

# Business Plan 2011–2015

Johan Karlström, President and CEO

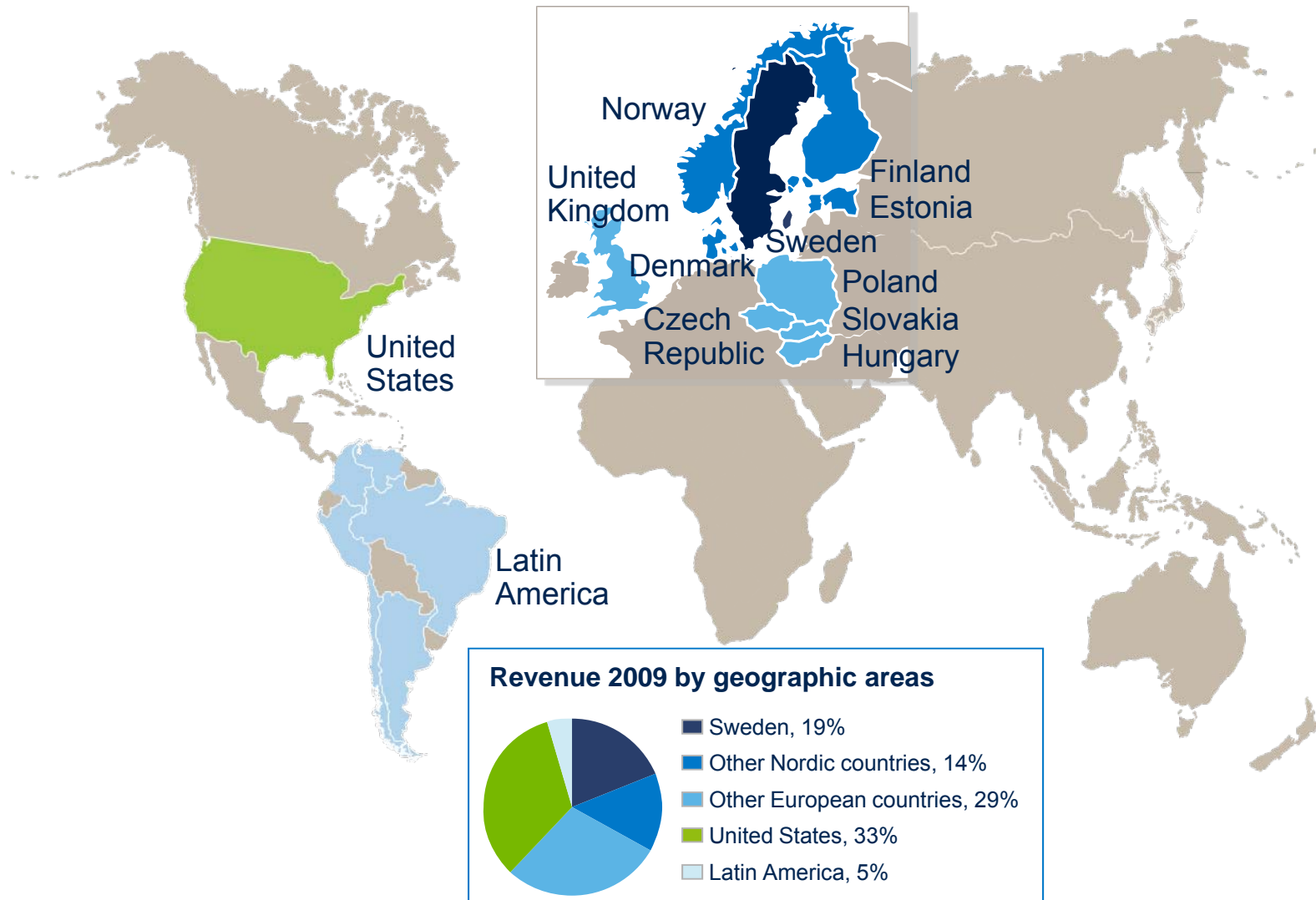
# Skanska in short

- Founded 1887 in Sweden
- International business since 1897
- Listed on the Stockholm Stock Exchange
- 2009 revenues: SEK 137 billion
- 51,000 employees
- A Fortune 500 company
- Member of UN Global Compact



