

PRESS RELEASE

July 21, 2011

8:00 a.m. CET

Six Month Report, January–June 2011 Group highlights according to segment reporting

SEK M	Jan-Jun 2011	Jan-Jun 2010	Apr-Jun 2011	Apr-Jun 2010
Revenue	53,924	56,344	29,170	30,498
<i>of which revenue from divestments of properties in Commercial Property Development</i>	587	2,370	404	796
Operating income	6,102	2,374	5,651	1,454
<i>of which gains from divestments of properties in Commercial Property Development</i>	154	437	111	203
Income after financial items	6,112	2,398	5,661	1,462
Profit for the period	5,773	1,727	5,438	1,053
Earnings for the period per share, SEK ¹	14.02	4.17	13.21	2.54
Earnings for the period per share according to IFRS, SEK ¹	13.47	3.77	13.15	2.25
Return on equity according to segment reporting, %	42.1	20.8		
Operating cash flow before taxes, financing operations and dividends	2,027	1,419	4,514	445
Interest-bearing net receivables ²	4,507	6,109		
Order bookings, SEK bn ³	48.4	72.5	26.8	46.8
Order backlog, SEK bn ^{2 3}	139.4	160.4		

¹ Earnings for the period attributable to equity holders divided by the average number of shares outstanding after repurchases and conversion
² Refers to the end of each period
³ Refers to Construction

January–June 2011 compared to January–June 2010

- Revenue amounted to SEK 53.9 (56.3) billion.
- Revenue in Construction totaled SEK 51.4 (51.8) billion, a decrease of 1 percent. Adjusted for currency rate effects, this represented an increase of 8 percent.
- Operating income for the Group amounted to SEK 6,102 M (2,374), including SEK 4.5 billion from divestment of the Autopista Central in Chile. Currency rate effects reduced income by SEK 145 M
- Operating income in Construction totaled SEK 1,420 M (1,693). Operating margin amounted to 2.8 (3.3) percent.
- Income after financial items amounted to SEK 6,112 M (2,398).
- Profit for the period totaled SEK 5,773 M (1,727).
- Earnings per share totaled SEK 14.02 (4.17) according to segment reporting and SEK 13.47 (3.77) according to IFRSs.
- Operating cash flow before taxes, financial activities and dividends amounted to SEK 2,027 M (1,419).
- Order bookings amounted to SEK 48.4 (72.5) billion. Adjusted for currency rate effects, order bookings decreased by 27 percent. In the comparison period order bookings for Nya Karolinska Solna of SEK 14.5 billion was included
- Order backlog decreased by 13 percent in Swedish kronor and by 4 percent in local currencies, totaling SEK 139.4 (160.4) billion. This was equivalent to 15 (16) months of construction.

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This report will also be presented at a telephone conference at 2:00 p.m. (14:00) CET on July 21.

The telephone conference will be broadcast live on Skanska's website, at www.skanska.com/investors, where a recording of the conference will be available later as well. To participate in the telephone conference, please dial +46 8 505 598 53, +44 203 043 2436, or +1 866 458 4087. This and previous releases can also be found at www.skanska.com/investors.

Skanska AB may be required to provide the information provided herein pursuant to the Securities Market Act.

Comments from Skanska's President and CEO Johan Karlström:

- The divestment of, and payment for, the Autopista Central highway was completed during the second quarter of 2011. This was Skanska's most successful investment to date, yielding a capital gain of SEK 4.5 billion after taxes and an annual net return of about 20 percent. This shows what potential exists when we combine the competencies that exist in our development and construction operations.
- Order bookings improved in several of our markets compared to the preceding quarter of this year. Order backlog remains good, and we foresee that there will be opportunities to build further on this during the second half 2011. Looking a bit further ahead, however, the general economic trend will determine the size of future construction investments.
- We have generally good profitability in our Construction operations, especially in Sweden, the United States and Poland. The Norwegian and Czech operations are however being adversely affected by project write downs and the Norwegian operations also by further restructuring expenses.
- The housing market remains relatively stable. Uncertain economic prospects in a number of European Union countries, however, will tend to have a weakening effect on the market. We can note that the sales process, especially in Sweden, is taking a somewhat longer time than previously, which may also delay new project start-ups.
- The cash flow from operations during the second quarter totaled SEK 4.5 billion and was a result of the divestment of Autopista Central. In line with Skanska's strategic plan, we are maintaining continued rapid pace of investment in our development operations. In our Commercial Property Development operations we also carried out some property divestments during the quarter, with good capital gains. Leasing operations are developing well, and during the quarter we signed new leases for a total of 81,000 sq. m (872,000 sq. ft) of commercial space.

Market outlook

Construction

The market for building construction is stable, with the Nordic markets in particular showing a generally good trend, while the market outlook in the Czech Republic and the United Kingdom remains weak. In the United States, demand in certain building construction segments such as healthcare and data centers is good.

Civil construction remains stable in most of our markets. The number of bidders is still large, and we can see an increased presence from international players in several of our markets, which means tight bidding margins. In the long term, weak public sector finances in several of our markets will lead to increased uncertainty regarding additional new public projects.

In the U.K., the Czech Republic and the U.S., the market is affected by public sector austerity programs. This is especially clear in the U.K., resulting in reduced public construction investments. In the U.K. and the U.S., this may turn out to be offset to some extent by increased private construction investments. The Polish market is stable, with numerous projects, but competition is fierce.

Residential Development

The residential market is showing stable demand and price trends in all of our Nordic markets, but demand varies between regions and segments and there has been growing uncertainty especially in the Swedish market. In the Czech Republic, the market is continuing to improve from a weak level.

Commercial Property Development

There is strong demand for modern, efficient and green properties, which means attractive valuations for this type of properties. Vacancy rates are falling or stable in the office markets in our Nordic and Central European cities.

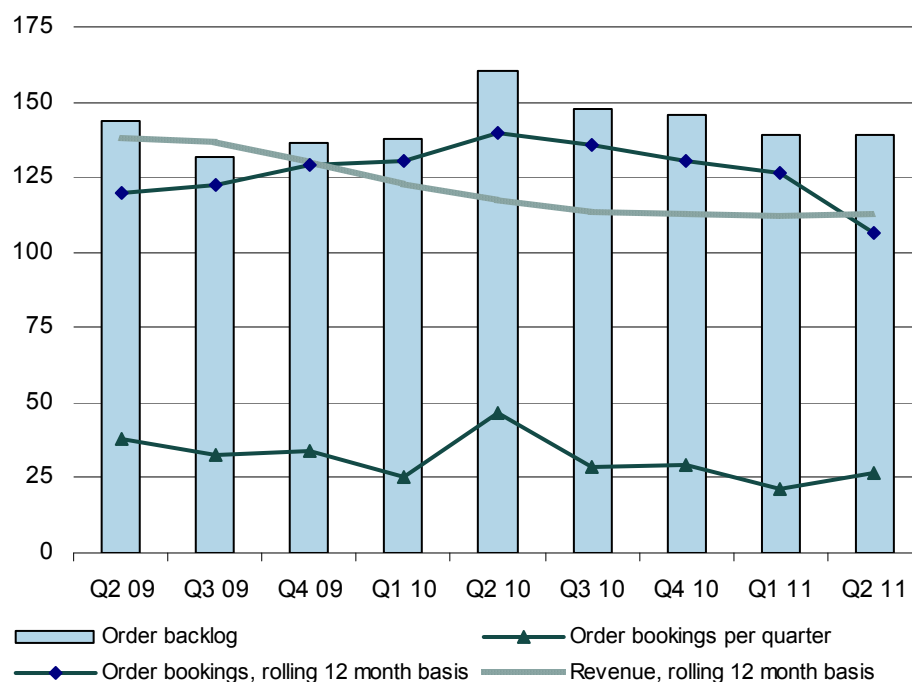
In the U.S. and Central Europe, there is good potential to develop new office projects in our metropolitan regions. Our solid financial position enables us to be proactive and invest in new projects without being dependent on external financing.

Infrastructure Development

Due to fiscal tightening in the British public sector, a sharp reduction in the supply of new public-private partnership (PPP) projects is occurring.

In other European markets, the supply of projects is more limited, although interest in PPP solutions has improved. As the financing market has stabilized, the conditions for new PPP projects have also improved. There is potential for new projects in the U.S. and Latin America, but the lead times for these is difficult to predict.

Order bookings and backlog, Construction, SEK bn



Order bookings

Order bookings in Swedish kronor decreased by 33 percent compared to the same period of last year, totaling SEK 48.4 (72.5) billion. Adjusted for currency rate effects, order bookings declined by 27 percent. The main reason for the large decrease was that the construction contract for New Karolinska Solna in Sweden accounted for order bookings of SEK 14.5 billion in the second quarter of 2010. During the 12 months, order bookings in SEK were 6 percent lower than revenue.

