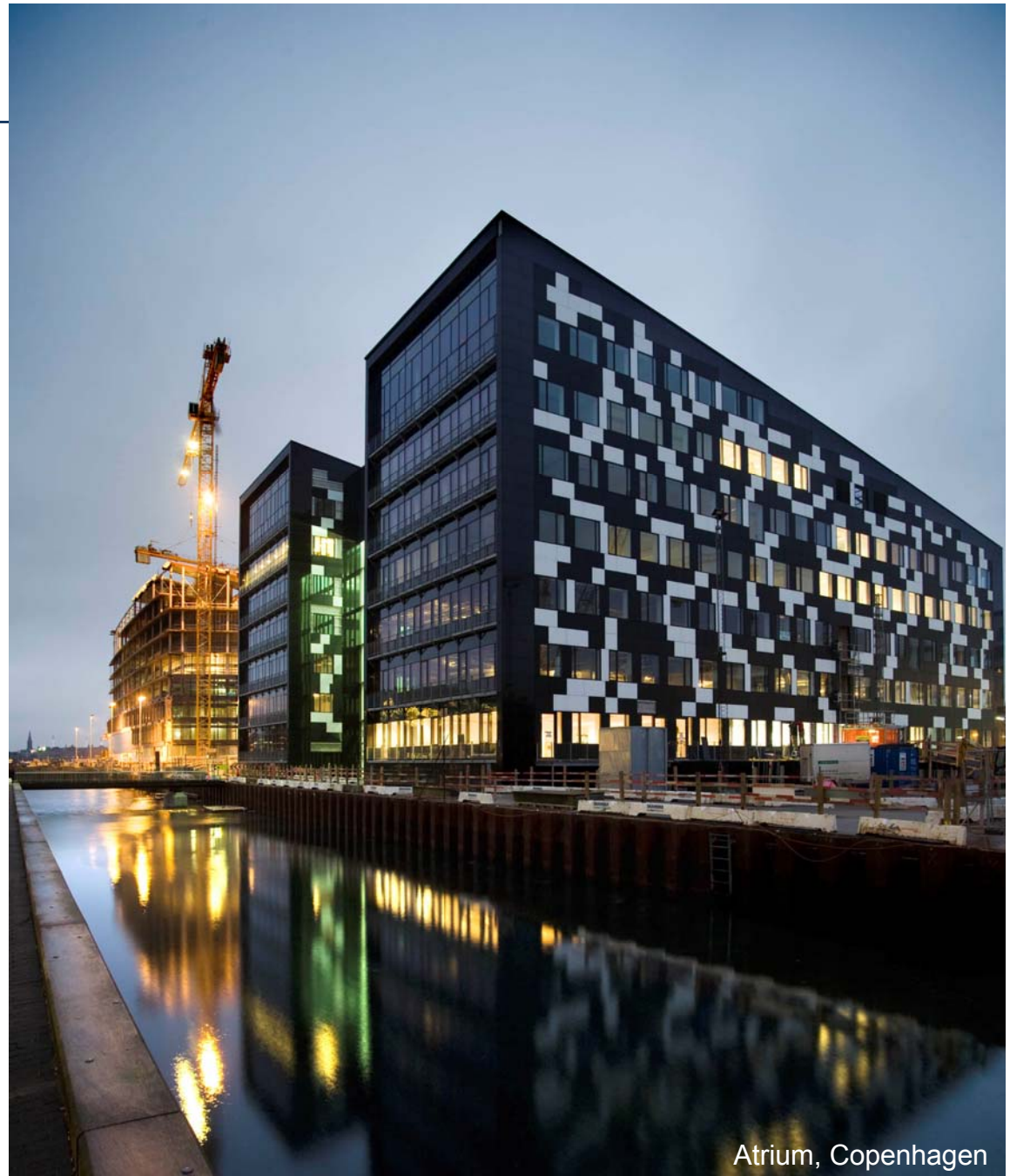


**SKANSKA**

# Three Month Report 2008



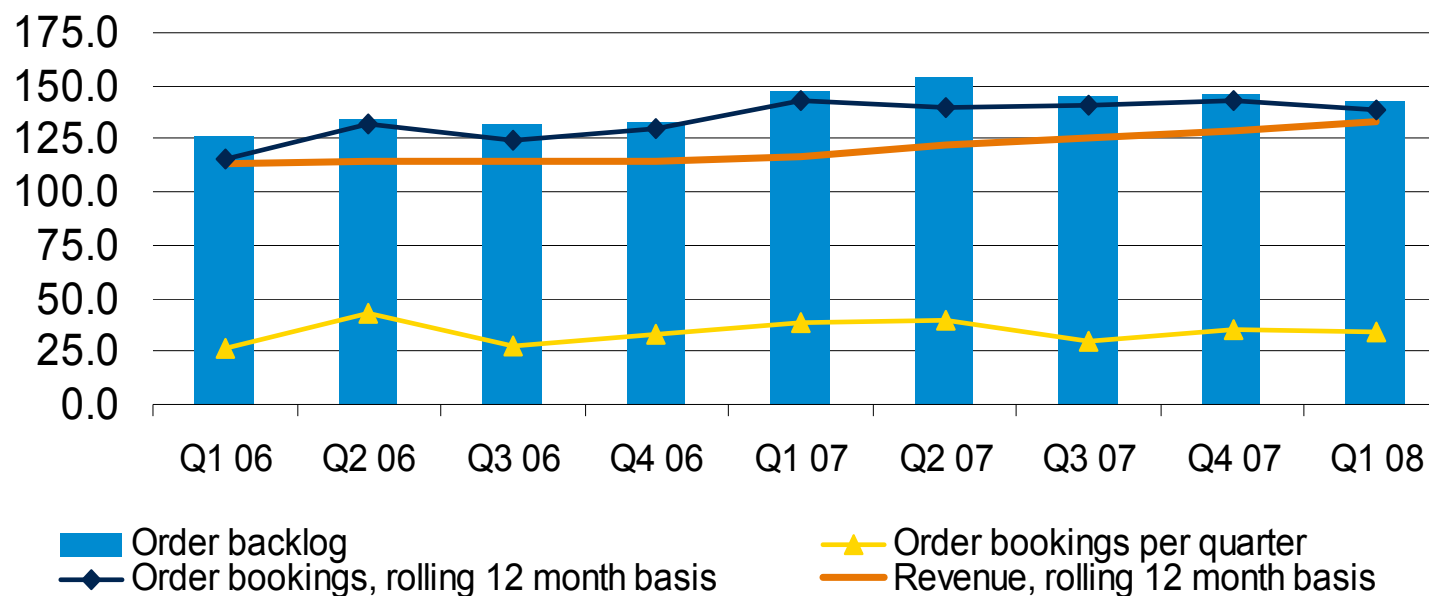
Atrium, Copenhagen

## Jan–March in brief

- Revenue for the Group SEK 31.5 bn (28.5)
- Revenue in Construction SEK 30.5 bn (26.8)
  - Up 18 percent in local currencies
- Divestment of share in Ponte de Pedra finalized at SEK 1.1 bn with a gain of SEK 643 M
- Operating income of SEK 1.1 bn (0.8)
- 81,000 sq.m. of new leases in CD

# Order situation – Construction

SEK bn	Jan–Mar 2008	Jan–Mar 2007	2007–Mar 2008 Apr	Jan–Dec 2007
Revenue	30.5	26.8	133.0	129.3
Order bookings	34.3	38.5	139.2	143.4
Order backlog	143.2	147.9		146.0



