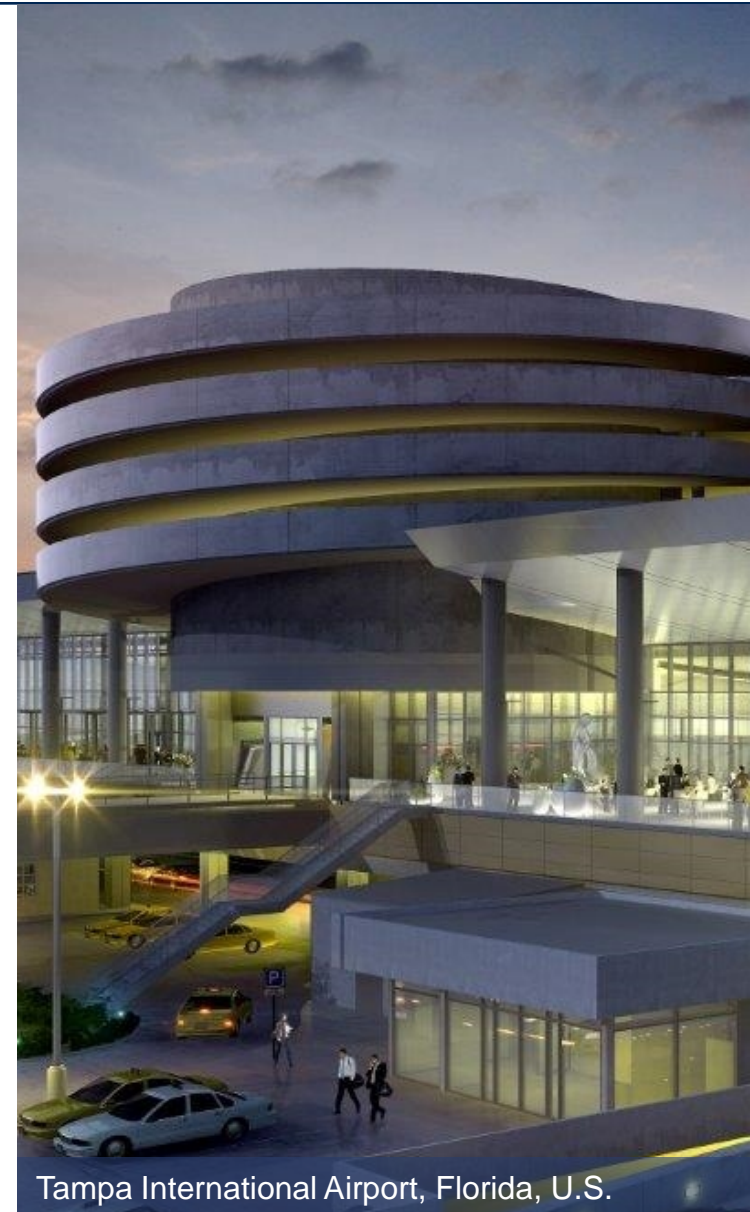
# Six Month Report 2015

- Solid group results
  - Increased revenues
  - Improved profitability
  - Solid financial position
- Operating income SEK 2.5 bn (1.6)
  - 49% increase in local currency
- EPS SEK 4.22 (2.64)
- ROCE PD 15.3% (9.6)
- Continued positive market outlook
- Divestment of O&M in Argentina



# Construction

- Revenue SEK 66.9 bn (56.3)
- Order bookings SEK 58.3 bn (68.0)
  - Sweden and UK strong
  - Book-to-build, R-12: 99%
  - Cancellation in USA Building
- Operating income SEK 1.7 bn (1.7)
  - Solid performance in Sweden, Finland, Poland and Czech Republic
  - Write-down in one project in the U.S.



Tampa International Airport, Florida, U.S.

# Residential Development

- Revenue SEK 6.6 bn (4.5)
  - 2,157 (1,540) homes sold
  - 1,876 (1,308) homes started
- Operating income SEK 631 M (349)
  - Good performance in Sweden and Central Europe
  - Norway mixed
- Continued improved profitability
  - Operating margin 9.5% (7.8)
  - ROCE 10.7% (6.8)



BoKlok Lärlingen, Visby, Sweden

# Commercial Property Development


- Divestments of SEK 2.4 bn (2.3)
- Gain from divestments SEK 856 M (408)
- 44 ongoing projects
  - SEK 15.6 bn in investment value
  - 52% pre-leasing rate
  - 54% completion rate
  - 7 project starts
- 166,000 sq m leased



Queen Square, Bristol, UK

# Infrastructure Development

- Project portfolio's net present value increased SEK 0.6 bn to SEK 5.9 bn year-to-date
- Preferred bidder for LaGuardia Airport
- Payments from project companies SEK 0.1 bn