Älvsborgsbron, Gothenburg, Sweden

# Local presence – global strength



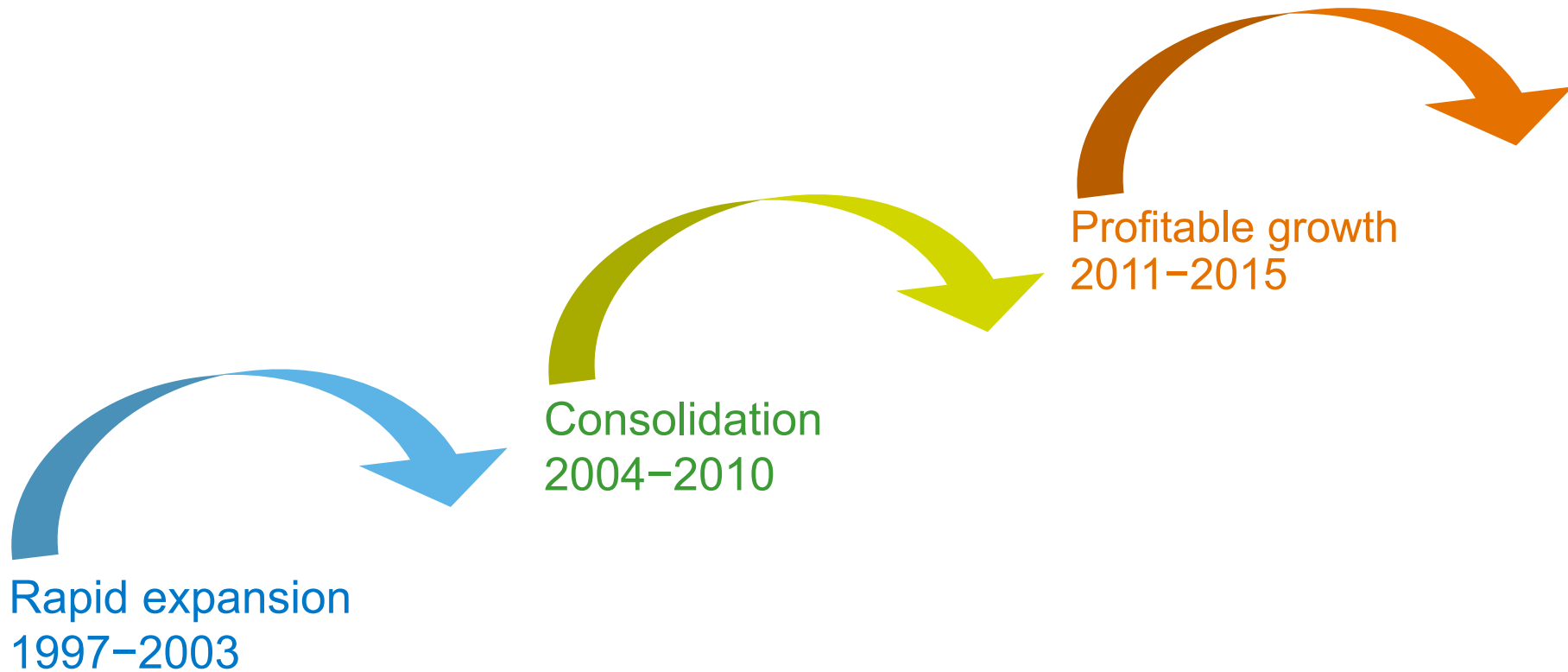




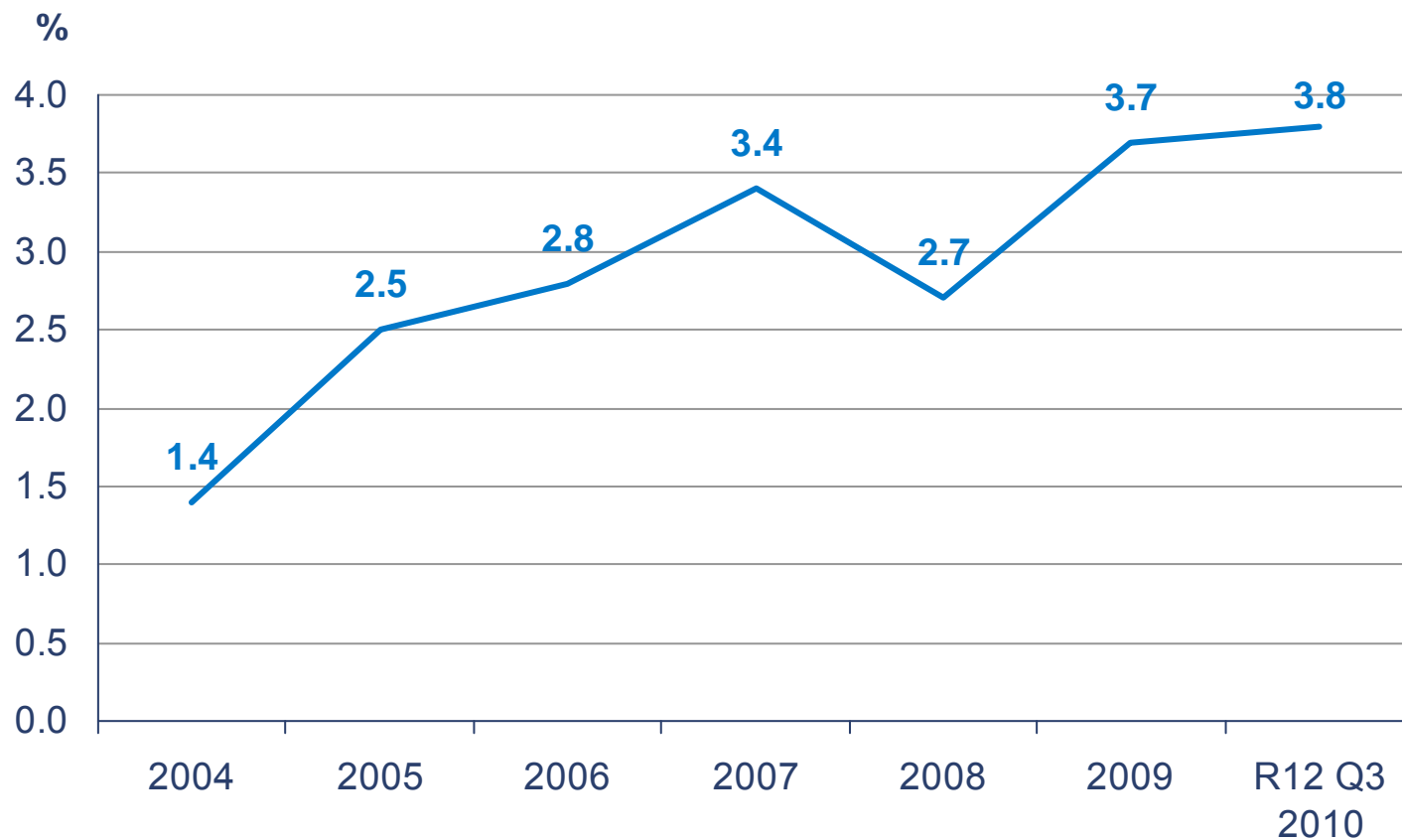
# Our four Business Streams



# Our journey

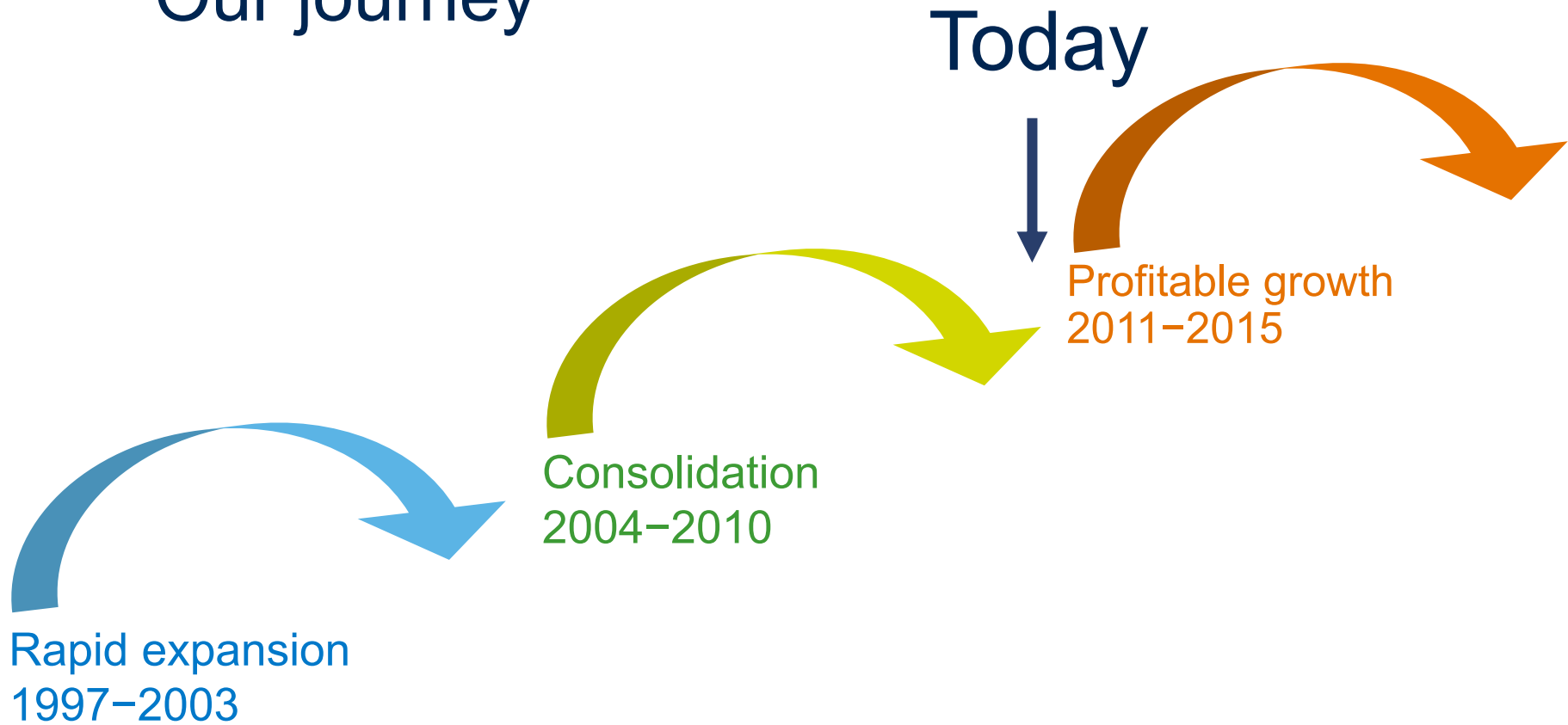


# Construction margin progress



- ✓ Consolidation phase successfully completed
- ✓ Strong financial and operational platform
- ✓ Common value base and collaborative culture

# Our journey







# Build on global trends and existing strengths

