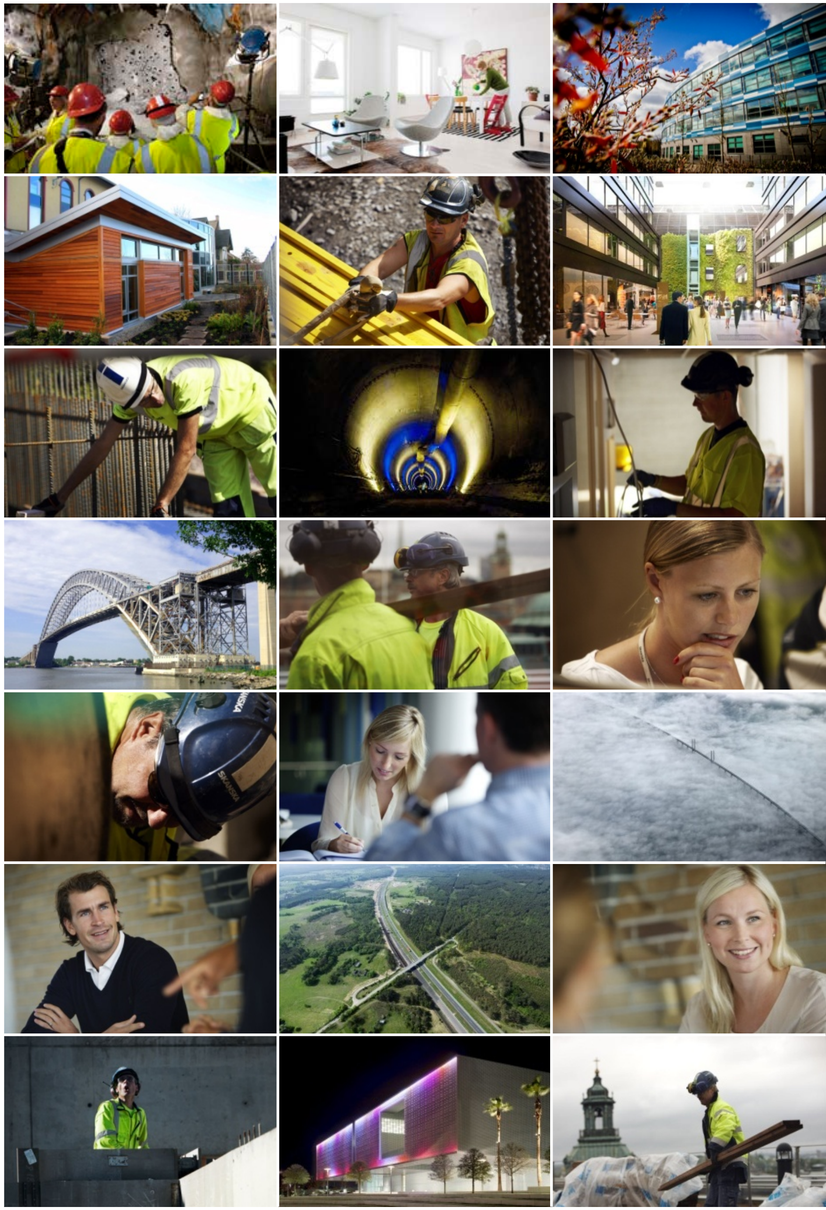
SKANSKA

Three Month Report 2015

New Papworth Hospital, Cambridge, UK

Three Month Report 2015

- Group results continues to improve
  - Increased revenues
  - Improved profitability
  - Solid order backlog and financial position
- Operating income SEK 832 M (656)
  - 18% increase in local currency
- Positive and improving market outlook



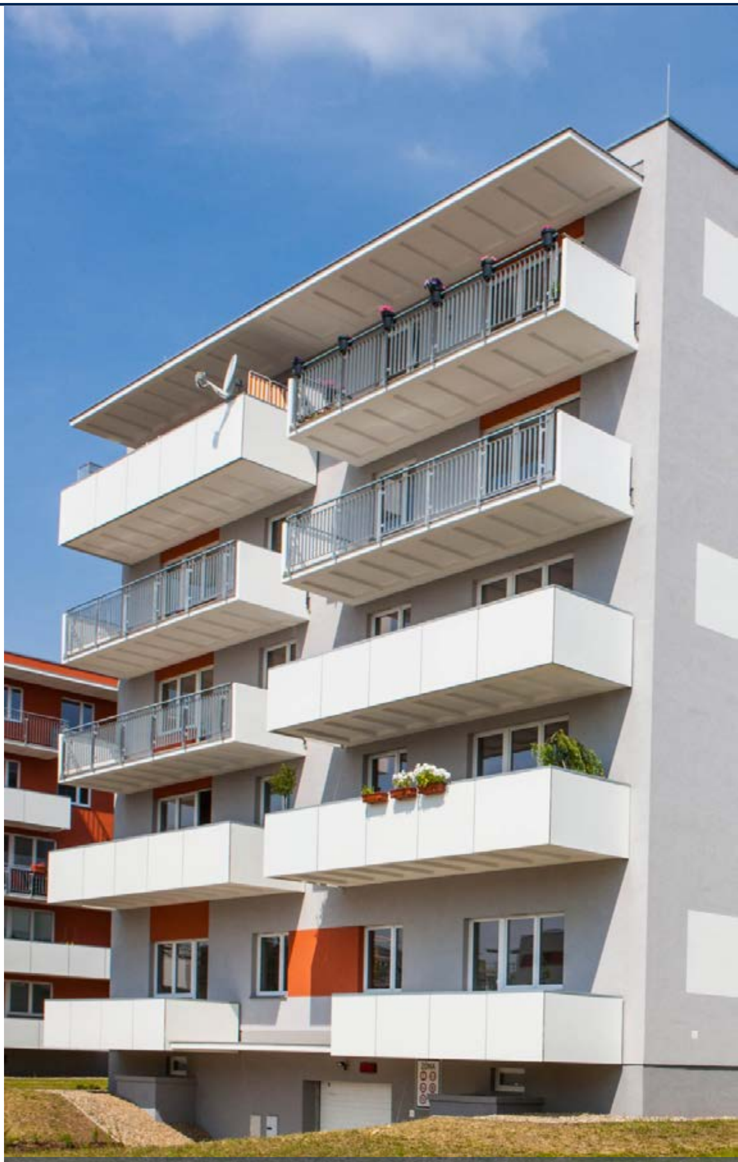
Construction

- Revenue SEK 30.7 bn (25.2)
- Order bookings SEK 30.2 bn (31.0)
  - UK and Sweden strong
  - Book-to-build, R-12: 109%
- Operating income SEK 622 M (595)
  - Strong performance in Swedish and Finnish operations
  - Pressure on U.S. margins due to project mix and harsh winter

Transbay Transit Center, San Francisco, U.S.