New Karolinska Solna, Stockholm, Sweden

# New orders in Construction in Q2

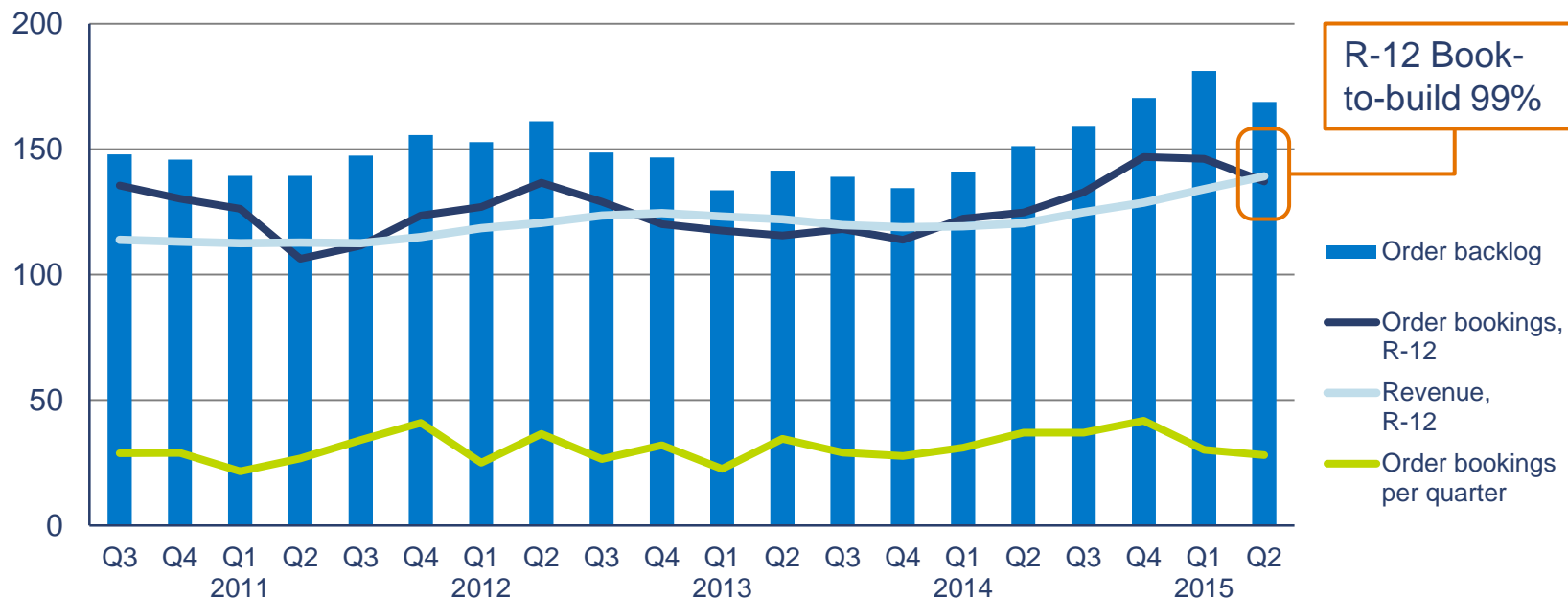
SEK M

Power plant, U.S.	2,100
Bypass tunnel, Sweden	1,300
ESS, R&D facility, Sweden	1,200
Highway, Czech Republic	920
Boeing, paint facility, U.S.	730
Hospital, U.S.	510
Total bookings in Q2	28,058



# Construction Order situation

SEK bn



SEK bn	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014
Revenue	66.9	56.3	128.7
Order bookings	58.3	68.0	146.9
Order backlog	168.8	151.2	170.5

Latin American operations excluded from 1/1 2013

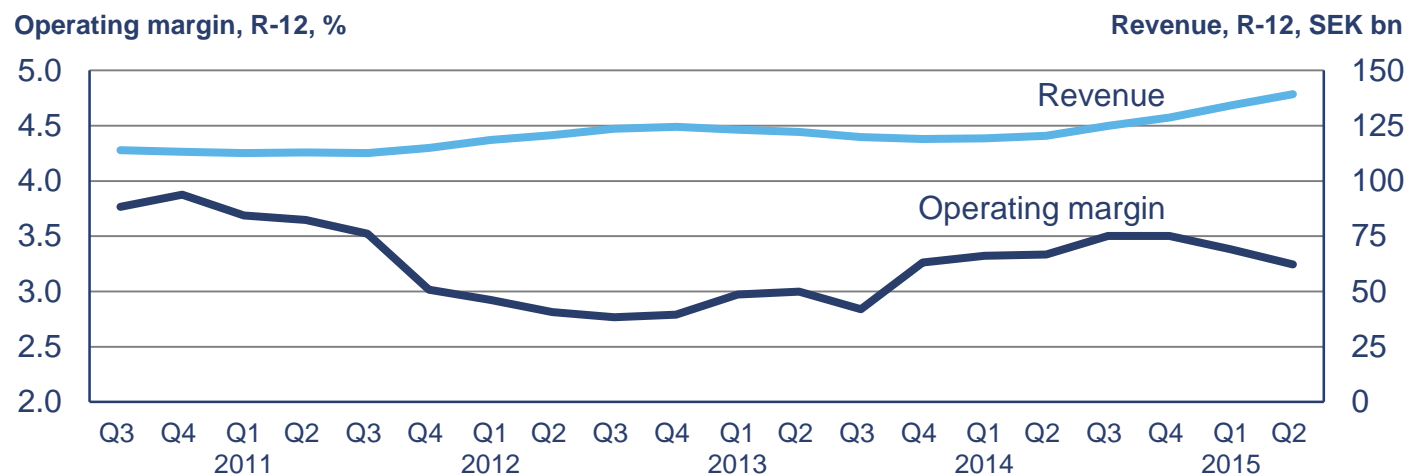


# Construction

## Order bookings

SEK bn	Jan–Jun 2015	Jan–Jun 2014	Book- to-build, R-12, %	Months of production
Sweden	16.2	13.4	114	12
Norway	5.5	8.4	82	8
Finland	3.2	3.7	85	11
Poland	4.1	5.1	86	8
Czech Republic	3.1	2.3	104	12
UK	13.8	9.4	141	24
USA Building	5.5	17.5	63	12
USA Civil	6.8	8.2	124	25
<b>Total</b>	<b>58.3</b>	<b>68.0</b>	<b>99</b>	<b>15</b>

# Construction Income statement



SEK bn	Jan–Jun 2015	Jan–Jun 2014	Jan–Dec 2014
Revenue	66.9	56.3	128.7
<b>Gross income</b>	<b>4.8</b>	<b>4.5</b>	<b>10.3</b>
Selling and administrative expenses	-3.1	-2.8	-5.8
<b>Operating income</b>	<b>1.7</b>	<b>1.7</b>	<b>4.5</b>
Gross margin, %	7.1	7.9	8.0
Selling and administrative expenses, %	-4.6	-5.0	-4.5
Operating margin, %	2.5	3.0	3.5

Latin American operations excluded from 1/1 2013

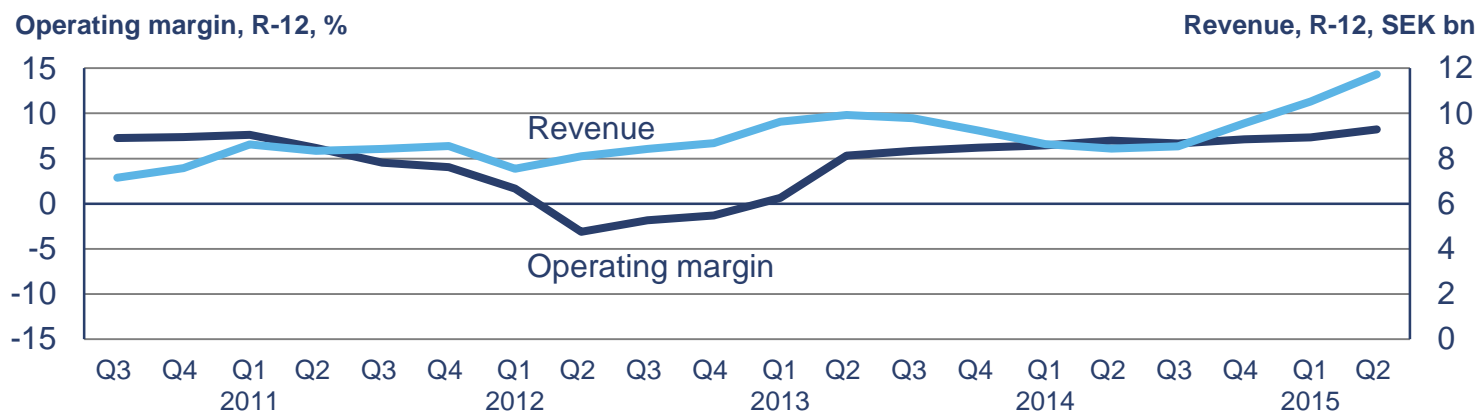
# Construction

## Income statement

	Operating income, SEK M		Operating margin, %	
	Jan–Jun 2015	Jan–Jun 2014	Jan–Jun 2015	Jan–Jun 2014
Sweden	538	500	3.7	3.6
Norway	182	171	2.8	2.7
Finland	95	109	3.3	3.5
Poland	94	92	3.0	3.0
Czech Republic	17	-11	0.8	neg
UK	205	217	2.4	3.1
USA Building	101	148	0.5	1.1
USA Civil	455	448	4.4	6.2
<b>Total</b>	<b>1,687</b>	<b>1,674</b>	<b>2.5</b>	<b>3.0</b>