# Strengths and values

Home markets/ local presence	Decentralized/ integrated	Financial strength and synergies
Civil and building construction	Project Development	Project execution Risk management
People	Knowledge	Brand

Code of Conduct and 5 Zeros

# One Skanska

Home markets/  
local presence

Decentralized/  
integrated

Financial strength  
and synergies

Civil and building  
construction

Project  
Development

Project execution  
Risk management

People

Knowledge

Brand

Code of Conduct and 5 Zeros



# Increasing urbanization

Since 2007, 50% of the world's population lives in cities

## Requires huge investments in

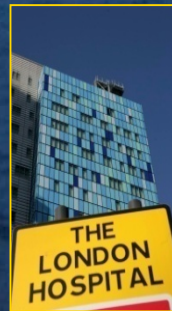
mass  
transit



schools



health



housing



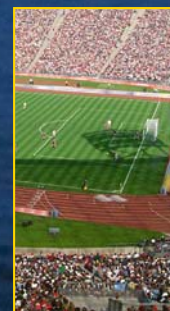
water



waste



sports

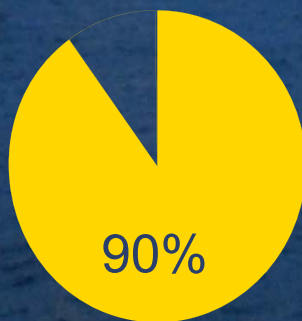


culture

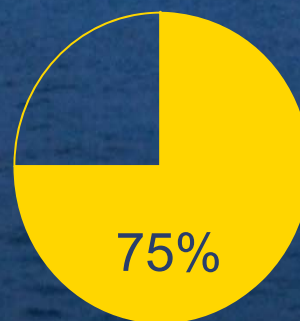


# Increasing urbanization

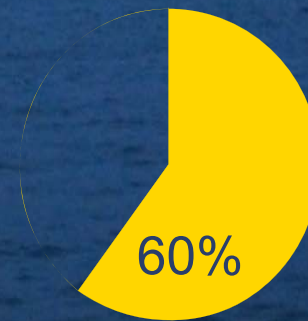
Majority of growth and consumption in cities



