

## Definitions and abbreviations

**Average capital employed** – Calculated on the basis of five measuring points: half of capital employed on January 1 plus capital employed at the end of the first, second and third quarters plus half of capital employed at year-end, divided by four.

**Average visible equity** – Calculated on the basis of five measuring points: half of equity attributable to equity holders (shareholders) on January 1 plus equity attributable to equity holders at the end of the first, second and third quarters plus half of equity attributable to equity holders at year-end, divided by four.

**Capital employed in business streams, markets and business/reporting units** – Total assets minus tax assets and deposits in Skanska's treasury unit minus non-interest-bearing liabilities minus provisions for taxes and tax liabilities.

**Consolidated capital employed** – Total assets minus non-interest-bearing liabilities.

**Consolidated operating cash flow** – In the consolidated operating cash flow statement, which includes taxes paid, investments are recognized both in cash flow from business operations and in cash flow from strategic investments. See also Note 35.

**Consolidated return on capital employed** – Operating income plus financial income as a percentage of average capital employed.

**Debt/equity ratio** – Interest-bearing net debt divided by visible equity including minority interest.

**Earnings per share after repurchases** – Profit for the year attributable to equity holders divided by the average number of shares outstanding after repurchases.

**Earnings per share after repurchases and dilution** – Profit for the year attributable to equity holders divided by the average number of shares outstanding after repurchases and dilution.

**Equity/assets ratio** – Visible equity including minority interest as a percentage of total assets.

**Equity per share** – Visible equity attributable to equity holders divided by the number of shares outstanding after repurchases at year-end.

**EU GreenBuilding** – A European Union system for environmental certification of buildings. To meet the requirement for EU GreenBuilding classification, a building's energy use must be at least 25 percent lower than the national standard for newly constructed buildings (in Sweden, set by the National Board of Housing, Building and Planning).

**GDP** – Gross domestic product

**Interest-bearing net receivable** – Interest-bearing assets minus interest-bearing liabilities.

**Interest cover** – Operating income and financial income plus depreciation/amortization divided by net interest items.

**LEED** – Leadership in Energy and Environmental Development is an international system for environmental certification of buildings. Resource use, as well as the location, design and indoor climate of the building as well as minimization of energy consumption and waste provide the basis for LEED classification.

**Net working capital** – Net non-interest-bearing receivables and liabilities including taxes.

**Operating cash flow** – Cash flow from operations before taxes and before financial activities. See also Note 35.

**Operating net on properties** – Rental income and interest subsidies minus operating, maintenance and administrative expenses as well as real estate tax. Site leasehold rent is included in operating expenses.

**ORA** – Operational Risk Assessment (Skanska's risk management model)

**Order backlog** – Contracting assignments: The difference between order bookings for the period and accrued revenue (accrued project costs plus accrued project income adjusted for loss provisions) plus order

backlog at the beginning of the period. Services: The difference between order bookings and accrued revenue plus order backlog at the beginning of the period.

**Order bookings** – Contracting assignments: Upon written order confirmation or signed contract. Also includes orders from Residential Development and Commercial Development.

Services: For fixed-price assignments, upon signing of contract. For cost-plus assignments, order bookings coincide with revenue.

No order bookings are reported for Residential Development and Commercial Development.

**PFI** – Private Finance Initiative (privately financed infrastructure projects, used in the U.K.)

**PPP** – Public-Private Partnership (privately financed infrastructure projects)

**Return on capital employed in business streams, markets and business/reporting units** – Operating income plus financial income minus interest income from Skanska's treasury unit and other financial items as a percentage of average capital employed.

**Return on equity** – Profit attributable to equity holders as a percentage of average visible equity attributable to equity holders.

**SEOP** – Skanska Employee Ownership Program

**SET** – Senior Executive Team (Skanska's corporate management team)

**SFS** – Skanska Financial Services

**STAP** – Skanska Tender Approval Procedure

**STEP** – Skanska Top Executive Program

**Yield on properties** – Operating net divided by year-end carrying amount.