# Residential Development

## Income statement, segment reporting



SEK M	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014
Revenue	6,642	4,469	9,558
<b>Gross income</b>	<b>937</b>	<b>609</b>	<b>1,204</b>
Selling and administrative expenses	-306	-262	-521
Income from joint ventures	0	2	0
<b>Operating income</b>	<b>631</b>	<b>349</b>	<b>683</b>
Gross margin, %	14.1	13.6	12.6
Selling and administrative expenses, %	-4.6	-5.9	-5.5
Operating margin, %	9.5	7.8	7.1

# Residential Development

## Income statement

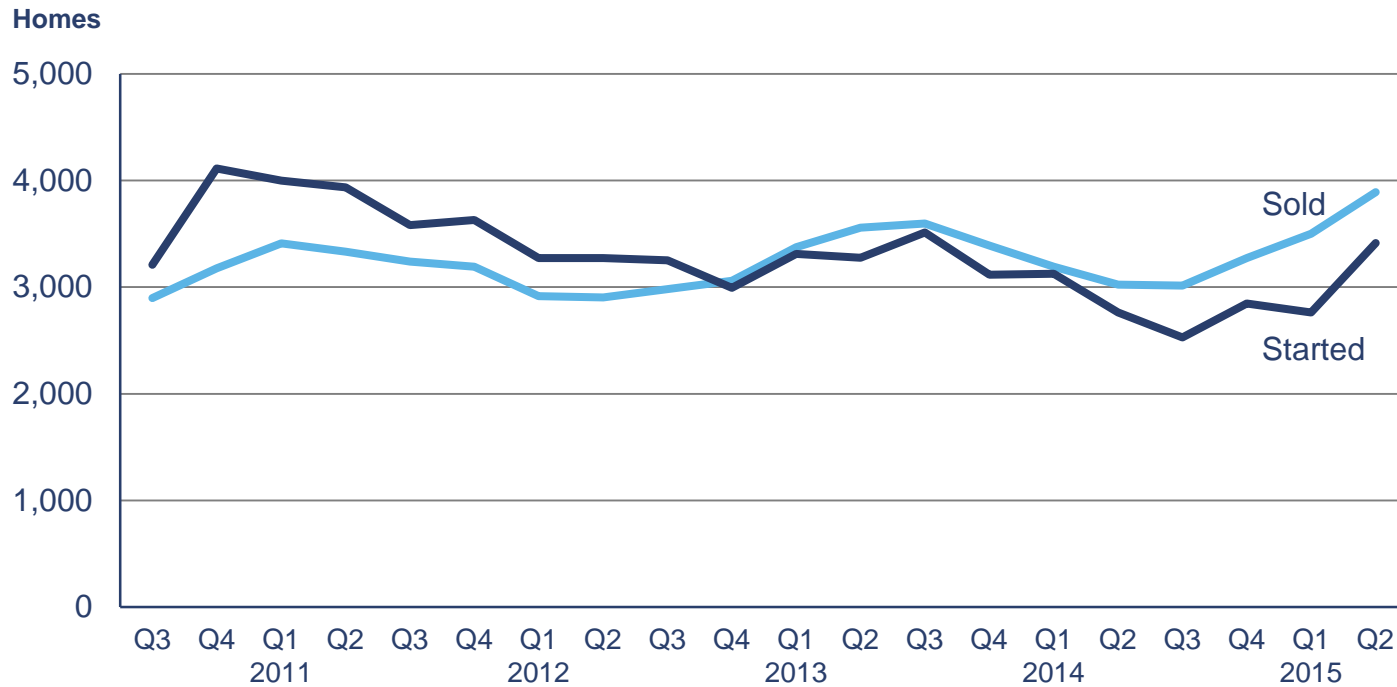
	Operating income, SEK M <sup>1</sup>		Operating margin, % <sup>1</sup>	
	Jan–Jun 2015	Jan–Jun 2014	Jan–Jun 2015	Jan–Jun 2014
Sweden	441	204	11.0	8.9
Norway	82	53	7.1	10.1
Finland	70	64	6.2	6.9
<b>Nordics</b>	<b>593</b>	<b>321</b>	<b>9.4</b>	<b>8.6</b>
Central Europe <sup>2</sup>	38	28	11.3	3.9
<b>Total</b>	<b>631</b>	<b>349</b>	<b>9.5</b>	<b>7.8</b>