Presented below are some of the major projects included in order bookings for the second quarter.

In the Czech Republic, Skanska was awarded a construction contract in connection with the extension of a subway line in Prague. The project covers the technical part of the construction of four new stations. The customer is Prague's Department of Public Transportation and the contract totals about SEK 1.3 billion.

In the United States, Skanska USA Building secured the assignment to expand a children's hospital in Wilmington, Delaware. The project consists of a 40,000 sq. m (431,000 sq. ft.) expansion and also includes a 10,000 sq. m (107,000 sq. ft.) parking garage. The contract amount is about SEK 1.3 billion.

In the U.S., Skanska USA Civil also signed a contract to design and build a wastewater overflow tunnel in Washington, D.C. for about SEK 530 M. The owner and operator of the tunnel is DC Water, the District of Columbia Water and Sewer Authority.

In the United Kingdom, Skanska as part of a 50/50 Skanska-Laing consortium reached financial close for an upgrading of street lighting in the London boroughs of Croydon and Lewisham. The construction contract for Skanska UK is worth about SEK 760 M, and Skanska Infrastructure Development will invest about SEK 46 M. The project, a public-private partnership (PPP), is the consortium's second such project following the Surrey Street Lighting project, which began late in 2009.

Order backlog

Order backlog decreased by 13 percent and totaled SEK 139.4 (160.4) billion at the end of the second quarter. Adjusted for currency rate effects, order backlog decreased by 4 percent. Order backlog was equivalent to about 15 (16) months of construction.

Accounting principles

For the Group, this interim report has been prepared in compliance with IAS 34, "Interim Financial Reporting," the Annual Accounts Act and the Securities Market Act. For the Parent Company, the interim report has been prepared in compliance with the Annual Accounts Act and the Securities Market Act, which is pursuant to the Swedish Financial Reporting Board's Recommendation RFR 2.

Effective from 2011, segment reporting of joint ventures in Residential Development with ongoing projects is applying a new principle. The proportional method is being used for joint ventures that have an ongoing project begun after 2010 or that sold residential units after 2010. The change in principle is being applied only prospectively and has not been restated historically. The equity method will continue to be applied to other joint ventures. Otherwise the accounting principles and assessment methods presented in the Annual Report for 2010 have been applied.

Segments and IFRS reporting

Segment reporting

Skanska's business streams – Construction, Residential Development, Commercial Development and Infrastructure Development – are reported as operating segments. Tables in this report that refer to segment reporting are shown with a shaded background.

Construction includes both building construction and civil construction. Revenue and earnings are reported successively as a project accrues, in compliance with International Financial Reporting Standards (IFRSs).

Residential Development develops residential projects for immediate sale. Homes are adapted to selected customer categories. The units in this segment are responsible for planning and selling their projects. The construction assignments are performed by construction units in the Construction segment in each respective market. Residential Development revenue and earnings are recognized when binding contracts are signed for the sale of homes. According to IFRSs, revenue and earnings are recognized when the purchaser takes possession of the home.

Commercial Property Development initiates, develops, leases and divests commercial property projects. In most markets, construction assignments are performed by Skanska's Construction segment. Commercial Development revenue and earnings are recognized when binding contracts are signed for the sale of properties. According to IFRSs, revenue and earnings are recognized when the purchaser takes possession of the property.

Infrastructure Development specializes in identifying, developing and investing in privately financed infrastructure projects, such as highways, hospitals and power generating plants. The business stream focuses on creating new potential projects mainly in the markets where the Group has operations. Construction assignments are performed in most markets by Skanska's Construction segment. Infrastructure Development revenue and earnings are recognized in compliance with IFRSs.

Intra-Group pricing between operating segments occurs on market terms.

Revenue and earnings

Performance analysis, segment reporting

SEK M	Jan-Jun 2011	Jan-Jun 2010	Apr-Jun 2011	Apr-Jun 2010
Revenue				
Construction	51,447	51,811	28,764	28,561
Residential Development	4,453	3,694	1,798	2,087
Commercial Property Development	897	2,738	556	970
Infrastructure Development	233	104	145	76
Central and eliminations	-3,106	-2,003	-2,093	-1,196
Skanska Group	53,924	56,344	29,170	30,498
Operating income				
Construction	1,420	1,693	1,095	1,135
Residential Development	286	331	90	233
Commercial Property Development ¹	135	454	86	181
Infrastructure Development	4,561	263	4,536	121
Central	-305	-376	-167	-228
Eliminations ¹	5	9	11	12
Operating income	6,102	2,374	5,651	1,454
Net financial items	10	24	10	8
Income after financial items	6,112	2,398	5,661	1,462
Taxes	-339	-671	-223	-409
Profit for the period	5,773	1,727	5,438	1,053
Earnings for the period per share, SEK ²	14.02	4.17	13.21	2.54
Earnings for the period per share according to IFRS, SEK ²	13.47	3.77	13.15	2.25
1 Of which gains from divestments of commercial properties reported in:				
Commercial Property Development	133	377	92	158
Eliminations	21	60	19	45
2 Earnings for the period attributable to equity holders divided by the average number of shares outstanding after repurchases and conversion				

The Group

Revenue declined by 4 percent to SEK 53.9 (56.3) billion, primarily due to decreased divestments in Commercial Property Development. In local currencies, revenue increased by 4 percent.

Operating income amounted to SEK 6,102 M (2,374). This included SEK 4,500 M from the divestment of the Autopista Central in Chile, which was the biggest reason for the earnings improvement. Fewer property divestments resulted in lower earnings from Commercial Property Development. Currency rate effects decreased operating income by SEK 145 M.

Central expenses totaled SEK -305 M (-375). Net financial items amounted to SEK 10 M (24). For a specification of the items included in this figure, see page 14.

Income after financial items amounted to SEK 6,112 M (2,398). Taxes for the period amounted to SEK -339 M (-671), equivalent to a tax rate of about 5.5 (28) percent. The reason for the low tax burden is that the proceeds from the divestment of the Autopista Central was done as a share transaction. Profit for the period totaled SEK 5,773 M (1,727). Earnings per share for the period according to segment reporting amounted to SEK 14.02 (4.17). Earnings per share for the period according to IFRSs amounted to SEK 13.47 (3.77). The main reason for the divergence in earnings was that the number of homes sold was significantly larger than the number of homes where the purchaser took possession. For further information regarding these differences, see the reconciliation between segment reporting and IFRSs on pages 12 and 13.

Construction

Revenue decreased by 1 percent, amounting to SEK 51,447 M (51,811). Adjusted for currency rate effects, revenue increased by 8 percent.

In the Construction business stream, operating income amounted to SEK 1,420 M (1,693). Currency rate effects reduced operating income in Construction by SEK 130 M.

Operating margin decreased compared to the same period last year, amounting to 2.8 (3.3) percent. Compared to the year-earlier period, income was negatively affected in the amount of about SEK 350 M from Norwegian operations. Of this, SEK 102 M was related to a positive nonrecurring effect in 2010 due to a change in the Norwegian pension system and the remaining SEK 250 M, including SEK 160 M in the second quarter, was related to project write downs and increased expenses in connection with measures to improve the efficiency of operations. Project writeups occurred primarily in Skanska Poland.

Residential Development

Revenue in the Residential Development business stream increased by 21 percent, amounting to SEK 4,453 M (3,694) and the number of homes sold increased to 1,697 (1,541). Operating income totaled SEK 286 M (331) and the operating margin in the business stream amounted to 6.4 (9.0) percent. The short-term operating margin was adversely affected since we are investing for future growth in all our markets. This results in increasing selling and administrative expenses for example start-up expenses in the United Kingdom and Poland. Effective from January 1, 2011, holdings in joint ventures and associated companies are recognized directly in the Residential Development income statement using the proportional method of accounting. The comparative period has not been restated accordingly (see also the accounting principles, page 4).

Commercial Property Development

Operating income in Commercial Property Development totaled SEK 135 M (454). During the period, the business stream carried out divestments worth SEK 587 M (2,370). Operating income included capital gains from property divestments amounting to SEK 133 M (377).

Infrastructure Development

Operating income in Infrastructure Development totaled SEK 4,561 M (263). The divestment of the Autopista Central in Chile had a positive impact of SEK 4,500 M on income. During 2010, income was favorably affected in the amount of SEK 97 M by the divestment of Skanska's stake in the E39 Ordalsvegen highway in Norway. Since the project portfolio has decreased in size due to the divestments that have been completed, this also means that earnings from joint ventures and associated companies, excluding divestments, are diminishing compared to 2010.