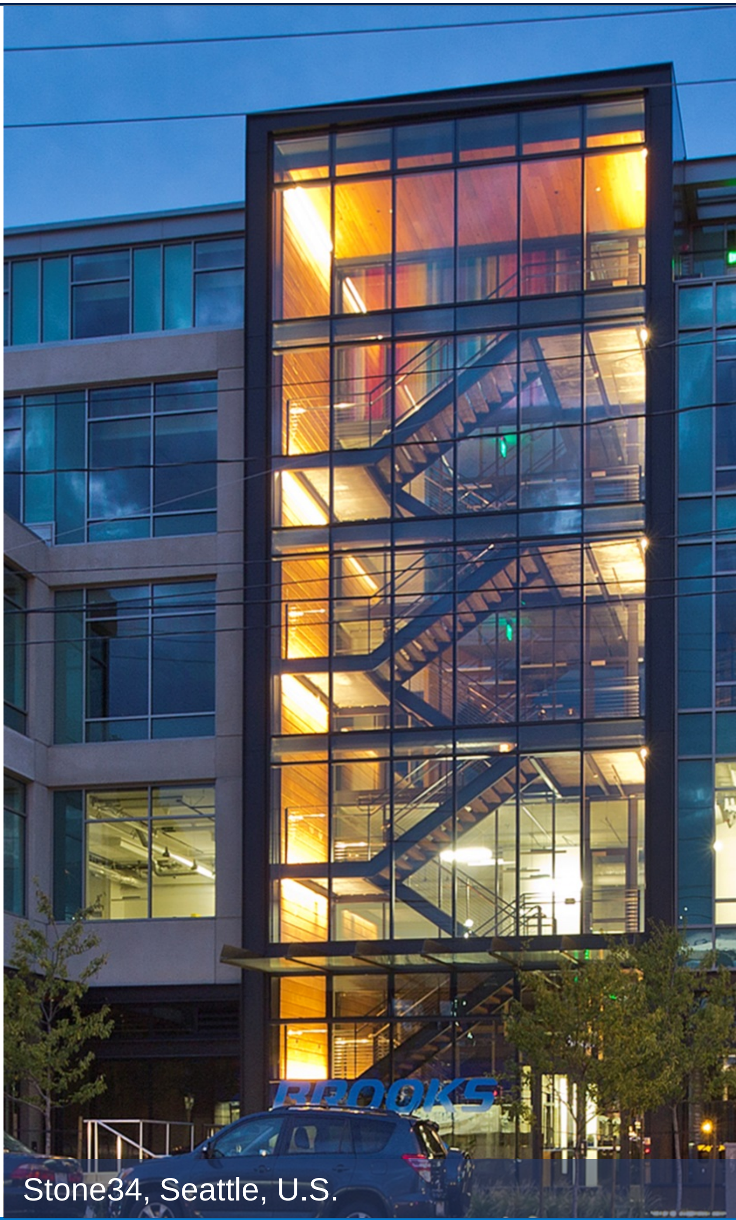
Residential Development

- Revenue SEK 3.0 bn (2.0)
  - 991 (765) homes sold
  - 726 (809) homes started
  - Stable volume going forward
- Operating income SEK 230 M (139)
  - Good performance in Sweden and Central Europe
  - Packaged deals in Finland impact margins
- Profitability improving
  - Operating margin 7.7% (6.9)


Milíčovský háj, Prague, Czech Republic

Commercial Property Development

- Divestments of SEK 1.1 bn (0.9)
- Income from divestments SEK 299 M (135)
- 40 ongoing projects
  - SEK 15.3 bn in investment value
  - 51% pre-leasing rate
  - 48% completion rate
  - 3 project starts
- 50,000 sq m leased



Stone34, Seattle, U.S.

Infrastructure Development

- Project portfolio's net present value increased SEK 0.4 bn to SEK 5.7 bn YTD
- Financial close of the New Papworth Hospital, UK

Interstate 4, Orlando, Florida, U.S.

New orders in Construction in Q1

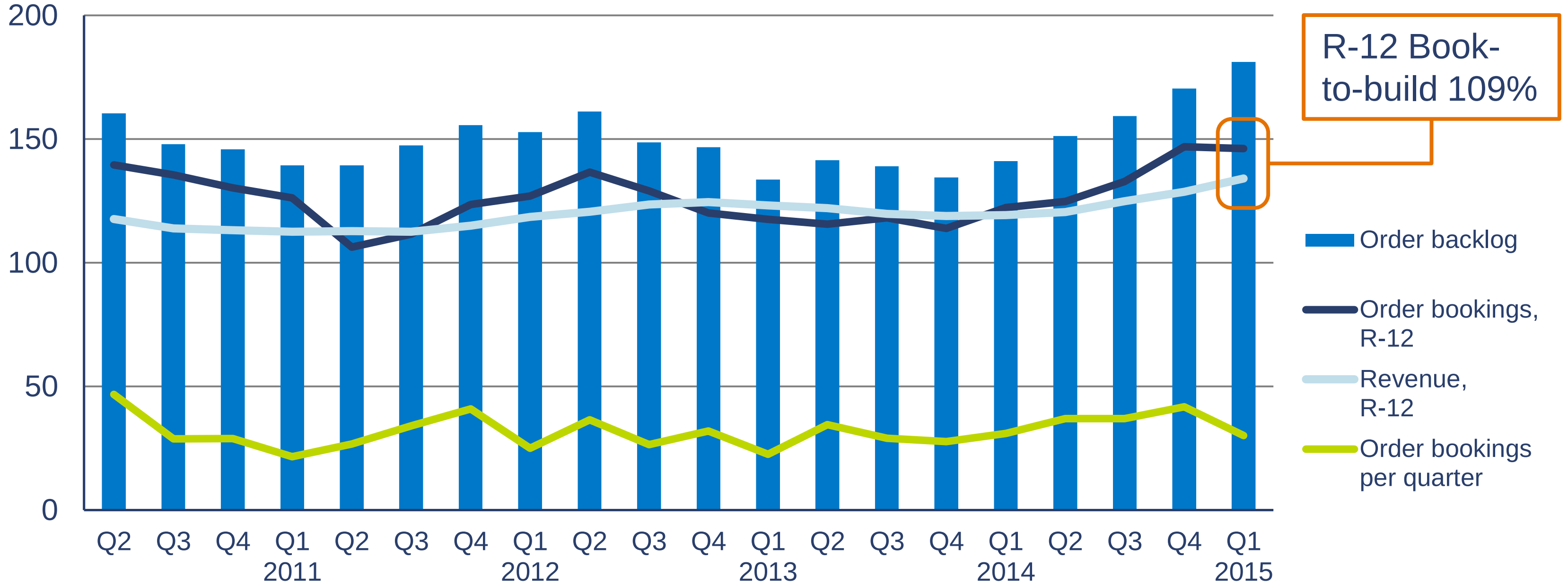
SEK M

R&D and Headquarter, UK	3,700
Hospital, UK	1,800
Water infrastructure, UK	1,300
Subway stations, NY, U.S.	670
Highway, CA, U.S.	640
Office refurbishment, Sweden	600
Total bookings in Q1	30,243