1 Development gain only, construction margin reported under Construction

2 Czech Republic, Poland and the UK

# Residential Development

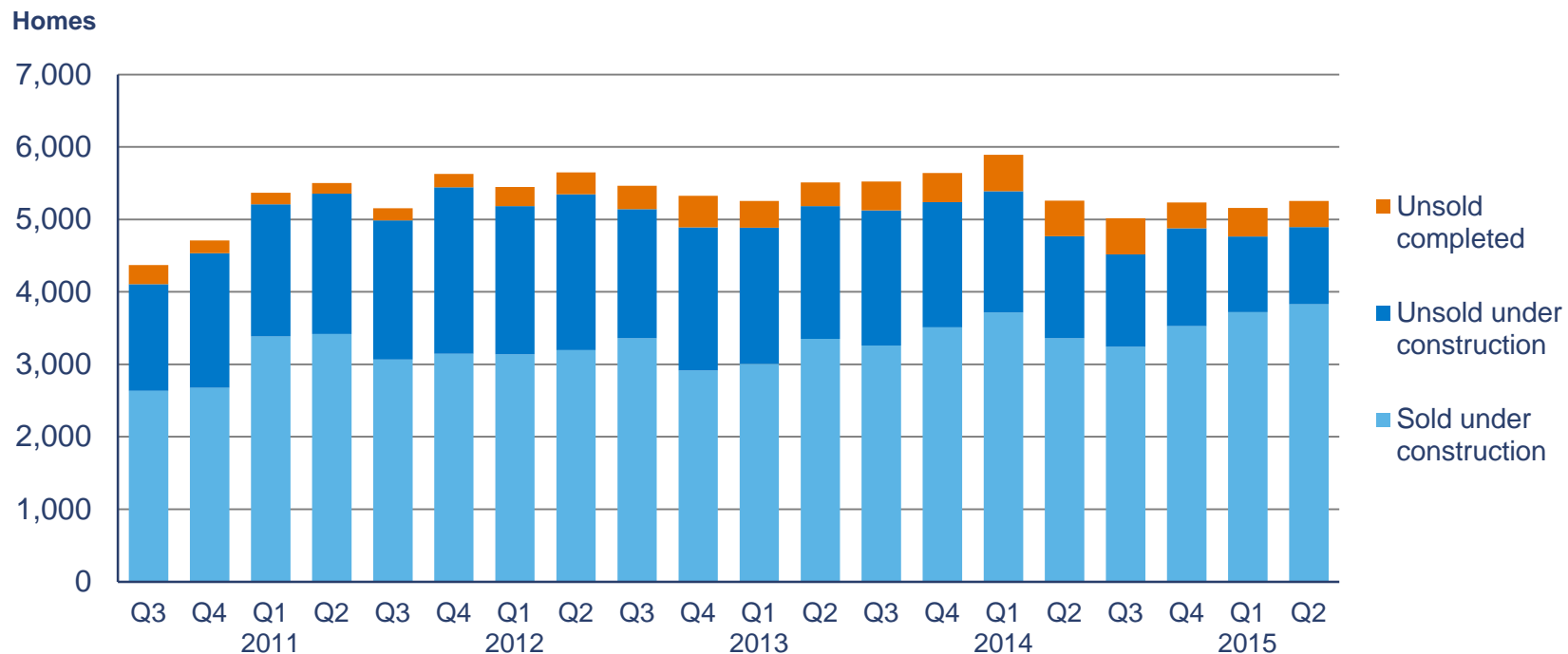
## Homes started and sold, R-12



Homes started			Homes sold		
Jan–Jun 2015	Jan–Jun 2014	Jan–Dec 2014	Jan–Jun 2015	Jan–Jun 2014	Jan–Dec 2014
1,876	1,308	2,846	2,157	1,540	3,274

# Residential Development

## Homes in production



Homes in production		Of which sold, %		Unsold completed homes	
Jun 30, 2015	Jun 30, 2014	Jun 30, 2015	Jun 30, 2014	Jun 30, 2015	Jun 30, 2014
4,896	4,768	78	70	358	492

# Commercial Property Development

## Income statement, segment reporting

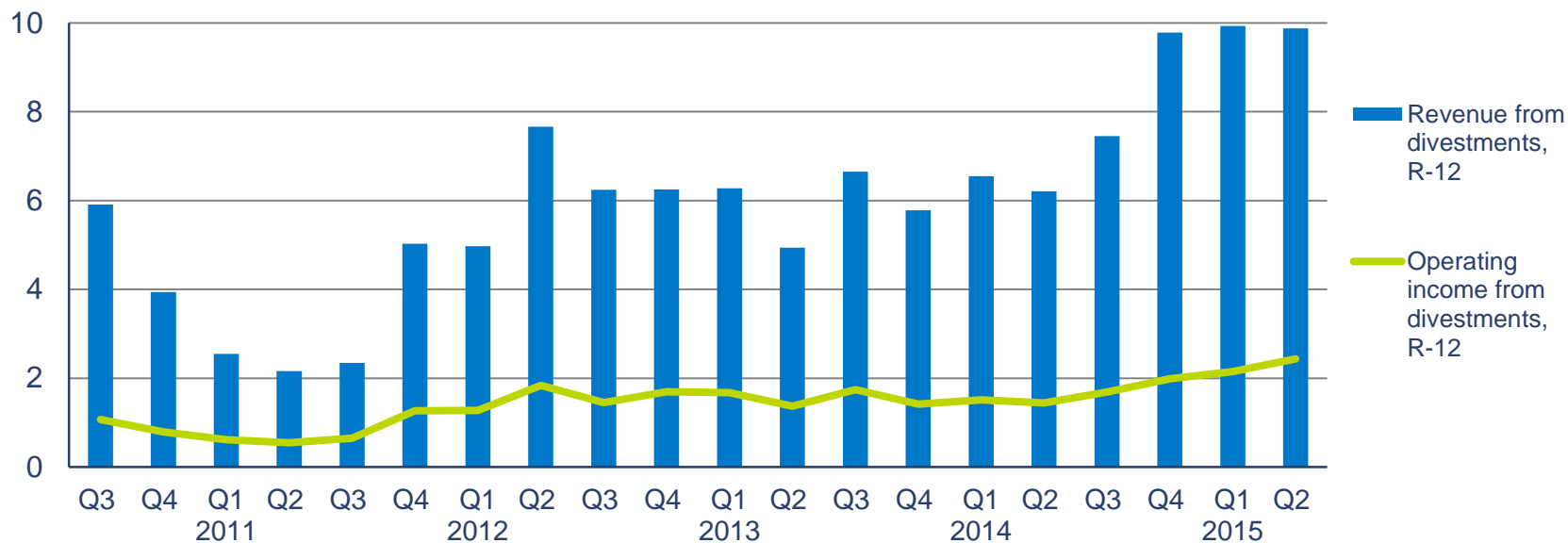
SEK M	Jan–Jun 2015	Jan–Jun 2014	Jan–Dec 2014
Revenue	2,659	2,585	10,228
<b>Gross income</b>	<b>877</b>	<b>556</b>	<b>2,191</b>
Selling and administrative expenses	-316	-249	-526
Income from joint ventures and associated companies	6	5	35
<b>Operating income</b>	<b>567</b>	<b>312</b>	<b>1,700</b>
of which gain from divestments of properties <sup>1</sup>	856	408	1,989
of which write downs/reversal of write downs	-50	-11	43
1 Additional gain included in eliminations	48	31	279