of population  
growth



of all energy  
consumption

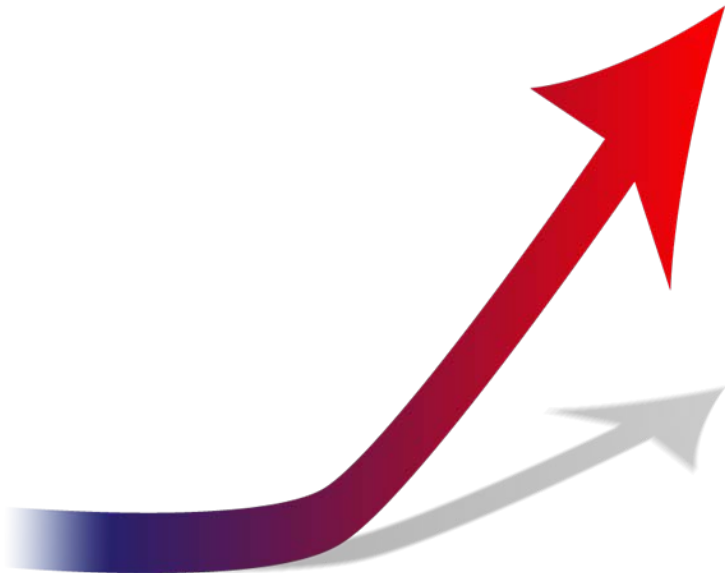


of waste  
consumption



# Demographic changes

- Ageing and growing population
- Need for healthcare



University Hospital in Coventry, UK

# Global demand for energy and energy efficiency will increase dramatically



Totoral Wind Farm, Chile

# Evaluation criteria for new opportunities

## Market attractiveness

- Significant market size
- Market growth > GDP growth with long-term stable growth outlook
- Industry profitability above Skanska targets
- Low number of existing players, right type of entry barriers, economies of scale to exploit
- Acceptable complexity

## Feasibility for Skanska

- Skanska has experience and distinct capabilities to be leading
- Multiple available acquisition candidates
- An attractive growth roadmap possible, with several strategies and actions
- Remain true to Skanska's commitment to its Five Zeros, Code of Conduct and to Green

# Profitable growth

What  
to do and  
our targets?

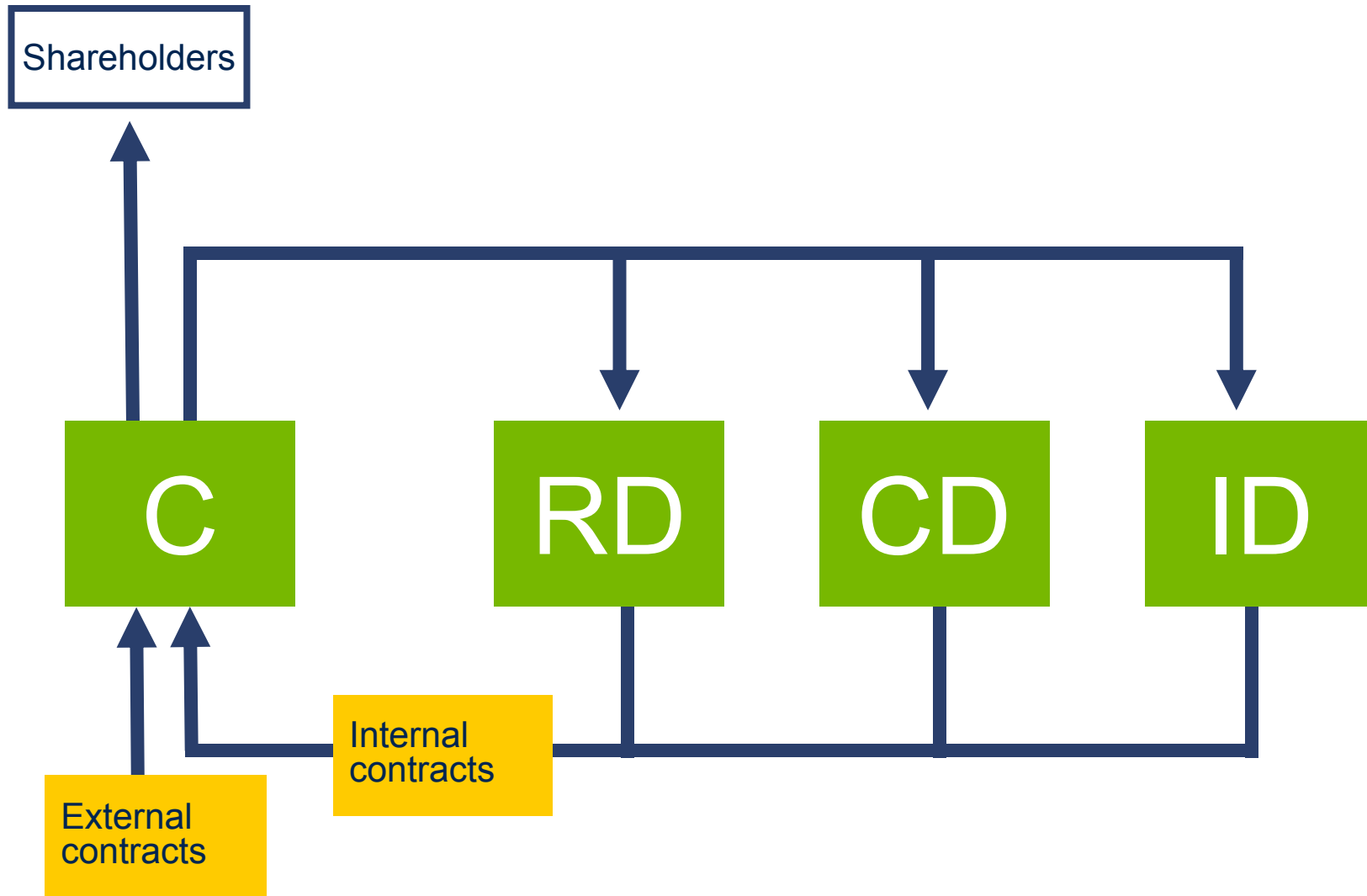
How  
to do it?

