

Three-month Report 2009



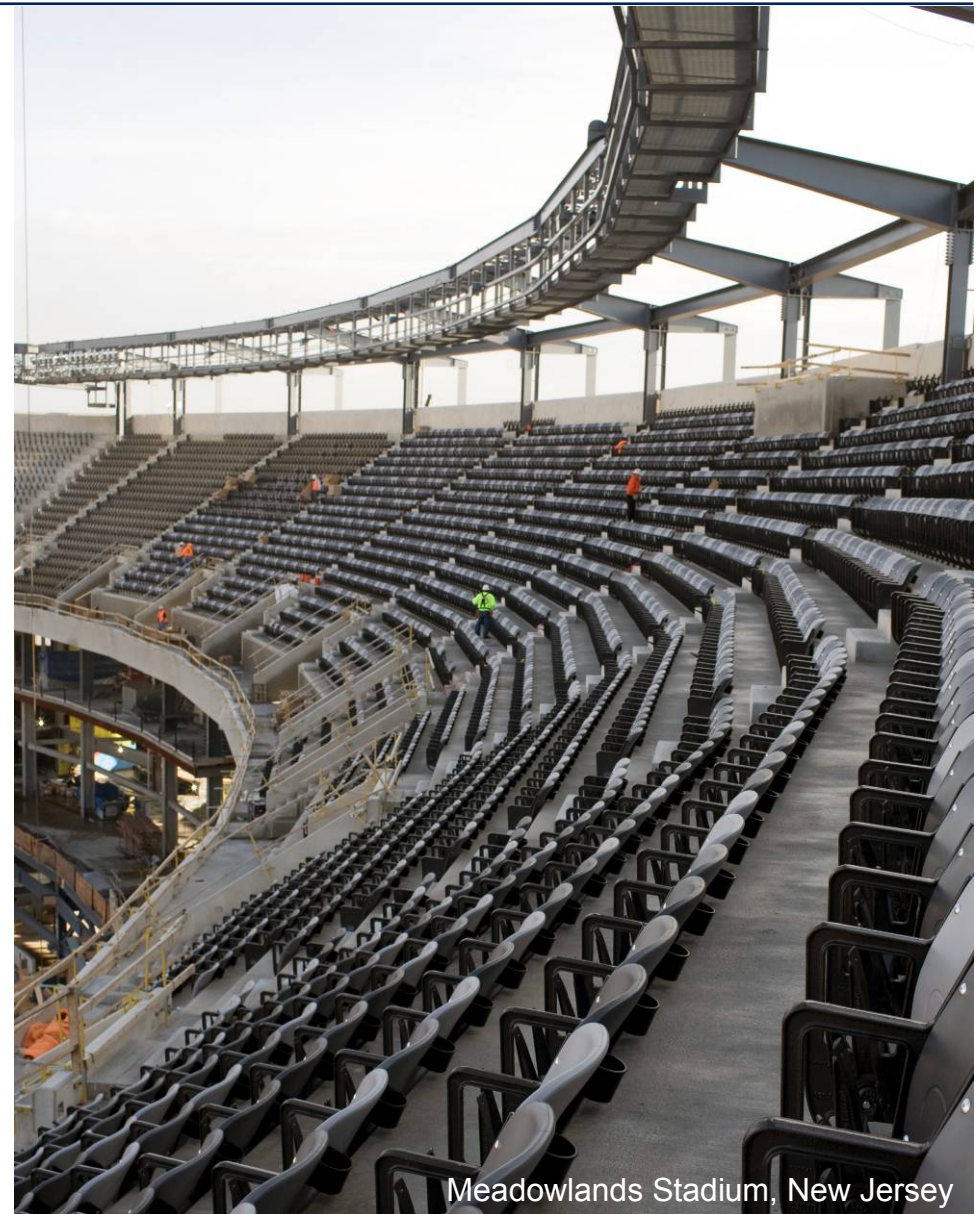
Flat Iron Building, Stockholm

January–March 2009 in brief

- Revenue for the Group SEK 30.9 bn (31.5)
- Revenue in Construction SEK 30.4 bn (30.5)
 - Down 12 percent in local currencies
- Order bookings down 30 percent to SEK 24.1 bn
 - Down 37 percent in local currencies
- Backlog of SEK 141.7 bn represents 12 months of construction
- Operating income of SEK 675 M (1 080)
 - Gains from divestment of properties SEK 166 M (85)
 - Gains from divestment of ID assets SEK 0 M (643)

Construction

- Revenue is falling
- Order bookings down 37%
 - Few new orders from private clients
 - Stable outlook for civil construction in US
- Operating income up 52%
- Strong earnings in several business units