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

2,429

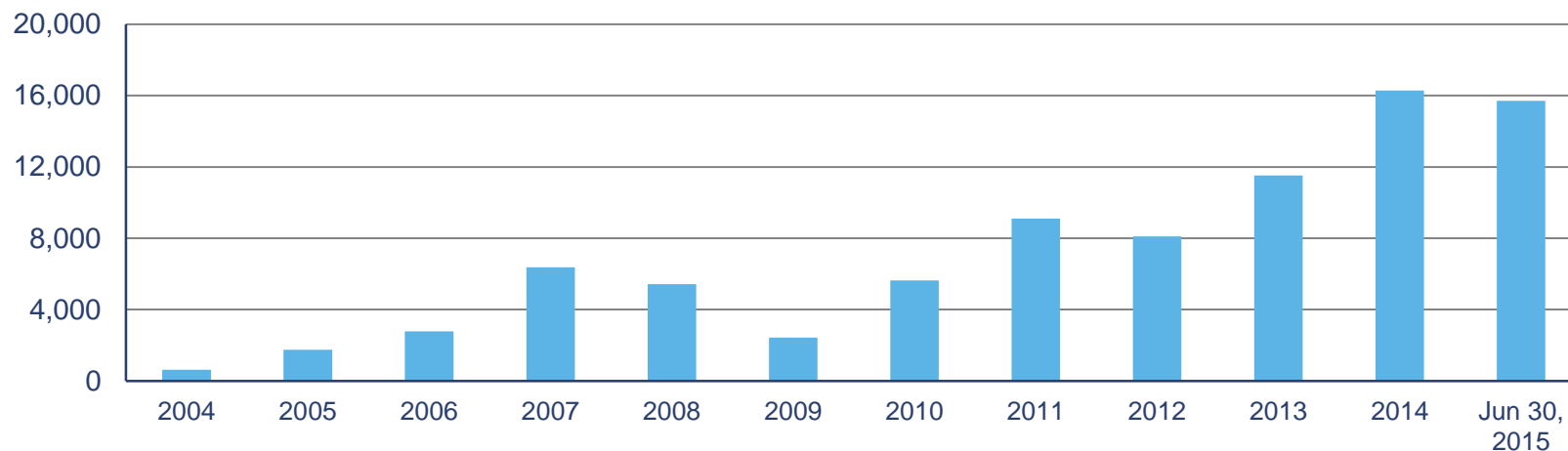
856

# Commercial Property Development

## Ongoing projects

Ongoing projects, total investment value upon completion

SEK M

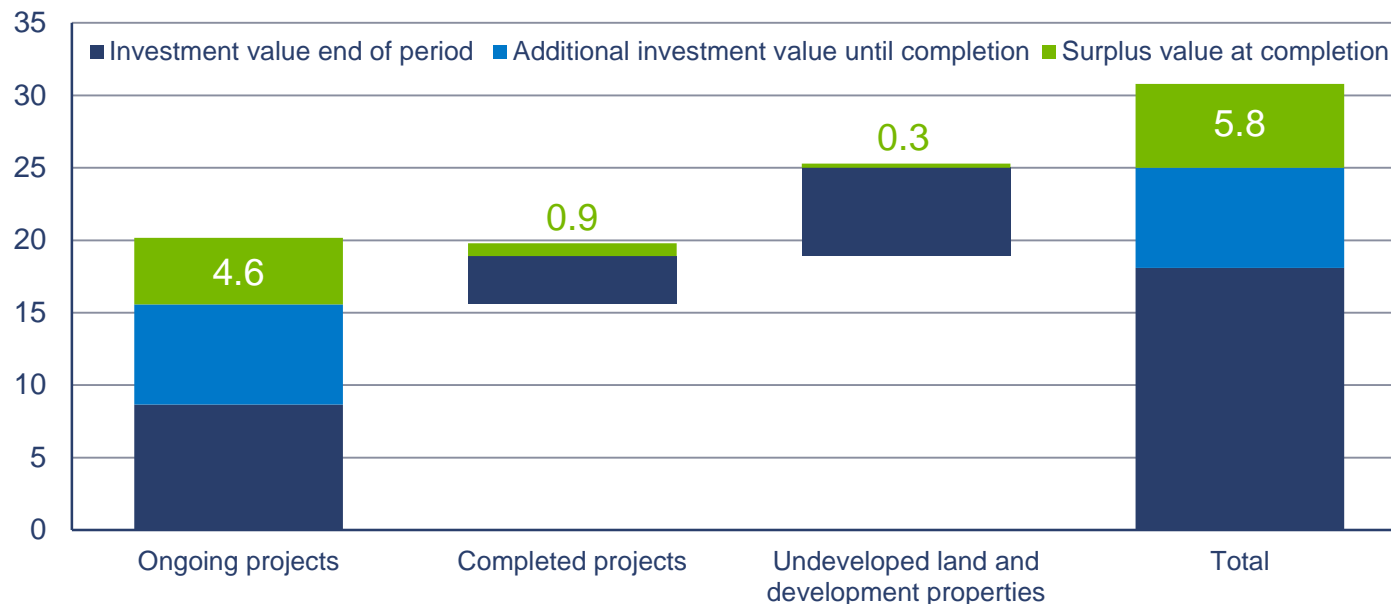


Investment value ongoing projects SEK bn	End of period	Upon completion	Market value	Occupancy rate, %	Degree of completion, %
Wholly owned projects	8.0	14.4	18.5	55	54
Skanska's share of projects in JV	0.7	1.3	1.7	18	52
<i>of which equity investment</i>	<i>0.3</i>	<i>0.4</i>			
<b>Total investment value</b>	<b>8.7</b>	<b>15.6</b>	<b>20.2</b>		
<i>of which carrying amount</i>	<i>8.3</i>	<i>14.7</i>			

# Commercial Property Development

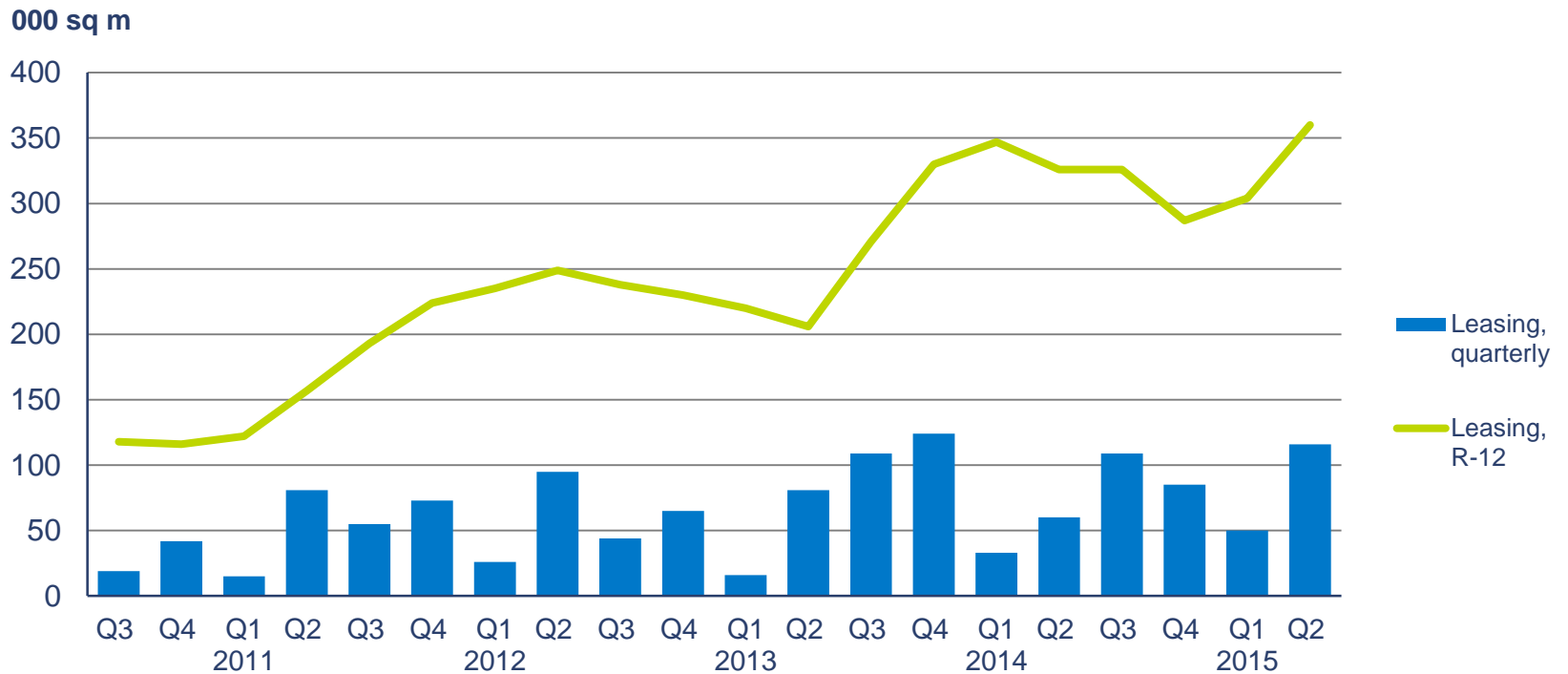
## Distribution of project portfolio

SEK bn



SEK bn	Investment value upon completion	Market value
Ongoing projects	15.6	20.2
<i>Ongoing projects end of period</i>	8.7	
Completed projects	3.3	4.2
Undeveloped land and development properties	6.1	6.4
<b>Total</b>	<b>25.0</b>	<b>30.8</b>
<i>of which carrying amount</i>	24.1	