# Financial targets and dividend policy

- Group
  - ROE 18–20% per annum
  - Dividend pay out 40–70% of Earnings Per Share
  - Net cash position (pension liabilities and construction credits in residential development co-ops excluded)
- Construction
  - EBIT margin 3.5–4.0% over a business cycle
  - Grow faster than the market
- RD, CD and ID
  - ROCE 10–15% per annum
  - Significantly grow investments



# Increase pace of financial synergies



# Leading position in Construction



# Significantly larger in Project Development



# Skanska in 2015

Better balance  
between Construction  
and  
Project Development



# Skanska in 2015

Leader in  
**Risk**  
management



# Skanska in 2015

Leader in  
People  
development

# Skanska in 2015

Leader in  
Safety

# Skanska in 2015

Leader in  
Ethics



# Skanska in 2015

Leader in  
Green

A photograph of construction workers on the Manhattan Bridge. The workers are wearing safety gear, including hard hats and high-visibility vests. They are working on a large steel structure, likely a suspension cable or tower. The background shows the city skyline under a clear blue sky.

# How we will reach our targets Construction

Manhattan Bridge, New York, USA



# Profitable growth in Construction

Expand range  
of services  
within home  
markets



# Profitable growth in Construction



## Geographic expansion within home markets

Profitable growth in Construction

Collaboration in  
Clusters of Business Units  
Operational synergies



Use our knowledge

World Trade Center  
USA Building and USA Civil





Use our knowledge

Norra Länken

Skanska Sweden,  
Skanska Czech Republic and  
Slovakia



Use our knowledge

Alaskan Highway, Seattle

\$114,569,100 USA Building and USA Civil

Alaskan Way Viaduct  
e TO King - Stage 2

NEW SR 99 ROADWAY  
S SAFETY AND MOBILITY

anWayViaduct.org

Skanska USA Civil West

PARTNERSHIP WITH  
Seattle  
U.S. Department of Transportation  
Federal Highway  
Administration  
Port  
of Seattle





