

SKANSKA

Infrastructure
Development



Agenda

1. Infrastructure challenges in CEE
2. Impediments in CEE
3. Skanska's footprint in the Region

Infrastructure Requirements in CEE

ACCOMMODATION: >€50Bln to upgrade existing facilities

ENERGY: >€100Bln required to develop and upgrade oil, gas and coal network

ENVIRONMENT: >€70Bln required to meet EU directive

RAIL: >€35Bln required for EU average density

ROADS: >€40Bln required for EU average density

WATER: >€180Bln required to meet European Standards for collection treatment

The Forces at play

- Needs and Opportunities exist....
- But why so slow:
 - EU Budgets 2007-2013: Cohesion & Structural Funds
 - Euro / Maastricht Criteria
 - Young democracies & minority governments

Need to Optimize Risk Allocation

Risk allocated to the party best able to manage it

Traditional procurement

Client	Supplier
Financing	
Planning	
Government	
Opinion	
Organization	
Design	
Construction	
O&M	
Traffic	

PPP

Client	Supplier
	Financing
Planning	
Government	
Opinion	
	Organization
	Design
	Construction
	O&M
Traffic	

Source: Ds 2000:65 modified by Skanska

PPP fundamentals

The critical success factors

- **Economically motivated – Must be prioritized**
- **Large project – Should be financially sound**
- **Service delivery – Focus on output instead of input**
- **Clear responsibilities – Optimize risk allocation**
- **Long term thinking – Lifecycle focus**
- **Right environment – Need Confident climate and Political will**

Skanska ID portfolio



The picture end 2006

Investment Commitments

€ 340m

Gross Present Value

€ 700m

Construction Value

€ 6 bn

Operating contracts

€ 100m p.a.

Our CEE Project Development Market

Czech Republic

- Residential
- Infrastructure

Slovakia

- Infrastructure

Poland

- Commercial Proj.
- Infrastructure

Russia /St Petersburg

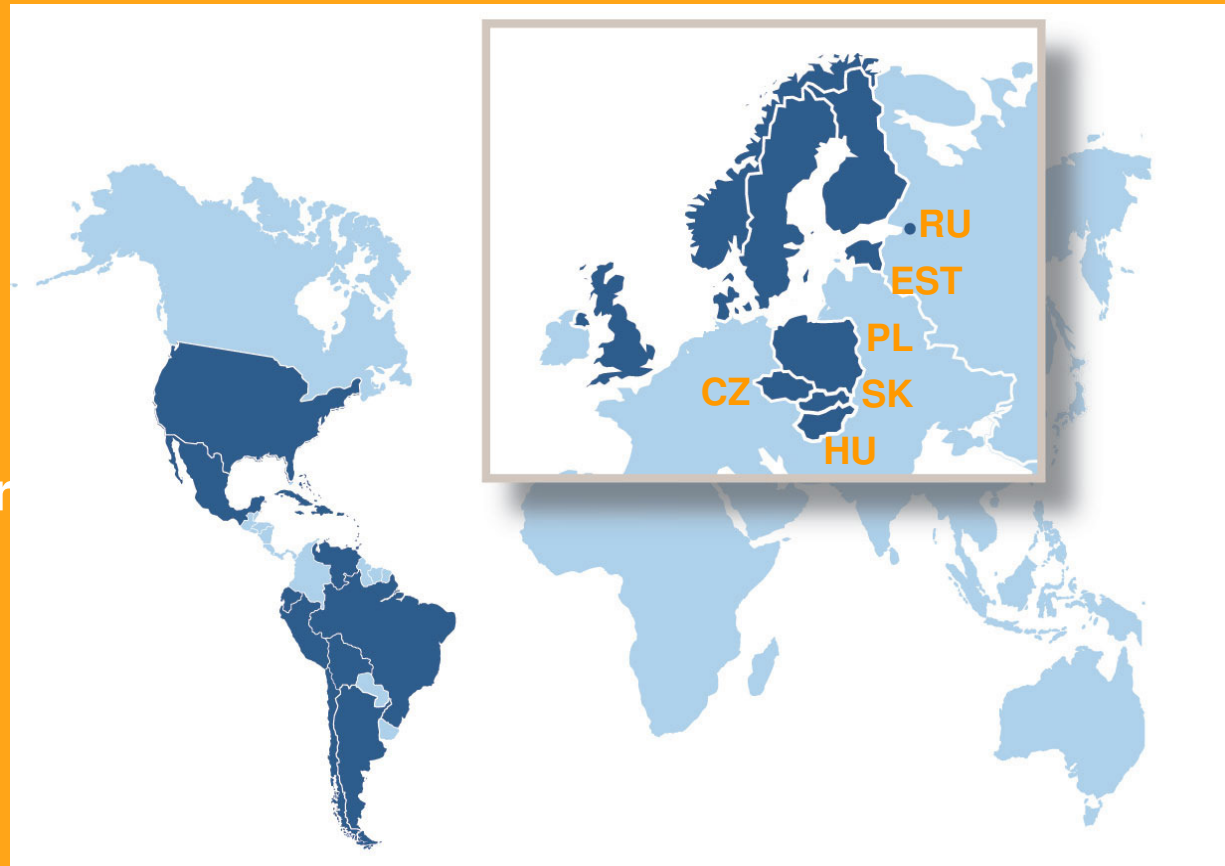
- Residential
- Infrastructure

Hungary

- Commercial Proj.

Estonia

- Residential





Thank you
for your attention!

SKANSKA

Infrastructure
Development

Creating value through partnership