# Commercial Property Development Leasing



New leases of space were signed for 116,000 sq m in Q2

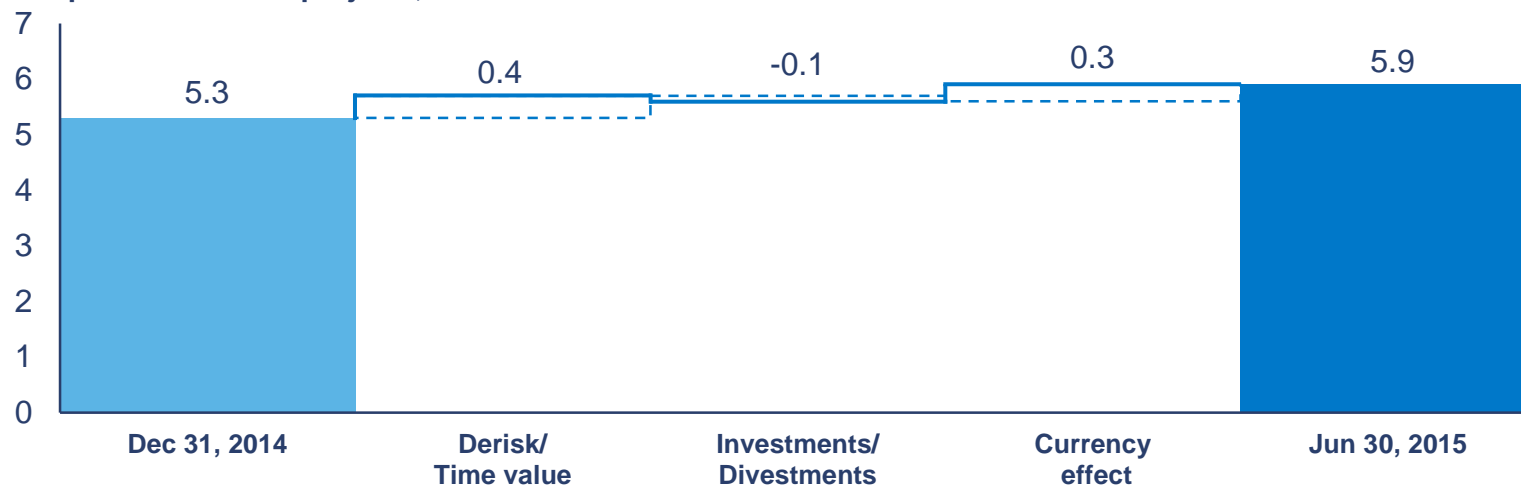
# Infrastructure Development

## Income statement

SEK M	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014
Revenue	54	35	163
<b>Gross income</b>	<b>-60</b>	<b>-77</b>	<b>-46</b>
Selling and administrative expenses	-77	-66	-128
Income from joint ventures	389	338	637
<b>Operating income</b>	<b>252</b>	<b>195</b>	<b>463</b>
of which gains from divestments of shares in projects	—	—	127

# Infrastructure Development Project portfolio

Net present value of projects, SEK bn



SEK bn	Jun 30, 2015	Jun 30, 2014	Dec 31, 2014
Present value of cash flow from projects	7.2	6.1	6.5
<b>Net present value of projects</b>	<b>5.9</b>	<b>5.3</b>	<b>5.3</b>
Carrying amount	-3.6	-3.4	-3.2
<b>Unrealized development gain</b>	<b>2.3</b>	<b>1.9</b>	<b>2.1</b>
Cash flow hedge	1.7	1.3	1.8
<b>Effect in unrealized Equity</b>	<b>4.0</b>	<b>3.2</b>	<b>3.9</b>

# Group

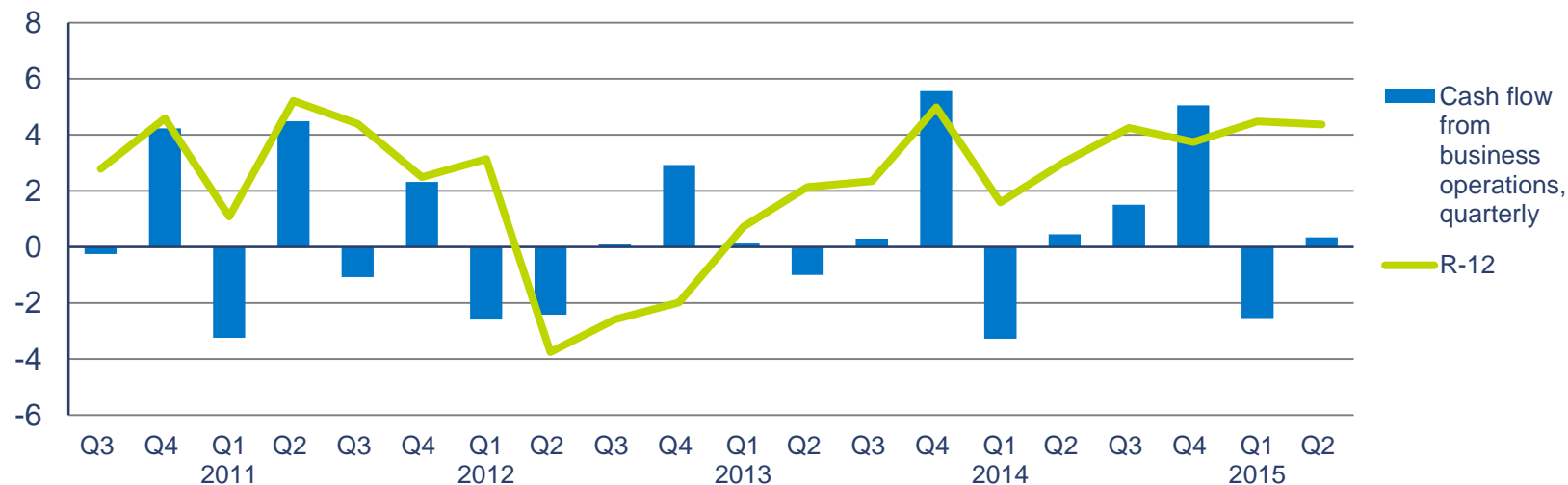
## Income statement

SEK M	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014
Operating income from business streams	3,137	2,530	7,358
Central <sup>1</sup>	-603	-901	-1,608
Eliminations	-34	-48	16
<b>Operating income</b>	<b>2,500</b>	<b>1,581</b>	<b>5,766</b>
<b>Net financial items</b>	<b>-244</b>	<b>-125</b>	<b>-293</b>
<b>Income after financial items</b>	<b>2,256</b>	<b>1,456</b>	<b>5,473</b>
Taxes	-519	-363	-1,365
<b>Profit for the period</b>	<b>1,737</b>	<b>1,093</b>	<b>4,108</b>
Earnings per share, SEK	4.22	2.64	9.98
Tax rate, %	23	25	25