Operating cash flow and changes in interest-bearing net receivables

Reported in compliance with IFRSs

In line with the strategic plan which calls for growth in Skanska's development operations gross investments increased to SEK -6,424 M (-4,566) during the first half of 2011. Net investments in operations amounted to SEK 2,171 M (1,039), with the divestment of the Autopista Central in Chile having a positive impact of SEK 5,383 M on net investments. Net investments were mainly affected by increased investments in commercial properties as well as increased investments in non-current assets for Construction. Taxes paid amounted to SEK -1,089 M (-900). Aside from tax payments for the period, they also consisted of supplementary tax payments related to 2010 for Swedish operations. Dividends to shareholders, including the extra dividend, amounted to SEK -5,009 M (-2,680). Cash flow before changes in interest-bearing receivables and liabilities totaled SEK -4,038 M (-2,062). The change in pension liability in defined benefit pension plans totaled SEK -600 M (-593), which was largely an effect of lowered discount rates in Sweden and Norway. The change in interest-bearing net receivables totaled SEK -5,407 M (-1,981), of which SEK -711 M (618) was related to currency translation differences. Interest-bearing net receivables amounted to SEK 4.5 (6.1) billion.

Cash flow before taxes, financing operations and dividends amounted to SEK 2,027 M (1 419).

In Construction, cash flow totaled SEK -110 M (1,088). Business operations delivered a positive cash flow, and the negative cash flow was explained primarily by increased net investments as well as a negative trend in working capital.

In Residential Development, cash flow amounted to SEK -864 M (-607), which was primarily a consequence of increased investments in ongoing projects. In Commercial Property Development, cash flow from business operations amounted to SEK -848 M (1,475), with negative cash flow being explained primarily by increased net investments in ongoing projects and lower sales volume. In Infrastructure Development, cash flow totaled SEK 4,878 M (-29), with positive cash flow primarily explained by the divestment of the Autopista Central in Chile.

Consolidated operating cash flow statement

SEK M	Jan-Jun 2011	Jan-Jun 2010	Apr-Jun 2011	Apr-Jun 2010	Jul 2010- Jun 2011	Jan-Dec 2010
Cash flow before change in interest-bearing receivables and liabilities	-4,038	-2,062	-632	-2,328	-277	1,699
Change in interest-bearing receivables and liabilities	2,145	-2,165	819	-211	111	-4,199
Cash flow for the period	-1,893	-4,227	187	-2,539	-166	-2,500
Cash and cash equivalents at the beginning of the period	6,654	9,409	4,349	7,695	5,338	9,409
Exchange rate differences in cash and cash equivalents	-167	156	58	182	-578	-255
Cash and cash equivalents at the end of the period	4,594	5,338	4,594	5,338	4,594	6,654

Summary cash flow statement

SEK M	Jan-Jun 2011	Jan-Jun 2010	Apr-Jun 2011	Apr-Jun 2010	Jul 2010- Jun 2011	Jan-Dec 2010
Cash flow from operating activities	-2,728	929	-214	526	2,581	6,238
Cash flow from investing activities	3,207	-1,558	4,099	-371	915	-3,850
Cash flow from financing activities	-2,372	-3,598	-3,698	-2,694	-3,662	-4,888
Cash flow for the period	-1,893	-4,227	187	-2,539	-166	-2,500

Operating cash flow and changes in interest-bearing net receivables

SEK M	Jan-Jun 2011	Jan-Jun 2010	Apr-Jun 2011	Apr-Jun 2010	Jul 2010- Jun 2011	Jan-Dec 2010
Construction						
Cash flow from business operations	2,120	2,385	1,418	1,569	5,631	5,896
Change in working capital	-1,270	-768	-928	-943	957	1,459
Net investments	-960	-529	-523	-389	-1,510	-1,079
Cash flow adjustment	0	0	0	0	1	1
Total Construction	-110	1,088	-33	237	5,079	6,277
Residential Development						
Cash flow from business operations	-372	-258	-197	-46	-762	-648
Change in working capital	-17	-269	-174	603	-574	-826
Net investments	-590	-12	273	-483	-859	-281
Cash flow adjustment	115	-68	288	-62	4	-179
Total Residential Development	-864	-607	190	12	-2,191	-1,934
Commercial Property Development						
Cash flow from business operations	18	78	10	22	61	121
Change in working capital	51	197	-3	460	-316	-170
Net investments	-950	1,416	-219	345	1,058	3,424
Cash flow adjustment	33	-216	81	-195	267	18
Total Commercial Property Development	-848	1,475	-131	632	1,070	3,393
Infrastructure Development						
Cash flow from business operations	-104	-26	-77	6	-158	-80
Change in working capital	21	-126	56	-104	-233	-380
Net investments	4,961	123	5,123	55	4,549	-289
Cash flow adjustment	0	0	0	0	0	0
Total Infrastructure Development	4,878	-29	5,102	-43	4,158	-749
Central and eliminations						
Cash flow from business operations	-324	-409	-171	-267	-676	-761
Change in working capital	-415	-140	-329	-162	-310	-35
Net investments	-12	41	-4	36	41	94
Cash flow adjustment	0	0	0	0	0	0
Total central and eliminations	-751	-508	-504	-393	-945	-702
Total cash flow from business operations	1,338	1,770	983	1,284	4,096	4,528
Total change in working capital	-1,630	-1,106	-1,378	-146	-476	48
Total net investments	2,449	1,039	4,650	-436	3,279	1,869
Total cash flow adjustment	148	-284	369	-257	272	-160
Total	2,305	1,419	4,624	445	7,171	6,285
Taxes paid in business operations	-1,079	-900	-250	-252	-1,834	-1,655
Cash flow from business operations	1,226	519	4,374	193	5,337	4,630
Net interest items and other net financial items	33	99	162	183	-128	-62
Taxes paid in financing operations	-10	0	-49	-25	9	19
Cash flow from financing operations	23	99	113	158	-119	-43
CASH FLOW FROM OPERATIONS	1,249	618	4,487	351	5,218	4,587
Net strategic investments	-278	0	-110	0	-293	-15
Taxes paid on strategic divestments	0	0	0	0	0	0
Cash flow from strategic investments	-278	0	-110	0	-293	-15
Dividend etc. ¹	-5,009	-2,680	-5,009	-2,679	-5,202	-2,873
CASH FLOW BEFORE CHANGE IN INTEREST-BEARING RECEIVABLES AND LIABILITIES	-4,038	-2,062	-632	-2,328	-277	1,699
Translation differences, net receivables/net debt	-711	618	-115	474	-2,055	-726
Change in pension liability	-600	-593	-428	-827	753	760
Reclassification, interest-bearing net receivables/net debt	0	4	0	4	-4	0
Interest-bearing liabilities acquired/divested	-28	0	-6	0	-32	-4
Other changes, interest-bearing net receivables/net debt	-30	52	-20	-45	12	94
CHANGE IN INTEREST-BEARING NET RECEIVABLES	-5,407	-1,981	-1,201	-2,722	-1,603	1,823
1 of which repurchases of shares	-53	-95	-53	-95	-210	-252

Summary statement of financial position

SEK M	Jun 30 2011	Jun 30 2010	Dec 31 2010
ASSETS			
Non-current assets			
Property, plant and equipment	6,383	6,124	5,906
Goodwill	4,165	4,306	3,917
Intangible assets	515	174	354
Investments in joint ventures and associated companies	2,020	2,626	1,775
Financial non-current assets ¹	2,185	1,470	2,122
Deferred tax assets	1,565	1,459	1,472
Total non-current assets	16,833	16,159	15,546
Current assets			
Current-asset properties ³	22,606	21,635	20,406
Inventories	1,033	936	926
Financial current assets ²	6,266	6,823	6,321
Tax assets	580	520	506
Gross amount due from customers for contract work	5,193	5,327	4,941
Trade and other receivables	22,286	23,311	21,304
Cash	4,594	5,338	6,654
Assets held for sale	0	0	1,108
Total current assets	62,558	63,890	62,166
TOTAL ASSETS	79,391	80,049	77,712
<i>of which interest-bearing non-current assets</i>	<i>2,135</i>	<i>1,421</i>	<i>2,072</i>
<i>of which interest-bearing current assets</i>	<i>10,762</i>	<i>11,919</i>	<i>12,773</i>
<i>Total interest-bearing assets</i>	<i>12,897</i>	<i>13,340</i>	<i>14,845</i>
EQUITY			
Equity attributable to equity holders	20,360	17,974	20,670
Non-controlling interests	129	159	122
Total equity	20,489	18,133	20,792
LIABILITIES			
Non-current liabilities			
Financial non-current liabilities	1,515	1,663	1,107
Pensions	1,714	2,571	1,216
Deferred tax liabilities	1,351	1,514	1,637
Non-current provisions	20	37	28
Total non-current liabilities	4,600	5,785	3,988
Current liabilities			
Financial current liabilities ²	5,255	3,276	2,786
Tax liabilities	414	580	1,003
Current provisions	4,767	5,209	5,037
Gross amount due to customers for contract work	17,137	18,232	16,937
Trade and other payables	26,729	28,834	27,169
Total current liabilities	54,302	56,131	52,932
TOTAL EQUITY AND LIABILITIES	79,391	80,049	77,712
<i>of which interest-bearing financial liabilities</i>	<i>6,594</i>	<i>4,603</i>	<i>3,666</i>
<i>of which interest-bearing pensions and provisions</i>	<i>1,796</i>	<i>2,628</i>	<i>1,265</i>
<i>Total interest-bearing liabilities</i>	<i>8,390</i>	<i>7,231</i>	<i>4,931</i>
¹ of which shares	41	49	41
² Items regarding non-interest-bearing unrealized changes in derivatives/financial instruments are included in the following amounts:			
Financial non-current assets	9	0	9
Financial current assets	98	243	202
Financial current liabilities	176	336	227
³ Current-asset properties			
Commercial Property Development	11,417	11,550	10,000
Residential Development	11,189	10,085	10,406
	22,606	21,635	20,406