# Order bookings – Construction

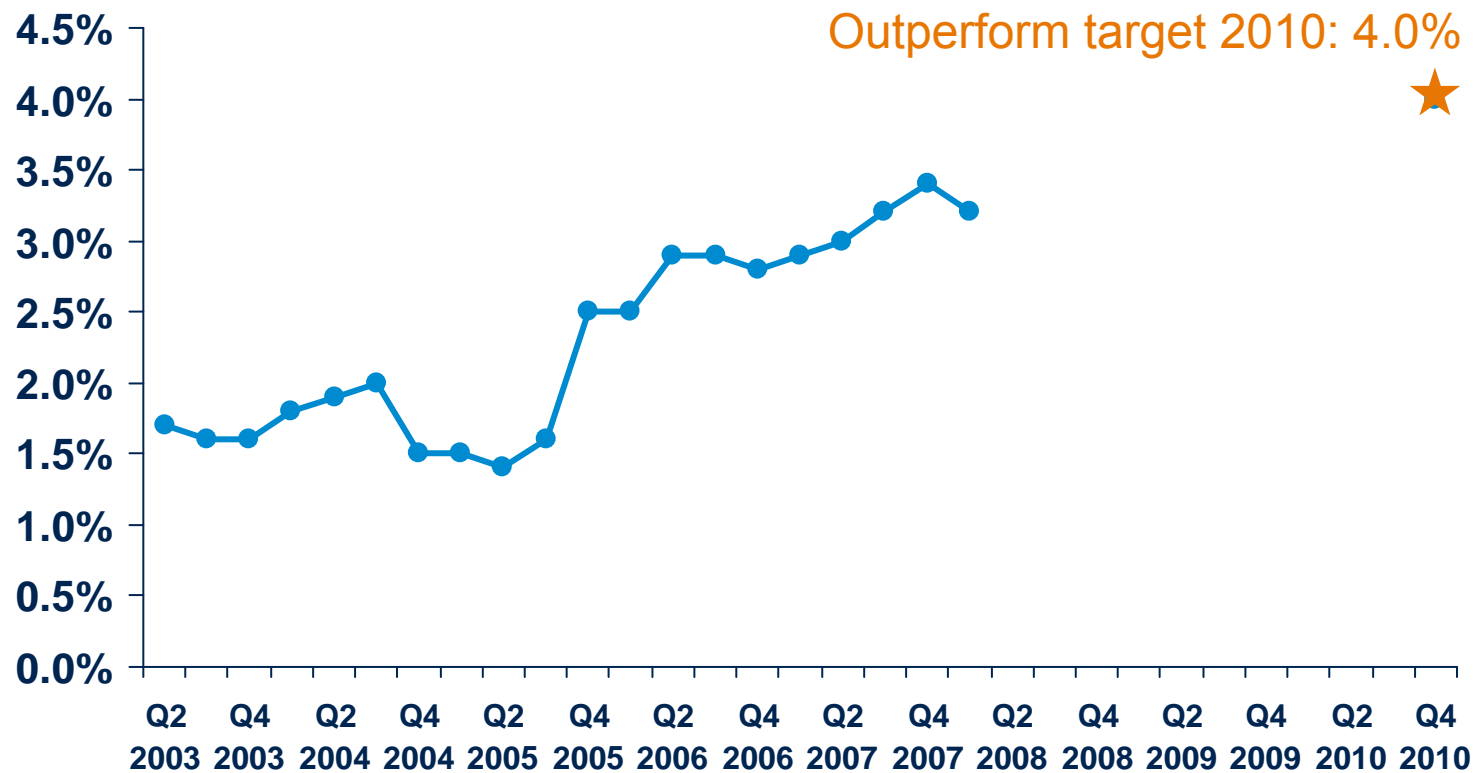
SEK bn	Jan–Mar 2008	Jan–Mar 2007	Apr 2007– Mar 2008	Jan–Dec 2007
Sweden	7.8	6.8	30.3	29.3
Norway	2.7	4.2	11.8	13.3
Finland	1.4	1.6	9.6	9.8
Poland	0.9	1.5	4.8	5.4
Czech Republic	4.0	1.2	12.2	9.3
UK	5.1	3.6	19.7	18.2
USA Building	5.9	14.1	26.4	34.6
USA Civil	5.4	3.7	19.3	17.7
Latin America	1.0	1.8	5.0	5.8
<b>Total</b>	<b>34.3</b>	<b>38.5</b>	<b>139.2</b>	<b>143.4</b>

# Construction

SEK bn	Jan–Mar 2008	Jan–Mar 2007	Apr 2007– Mar 2008	Jan–Dec 2007
Revenue	30.5	26.8	133.0	129.3
<b>Gross income</b>	<b>2.0</b>	<b>2.0</b>	<b>10.4</b>	<b>10.4</b>
Selling and administrative expenses	-1.5	-1.3	-6.2	-6.0
Income from joint ventures and associated companies	0.0	0.0	0.1	0.1
<b>Operating income</b>	<b>0.5</b>	<b>0.7</b>	<b>4.3</b>	<b>4.4</b>
Gross margin, %	6.6	7.3	7.8	8.0
Selling and admin. expenses, %	-5.0	-4.9	-4.7	-4.6
Operating margin, %	1.6	2.5	3.2	3.4
Order bookings, SEK bn	34.3	38.5	139.2	143.4
Order backlog, SEK bn	143.2	147.9		146.0

# Operating margin in Construction

## Rolling 12 months



# Residential Development

SEK M	Jan–Mar 2008	Jan–Mar 2007	Apr 2007– Mar 2008	Jan–Dec 2007
Revenue	1,965	2,042	7,602	7,679
<b>Gross income</b>	326	321	1,163	1,158
Selling and administrative expenses	-175	-140	-584	-549
Income from joint ventures and associated companies	0	65	50	115
<b>Operating income</b>	<b>151</b>	<b>246</b>	<b>629</b>	<b>724</b>
Operating margin, %	7.7	12.0	8.3	9.4
Capital employed, SEK bn	4.9	4.7		4.4
Return on capital employed, %	12.6	27.3		14.9