# Profitable growth in Construction

# More Bundled Construction



Concert, Congress and Hotel, Malmö, Sweden

# Profitable growth in Construction

Expand  
Healthcare  
business





Use our knowledge

# Nya Karolinska Solna Hospital

Skanska Sweden, Skanska UK, Skanska USA  
Building and Skanska ID





Profitable growth  
in Construction

Improve  
operational  
efficiency



New Meadowland Stadium, New Jersey, USA



# Opportunities in Construction

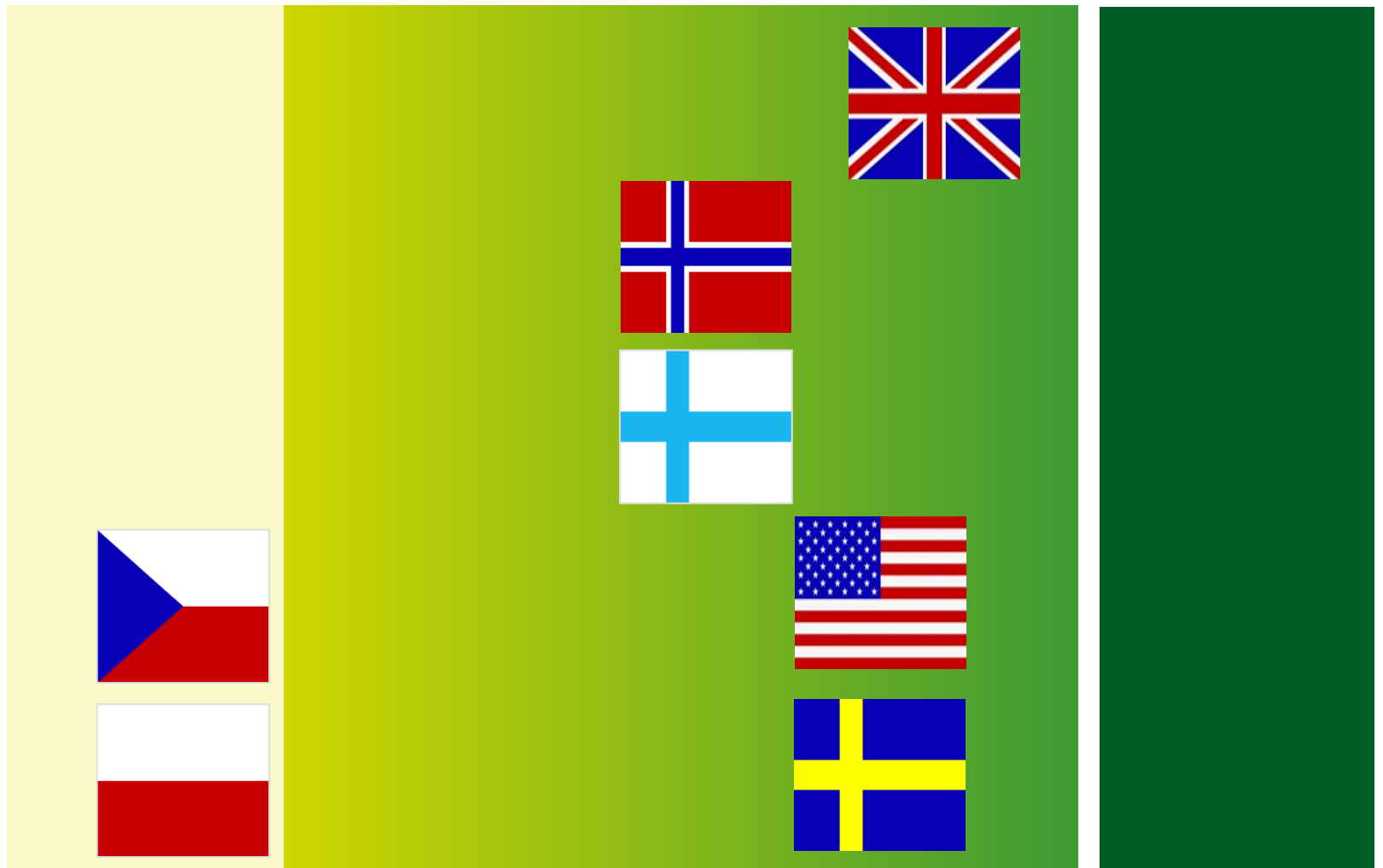
## Green business



Solar panels at Skanska's Cortez office, Colorado, USA



# Commercial market adaption is moving fast



# Green refurbishment

- Large commercial property owners
- USA, UK, Norway, Sweden and Finland
- Fixed price Design Build construction agreement
- Time limited Energy Performance Guarantee
- LEED or BREEAM Guarantee