Urban Escape Stockholm, Sweden

Construction
Order situation

SEK bn



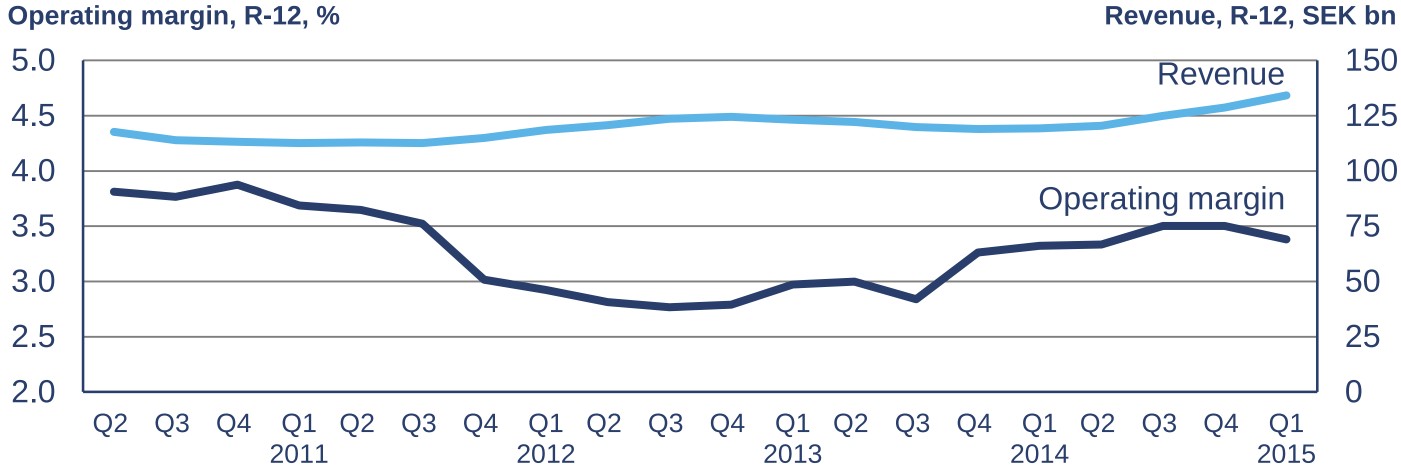
SEK bn	Jan–Mar 2015	Jan–Mar 2014	Jan–Dec 2014
Revenue	30.7	25.2	128.7
Order bookings	30.2	31.0	146.9
Order backlog	181.2	141.1	170.5

Latin American operations excluded from 1/1 2013

Construction
Order bookings

SEK bn	Jan–Mar 2015	Jan–Mar 2014	Book-to-build, R-12, %	Months of production
Sweden	6.6	5.8	110	12
Norway	3.1	4.4	93	9
Finland	1.4	1.6	87	10
Poland	1.5	1.9	91	7
Czech Republic	1.1	1.0	94	11
UK	9.6	3.9	158	25
USA Building	4.2	11.0	83	16
USA Civil	2.7	1.4	150	28
Total	**30.2**	**31.0**	**109**	**16**

Construction
Income statement



SEK bn	Jan–Mar 2015	Jan–Mar 2014	Jan–Dec 2014
Revenue	30.7	25.2	128.7
Gross income	**2.1**	**1.9**	**10.3**
Selling and administrative expenses	-1.5	-1.3	-5.8
Operating income	**0.6**	**0.6**	**4.5**
Gross margin, %	6.9	7.7	8.0
Selling and administrative expenses, %	-4.9	-5.3	-4.5
Operating margin, %	2.0	2.4	3.5

Latin American operations excluded from 1/1 2013

Construction
Income statement

	Operating income, SEK M		Operating margin, %	
	Jan–Mar 2015	Jan–Mar 2014	Jan–Mar 2015	Jan–Mar 2014
Sweden	179	129	2.8	2.1
Norway	91	80	2.7	2.7
Finland	43	43	3.3	3.0
Poland	-12	-11	neg	neg
Czech Republic	-37	-48	neg	neg
UK	102	112	2.5	3.1
USA Building	47	75	0.5	1.2
USA Civil	209	215	4.4	6.4
Total	**622**	**595**	**2.0**	**2.4**

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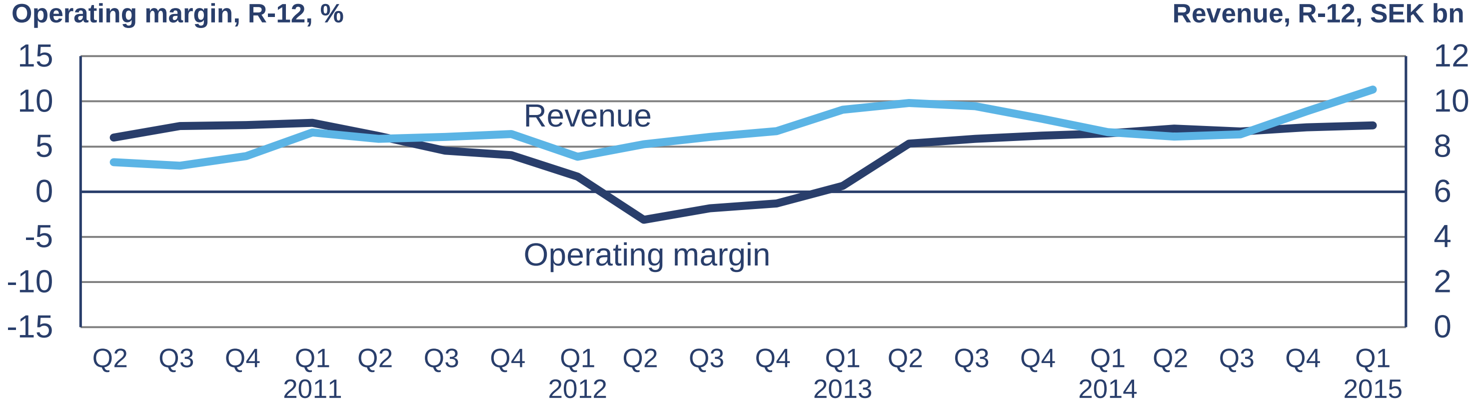
Residential Development

Income statement, segment reporting



SEK M	Jan–Mar 2015	Jan–Mar 2014	Jan–Dec 2014
Revenue	2,985	2,012	9,558
Gross income	**375**	**269**	**1,204**
Selling and administrative expenses	-145	-132	-521
Income from joint ventures	–	2	–
Operating income	**230**	**139**	**683**
Gross margin, %	12.6	13.4	12.6
Selling and administrative expenses, %	-4.9	-6.6	-5.5
Operating margin, %	7.7	6.9	7.1