Note, contingent liabilities

Contingent liabilities amounted to SEK 14.4 bn on June 30, 2011 (Dec 31, 2010: 15.2). During the period, contingent liabilities decreased by SEK 0.8 bn.

Financial position

Reported in compliance with IFRSs

Skanska had a solid financial position, with interest-bearing net receivables of SEK 4.5 (Dec. 31, 2010: 9.9) billion and an unutilized long-term credit facility of SEK 6.7 billion that runs through June 2014. Interest-bearing loans plus interest-bearing pension liabilities and provisions totaled SEK 8.4 (Dec. 31, 2010: 4.9) billion. Of this amount, construction loans to cooperative housing associations amounted to SEK 2.2 (Dec. 31, 2010: 1.1) billion, and interest-bearing pension liabilities and provisions amounted to SEK 1.8 (Dec. 31, 2010: 1.3) billion.

At the end of the period, capital employed amounted to SEK 28.9 (Dec. 31, 2010: 25.7) billion. Return on capital employed amounted to 35.2 (20.2) percent.

The equity of the Group totaled SEK 20.5 (Dec. 31, 2010: 20.8) billion. The net debt/equity ratio amounted to -0.2 (Dec. 31, 2010: -0.5), and the equity/assets ratio was 25.8 (Dec. 31, 2010: 26.8) percent.

Total assets in the consolidated statement of financial position amounted to SEK 79.4 (Dec. 31, 2010: 77.7) billion. Due to currency rate effects, total assets decreased by SEK 0.8 billion.

The carrying amount of current-asset properties totaled SEK 22.6 billion, of which Commercial Property Development current-asset properties accounted for SEK 11.4 billion.

Residential Development

Reported in compliance with IFRSs

SEK M	Residential Development
Completed projects	358
Ongoing projects	4,504
Undeveloped land and development properties	6,327
Total	11,189

Effective from January 1, 2011, holdings in joint ventures and associated companies are directly recognized in the Residential Development segment using the proportional method, which affects the number of homes. See also accounting principles, page 4. At the end of the second quarter, there were 5,355 (3,377) homes under construction. Of these, 64 (67) percent were sold. The number of completed unsold homes totaled 148 (343). During the period, construction started on 1,737 (1,914) homes. In the Nordic countries, the number of homes started was 1,513 (1,640), while in the Czech Republic they totaled 224 (274). The number of homes sold during the period was 1,697 (1,541). In the Nordic countries, the number of homes sold totaled 1,426 (1,335), while sales in the Czech Republic totaled 271 (206) homes.

The carrying amount of current-asset properties in Residential Development totaled SEK 11.2 billion. A breakdown of the carrying amount can be seen in the table above. The carrying amount of undeveloped land and development properties was SEK 6.3 billion. This was equivalent to Skanska-owned building rights for about 20,800 residential units and about 2,400 building rights in associated companies. In addition, the business stream was entitled to purchase about 10,700 more building rights under certain conditions.

Commercial Property Development

Reported in compliance with IFRSs

Breakdown of carrying amounts and market values, current-asset properties, June 30, 2011

SEK M	Carrying amount, end of period	Carrying amount upon completion	Market value ¹	Occupancy rate, %	Degree of completion, %
Completed projects	4,677	4,677	6,125	88	100
Total completed projects	4,677	4,677	6,125		
Undeveloped land and development properties	3,912	3,912	4,462		
Subtotal	8,589	8,589	10,587		
Ongoing projects	2,828	6,366	7,958 ²	49	45
Total	11,417	14,955	18,545		
<i>of which completed projects sold according to segment reporting</i>	<i>0</i>	<i>0</i>	<i>0</i>		
<i>of which ongoing projects sold according to segment reporting</i>	<i>4</i>	<i>45</i>	<i>52</i>		

¹ Market value according to appraisal on December 31, 2010

² Estimated market value at completion

Commercial Property Development had 21 projects underway, 14 of them in the Nordic countries. During the second quarter, four new projects were started. Ongoing projects represented leasable space of about 311,000 sq. m (3.35 million sq. ft.) and had a pre-leasing rate of 49 percent, measured in rent. At the end of the report period, the carrying amount for ongoing projects was SEK 2.8 billion. Their carrying amount upon completion is expected to total SEK 6.4 billion, with an estimated market value of SEK 8.0 billion. The degree of completion in ongoing projects was about 45 percent. Of these ongoing projects, one was sold according to segment reporting. This project was equivalent to a carrying amount upon completion of SEK 45 M, with a market value of SEK 52 M.

The market value of completed projects was SEK 6.1 billion, which represented a surplus value of SEK 1.4 billion. The occupancy level measured in rent totaled 88 percent.

The carrying amount of undeveloped land and development properties (building rights) totaled about SEK 3.9 billion, with an estimated market value of about SEK 4.5 billion.

Accumulated eliminations of intra-Group project gains amounted to SEK 280 M at the end of the period. These eliminations are reversed as each respective project is divested.

Infrastructure Development

Reported in compliance with IFRSs

Unrealized development gains, Infrastructure Development

SEK bn	Jun 30	Mar 31 ¹	Dec 31 ¹
	2011	2011	2010
Present value of cash flow from projects	4.7	4.5	4.6
Present value of remaining investments	-1.0	-1.0	-1.1
Net present value of projects	3.7	3.5	3.5
Carrying amount	-1.9	-1.8	-1.7
Unrealized development gain	1.8	1.7	1.8

¹ Autopista Central excluded

At the end of the period, the carrying amount of shares, participations, subordinated receivables and concessions in Infrastructure Development totaled about SEK 1.9 (Dec. 31, 2010: 1.7) billion. Remaining investment obligations related to ongoing Infrastructure Development projects amounted to a present value of about SEK 1.0 (Dec. 31, 2010: 1.1) billion. At the end of the period, unrealized development gains before taxes totaled about SEK 1.8 (Dec. 31, 2010: 1.8) billion. During the period, the carrying amount was positively influenced primarily by investments in new projects and the time value effect of future cash flows and adversely influenced by currency rate effects.

The divestment of the Autopista Central has been completed, and the purchaser has provided payment. The capital gain on the divestment that was done as a share transaction, totaled SEK 4,500 M after tax.

Equity

Reported in compliance with IFRSs

Summary statement of changes in equity

SEK M	Jan-Jun 2011	Jan-Jun 2010	Apr-Jun 2011	Apr-Jun 2010	Jul 2010- Jun 2011	Jan-Dec 2010
Opening balance	20,792	20,167	20,371	20,752	18,133	20,167
<i>of which non-controlling interests</i>	122	170	125	164	159	170
Dividend to shareholders	-4,945	-2,582	-4,945	-2,582	-4,945	-2,582
Acquired non-controlling interest	-29		-29		-29	
Change in group composition	-85		-85		-85	
Dividend to non-controlling interests	0	-3	-1	-2	-36	-39
Effects of equity-settled share-based payments	111	100	54	59	219	208
Repurchase of shares	-53	-95	-53	-95	-210	-252
Other transfers of assets recognized directly in equity	-2	0	-2	0	-2	0
Total comprehensive income attributable to						
Equity holders	4,691	554	5,172	4	7,436	3,299
Non-controlling interests	9	-8	7	-3	8	-9
Closing balance	20,489	18,133	20,489	18,133	20,489	20,792
<i>of which non-controlling interests</i>	129	159	129	159	129	122

Equity and adjusted equity

SEK bn	Jun 30 2011	Jun 30 2010	Dec 31 2010
Equity attributable to equity holders	20.4	18.0	20.7
Unrealized surplus land value in Residential Development	1.0	1.0	1.0
Unrealized Commercial Property Development gains ¹	3.6	3.2	3.5
Unrealized Infrastructure Development gains	1.8	9.0	6.8
Less standard corporate tax, 10%	-0.6	-1.3	-0.6 ²
Adjusted equity	26.1	29.9	31.4
Equity per share, SEK ³	49.41	43.50	50.27
Adjusted equity per share, SEK ⁴	63.39	72.45	76.30

1 Markets value at completion

2 Excluding Autopista Central

3 Equity attributable to equity holders divided by the number of shares outstanding after repurchases and conversion

4 Adjusted equity divided by the number of shares outstanding after repurchases and conversion

Investments and divestments

Reported in compliance with IFRSs

In the Construction business stream, investments totaled SEK -1,331 M (-637). Of this, SEK -278 M (0) was related to acquisitions of businesses, while other investments mainly consisted of property, plant and equipment for Skanska's own construction and manufacturing. Net investments in Construction totaled SEK -1,239 M (-529). During the period, depreciation of property, plant and equipment amounted to SEK -626 M (-635).