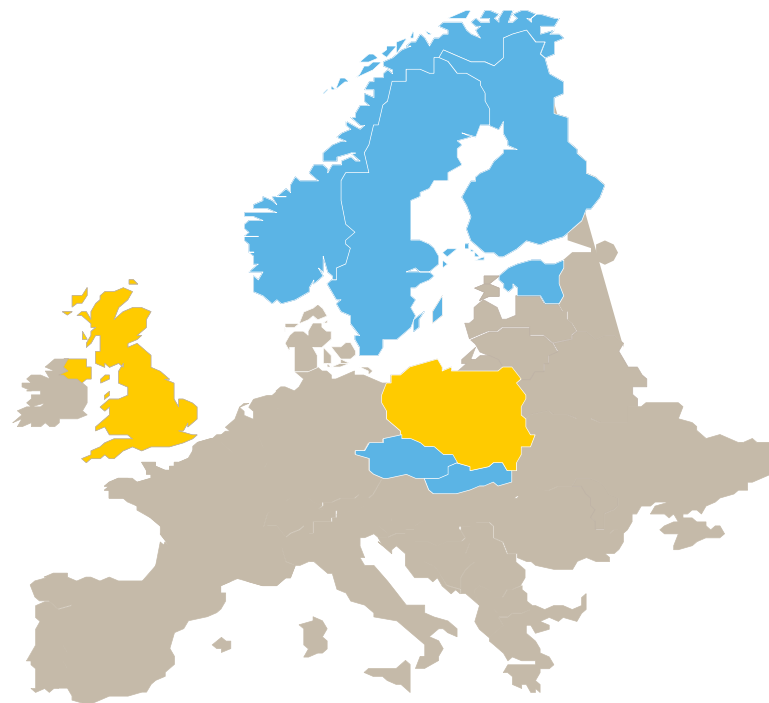


A photograph of a group of people, including a woman, a man, and a baby, smiling and looking at something on a table. The woman in the foreground is smiling broadly, looking down at the table. The man behind her is also smiling. The baby in the foreground is looking towards the camera with its hand near its mouth. The background is bright and out of focus.

# Residential Development

# Expand Residential Development

- Grow Nordics
- Regain volumes in Czech Republic and Slovakia
- Enter UK and Poland
- Grow BoKlok



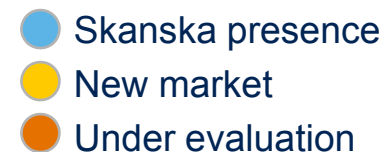
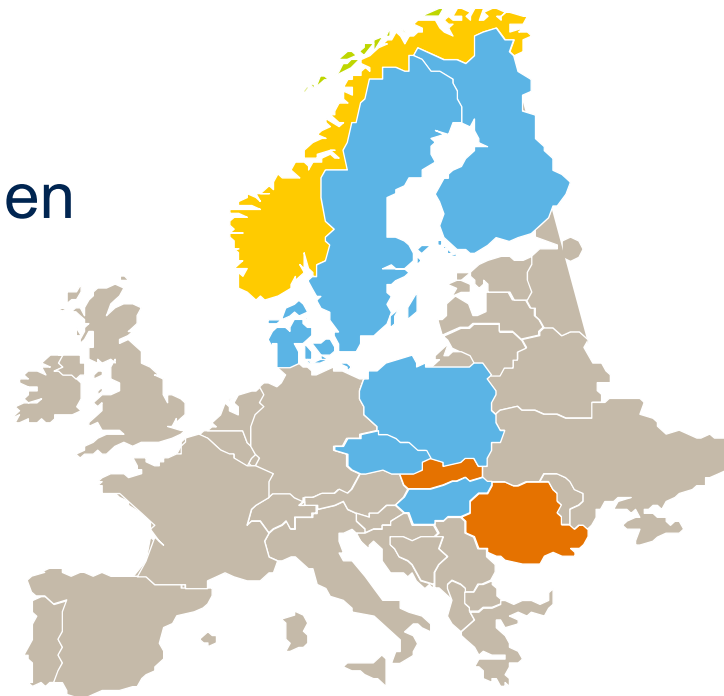


# Commercial Property Development

Skandia HQ, Stockholm, Sweden

# Growth in Commercial Property Development in Europe

- Grow strong business in Sweden
- Grow Finland and Denmark
- Ramp up Norway
- More cities in Poland and Czech Republic
- Evaluate Slovakia and Romania



# Ramp-up Commercial Property Development U.S.

- Existing markets
- Enter Seattle
- Potential entry in the governmental sector
- First lease agreement signed in Washington D.C.





# Infrastructure Development

Antofagasta highway, Chile



# Infrastructure Development strategy

- Growing existing segments
- New segments
  - Waste to energy
  - Wind power
  - High speed rail
  - Hospitals in Americas