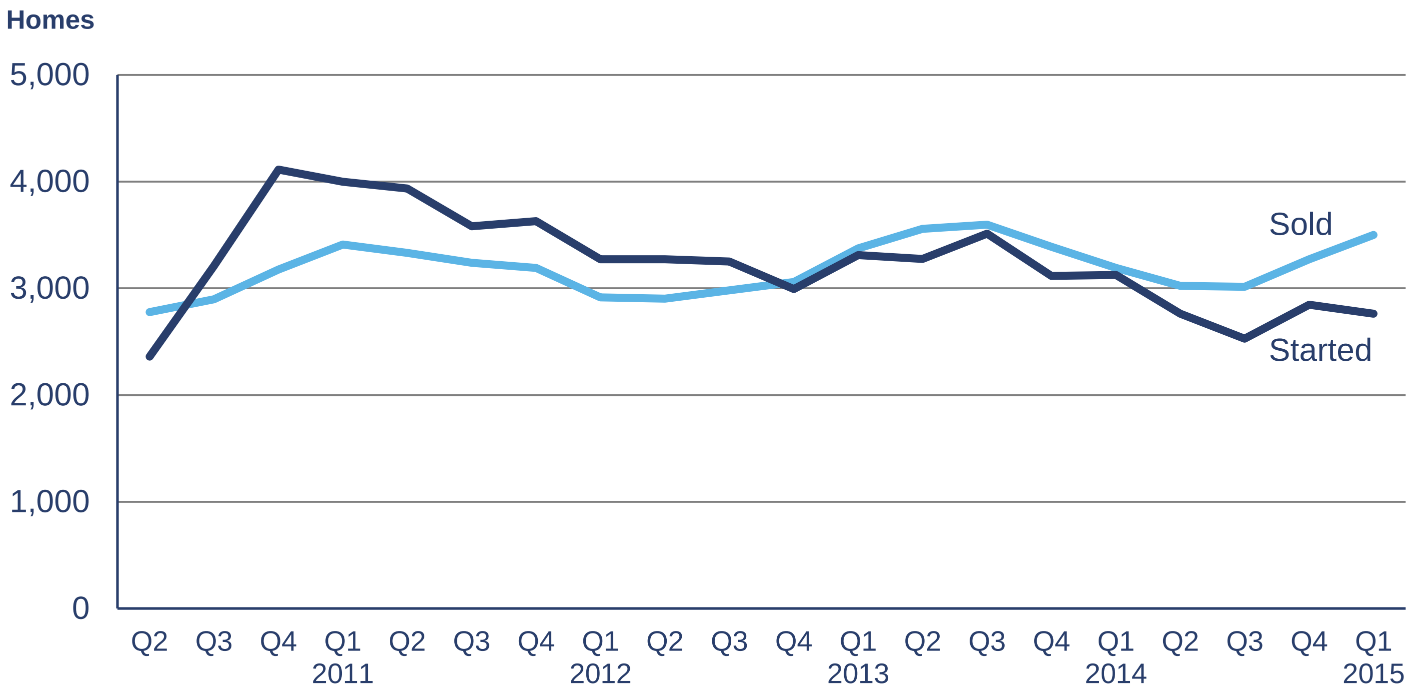
Residential Development
Income statement

	Operating income, SEK M[1]		Operating margin, %[1]	
	Jan–Mar 2015	Jan–Mar 2014	Jan–Mar 2015	Jan–Mar 2014
Sweden	175	100	9.0	8.3
Norway	26	19	5.7	8.6
Finland	9	17	2.3	4.5
Nordics	**210**	**136**	**7.5**	**7.5**
Central Europe[2]	20	3	10.9	1.5
Total	**230**	**139**	**7.7**	**6.9**

1 Development gain only, construction margin reported under Construction
2 Czech Republic, Poland and the UK

Residential Development

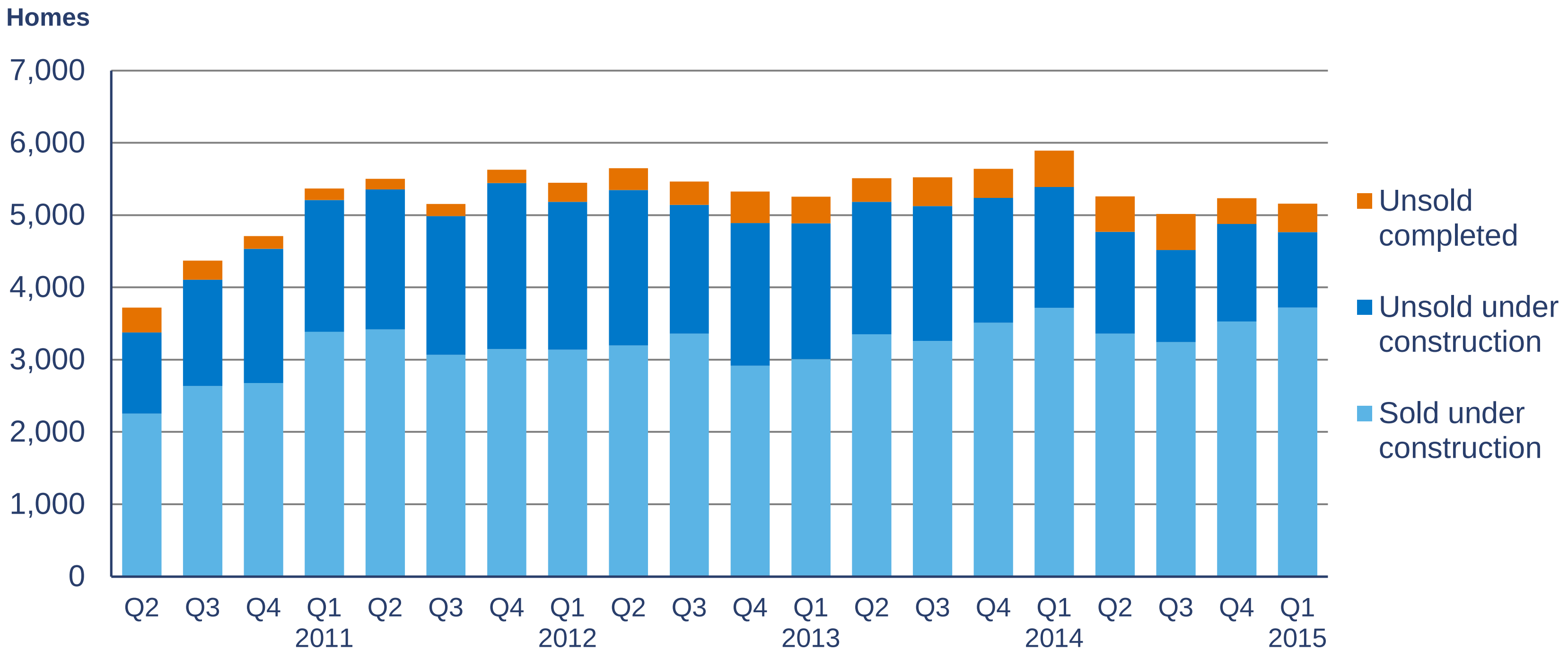
Homes started and sold, R-12



Homes started			Homes sold		
Jan–Mar 2015	**Jan–Mar 2014**	**Jan–Dec 2014**	**Jan–Mar 2015**	**Jan–Mar 2014**	**Jan–Dec 2014**
726	809	2,846	991	765	3,274

