



Barts and The London new hospitals programme

Skanska

Three month report 2006



Modern Houses, Sweden



Badedammen, Norway



ILVA, Sweden



Barts and the London Hospital, UK

Q1 2006 in brief

- Revenue in Construction of SEK 25.4 bn (22.8)
 - up 5 percent in local currencies
- Operating income of SEK 610 M (1,043)
 - of which, gains from divestments of properties 209 (480)
- Order bookings in Construction up 17 percent to SEK 27.4 bn (23.4)
- Backlog of SEK 129.5 bn represents 13 months of sales
- Net cash position of SEK 10.7 bn (6.8)

Business Streams

Construction

- Increased earnings, particularly from Sweden and Norway
- Winter conditions in central Europe and provision in International Projects impacted results negatively
- Order bookings in the U.S. impacted by inflation

Residential Development

- Good performance in a strong market
- New starts will increase over the remainder of the year
- New entrants may lead to oversupply

Commercial Development

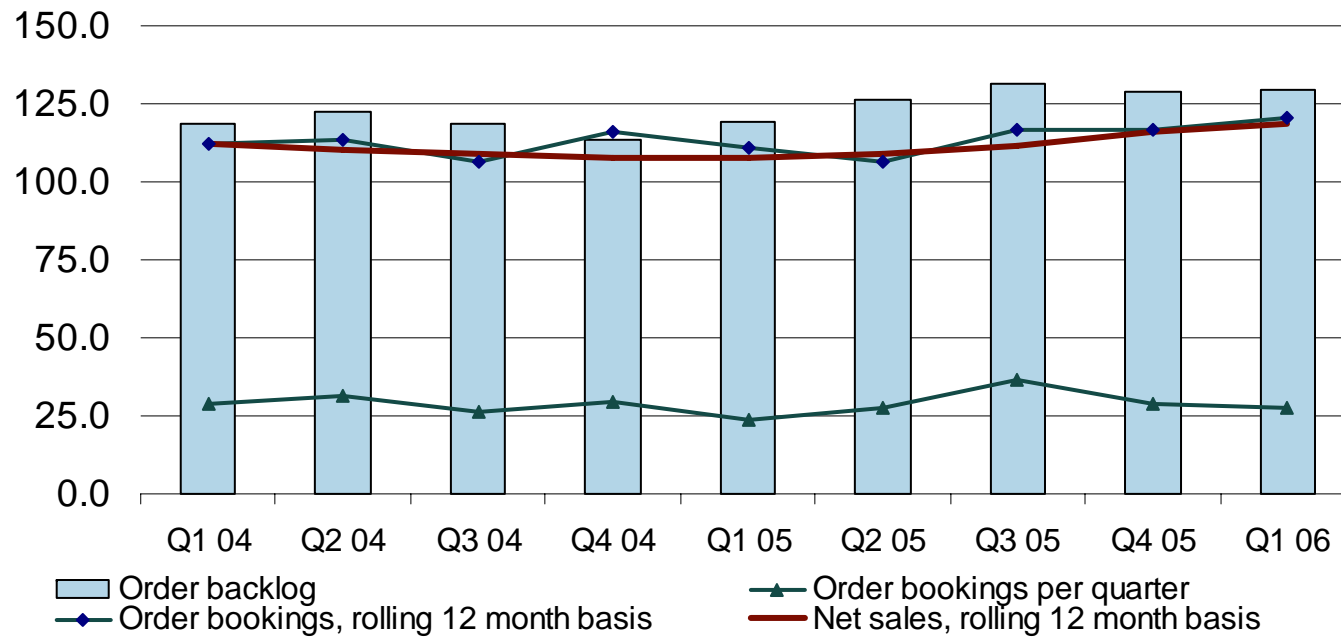
- Vacancy rates slowly deminishing, leading to new investment opportunities
- Two new projects started during Q1
- Strong exit market

Infrastructure Development

- Financial close for Barts and The London after the end of the period

Order situation – Construction

SEK bn	Jan–Mar 2006	Jan–Mar 2005	Apr 2005–Mar 2006	Jan–Dec 2005
Revenue	25.4	22.8	118.6	116.0
Order bookings	27.4	23.4	120.6	116.6
Order backlog	129.5	119.0		128.6