In Residential Development, investments in current-asset properties amounted to SEK -2,983 M (-2,371), and total investments amounted to SEK -3,034 M (-2,396), including about SEK -637 M (-1,029) related to acquisitions of land equivalent to about 1,445 building rights.

In Commercial Property Development, investments in current-asset property amounted to SEK -1,571 M (-1,334), and total investments amounted to SEK -1,557 M (-1,311), including SEK -560 M (-202) related to investments in land. Divestments of current-asset properties totaled SEK 603 M (2,755). Net investments in Commercial Property Development amounted to SEK -968 M (1,421).

Investments in Infrastructure Development amounted to SEK -491 M (-225), and divestments, which refer in their entirety to the Autopista Central in Chile, were SEK 5,452 M (348). Net investments in Infrastructure Development were SEK 4,961 M (123).

The Group's total investments amounted to SEK -6,424 M (-4,566). Divestments amounted to SEK 8,595 M (5,605), and the Group's net investments were SEK 2,171 M (1,039).

Group net investments

SEK M	Jan-Jun 2011	Jan-Jun 2010	Apr-Jun 2011	Apr-Jun 2010	Jul 2010- Jun 2011	Jan-Dec 2010
OPERATIONS - INVESTMENTS						
Intangible assets	-32	-17	-16	-12	-87	-72
Property, plant and equipment	-1,045	-545	-595	-357	-1,838	-1,338
Assets in Infrastructure Development	-492	-225	-263	-83	-959	-692
Shares and participations	-23	-74	-4	-73	-104	-155
Current-asset properties	-4,554	-3,705	-2,001	-2,505	-9,341	-8,492
of which Residential Development	-2,983	-2,371	-1,167	-1,690	-5,979	-5,367
of which Commercial Property Development	-1,571	-1,334	-834	-815	-3,362	-3,125
Investments in operations	-6,146	-4,566	-2,879	-3,030	-12,329	-10,749
STRATEGIC INVESTMENTS						
Businesses	-278	0	-110	0	-278	0
Shares	0	0	0	0	0	0
Strategic investments	-278	0	-110	0	-278	0
Total Investments	-6,424	-4,566	-2,989	-3,030	-12,607	-10,749
OPERATIONS - DIVESTMENTS						
Intangible assets	0	11	-1	11	-7	4
Property, plant and equipment	93	90	80	42	243	240
Assets in Infrastructure Development	5,452	348	5,385	139	5,507	403
Shares and participations	3	4	3	0	15	16
Current-asset properties	3,047	5,152	2,062	2,403	9,850	11,955
of which Residential Development	2,444	2,397	1,466	1,239	5,413	5,366
of which Commercial Property Development	603	2,755	596	1,164	4,437	6,589
Divestments in operation	8,595	5,605	7,529	2,595	15,608	12,618
STRATEGIC DIVESTMENTS						
Businesses	0	0	0	0	-15	-15
Strategic divestments	0	0	0	0	-15	-15
Total divestments	8,595	5,605	7,529	2,595	15,593	12,603
TOTAL NET INVESTMENTS¹	2,171	1,039	4,540	-435	2,986	1,854
Depreciation, non-current assets	-636	-645	-319	-326	-1,292	-1,301

1 (+) divestments, (-) investments

Reconciliation between segment reporting and IFRSs

SEK M	External revenue		Intra-Group revenue		Total revenue		Operating income	
	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun
	2011	2010	2011	2010	2011	2010	2011	2010
Construction	48,333 ¹	49,761 ¹	3,114	2,050	51,447	51,811	1,420	1,693
Residential Development	4,453	3,634	0	60	4,453	3,694	286	331
Commercial Property Development	897	2,738	0	0	897	2,738	135	454
Infrastructure Development	224	104	9	0	233	104	4,561	263
Total operating segments	53,907	56,237	3,123	2,110	57,030	58,347	6,402	2,741
Central	18	107	162	135	180	242	-305	-376
Eliminations	0	0	-3,286	-2,245	-3,286	-2,245	5	9
Total Group	53,924	56,344	0	0	53,924	56,344	6,102	2,374
Reconciliation to IFRSs	-1,840	-819	0	0	-1,840	-819	-288	-231
Total IFRSs	52,084	55,525	0	0	52,084	55,525	5,814	2,143

1 of which external revenue from joint ventures in Infrastructure Development SEK 3,628 M (3,301)

SEK M	Segment	IFRS	Segment	IFRS	Segment	IFRS	Segment	IFRS
	Jan-Jun 2011	Jan-Jun 2011	Jan-Jun 2010	Jan-Jun 2010	Apr-Jun 2011	Apr-Jun 2011	Apr-Jun 2010	Apr-Jun 2010
Revenue								
Construction	51,447	51,447	51,811	51,811	28,764	28,764	28,561	28,561
Residential Development	4,453	2,476	3,694	2,517	1,798	1,482	2,087	1,311
Commercial Property Development	897	918	2,738	3,096	556	757	970	1,319
Infrastructure Development	233	233	104	104	145	145	76	76
Central and eliminations	-3,106	-2,990	-2,003	-2,003	-2,093	-1,905	-1,196	-1,196
Skanska Group	53,924	52,084	56,344	55,525	29,170	29,243	30,498	30,071
Operating income								
Construction	1,420	1,420	1,693	1,693	1,095	1,095	1,135	1,135
Residential Development	286	21	331	113	90	45	233	79
Commercial Property Development ¹	135	130	454	511	86	126	181	235
Infrastructure Development	4,561	4,561	263	263	4,536	4,536	121	121
Central	-305	-305	-376	-376	-167	-167	-228	-227
Eliminations ¹	5	-13	9	-61	11	1	12	-58
Operating income	6,102	5,814	2,374	2,143	5,651	5,636	1,454	1,285
Net financial items	10	10	24	24	10	10	8	8
Income after financial items	6,112	5,824	2,398	2,167	5,661	5,646	1,462	1,293
Taxes	-339	-278	-671	-606	-223	-232	-409	-361
Profit for the period	5,773	5,546	1,727	1,561	5,438	5,414	1,053	932
Earnings for the period per share, SEK ²	14.02		4.17		13.21		2.54	
Earnings for the period per share according to IFRS, SEK ²		13.47		3.77		13.15		2.25
1 Of which gains from divestments of commercial properties reported in:								
Commercial Property Development	133	125	377	443	92	84	158	221
Eliminations	21	20	60	41	19	20	45	26
2 Earnings for the period attributable to equity holders divided by the average number of shares outstanding after repurchases and conversion								

Residential Development

According to segment reporting, revenue for the period in Residential Development was SEK 4,453 M and operating income was SEK 286 M. To comply with IFRSs, add the revenue and earnings of the homes that were sold during prior periods but were handed over during the period. Then subtract the homes that were sold during the period but where the purchaser did not yet take possession. Also subtract revenue attributable to joint ventures as well as currency rate differences. According to IFRSs, revenue in Residential Development was SEK 2,476 M. According to IFRSs, operating income in Residential Development was SEK 21 M.

