

SKANSKA

Annual Report 2009





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This document is in all respects a translation of the Swedish original Annual Report. In the event of any differences between this translation and the Swedish original, the latter shall prevail.

The Manhattan Bridge in New York City is one of the bridges that Skanska is renovating.

About Skanska

Skanska is one of the world's leading project development and construction groups, with expertise in construction, development of commercial and residential projects and public-private partnerships.

Based on the company's global environmental expertise, Skanska aims to be the customer's first choice for green projects.

The Group currently has 53,000 employees in selected home markets in Europe, the United States and Latin America.

Skanska's revenue in 2009 totaled SEK 137 billion.

Qualitative targets – the five zeros vision



Zero loss-making projects



Zero work site accidents



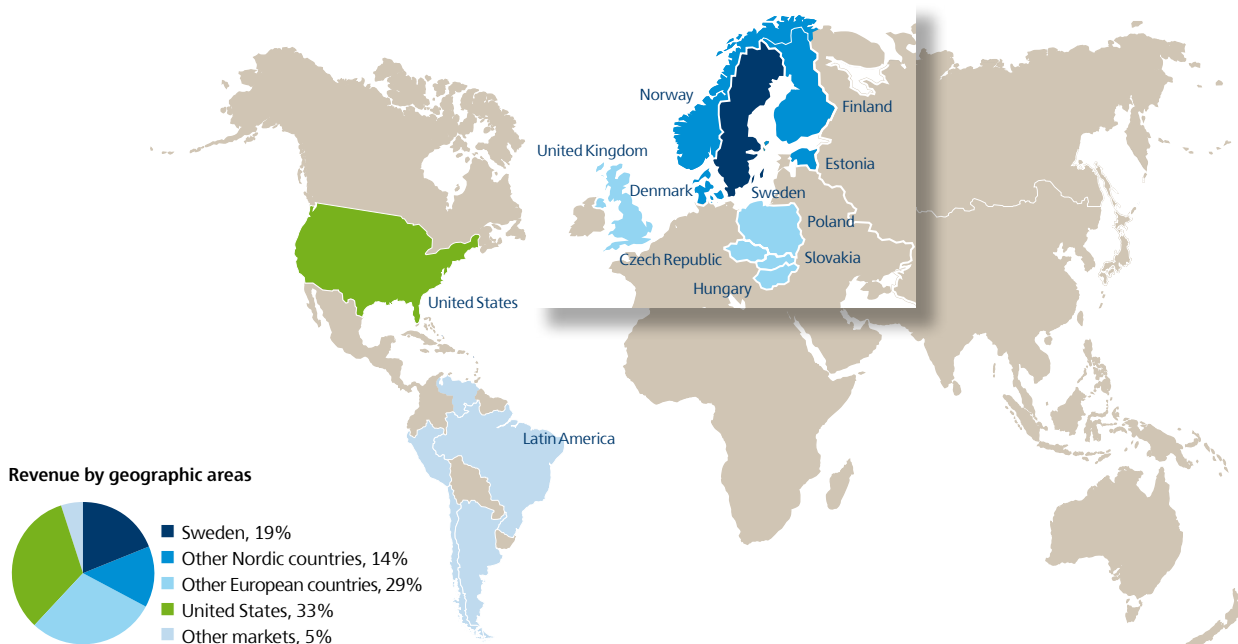
Zero environmental incidents



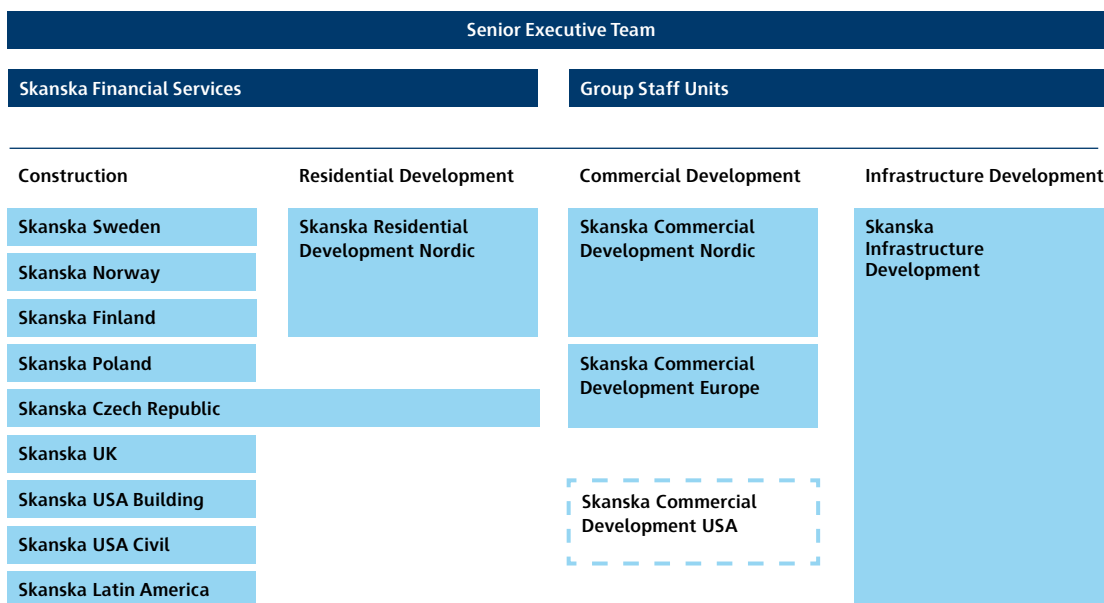
Zero ethical breaches



Zero defects



The Skanska Group



Construction refers to building construction (both non-residential and residential) and civil construction. It is Skanska's largest business stream.