Residential Development

Homes in production



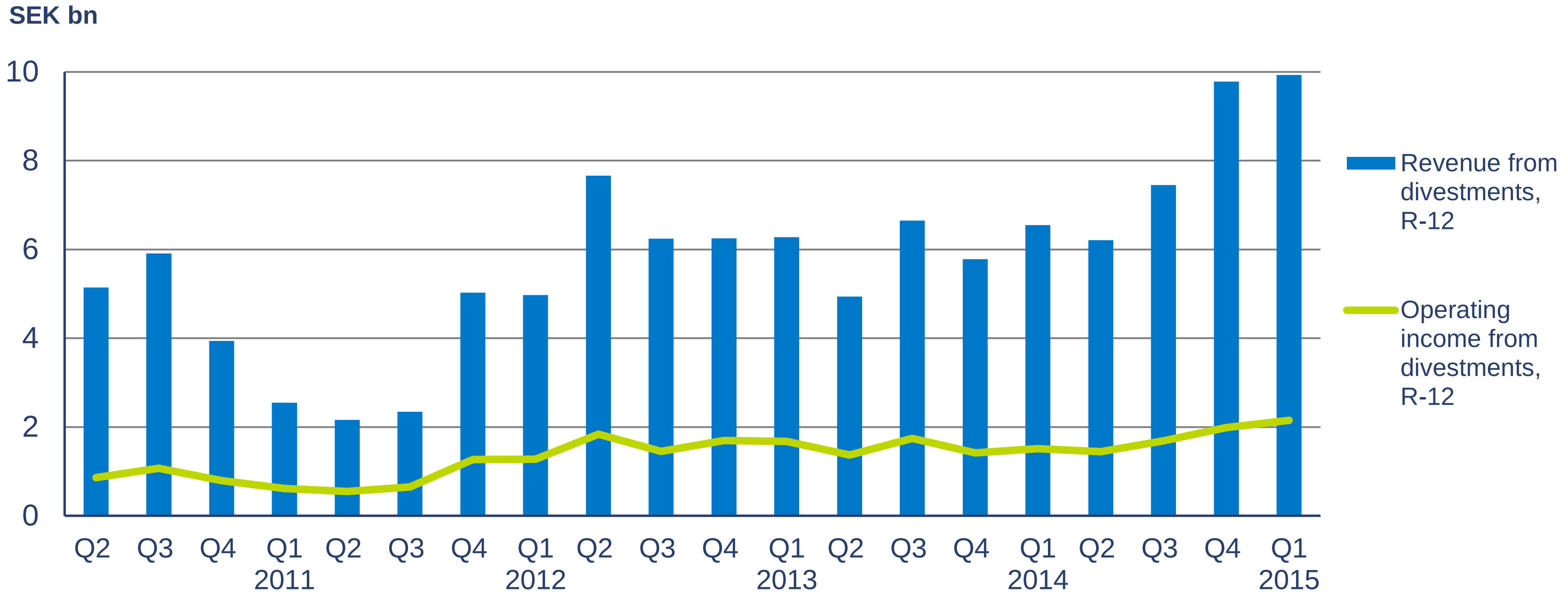
Homes in production		Of which sold, %		Unsold completed homes	
Mar 31, 2015	Mar 31, 2014	Mar 31, 2015	Mar 31, 2014	Mar 31, 2015	Mar 31, 2014
4,763	5,389	78	69	397	502

Commercial Property Development
Income statement, segment reporting

SEK M	Jan–Mar 2015	Jan–Mar 2014	Jan–Dec 2014
Revenue	1,165	1,063	10,228
Gross income	**342**	**215**	**2,191**
Selling and administrative expenses	-161	-126	-526
Income from joint ventures and associated companies	1	2	35
Operating income	**182**	**91**	**1,700**
of which gain from divestments of properties[1]	299	135	1,989
of which write downs/reversal of write downs	–	–	43
1 Additional gain included in eliminations	1	24	279

