

# **Annual Shareholders' Meeting**

## **Stockholm, April 7, 2005**

**SKANSKA**

# Address by the CEO

Stuart Graham  
President and CEO

# Divestments and exits

## Divestments

Gammon

Skanska Cementation

Skanska Cementation Mining

Skanska Whessoe

Skanska Services

Myresjöhus

Hong Kong

India

South Africa,  
Canada

United Kingdom

Sweden

Sweden

## Exit

Skanska International Projects

# Four Business Streams

## Construction



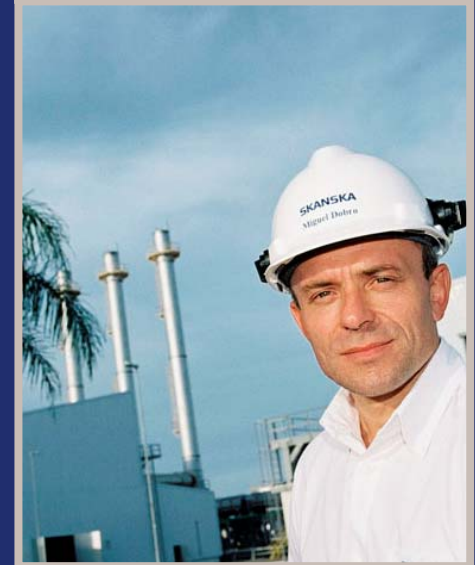
## Residential Project Development



## Commercial Project Development



## BOT



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# Skanska's home markets



**SKANSKA**

# Governance

- Procedural rules
- Financial reporting and control
- Risk management systems
- Skanska Code of Conduct
  - Health and safety
  - Environmental responsibility
  - Business ethics

# The Skanska Group

Group staff units

Senior Executive Team

Skanska Financial Services

Skanska Project Support

## Construction

Skanska Sweden

Skanska Norway

Skanska Denmark

Skanska Finland

Skanska Poland

Skanska Czech Republic

Skanska UK

Skanska USA Building

Skanska USA Civil

Skanska Latin America

## Residential Project Development

Skanska Project Development Residential Nordic

## Commercial Project Development

Skanska Project Development Sweden

Skanska Project Development Europe

## BOT

Skanska BOT

## Performance vs. targets

|                                | 2004       | Target    |
|--------------------------------|------------|-----------|
| Capital employed, Group        | SEK 21 bn  | SEK 30 bn |
| Residential PD, RoCE           | 21%        | 14%       |
| Commercial PD, RoCE            | 18/11%     | 15%       |
| BOT, RoCE                      | 11%        | 16%       |
| Net debt/equity, Group         | SEK 7.5 bn | 0.1–0.3   |
| Construction, RoCE             | 20%        | 25%       |
| Construction, Operating margin | 1.1%       | 2.5%      |



# Skanska Sweden – a FLAGSHIP business unit

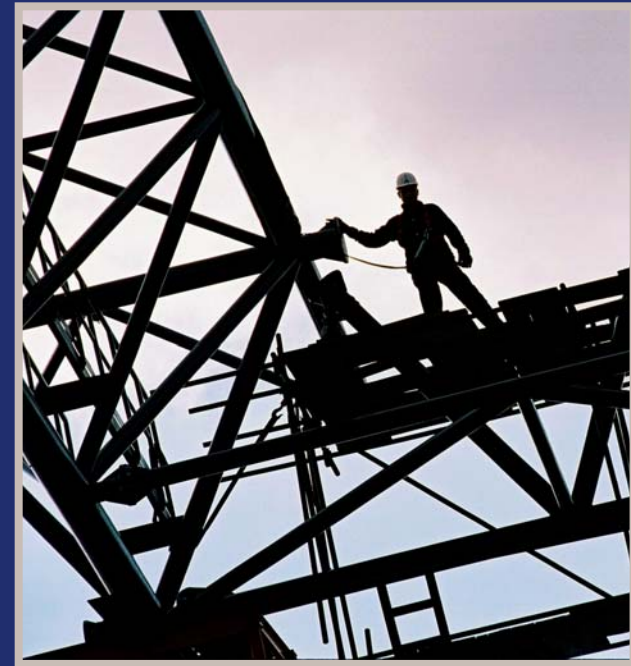
- Financial results
- Initiatives in procurement and industrialization
- Industry leadership

**Skanska Latin America**  
Operating margin 4.2%



Lomo de la Lata, Argentina

**Skanska Czech Republic**  
Operating margin 4.7%



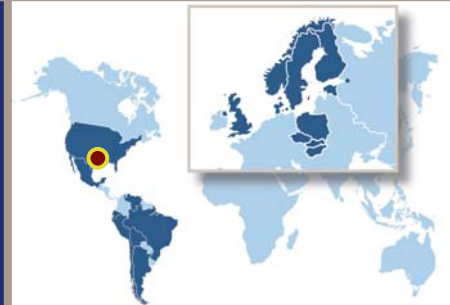
Prague Airport, Czech Republic



# Baylor University

Waco, Texas

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**Sazka Arena**  
Prague, Czech Republic

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**Millennium Bridge**  
Wroclaw, Poland

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## New Jersey Turnpike Bridge Rehabilitation

New Jersey, USA





# Ministry of Defence

London, England

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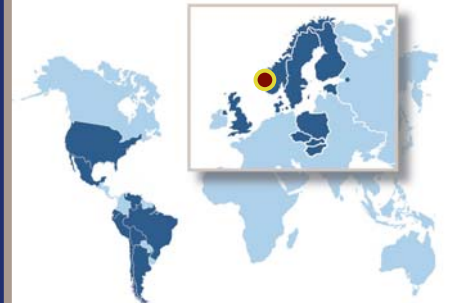