Order bookings

SEK bn	Jan–Mar 2006	Jan–Mar 2005	Apr 2005– Mar 2006	Jan–Dec 2005
Sweden	6.7	5.0	23.8	22.1
Norway	3.1	1.7	12.8	11.4
Denmark	1.3	1.0	4.2	3.9
Finland	2.1	1.6	9.6	9.1
Poland	1.4	1.1	7.9	7.6
Czech Republic	3.4	0.9	11.0	8.6
UK	2.0	4.7	11.1	13.8
USA Building	5.0	5.3	22.9	23.2
USA Civil	1.4	1.8	12.8	13.2
Latin America	1.0	0.4	3.6	3.1
International	0.0	0.0	0.8	0.7
Total	27.4	23.4	120.6	116.6

Construction

SEK M	Jan–Mar 2006	Jan–Mar 2005	Apr 2005– Mar 2006	Jan–Dec 2005
Revenue	25,422	22,768	118,609	115,955
Gross income	1,814	1,547	8,555	8,288
Selling and administrative expenses	-1,378	-1,231	-5,584	-5,437
Income from joint ventures and associated companies	7	9	45	47
Operating income	443	325	3,016	2,898
Gross margin, %	7.1	6.8	7.2	7.1
Selling and admin. expenses, %	-5.4	-5.4	-4.7	-4.7
Operating margin, %	1.7	1.4	2.5	2.5
Capital employed, SEK bn	3.4	4.9		4.0
Return on capital employed, %	62.2	29.1		58.2
Order bookings, SEK bn	27.4	23.4	120.6	116.6
Order backlog, SEK bn	129.5	119.0		128.6

Residential Development

SEK M	Jan–Mar 2006	Jan–Mar 2005	Apr 2005– Mar 2006	Jan–Dec 2005
Revenue	1,639	1,429	6,323	6,113
Gross income	232	221	939	928
Selling and administrative expenses	-99	-84	-349	-334
Income from joint ventures and associated companies	9	0	26	17
Operating income	142	137	616	611
Operating margin, %	8.7	9.6	9.7	10.0
Capital employed, SEK bn	3.0	2.8		2.5
Return on capital employed, %	24.3	19.4		23.8

Residential Project Development

March 31, 2006

	Under construction #		Of which, sold #		Of which, sold %		Completed, unsold #	
	Q1	Q4	Q1	Q4	Q1	Q4	Q1	Q4
Sweden	1,757	1,608	1,615	1,451	92	90	9	11
Norway	834	714	728	627	87	88	13	13
Finland incl. Estonia	1,787	1,739	1,295	1,240	72	71	58	70
Denmark	292	0	287	-	98	-	5	-
Nordic	4,670	4,061	3,925	3,318	84	82	85	94
Czech Republic	717	424	479	203	67	48	14	22
Russia	1,040	1,040	817	769	79	74	3	6
Rest of Europe	1,757	1,464	1,296	972	74	66	17	28
TOTAL	6,427	5,525	5,221	4,290	81	78	102	122

All units sold include reserved units in this summary.

Commercial Development

SEK M	Jan–Mar 2006	Jan–Mar 2005	Apr 2005– Mar 2006	Jan–Dec 2005
Revenue	702	1,851	3,926	5,075
Gross income	260	744	1,479	1,963
Selling and administrative expenses	-55	-54	-229	-228
Income from joint ventures and associated companies	0	1	4	5
Operating income	205	691	1,254	1,740
of which gain from divestments of properties	209	476	1,284	1,551
of which operating net, completed properties	43	251	142	350
of which writedowns/reversal of writedowns	0	0	0	0
Capital employed, SEK bn	5.7	7.6		6.0

Commercial Development

SEK M	Carrying amount end of period	Carrying amount upon completion	Market value Dec 31, 2005	Occupancy rate, %
Completed properties	3,150	3,150	4,543	74
Ongoing projects	740	2,228	2,815	43
Subtotal	3,890	5,378	7,358	
Land bank	1,902	1,902		
TOTAL	5,792	7,280		

Sale of commercial properties, 2006

SEK M	Sale price	Capital gain
Q1	606	209
Q2 YTD	750	536
Total YTD	1,356	745

New projects

Project	Leasable area, sq m	Occupancy rate, %	Investment, SEK M
Q1			
Lundbyvassen, office, Gothenburg	13,000	65	135
Atrium, office, Copenhagen	16,000	0	319

Infrastructure Development

SEK M	Jan–Mar 2006	Jan–Mar 2005	Apr 2005– Mar 2006	Jan–Dec 2005
Revenue	24	6	71	53
Gross income	-8	-2	-53	-47
Selling and administrative expenses	-35	-19	-139	-123
Income from joint ventures and associated companies	-9	12	140	161
Operating income (EBIT)	-52	-9	-52	-9
Capital employed, SEK bn	2.5	1.7		2.5