Development gain only, construction margin reported under Construction

Commercial Property Development
Divestments

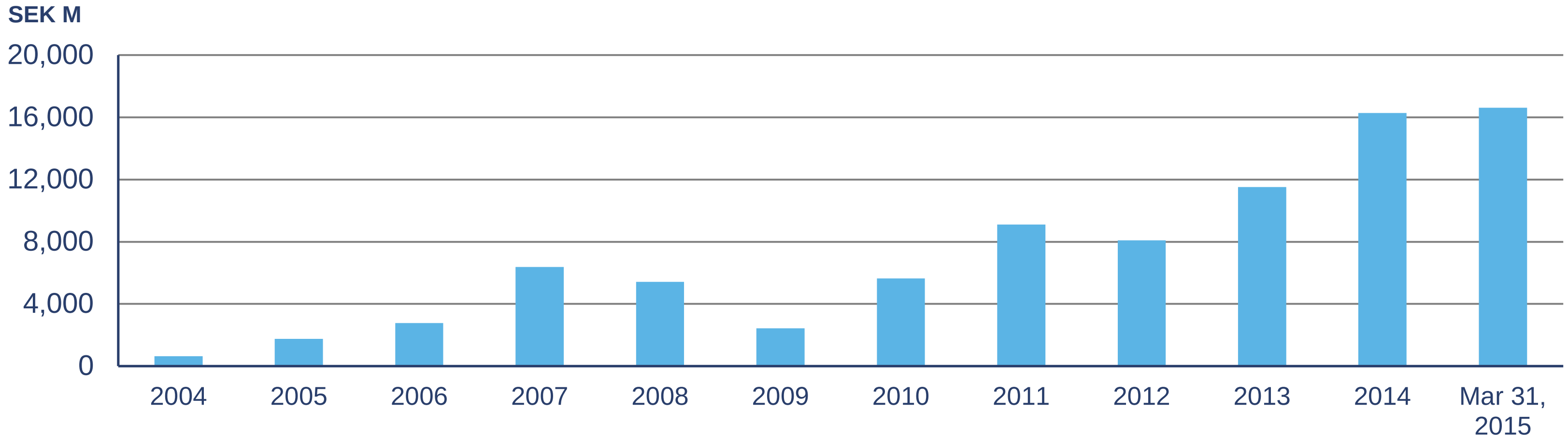


Sale of commercial properties

SEK M	Sales price	Capital gain
Year-to-date	1,075	299

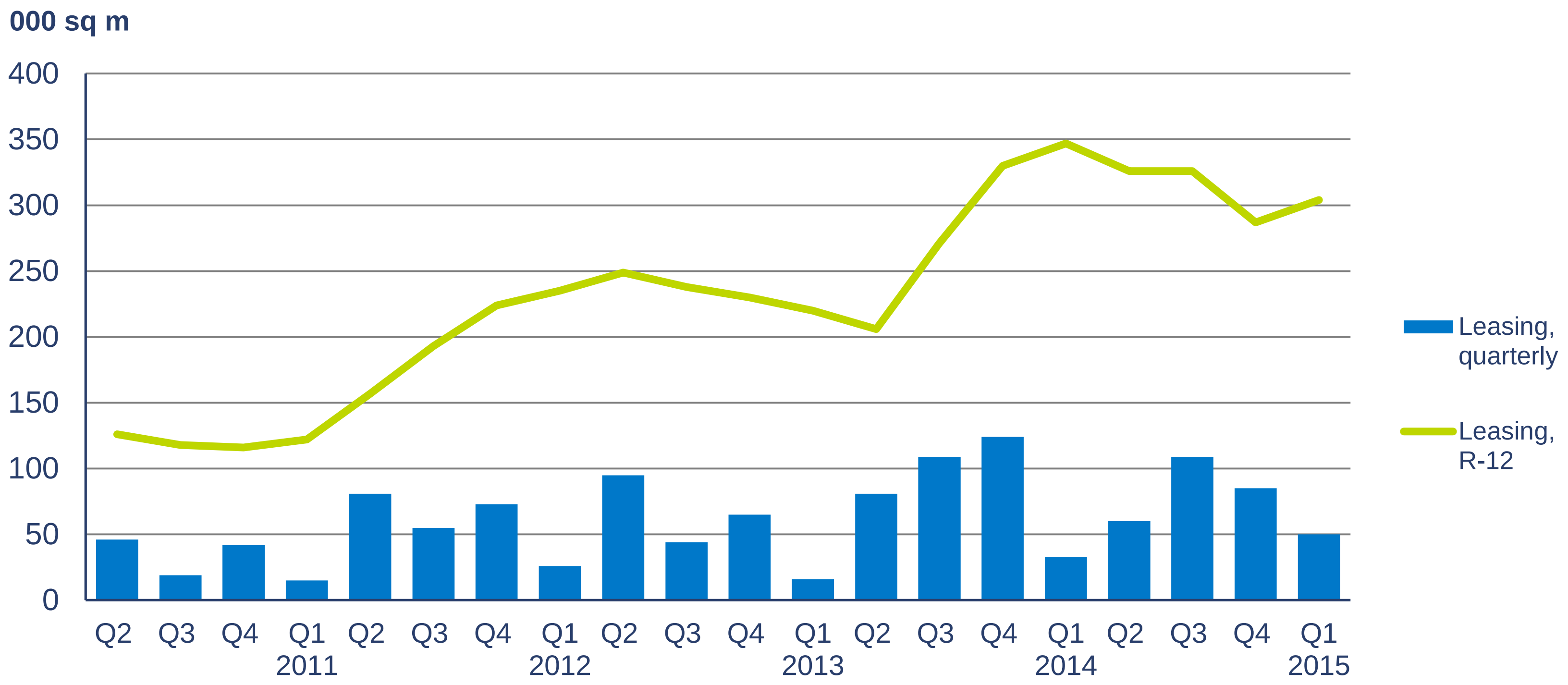
Commercial Property Development
Carrying amounts and market values

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	3.3	3.3	4.2	91	100
Undeveloped land and development properties	5.9	5.9	6.2		
Ongoing projects	7.2	15.3	19.6	51	48
Total, current asset properties	**16.4**	**24.4**	**30.0**		
Ongoing projects in JV (Skanska's share)	0.6	1.3	1.8	12	45
Total, Commercial Development	**16.9**	**25.8**	**31.8**		
of which ongoing projects sold according to segment reporting	1.5	2.6	3.3		

Commercial Property Development
Leasing



New leases of space were signed for 50,000 sq m in Q1

Infrastructure Development
Income statement

SEK M	Jan–Mar 2015	Jan–Mar 2014	Jan–Dec 2014
Revenue	32	17	163
Gross income	**-19**	**-37**	**-46**
Selling and administrative expenses	-32	-35	-128
Income from joint ventures	204	171	637
Operating income	**153**	**99**	**463**
of which gains from divestments of shares in projects	–	–	127

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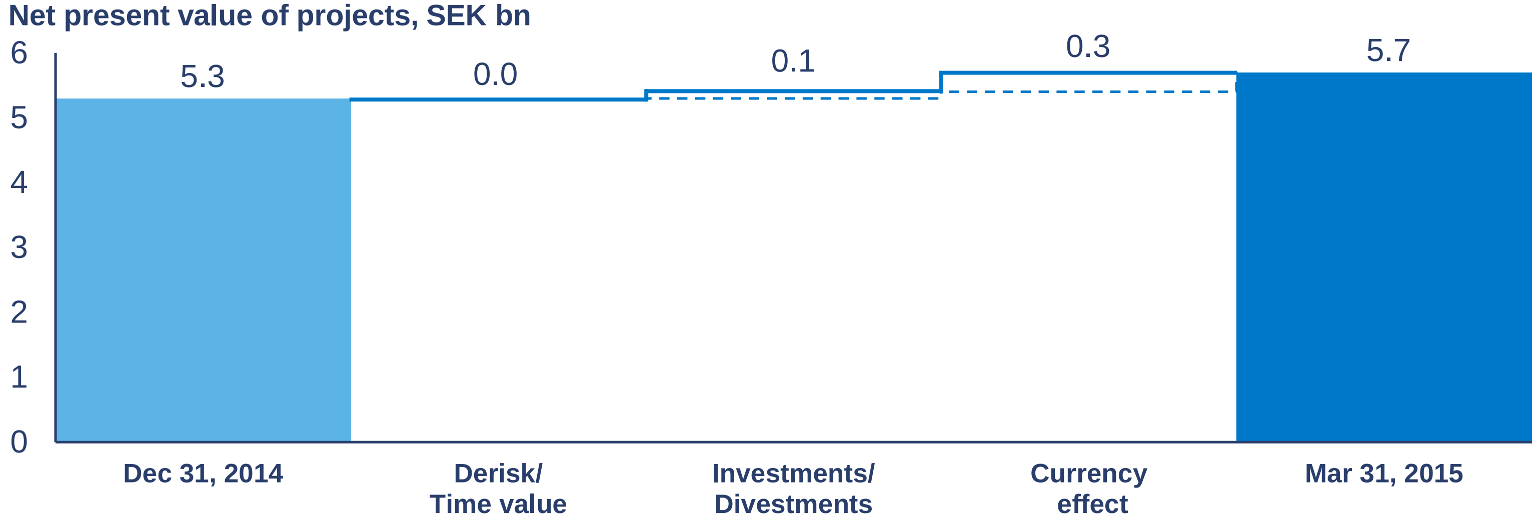
Infrastructure Development
Project portfolio