**SKANSKA**

# **Sandviken Brygge**

Residential Project Development  
Bergen, Norway







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## **Ceres II**

Commercial Project Development  
Gothenburg, Sweden



## Skanska 2004

| SEK M                   | 2004    | 2003    |
|-------------------------|---------|---------|
| Net sales               | 121,263 | 132,879 |
| Operating income        | 3,853   | 4,532   |
| Operating cash flow     | 9,218   | 11,317  |
| Shareholders' equity    | 16,066  | 14,169  |
| Return on equity, %     | 17.5    | 19.5    |
| Earnings per share, SEK | 6.33    | 6.60    |
| Dividend per share, SEK | 4.00*   | 3.00    |

\* proposed



**Outperform all the time**

## New financial "Outperform" targets 2007

|                                    | Operating<br>margin | Return on<br>capital<br>employed | Return on<br>equity |
|------------------------------------|---------------------|----------------------------------|---------------------|
| Construction                       | 3.3%                |                                  |                     |
| Residential Project<br>Development | 10.0%               | 18.0%                            |                     |
| Commercial Project<br>Development  |                     | 15.0%                            |                     |
| BOT                                |                     | 16.0%                            |                     |
| Group                              |                     |                                  | 18.0%               |

# Outperform qualitative targets

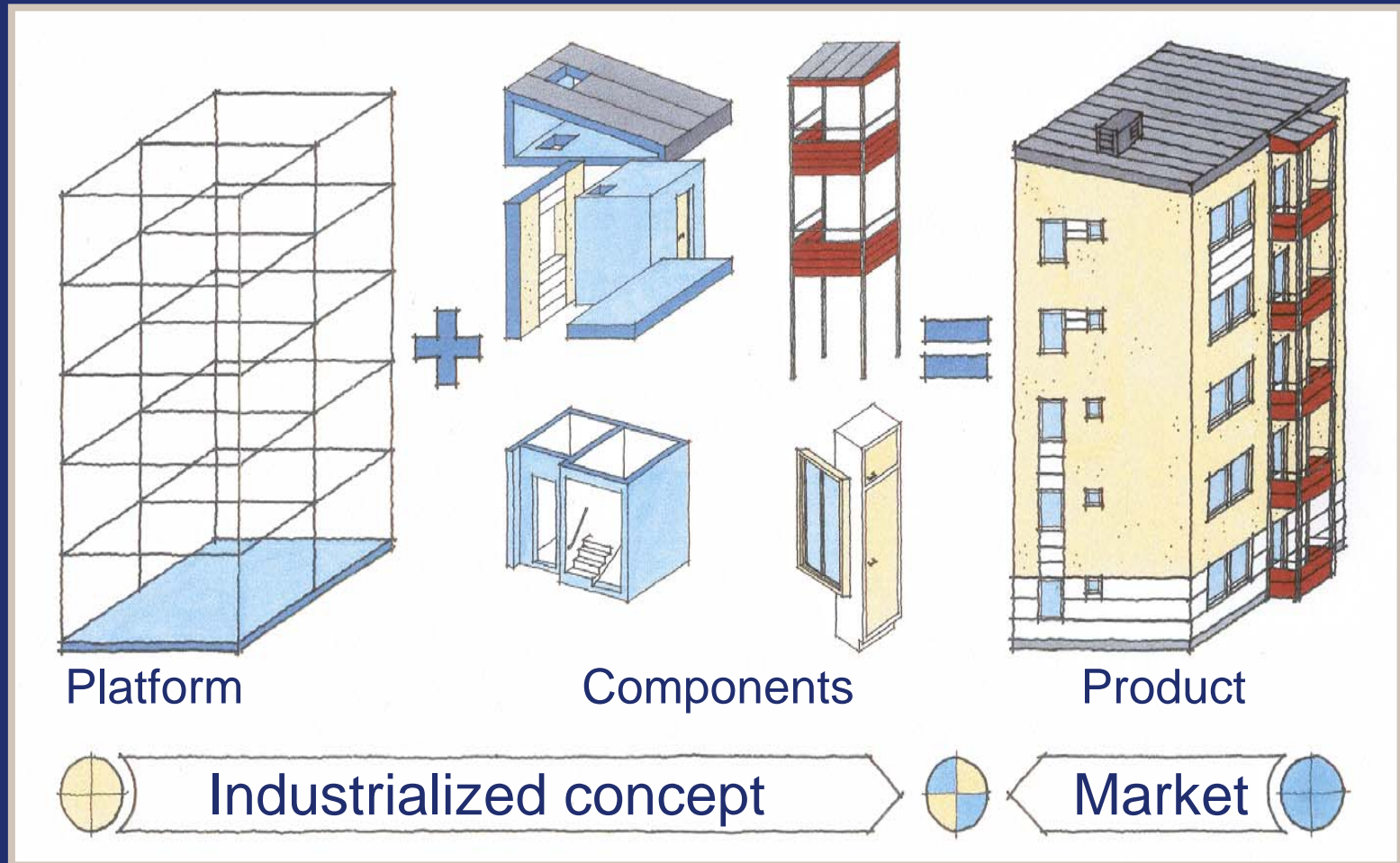
- Zero loss-making projects
- Zero accidents
- Zero environmental incidents
- Zero ethical breaches
- Management development

# Procurement process

- SEK 70 billion per year
- Redefining the value chain
- Volume concentration
- Global sourcing



# Industrialization



# Market outlook