SEK M	Jan-Jun 2011	Jan-Jun 2010	Apr-Jun 2011	Apr-Jun 2010	Jul 2010- Jun 2011	Jan-Dec 2010
Revenue according to segment reporting - binding agreement	4,453	3,694	1,798	2,087	8,340	7,581
Plus properties sold before this period	5,018	2,873	0	0	5,305	3,160
Less properties not yet occupied by the buyer	-6,363	-3,948	-284	-727	-7,433	-5,018
Proportional method for Joint Ventures	-718		-137	0	-718	
Currency rate differences	86	-102	105	-49	-22	-210
Revenue according to IFRIC 15 - handover	2,476	2,517	1,482	1,311	5,472	5,513
Operating income according to segment reporting - binding agreement	286	331	90	233	514	559
Plus properties sold before this period	686	338	0	0	837	489
Less properties not yet occupied by the buyer	-848	-489	-37	-94	-1,045	-686
Adjustment income from Joint Ventures and associated companies	-114	-56	-21	-56	-113	-55
Currency rate differences	11	-11	13	-4	-5	-27
Operating income according to IFRIC 15 - handover	21	113	45	79	188	280

Commercial Property Development

According to segment reporting, revenue for the period in Commercial Property Development was SEK 897 M and operating income was SEK 135 M. To comply with IFRSs, add the revenue and earnings of the properties that were sold during prior periods but were handed over during the period. Then subtract the properties that were sold during the period but where the purchaser did not yet take possession, plus currency rate differences. According to IFRSs, revenue in Commercial Property Development was SEK 918 M. According to IFRSs, operating income in Commercial Property Development was SEK 130 M.

SEK M	Jan-Jun 2011	Jan-Jun 2010	Apr-Jun 2011	Apr-Jun 2010	Jul 2010- Jun 2011	Jan-Dec 2010
Revenue according to segment reporting - binding agreement	897	2,738	556	970	2,807	4,648
Plus properties sold before this period	93	2,781	0	0	93	2,781
Less properties not yet occupied by the buyer	-72	-2,384	201	362	2,219	-93
Currency rate differences	0	-39	0	-13	-20	-59
Revenue according to IFRIC 15 - handover	918	3,096	757	1,319	5,099	7,277
Operating income according to segment reporting - binding agreement	135	454	86	181	601	920
Plus properties sold before this period	20	401	0	0	20	401
Less properties not yet occupied by the buyer	-25	-345	40	53	300	-20
Currency rate differences	0	1	0	1	-1	0
Operating income according to IFRIC 15 - handover	130	511	126	235	920	1,301

The Skanska Group

Summary income statement

SEK M	Jan-Jun 2011	Jan-Jun 2010	Apr-Jun 2011	Apr-Jun 2010	Jul 2010- Jun 2011	Jan-Dec 2010
Revenue	52,084	55,525	29,243	30,071	118,783	122,224
Cost of sales	-47,238	-50,157	-26,277	-27,075	-106,855	-109,774
Gross income	4,846	5,368	2,966	2,996	11,928	12,450
Selling and administrative expenses	-3,738	-3,599	-1,940	-1,875	-7,672	-7,533
Income from joint ventures and associated companies	4706	374	4610	164	4873	541
Operating income	5,814	2,143	5,636	1,285	9,129	5,458
Financial income	133	127	73	70	348	342
Financial expenses	-123	-103	-63	-62	-397	-377
Net financial items¹	10	24	10	8	-49	-35
Income after financial items	5,824	2,167	5,646	1,293	9,080	5,423
Taxes	-278	-606	-232	-361	-1,067	-1,395
Profit for the period	5,546	1,561	5,414	932	8,013	4,028
1 of which						
Interest income	75	107	33	50	186	218
Financial net pension costs	28	24	15	10	63	59
Interest expenses	-138	-94	-72	-38	-305	-261
Capitalized interest expenses	48	32	24	4	62	46
Net interest	13	69	0	26	6	62
Change in fair value	17	-26	14	-13	7	-36
Other net financial items	-20	-19	-4	-5	-62	-61
Net financial items	10	24	10	8	-49	-35
Profit attributable to:						
Equity holders	5,544	1,559	5,412	930	8,007	4,022
Non-controlling interests	2	2	2	2	6	6
Earnings per share after repurchases and conversion, SEK ²	13.47	3.77	13.15	2.25	19.46	9.76
Earnings per share after repurchases, conversion and dilution, SEK ³	13.37	3.75	13.05	2.24	19.28	9.66

² Earnings for the period attributable to equity holders divided by the average number of shares outstanding after repurchases and conversion
³ Earnings for the period attributable to equity holders divided by the average number of shares outstanding after repurchases, conversion and dilution

Net financial items

Net financial items amounted to SEK 10 M (24). Net interest income amounted to SEK 13 M (69). The net change in the fair value of financial instruments amounted to SEK 17 M (-26). Other financial items totaled SEK -20 M (-19) and mainly consisted of currency rate differences.

Summary statement of comprehensive income

SEK M	Jan-Jun 2011	Jan-Jun 2010	Apr-Jun 2011	Apr-Jun 2010	Jul 2010- Jun 2011	Jan-Dec 2010
Profit for the period	5,546	1,561	5,414	932	8,013	4,028
Other comprehensive income						
Translation differences attributable to equity holders	-72	-431	590	100	-1,450	-1,809
Translation differences attributable to non-controlling interests	7	-10	5	-5	2	-15
Hedging of exchange rate risk in foreign operations	2	89	-222	-25	276	363
Effects of actuarial gains and losses on pensions ³	-732	-685	-511	-930	842	889
Effects of cash flow hedges ¹	-262	-139	-245	-379	4	127
Tax attributable to other comprehensive income ^{2,3}	211	161	148	308	-243	-293
Other comprehensive income for the period	-846	-1,015	-235	-931	-569	-738
Total comprehensive income for the period	4,700	546	5,179	1	7,444	3,290
Total comprehensive income attributable to						
Equity holders	4,691	554	5,172	4	7,436	3,299
Non-controlling interests	9	-8	7	-3	8	-9
1 of which transferred to income statement	-102	-41	-90	-30	-124	-63
2 of which tax related to						
- actuarial gains and losses on pensions	197	186	139	254	-228	-239
- cash flow hedges	14	-25	9	54	-15	-54
3 Total effect on equity from actuarial gains and losses on pensions	-535	-499	-372	-676	614	650

Skanska currency hedges about 30 percent of its equity in foreign subsidiaries against the Swedish krona. The net translation differences as of June 30, 2011 amounted to SEK -70 M (-342).

The effects of actuarial gains and losses on pensions totaled SEK -732 M (685). This negative effect was primarily due to a lowering of the discount rate when calculating Swedish and Norwegian pension liabilities.

Parent Company

Net sales of the Parent Company during January-June were SEK 80 M (0). Operating income totaled SEK -151 M (-187). Income after financial items amounted to SEK -191 M (2,788).

Summary income statement, Parent Company

SEK M	Jan-Jun 2011	Jan-Jun 2010	Apr-Jun 2011	Apr-Jun 2010	Jul 2010- Jun 2011	Jan-Dec 2010
Net sales	80	0	80	0	365	285
Cost of sales and selling and administrative expenses	-231	-187	-131	-93	-629	-585
Operating income	-151	-187	-51	-93	-264	-300
Net financial items	-40	2,975	-30	2,985	1,218	4,233
Income after financial items	-191	2,788	-81	2,892	954	3,933
Taxes	49	76	20	49	-257	-230
Profit for the period	-142	2,864	-61	2,941	697	3,703
Total comprehensive income	-142	2,864	-61	2,941	697	3,703

Summary balance sheet, Parent Company

SEK M	Jun 30 2011	Jun 30 2010	Dec 31 2010
ASSETS			
Intangible non-current assets	8	11	9
Property, plant and equipment	2	3	3
Financial non-current assets ¹	10,722	20,595	12,008
Total non-current assets	10,732	20,609	12,020
Current receivables	197	175	134
Total current assets	197	175	134
TOTAL ASSETS	10,929	20,784	12,154
EQUITY AND LIABILITIES			
Equity	3,088	7,524	8,216
Provisions	234	220	268
Non-current interest-bearing liabilities ¹	7,120	12,980	3,316
Current liabilities	487	60	354
TOTAL EQUITY AND LIABILITIES	10,929	20,784	12,154

¹ Of these amounts, SEK 1 M (Dec 31, 2010: 1,287) were intra-Group receivables and SEK 7,120 M (Dec 31, 2010: 3,316) intra-Group liabilities.

Note, contingent liabilities

The Parent Company's contingent liabilities totaled SEK 101.0 bn (Dec 31, 2010: 109.3), of which SEK 94.5 bn (Dec 31, 2010: 103.1) was related to obligations on behalf of Group companies. Other obligations, SEK 6.5 bn (Dec 31 2010: 6.2), were related to commitments to outside parties.