Meadowlands Stadium, New Jersey

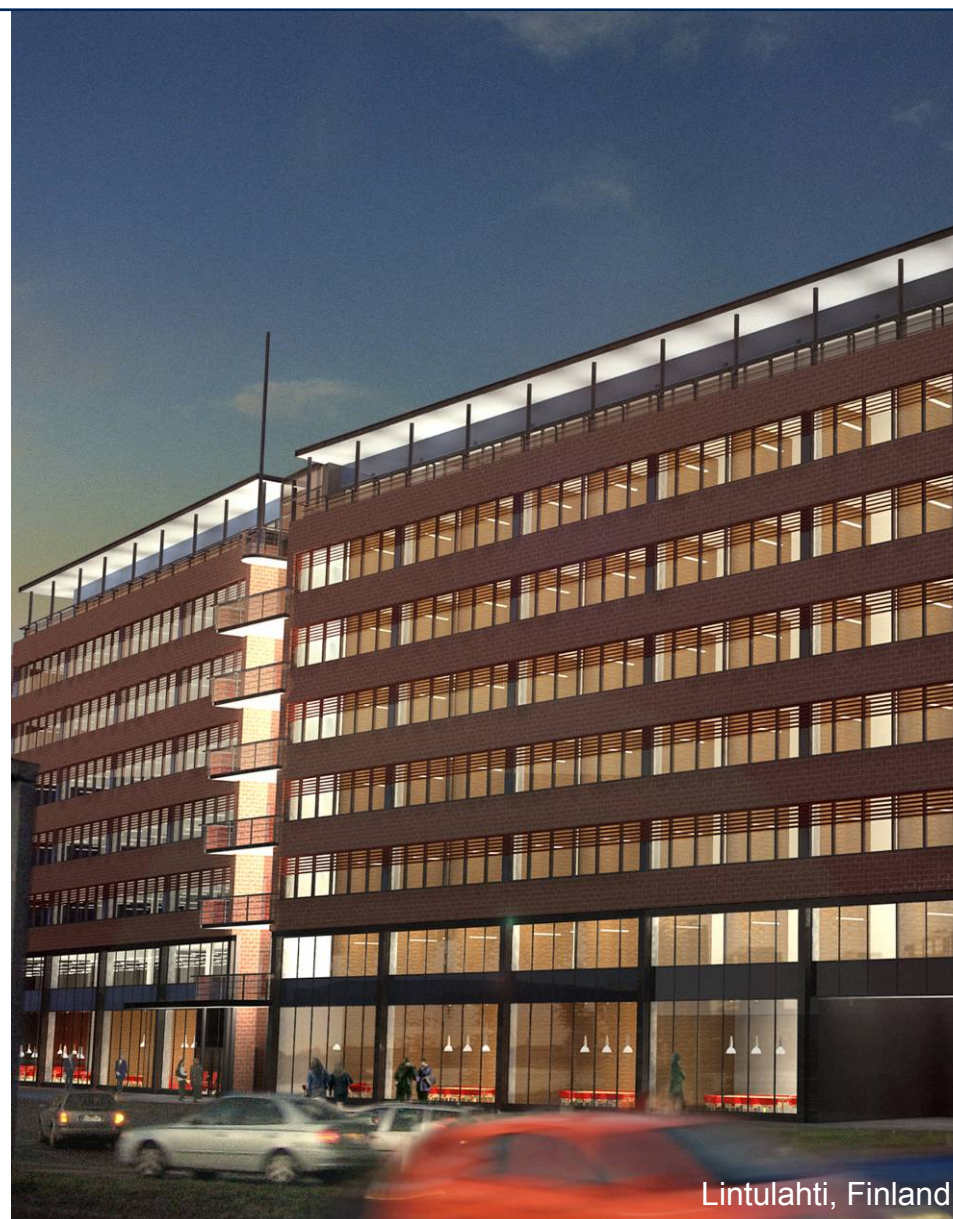
Residential Development

- Negative result
- Inventory is decreasing
- Stabilized market in Sweden and Norway
- Weak market in Finland, Czech Republic and Slovakia



Commercial Development

- Slow but existing investment market
- Increasing yields
- SEK 2 bn unrealized gains
- Low vacancy rates and strong tenants in our properties
- Demand for modern, green and flexible premises in good locations