## Residential Development, March 31, 2008

	Under construction, #		Of which sold %		Completed unsold, #	
	Q1, 2008	Q4, 2007	Q1, 2008	Q4, 2007	Q1, 2008	Q4, 2007
Sweden	2,645	2,396	78	81	16	18
Norway	540	605	75	80	13	17
Finland incl. Estonia	1,491	1,538	52	50	216	233
Denmark	194	175	77	83	12	17
<b>Nordic</b>	<b>4,870</b>	<b>4,714</b>	<b>70</b>	<b>71</b>	<b>257</b>	<b>285</b>
Czech Republic	1,319	879	80	83	7	8
<b>TOTAL</b>	<b>6,189</b>	<b>5,593</b>	<b>72</b>	<b>73</b>	<b>264</b>	<b>293</b>



# Residential Development

	Started				Sold			
	Jan-Mar 2008	Jan-Mar 2007	Apr 2007-Mar 2008	Jan-Dec 2007	Jan-Mar 2008	Jan-Mar 2007	Apr 2007-Mar 2008	Jan-Dec 2007
Sweden	307	408	1,427	1,528	229	488	1,147	1,406
Norway	58	346	176	464	45	300	186	441
Finland incl. Estonia	155	155	1,365	1,365	240	283	1,215	1,258
Denmark	19	76	66	123	7	77	36	106
<b>Nordic</b>	<b>539</b>	<b>985</b>	<b>3,034</b>	<b>3,480</b>	<b>521</b>	<b>1,148</b>	<b>2,584</b>	<b>3,211</b>
Czech Republic	440	0	1,156	716	317	31	933	647
<b>TOTAL</b>	<b>979</b>	<b>985</b>	<b>4,190</b>	<b>4,196</b>	<b>838</b>	<b>1,179</b>	<b>3,517</b>	<b>3,858</b>

# Commercial Development

SEK M	Jan–Mar 2008	Jan–Mar 2007	Apr 2007– Mar 2008	Jan–Dec 2007
Revenue	343	265	3,208	3,130
<b>Gross income</b>	<b>105</b>	<b>132</b>	<b>1,123</b>	<b>1,150</b>
Selling and administrative expenses <sup>1</sup>	-67	-57	-266	-256
Income from joint ventures and associated companies	0	1	15	16
<b>Operating income</b>	<b>38</b>	<b>76</b>	<b>872</b>	<b>910</b>
of which gain from divestments of properties <sup>2</sup>	80	97	1,034	1,051
of which operating net, completed properties <sup>3</sup>	24	30	107	113
of which write-downs/reversal of write-downs	0	0	-35	-35
Capital employed, SEK bn	8.3	6.0		7.3
1 Of which cost for development organization	-57	-49	-230	-222
2 Additional gain included in eliminations was	5	0	34	29
3 After selling and administrative expenses				

## Sale of commercial properties, Q1, 2008

SEK M	Sale price	Capital gain
Q1	263	85
<b>Total</b>	<b>263</b>	<b>85</b>

New leases were signed for 81,000 sq.m. of space

One project divested to date in the second quarter

# New projects

Project	Leasable area, sq m	Occupancy rate, %	Investment, SEK M
<b>Q1</b>			
Bylingen, office, Stockholm	16,000	99	510
Stora Bernstorp, retail, Malmö	9,000	14	150
Tower, office, Copenhagen	25,000	0	650
<b>TOTAL YTD</b>	<b>50,000</b>	<b>39</b>	<b>1,310</b>

# Commercial Development

SEK M	Carrying amount, end of period	Carrying amount upon completion	Market value, Dec. 31, 2007	Occupancy rate %	Degree of completion %
Completed projects	2,644	2,644	3,682	92	100
Undeveloped land and development properties	1,722	1,722	2,120		
<b>Subtotal</b>	<b>4,366</b>	<b>4,366</b>	<b>5,802</b>		
Ongoing projects <sup>1</sup>	3,116	7,778	3,879	65	41
<b>Total</b>	<b>7,482</b>	<b>12,144</b>	<b>9,681</b>		

## Value creation in Commercial Development

	Apr 2007- Mar 2008	Apr 2006- Mar 2007
Accrued development profit	1,069	334
Cost of development organization	-230	-193
<b>Total</b>	<b>839</b>	<b>141</b>