Share data

	Jan-Jun 2011	Jan-Jun 2010	Apr-Jun 2011	Apr-Jun 2010	Jul 2010- Jun 2011	Jan-Dec 2010
Earnings per share according to segment reporting after repurchases and conversion, SEK ¹	14.02	4.17	13.21	2.54	19.39	9.54
Earnings per share after repurchases and conversion, SEK ¹	13.47	3.77	13.15	2.25	19.46	9.76
Earnings per share after repurchases, conversion and dilution, SEK ²	13.37	3.75	13.05	2.24	19.28	9.66
Average number of shares outstanding after repurchases and conversion	411,639,986	413,566,384				412,229,351
Average number of shares outstanding after repurchases, conversion and dilution	414,681,424	415,928,385				416,448,523
Average dilution, percent	0.73	0.57				1.01
Number of shares, at balance sheet date	419,903,072	423,053,072				423,053,072
of which Series A and Series B shares	419,903,072	419,413,072				419,413,072
of which Series D shares (without right to dividend, in Skanska's own custody) ³	0	3,640,000				3,640,000
Number of Series D shares converted to Series B shares	1,350,000	860,000				860,000
Average price, repurchased shares, SEK	105.40	102.55				105.40
Number of Series B shares repurchased	8,789,000	7,024,000				8,324,000
of which repurchased during the year	465,000	810,000				2,110,000
Number of shares in Skanska's own custody	7,867,659	7,013,972				8,253,247
Number of shares outstanding after repurchases and conversion	412,035,413	412,399,100				411,159,825

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

² Earnings for the period attributable to equity holders divided by the average number of shares outstanding after repurchases, conversion and dilution

³ On April 5, the Annual Shareholders' Meeting approved a reduction in share capital by SEK 9,450,000 through redemption of 3,150,000 Series D shares. All Series D shares are held by the Parent Company.

Five-year Group financial summary

	Jan-Jun 2011	Jan-Jun 2010	Jan-Jun 2009	Jan-Jun 2008 ²	Jan-Jun 2007 ²
Revenue	52,084	55,525	68,442	68,596	63,967
Operating income	5,814	2,143	2,900	2,424	2,198
Profit for the period	5,546	1,561	2,032	1,962	1,634
Earnings per share after repurchases and conversion, SEK	13.47	3.77	4.87	4.66	3.87
Return on capital employed, %	35.2	20.2	18.6	25.8	20.5
Return on equity, %	41.1	19.3	19.2	22.4	17.2
Operating margin, %	11.2	3.9	4.2	3.5	3.4
Cash flow per share, SEK ¹	-9.81	-4.99	-4.87	-14.90	-8.30

¹ Cash flow before change in interest-bearing receivables and liabilities divided by the average number of shares outstanding after repurchases and conversion

² Comparative figures for 2007-2008 have not been adjusted to the effects of IFRIC 12 och IFRIC 15

Exchange rates for the most important currencies

SEK	Average exchange rates			Exchange rates on the closing day		
	Jan-Jun 2011	Jan-Jun 2010	Jan-Dec 2010	Jun 30 2011	Jun 30 2010	Dec 31 2010
U.S. dollar	6.38	7.39	7.21	6.33	7.75	6.80
British pound	10.30	11.26	11.13	10.13	11.64	10.50
Norwegian krone	1.14	1.22	1.19	1.18	1.20	1.15
Euro	8.94	9.80	9.55	9.16	9.52	9.01
Czech koruna	0.37	0.38	0.38	0.38	0.37	0.36
Polish zloty	2.26	2.45	2.39	2.30	2.30	2.27

Personnel

The average number of employees in the Group was 52,076 (50,174).

Transactions with related parties

No transactions between Skanska and related parties having an essential effect on the Company's position and earnings have taken place.

Essential risks and uncertainty factors

The construction and project development business is largely about risk management. Practically every project is unique. Size, shape, environment – everything varies for each new assignment. Construction and project development business differs in this way from typical manufacturing that operates in permanent facilities with long production runs.

In Skanska's operations there are many types of risks. Identifying, managing and pricing these risks are of fundamental importance to the Group's profitability. Risks are normally of a technical, legal and financial nature, but political, ethical, social and environmental aspects are also part of assessing potential risks.

To ensure a systematic and uniform assessment of risks and opportunities, the entire Skanska Group uses a common procedure for identifying and managing risks. With the aid of this model, Skanska evaluates projects continuously, from tender preparations to completion of the assignment.

For further information about risks and a description of key estimates and judgments, see the Report of the Directors and Notes 2 and 6 in the Annual Report for 2010 as well as the above section on the market outlook.

Other matters

Redemption of shares

On April 5, the Annual Shareholders' Meeting approved a reduction in share capital by SEK 9,450,000 through redemption of 3,150,000 Series D shares. All Series D shares are held by the Parent Company.

Repurchases of shares

At its meeting on April 5, the Board of Directors decided to exercise its authorization by the Annual Shareholders' Meeting to repurchase shares on the following conditions. On one or more occasions, however no later than the 2012 Annual Shareholders' Meeting, a maximum of 4,500,000 Series B shares in Skanska may be acquired for the purpose of securing delivery of shares to participants in the Skanska Employee Ownership Program. Acquisitions may only be made on the NASDAQ OMX Stockholm exchange, at a price within the applicable price range at any given time. This refers to the interval between the highest purchase price and lowest selling price. On June 30, Skanska held 7,867,659 Series B shares in its own custody.

Events after the end of the report period

In Norway, Skanska received the assignment to construct Statoil's new office building in Bergen, Norway. The project comprises 55,000 sq. m (590,000 sq. ft.) of new office space, and the contract totals about SEK 1.5 billion.

Financial reports related to 2011

Skanska's interim reports and Year-end report are available for downloading on Skanska's website, at www.skanska.com/investors, and can also be ordered from Skanska AB, Investor Relations.

The Group's reports for the 2011 financial year will be published on the following dates:

November 3, 2011	Nine Month Report
February 8, 2012	Year-end Report

Certification

The Board of Directors and the President and CEO certify that this Six Month Report provides a true and fair overview of the performance of the business, position and earnings of the Parent Company and the Group and describes the principal risks and uncertainties faced by the Parent Company and the companies in the Skanska Group.

Solna, July 21, 2011

Sverker Martin-Löf
Chairman

Stuart Graham
Vice Chairman

Josephine Rydberg-Dumont
Board member

Fredrik Lundberg
Board member

Charlotte Strömberg
Board member

Sir Adrian Montague
Board member

Matti Sundberg
Board member

Lars Pettersson
Board member

Inge Johansson
Board member

Roger Karlström
Board member

Alf Svensson
Board member

Johan Karlström
President and CEO,
Board member

This interim report has not been subjected to a review by the Company's auditors.

Additional information, segment reporting

Revenue and earnings

Construction

SEK M	Jan-Jun 2011	Jan-Jun 2010	Apr-Jun 2011	Apr-Jun 2010	Jul 2010- Jun 2011	Jan-Dec 2010
Revenue	51,447	51,811	28,764	28,561	112,849	113,213
Gross income	4,195	4,464	2,502	2,524	9,868	10,137
Selling and administrative expenses	-2,789	-2,775	-1,420	-1,392	-5,778	-5,764
Income from joint ventures and associated companies	14	4	13	3	25	15
Operating income	1,420	1,693	1,095	1,135	4,115	4,388
Investments	-1,331	-637	-709	-439	-2,045	-1,351
Divestments	92	108	75	50	256	272
Net investments	-1,239	-529	-634	-389	-1,789	-1,079
Gross margin, %	8.2	8.6	8.7	8.8	8.7	9.0
Selling and administrative expenses, %	-5.4	-5.4	-4.9	-4.9	-5.1	-5.1
Operating margin %	2.8	3.3	3.8	4.0	3.6	3.9
Order bookings, SEK bn	48.4	72.5	26.8	46.8	106.2	130.3
Order backlog, SEK bn	139.4	160.4				145.9
Employees	50,660	48,777				50,197

Residential Development

SEK M	Jan-Jun 2011	Jan-Jun 2010	Apr-Jun 2011	Apr-Jun 2010	Jul 2010- Jun 2011	Jan-Dec 2010
Revenue	4,453	3,694	1,798	2,087	8,340	7,581
Gross income	625	527	261	300	1,193	1,095
Selling and administrative expenses	-335	-250	-169	-122	-674	-589
Income from joint ventures and associated companies	-4	54	-2	55	-5	53
Operating income	286	331	90	233	514	559
Operating margin, %	6.4	9.0	5.0	11.2	6.2	7.4
Employees	590	621	0	0		649
Investments	-3,034	-2,396	-1,193	-1,715	-6,200	-5,562
Divestments	2,444	2,384	1,466	1,232	5,341	5,281
Net investments	-590	-12	273	-483	-859	-281
Capital employed, SEK bn	11.0	8.9				10.2