Income statement

SEK M	Jan–Mar 2006	Jan–Mar 2005	Apr 2005– Mar 2006	Jan–Dec 2005
Construction	443	325	3,016	2,898
Residential Development	142	137	616	611
Commercial Development	205	691	1,254	1,740
Infrastructure Development	-52	-9	-52	-9
Discontinued operations	0	13	189	202
Central	-103	-93	-379	-369
Eliminations	-25	-21	-77	-73
Operating income	610	1,043	4,567	5,000
Net financial items	58	56	122	120
Income after financial items	668	1,099	4,689	5,120
Taxes	-174	-286	-1,118	-1,230
Profit for the period	494	813	3,571	3,890
Earnings per share, SEK	1.18	1.94	8.51	9.27
<i>Tax rate, %</i>	26	26	26	26

Balance sheet

SEK bn	Mar 31, 2006	Dec 31, 2005
Property plant and equipment	5.0	5.3
Goodwill	4.1	4.2
Intangible assets	0.6	0.6
Shares and participations	1.9	1.9
Commercial properties	7.0	7.2
Residential properties	3.5	3.3
Interest-bearing receivables	3.5	3.3
Net working capital	-16.1	-15.0
Financial assets incl. Cash	12.1	13.7
Capital employed	21.7	24.5
Equity attributable to equity holders	16.4	18.5
Minority interest	0.1	0.1
Interest-bearing liabilities	5.1	5.9
	21.7	24.5
Total assets	67.8	71.3
Net interest-bearing receivables	10.7	11.1
Equity/assets ratio, %	24.4	26.1

Change in interest-bearing assets and liabilities

SEK M	Jan–Mar 2006
Net receivables/Net debt opening balance	11,111
Change in interest-bearing receivables and liquid assets	-1,091
Translation differences interest-bearing receivables and liquid assets	-103
Change in interest-bearing liabilities	502
Translation differences interest-bearing liabilities	64
Effects of IAS 19	271
Reclassification and change in accounting principles	-35
Interest-bearing debt acquired/divested	
Effect of IAS 39	11
Other changes	-62
Net receivables/Net debt closing balance	10,668

Operating cash flow

SEK M	Jan–Mar 2006	Jan–Mar 2005
Construction	-31	-1,524
Residential Development	-35	225
Commercial Development	268	2,230
Infrastructure Development	-43	-173
Central and eliminations	-316	-187
Discontinued operations	-	-138
Cash flow before taxes, financial operations and dividends	-157	433
Taxes paid	-461	-823
Net interest items and other financial items	28	-72
Dividend etc.	1	-2
CASH FLOW BEFORE CHANGE IN INTEREST-BEARING RECEIVABLES AND LIABILITIES	-589	-464

Group net investments

SEK M	Jan–Mar 2006	Jan–Mar 2005	Apr 2005– Mar 2006	Jan–Dec 2005
<u>Operations - investments</u>				
Intangible assets	-18	-2	-62	-46
Property, plant and equipment	-289	-301	-1,443	-1,455
Assets in ID operations	-32	-140	-368	-476
Shares	0	-2	-1	-3
Current-asset properties	-1,103	-968	-5,091	-4,956
Investments	-1,442	-1,413	-6,965	-6,936
<u>Operations - divestments</u>				
Intangible assets	5	2	7	4
Property, plant and equipment	64	121	556	613
Assets in ID operations	10	0	45	35
Shares	3	2	2	1
Current-asset properties	1,842	2,564	8,678	9,400
Divestments	1,924	2,689	9,288	10,053
Net investments in operations	0			
Net strategic investments	2	-15	545	528
TOTAL NET INVESTMENTS	484	1,261	2,868	3,645
Depreciation, non-current assets	-285	-255	-1,103	-1,073

Market outlook – Construction

- Commercial building stable at a good level
- Civil construction good in most home markets
- Most of the residential building markets have peaked but remain at a high level.
 - Sweden is the exception, with the market still growing

Market outlook – Project development

- Residential Development activity remains at a high level in most markets
 - Czech market showing initial signs of oversupply
 - The residential market in Sweden is increasing

- In Commercial Development, interest in new facilities continues to lead to new project starts. Investor interest remains strong.

- Interest in PPP is increasing in most home markets.

Summary

- Improved results in Construction. Sweden and Norway particularly strong.
- Development business streams performing well
- Stable market outlook

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