1 Latin American operations included from 1/1 2013

# Group Cash flow

SEK bn

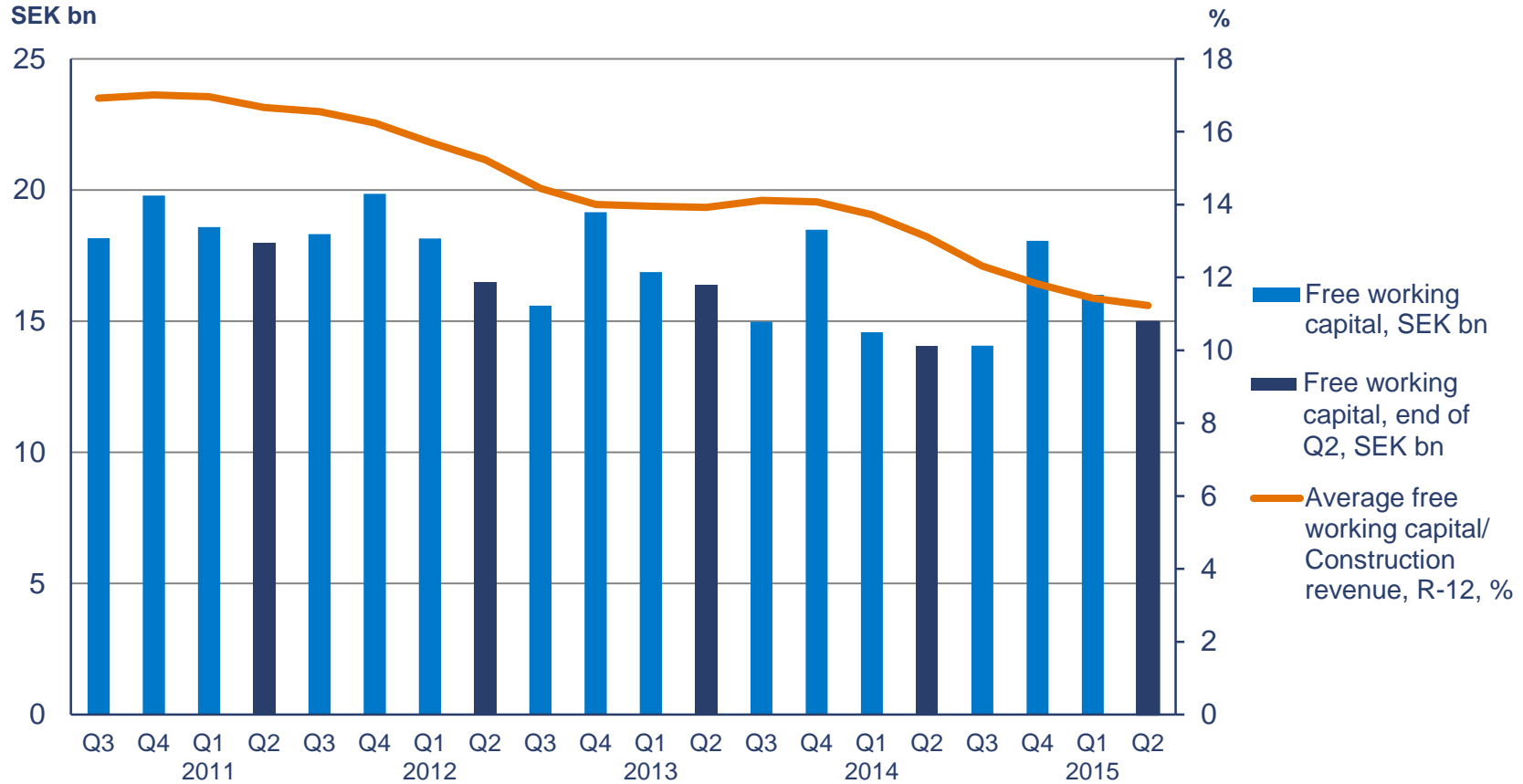


SEK bn	Jan–Jun 2015	Jan–Jun 2014	Jan–Dec 2014
Cash flow from operations	-2.2	-2.8	3.7
Net strategic investments	0.0	0.1	0.1
Dividend etc.	-3.0	-2.7	-2.9
Cash flow before change in interest-bearing receivables and liabilities	-5.2	-5.5	0.9



# Construction

## Free working capital



Latin American operations excluded from 1/1 2013

# Group Financial position

Operating net financial assets/liabilities, SEK bn



SEK bn	Jun 30 2015	Jun 30 2014	Dec 31 2014
Total assets	93.9	86.6	92.8
Equity attributable to equity holders	21.1	19.3	21.4
Interest-bearing net receivables (+)/net debt (-)	-3.9	-5.3	0.7
Operating net financial assets/liabilities	2.8	0.8	8.4
Capital employed, closing balance	36.3	34.9	36.8
Equity/assets ratio, %	22.4	22.4	23.1

# Group

## Change in financial position

SEK bn	Jan–Jun 2015	Jan–Jun 2014	Jan–Dec 2014
<b>Opening balance interest-bearing net receivables</b>	<b>0.7</b>	<b>1.0</b>	<b>1.0</b>
Cash flow before change in interest-bearing receivables and liabilities	-5.2	-5.5	0.9
Change in pension liability	0.2	-0.8	-2.0
Other changes	0.4	0.1	0.8
<b>Change in interest-bearing net receivables</b>	<b>-4.6</b>	<b>-6.2</b>	<b>-0.3</b>
<b>Closing balance interest-bearing net receivables/net debt</b>	<b>-3.9</b>	<b>-5.3</b>	<b>0.7</b>
Pension liability, net	4.1	3.2	4.4
Interest-bearing debt co-ops	2.7	2.9	3.2
<b>Operating net financial assets/liabilities</b>	<b>2.8</b>	<b>0.8</b>	<b>8.4</b>