Commercial Property Development

SEK M	Jan-Jun 2011	Jan-Jun 2010	Apr-Jun 2011	Apr-Jun 2010	Jul 2010- Jun 2011	Jan-Dec 2010
Revenue	897	2,738	556	970	2,807	4,648
Gross income	334	633	194	279	978	1,277
Selling and administrative expenses	-198	-179	-107	-98	-374	-355
Income from joint ventures and associated companies	-1	0	-1	0	-3	-2
Operating income	135	454	86	181	601	920
of which gain from divestments of properties ¹	133	377	92	158	547	791
of which writedowns/reversal of writedowns	-1	-4	-1	-4	21	18
Employees	225	193				199
¹ Additional gain included in eliminations was	21	60	19	45	41	80
Investments	-1,557	-1,311	-822	-799	-3,393	-3,147
Divestments	607	2,728	603	1,145	4,450	6,571
Net investments	-950	1,417	-219	346	1,057	3,424
Capital employed, SEK bn	11.0	11.1				9.6

Infrastructure Development

SEK M	Jan-Jun 2011	Jan-Jun 2010	Apr-Jun 2011	Apr-Jun 2010	Jul 2010- Jun 2011	Jan-Dec 2010
Revenue	233	104	145	76	448	319
Gross income	-64	-34	-21	3	-131	-101
Selling and administrative expenses	-74	-75	-42	-43	-137	-138
Income from joint ventures and associated companies	4,699	372	4,599	161	4,863	536
Operating income	4,561	263	4,536	121	4,595	297
of which gains from divestments of shares in projects	4,500	183	4,500	86	4,509	192
Investments	-491	-225	-262	-83	-958	-692
Divestments	5,452	348	5,385	139	5,507	403
Net investments	4,961	123	5,123	56	4,549	-289
Capital employed, SEK bn	7.3	2.0				2.7
Return on capital employed (RoCE), %	148.9	16.2				14.4
Employees	147	132				140

Construction by business/reporting unit

SEK M	Revenue					
	Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun	Jul 2010-	Jan-Dec
	2011	2010	2011	2010	Jun 2011	2010
Sweden	12,360	10,480	7,010	5,836	25,112	23,232
Norway	5,461	5,376	3,027	2,879	11,313	11,228
Finland	3,496	2,812	2,077	1,603	7,576	6,892
Poland	3,340	3,031	2,268	2,151	9,331	9,022
Czech Republic	2,793	3,341	1,757	2,095	8,072	8,620
UK	6,549	7,110	3,304	3,618	13,651	14,212
USA Building	10,376	11,198	5,489	5,812	22,000	22,822
USA Civil	4,541	5,885	2,465	3,266	10,170	11,514
Latin America	2,531	2,578	1,367	1,301	5,624	5,671
Total	51,447	51,811	28,764	28,561	112,849	113,213

SEK M	Operating income					
	Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun	Jul 2010-	Jan-Dec
	2011	2010	2011	2010	Jun 2011	2010
Sweden	458	427	381	346	1,256	1,225
Norway	-160	192	-99	51	-170	182
Finland	-7	-31	8	-21	-55	-79
Poland	382	163	304	133	812	593
Czech Republic	-33	96	6	119	268	397
UK	190	174	129	110	441	425
USA Building	172	176	104	102	414	418
USA Civil	417	484	265	302	877	944
Latin America	1	12	-3	-7	273	284
Total	1,420	1,693	1,095	1,135	4,115	4,388

	Operating margin, %					
	Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun	Jul 2010-	Jan-Dec
	2011	2010	2011	2010	Jun 2011	2010
	3.7	4.1	5.4	5.9	5.0	5.3
	neg	3.6	neg	1.8	neg	1.6
	neg	neg	0.4	neg	neg	neg
	11.4	5.4	13.4	6.2	8.7	6.6
	neg	2.9	0.3	5.7	3.3	4.6
	2.9	2.4	3.9	3.0	3.2	3.0
	1.7	1.6	1.9	1.8	1.9	1.8
	9.2	8.2	10.8	9.2	8.6	8.2
	0.0	0.5	neg	neg	4.9	5.0
Total	2.8	3.3	3.8	4.0	3.6	3.9

SEK M	Order backlog		
	Jun 30	Jun 30	Dec 31
	2011	2010	2010
Sweden	31,297	29,184	31,935 ²
Norway	11,254 ¹	10,122	10,132 ³
Finland	5,949	6,337	5,903
Poland	9,479	11,131	8,962
Czech Republic	8,859	9,568	8,399
UK	20,408	28,671	23,512
USA Building	25,873	31,948	30,649
USA Civil	20,823	26,804	20,812
Latin America	5,487	6,627	5,633
Total	139,429	160,392	145,937

	Order bookings					
	Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun	Jul 2010-	Jan-Dec
	2011	2010	2011	2010	Jun 2011	2010
	11,661	23,944	6,625	18,034	27,176	39,459
	6,213	6,679	3,496	4,308	12,427	12,893
	3,502	4,793	1,954	2,749	7,394	8,685
	3,872	2,985	2,825	1,607	7,741	6,854
	2,773	2,375	2,255	1,630	7,184	6,786
	4,086	10,778	2,297	7,983	8,258	14,950
	7,660	11,192	4,394	6,430	22,044	25,576
	6,008	4,344	1,392	1,627	8,793	7,129
	2,669	5,383	1,607	2,467	5,247	7,961
Total	48,444	72,473	26,845	46,835	106,264	130,293

¹ Acquired orderbacklog 131
² Adjustment 2010 with -1,073
³ Adjustment 2010 with -67

Residential Development

SEK M	Revenue					
	Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun	Jul 2010-	Jan-Dec
	2011	2010	2011	2010	Jun 2011	2010
Sweden	2,166	1,557	799	814	3,904	3,295
Norway	579	623	283	337	1,357	1,401
Finland	1,384	1,239	595	768	2,517	2,372
Nordics	4,129	3,419	1,677	1,919	7,778	7,068
Czech Republic	324	275	121	168	562	513
Other ²	-	-	-	-	-	-
Total	4,453	3,694	1,798	2,087	8,340	7,581

	Operating income ¹					
	Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun	Jul 2010-	Jan-Dec
	2011	2010	2011	2010	Jun 2011	2010
Sweden	144	143	23	104	294	293
Norway	20	34	16	24	37	51
Finland	108	127	51	85	150	169
Nordics	272	304	90	213	481	513
Czech Republic	34	27	11	20	53	46
Other ²	-20	0	-11	0	-20	0
Total	286	331	90	233	514	559

	Operating margin, % ¹					
	Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun	Jul 2010-	Jan-Dec
	2011	2010	2011	2010	Jun 2011	2010
Sweden	6.6	9.2	2.9	12.8	7.5	8.9
Norway	3.5	5.5	5.7	7.1	2.7	3.6
Finland	7.8	10.3	8.6	11.1	6.0	7.1
Nordics	6.6	8.9	5.4	11.1	6.2	7.3
Czech Republic	10.5	9.8	9.1	11.9	9.4	9.0
Other ²	-	-	-	-	-	-
Total	6.4	9.0	5.0	11.2	6.2	7.4

¹ Development gain only. Construction margin reported under Construction.

² Start-ups in new markets

	Homes started					
	Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun	Jul 2010-	Jan-Dec
	2011	2010	2011	2010	Jun 2011	2010
Sweden	645	773	303	304	1,553	1,681
Norway	76	180	76	105	357	461
Finland	792	687	473	433	1,661	1,556
Nordics	1,513	1,640	852	842	3,571	3,698
Czech Republic	224	274	48	120	365	415
Total	1,737	1,914	900	962	3,936	4,113

	Homes sold					
	Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun	Jul 2010-	Jan-Dec
	2011	2010	2011	2010	Jun 2011	2010
Sweden	637	586	291	304	1,278	1,227
Norway	141	155	66	61	382	396
Finland	648	594	310	360	1,192	1,138
Nordics	1,426	1,335	667	725	2,852	2,761
Czech Republic	271	206	104	125	480	415
Total	1,697	1,541	771	850	3,332	3,176

	Homes under construction		
	Jun 30	Jun 30	Dec 31
	2011	2010	2010
Sweden	2,303	1,843	1,945
Norway	421	306	516
Finland	1,909	828	1,532
Nordics	4,633	2,977	3,993
Czech Republic	722	400	541
Total	5,355	3,377	4,534

	Homes under construction of which sold, %		
	Jun 30	Jun 30	Dec 31
	2011	2010	2010
Sweden	63	70	58
Norway	79	63	71
Finland	60	69	60
Nordics	64	69	60
Czech Republic	66	49	51
Total	64	67	59

	Completed unsold, number of homes		
	Jun 30	Jun 30	Dec 31
	2011	2010	2010
Sweden	42	39	34
Norway	2	1	4
Finland	34	75	39
Nordics	78	115	77
Czech Republic	70	228	100
Total	148	343	177