<sup>1</sup> Market value refers to accrued market value

# Infrastructure Development

SEK M	Jan–Mar 2008	Jan–Mar 2007	Apr 2007– Mar 2008	Jan–Dec 2007
Revenue	15	8	123	116
<b>Gross income</b>	<b>-49</b>	<b>-48</b>	<b>-93</b>	<b>-92</b>
Selling and administrative expenses	-34	-47	-175	-188
Income from joint ventures and associated companies	664	-1	838	173
<b>Operating income (EBIT)</b>	<b>581</b>	<b>-96</b>	<b>570</b>	<b>-107</b>
of which gains from divestments of shares in projects	643	0	716	73
Capital employed, SEK bn	3.0	2.5		2.5

## Unrealized development gains, ID projects

SEK bn	Mar. 31, 2008	Dec. 31, 2007
Present value of cash flow from projects <sup>1</sup>	8.8	9.4
Carrying amount	-2.1	-2.5
Present value of remaining investments	-0.8	-0.8
<b>Unrealized development gain Skanska ID</b>	<b>5.9</b>	<b>6.1</b>
Group eliminations	0.4	0.4
<b>Unrealized development gain, Group</b>	<b>6.3</b>	<b>6.5</b>

<sup>1</sup> Weighted average discount rate 11.1 % (11.7)

# Income statement

SEK M	Jan–Mar 2008	Jan–Mar 2007	Apr 2007– Mar 2008	Jan–Dec 2007
Operating income from business streams	1,252	889	6,333	5,970
Central	-151	-122	-587	-558
Eliminations	-21	12	-39	-6
<b>Operating income</b>	<b>1,080</b>	<b>779</b>	<b>5,707</b>	<b>5,406</b>
Net financial items	140	72	329	261
<b>Income after financial items</b>	<b>1,220</b>	<b>851</b>	<b>6,036</b>	<b>5,667</b>
Taxes	-342	-246	-1,642	-1,546
<b>Profit for the period</b>	<b>878</b>	<b>605</b>	<b>4,394</b>	<b>4,121</b>
Earnings per share, SEK	2.09	1.43		9.78
<i>Tax rate, %</i>	28	29	27	27



# Balance sheet

SEK bn	Mar. 31, 2008	Mar. 31, 2007
Total assets	77.6	72.7
Equity attributable to equity holders	20.5	20.3
Interest-bearing net receivables (+)/net debt (-)	11.7	10.6
Working capital in construction, net	-13.3	-12.1
Capital employed, closing balance	26.1	25.3
Equity/assets ratio, %	26.6	28.1

# Operating cash flow

SEK M	Jan–Mar 2008	Jan–Mar 2007	Apr 2007– Mar 2008	Jan–Dec 2007
Cash flow from business operations before change in working capital	307	490	4,103	4,286
Change in working capital	-1,180	650	2,602	4,432
Net investments in business operations	-398	-1,012	499	-115
Cash flow adjustment, net investments	-137	-32	187	292
Net strategic investments	-1	-48	165	118
Net interest items and other net financial items	138	91	219	172
Taxes paid in business operations	-386	-243	-1,340	-1,197
Dividend	-73	-4	-3,527	-3,458
<b>Cash flow before change in interest-bearing receivables and liabilities</b>	<b>-1,730</b>	<b>-108</b>	<b>2,908</b>	<b>4,530</b>

## Market outlook – Construction

- The financial market turmoil has yet not resulted in any noticeable change in number of requests for proposals from clients
- Positive outlook for building construction in Skanska's main markets, especially in the Nordics and in Central Europe even if growth is expected to decline
- Positive outlook in civil construction in the Nordics and Central Europe, stable in the U.S. and good in New York

## Market outlook – Project development

- Underlying need for residential units remains good in Sweden, and Finland but the market has slowed due to uncertain economic conditions. Fewer starts in Norway due to high construction cost. Oversupply in a number of sub-markets e.g. Copenhagen
- The residential markets in Czech Republic and Slovakia still show good demand
- Vacancy rates are declining in our Commercial Development markets, and rents are creeping upwards. Investor interest remains strong
- Still a large volume of PPP projects in the U.K. More limited supply of projects in other markets. Renewed interest in Central Europe. The lead times for U.S. projects continue to be unpredictable

## Summary

- Not yet any noticeable impact from financial turmoil
- Slowing residential markets in the Nordics
- High leasing activity in Commercial Development
- Divestment of Ponte de Pedra – good example of value creation
- Most operations reported good earnings

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