# Group

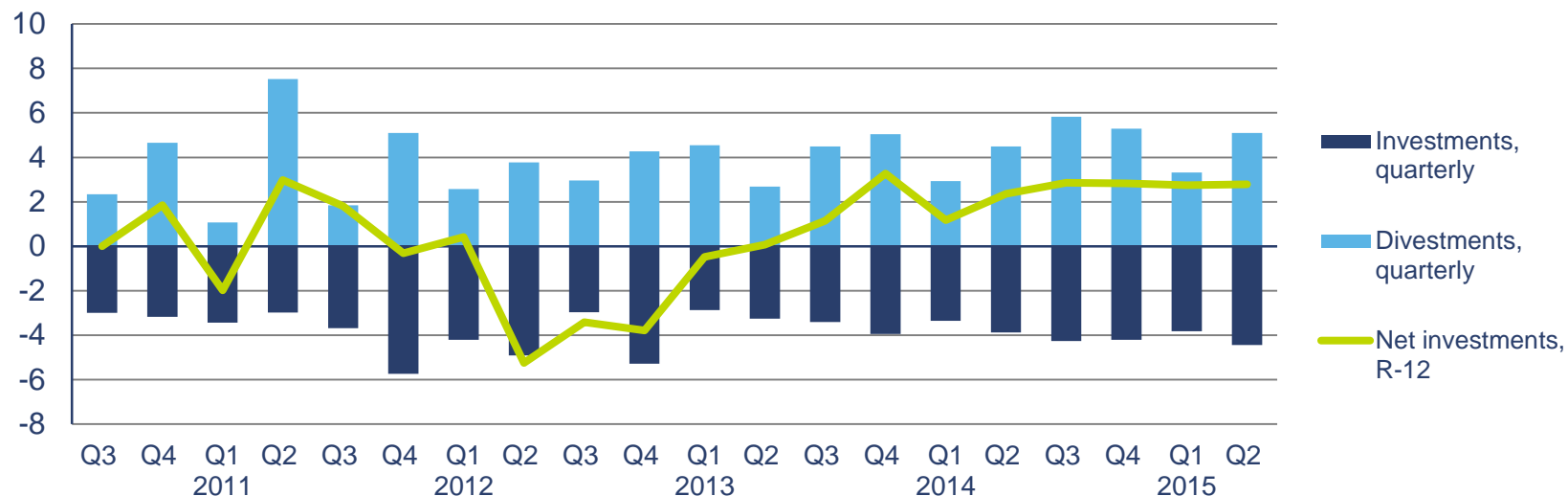
## Change in equity

SEK bn	Jan–Jun 2015	Jan–Jun 2014	Jan–Dec 2014
<b>Opening balance</b>	<b>21.4</b>	<b>21.4</b>	<b>21.4</b>
Dividend to shareholders	-2.8	-2.6	-2.6
Other changes in equity not included in total comprehensive income for the year	-0.1	-0.1	-0.1
Profit for the period	1.7	1.2	3.9
<b>Other comprehensive income</b>			
Translation differences	0.4	0.4	1.5
Effects of remeasurements of pensions	0.2	-0.8	-1.8
Effects of cash flow hedges	0.3	-0.2	-0.8
<b>Closing balance</b>	<b>21.1</b>	<b>19.3</b>	<b>21.4</b>

# Group

## Investments and capital employed

SEK bn



SEK bn	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014
<b>Capital employed in:</b>			
Residential Development	8.5	11.1	10.4
Commercial Property Development	17.2	13.9	15.0
Infrastructure Development	2.1	2.1	1.9
<b>Total in Development Streams</b>	<b>27.8</b>	<b>27.1</b>	<b>27.3</b>

# Market outlook

## Construction

- Overall a positive market outlook



### - Nordic countries

- Strong building market in Sweden, mixed in Norway
- Good civil market. Norway strong with fierce competition, Sweden strong, Finland weak



### - Other European countries

- UK and Polish market strong
- Czech and Slovak Republics continues to improve



### - North America

- The U.S. continues to be a good market, but with fierce competition



Świnna Poręba reservoir, Kraków, Poland

# Market outlook

## Residential Development

- Nordic countries
  - Sweden very strong
  - Norway mixed
  - Finland weak
- Central Europe
  - Volumes and prices continues to increase



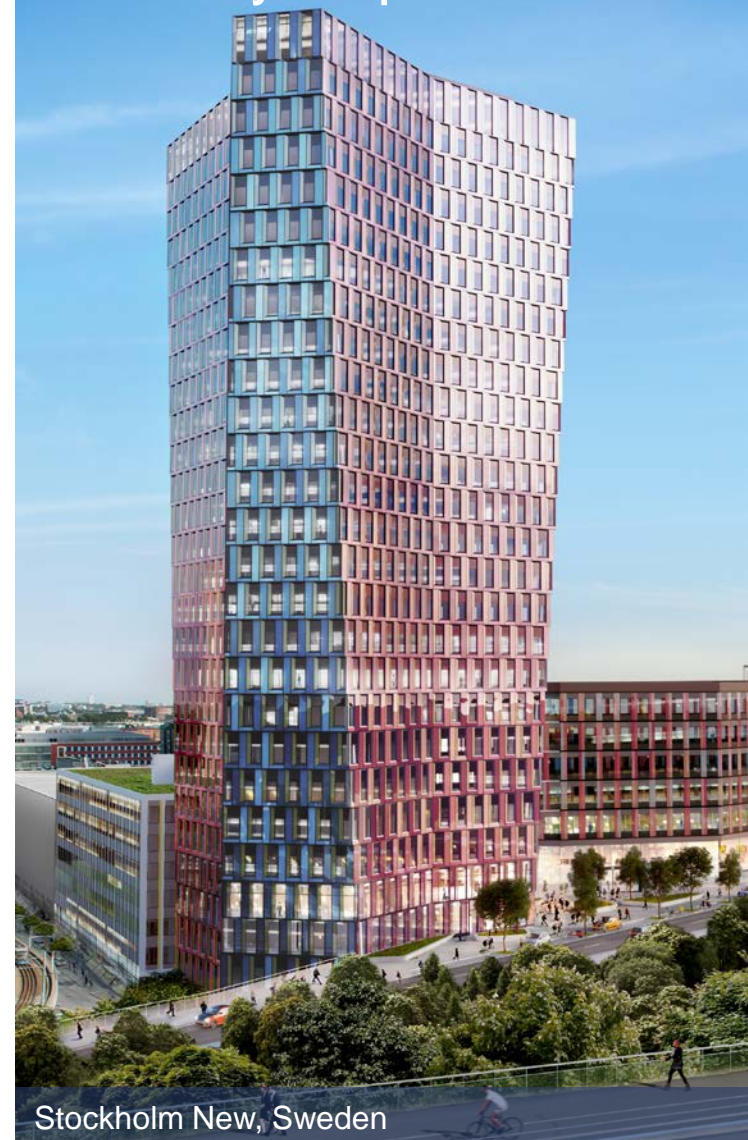
Norra Djurgårdsstaden, Stockholm, Sweden

# Market outlook

## Commercial Property Development

- General
  - Tenants: Strong demand, vacancy rates low
  - Investors: Strong demand, valuations attractive
-  - Nordic countries
  - High interest from investors and low vacancy rates in Sweden
-  - Central Europe
  - High demand in Poland and improving in other parts of Central Europe
-  - North America
  - Strong investor appetite and good tenant demand

CD Day September 28





# Market outlook

## Infrastructure Development



### – All countries

- Continued improving potential for PPPs in the U.S., but competition is considerable
- Norwegian market improving
- Thin pipeline in the other markets



LaGuardia, New York, U.S.