The Construction business stream operates through nine business units in selected home markets – Sweden, Norway, Finland and Estonia, Poland, the Czech Republic and Slovakia, the United Kingdom, the United States and Latin America.

The Residential Development business stream initiates and develops residential projects for sale. Housing units are adapted to selected customer categories. Skanska, one of the leading residential developers in the Nordic countries, also has a sizeable presence in the Czech Republic and Slovakia.

The business stream operates in the Nordic countries, the Czech Republic and Slovakia.

Commercial Development initiates, develops, leases and divests commercial property projects, with a focus on office buildings, shopping malls and logistics properties.

The business operates in markets where Skanska has construction business units in the Nordic countries, Central Europe and the United States, as well as in Hungary and Denmark.

Infrastructure Development develops, manages and divests privately financed infrastructure projects such as highways, hospitals, schools and power generating plants.

The business stream focuses on creating new potential for projects in markets where Skanska has construction business units. It works through the Skanska Infrastructure Development business unit.

Revenue SEK 130,792 M
USD 17,090 M
EUR 12,312 M

Share of Group 92%



Operating income SEK 5,047 M
USD 659 M
EUR 475 M

Share of Group 85%



Revenue SEK 6,487 M
USD 848 M
EUR 611 M

Share of Group 5%



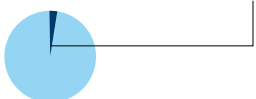
Operating income SEK 151 M
USD 20 M
EUR 14 M

Share of Group 3%



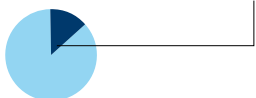
Revenue SEK 4,148 M
USD 542 M
EUR 390 M

Share of Group 3%



Operating income SEK 836 M
USD 109 M
EUR 79 M

Share of Group 14%



Revenue SEK 151 M
USD 20 M
EUR 14 M

Share of Group 0%



Operating income SEK -115 M
USD -15 M
EUR -11 M

Share of Group negative



The year in brief

Shrinking market, strong earnings with a strong cash flow. Margins in several Construction business units showed record levels.

Operating margin in Construction at a record level of 3.9 percent

Successful risk management and well-executed projects were the main reasons for the good operating margin.

Stable order bookings

Order bookings increased by 2 percent compared to the year before, totaling SEK 128.8 (126.5) billion. Adjusted for currency rate effects, order bookings decreased by 3 percent.

Successful residential sales

Sales of units in both completed and ongoing residential projects have developed well, and we are now focusing on increasing the number of new projects to meet demand.

Divestments and leasing of commercial space

In Commercial Development, despite the prevailing market situation we succeeded well both in terms of divestments and leasing.

Three binding infrastructure contracts

In Infrastructure Development, during the fourth quarter of 2009 we signed the year's third binding contract related to future projects, and we began the divestment process concerning our stake in the Autopista Central toll highway in Santiago, Chile.

Strong financial position

At the end of 2009, interest-bearing net receivables totaled SEK 12.5 (9.2) billion. Cash flow before taxes, financing operations and dividends amounted to SEK 7,033 M (1,422).

Increased dividend

The Board of Directors proposes a dividend of SEK 6.25 (5.25) per share, of which SEK 5.25 (5.25) per share as a regular dividend and SEK 1.00 (0.00) per share as an extra dividend for the 2009 financial year.

Key ratios

	SEK M	EUR M	USD M
Revenue	136,803	12,878 ³	17,876 ³
Operating income	5,222	492 ³	682 ³
Income after financial items	5,021	473 ³	656 ³
Earnings for the period per share, SEK/EUR/USD ¹	8.69	0.82	1.14
Return on equity, %	18.9	18.9	18.9
Return on capital employed, %	21.2	21.2	21.2
Order bookings ²	128,783	12,123 ³	16,828 ³
Order backlog ²	136,528	13,258 ⁴	18,994 ⁴

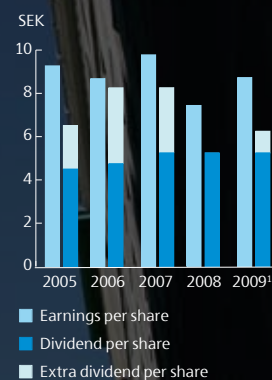
1 Earnings for the period attributable to equity holders divided by the average number of shares outstanding after repurchases, conversion and dilution.

2 Refers to Construction operations.

3 Average 2009 exchange rates: EUR 1 = SEK 10.62, USD 1 = SEK 7.65.

4 Exchange rates on 2009 balance sheet date: EUR 1 = SEK 10.30, USD 1 = SEK 7.19.

Earnings and dividend per share



1 Proposed by the Board of Directors.

The Empire State Building in New York City is a showcase for Skanska's green construction. After a green retrofit, the 32nd floor – which houses the offices of Skanska USA – earned Leadership in Energy and Environmental Design (LEED) for Commercial Interiors Platinum certification, demonstrating that even 80-year-old buildings can be renewed. The retrofit reduced both energy use and environmental impact.