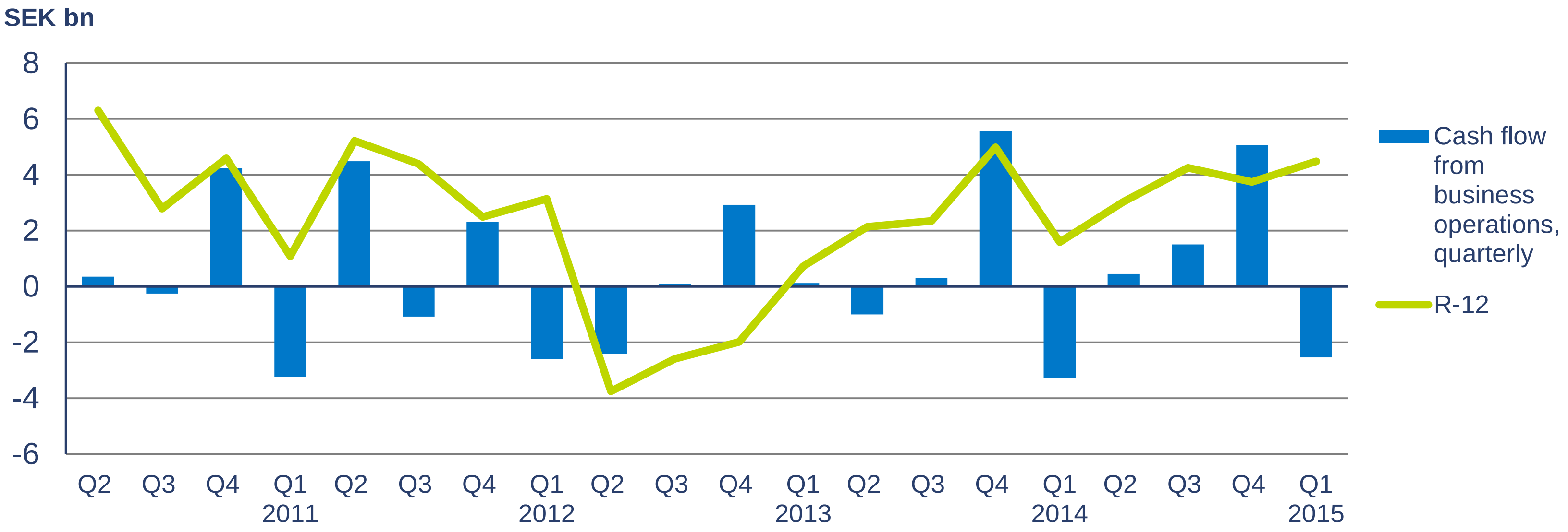
SEK bn	Mar 31, 2015	Dec 31, 2014
Present value of cash flow from projects	7.1	6.5
Net present value of projects	**5.7**	**5.3**
Carrying amount	-3.5	-3.2
Unrealized development gain	**2.2**	**2.1**
Cash flow hedge	2.0	1.8
Effect in unrealized Equity	**4.2**	**3.9**

Group
Income statement

SEK M	Jan–Mar 2015	Jan–Mar 2014	Jan–Dec 2014
Operating income from business streams	1,187	924	7,358
Central[1]	-318	-232	-1,608
Eliminations	-37	-36	16
Operating income	**832**	**656**	**5,766**
Net financial items	**-149**	**-62**	**-293**
Income after financial items	**683**	**594**	**5,473**
Taxes	-164	-149	-1,365
Profit for the period	**519**	**445**	**4,108**
Earnings per share, SEK	1.26	1.08	9.98
Tax rate, %	24	25	25

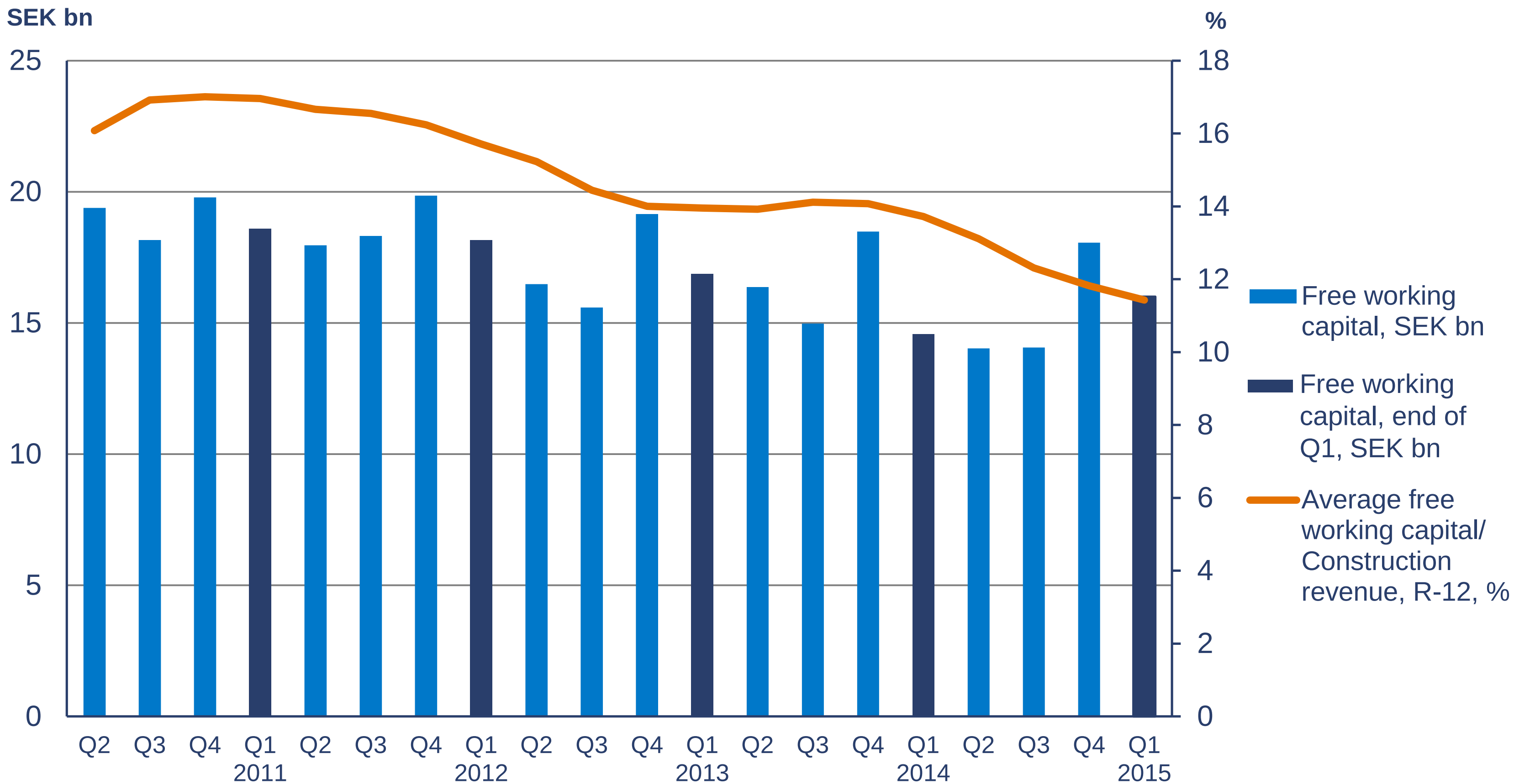
1 Latin American operations included from 1/1 2013

Group
Cash flow



SEK bn	Jan–Mar 2015	Jan–Mar 2014	Jan–Dec 2014
Cash flow from operations	-2.5	-3.3	3.7
Net strategic investments	–	0.1	0.1
Dividend etc.	-0.1	-0.1	-2.9
Cash flow before change in interest-bearing receivables and liabilities	-2.6	-3.3	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	Mar 31 2015	Mar 31 2014	Dec 31 2014
Total assets	95.3	84.5	92.8
Equity attributable to equity holders	22.6	21.3	21.4
Interest-bearing net receivables (+)/net debt (-)	-1.3	-2.6	0.7
Operating net financial assets/liabilities	5.9	3.3	8.4
Capital employed, closing balance	37.5	35.6	36.8
Equity/assets ratio, %	23.7	25.2	23.1

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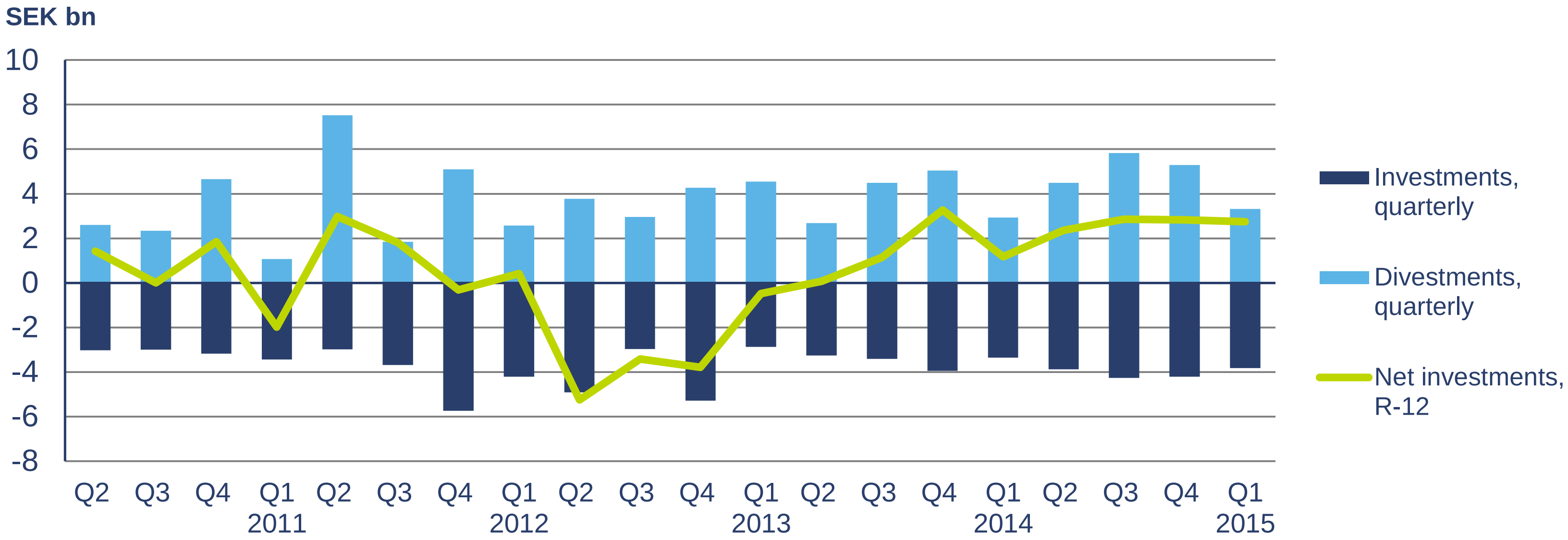
Group
Change in financial position

SEK bn	Jan–Mar 2015	Jan–Mar 2014	Jan–Dec 2014
Opening balance interest-bearing net receivables	**0.7**	**1.0**	**1.0**
Cash flow before change in interest-bearing receivables and liabilities	-2.6	-3.3	0.9
Change in pension liability	0.0	-0.3	-2.0
Other changes	0.6	0.0	0.8
Change in interest-bearing net receivables	**-2.0**	**-3.6**	**-0.3**
Closing balance interest-bearing net receivables/net debt	**-1.3**	**-2.6**	**0.7**
Pension liability, net	4.3	3.1	4.4
Interest-bearing debt co-ops	2.9	2.9	3.2
Operating net financial assets/liabilities	**5.9**	**3.3**	**8.4**

Group
Change in equity

SEK bn	Jan–Mar 2015	Jan–Mar 2014	Jan–Dec 2014
Opening balance	**21.4**	**21.4**	**21.4**
Dividend to shareholders	–	–	-2.6
Other changes in equity not included in total comprehensive income for the year	0.0	-0.1	-0.1
Profit for the period	0.5	0.4	3.9
Other comprehensive income			
Translation differences	1.0	0.0	1.5
Effects of remeasurements of pensions	0.0	-0.2	-1.8
Effects of cash flow hedges	-0.2	-0.2	-0.8
Closing balance	**22.6**	**21.3**	**21.4**

Group
Investments and capital employed



SEK bn	Jan–Mar 2015	Jan–Mar 2014	Jan–Dec 2014
Capital employed in:			
Residential Development	9.6	11.3	10.4
Commercial Property Development	16.3	13.4	15.0
Infrastructure Development	1.6	2.0	1.9
Total in Development Streams	**27.5**	**26.8**	**27.3**

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Market outlook
Construction

- Overall a positive market outlook
  - Nordic countries
    - Strong building market in Sweden
    - Good civil market. Norway very strong, Sweden strong, Finland weak
  - Other European countries
    - UK and Polish market strong
    - Czech and Slovak Republics improving
  - North America
    - The U.S. continues to be a good market, but with fierce competition

M1 Junction 19, Midlands, UK

Market outlook
Residential Development

- Nordic countries
  - Sweden very strong
  - Norway stable
  - Finland weak
- Central Europe
  - Volumes and prices increasing


Liljekonvaljen, Järvastaden, 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

Österport 7, Malmö, Sweden

Market outlook
Infrastructure Development

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


New Karolinska Solna, Stockholm, Sweden