Infrastructure Development

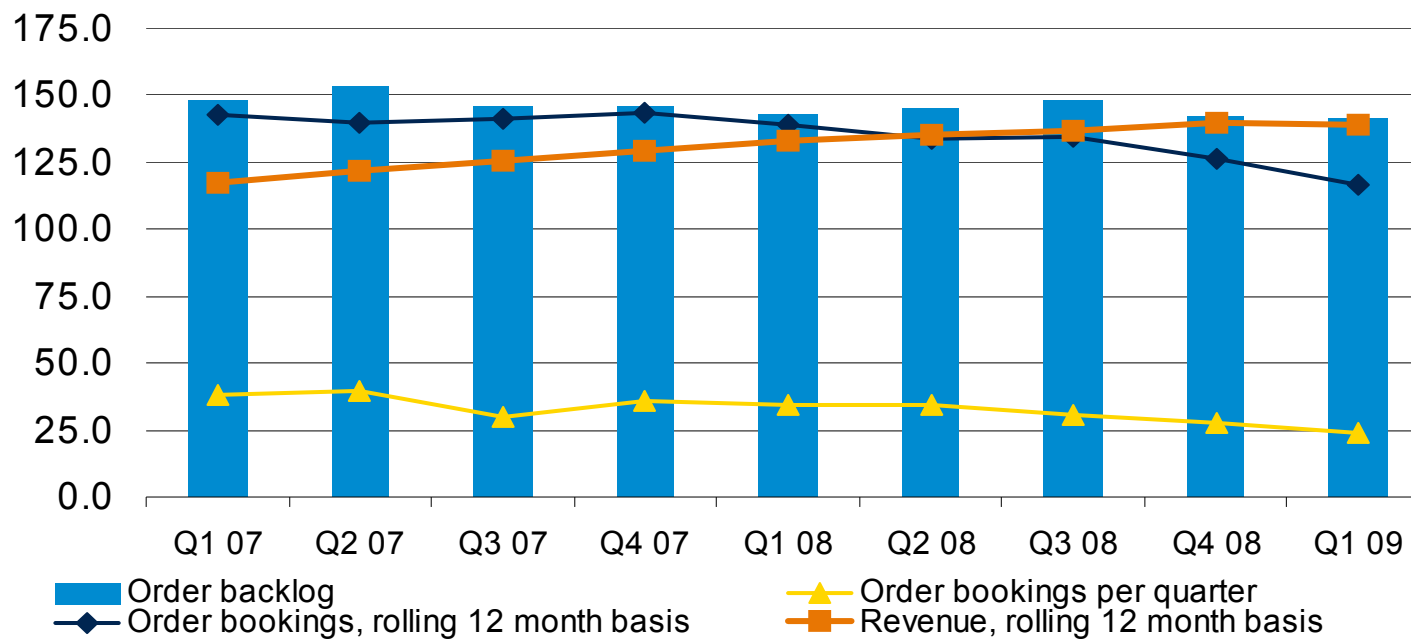
- Difficult but existing investment market
- SEK 6.9 bn in unrealized gains
- M25 in UK
- A1 phase II in Poland



Bristlington Enterprise College, U.K.

Order situation – Construction

SEK bn	Jan–Mar 2009	Jan–Mar 2008	Apr 2008–Mar 2009	Jan–Dec 2008
Revenue	30.4	30.5	139.4	139.5
Order bookings	24.1	34.3	116.3	126.5
Order backlog	141.7	143.2		142.4



Order bookings – Construction

SEK bn	Jan–Mar 2009	Jan–Mar 2008	Apr 2008– Mar 2009	Jan–Dec 2008
Sweden	6.3	7.8	25.8	27.3
Norway	2.2	2.7	10.1	10.7
Finland	1.2	1.4	6.4	6.7
Poland	0.7	0.9	9.1	9.4
Czech Republic	2.1	4.0	12.2	14.1
UK	3.0	5.1	11.0	13.1
USA Building	7.3	5.9	27.4	26.0
USA Civil	0.7	5.4	9.0	13.7
Latin America	0.7	1.0	5.3	5.6
Total	24.1	34.3	116.4	126.5

Construction

SEK bn	Jan–Mar 2009	Jan–Mar 2008	Apr 2008– Mar 2009	Jan–Dec 2008
Revenue	30.4	30.5	139.4	139.5
Gross income	2.4	2.0	10.9	10.5
Selling and administrative expenses	-1.7	-1.5	-6.9	-6.8
Income from joint ventures and associated companies	0.0	0.0	0.0	0.0
Operating income	0.7	0.5	4.0	3.8
Gross margin, %	7.8	6.6	7.8	7.5
Selling and admin. expenses, %	-5.4	-5.0	-5.0	-4.9
Operating margin, %	2.4	1.6	2.9	2.7

Construction

	Operating income SEK M		Operating margin %	
	Jan–Mar 2009	Jan–Mar 2008	Jan–Mar 2009	Jan–Mar 2008
Sweden	171	331	2.8	4.8
Norway	85	95	3.2	3.0
Finland	45	6	2.8	0.3
Poland	32	36	4.6	3.4
Czech Republic	-52	21	neg	0.9
UK	73	-287	1.7	neg
USA Building	128	85	1.5	1.2
USA Civil	197	135	6.2	5.1
Latin America	56	60	3.8	5.2
Total	735	482	2.4	1.6

Residential Development

SEK M	Jan–Mar 2009	Jan–Mar 2008	Apr 2008– Mar 2009	Jan–Dec 2008
Revenue	1,453	1,965	5,938	6,450
Gross income	129	326	282	479
Selling and administrative expenses	-140	-175	-696	-731
Income from joint ventures and associated companies	0	0	75	75
Operating income	-11	151	-339	-177
Operating margin, %	neg.	7.7	neg.	neg.
Capital employed, SEK bn	6.6	4.9		6.3
Return on capital employed, %	neg.	12.6		neg.

Residential Development

	Operating income SEK M		Operating margin %	
	Jan–Dec 2008	Jan–Dec 2007	Jan–Dec 2008	Jan–Dec 2007
Sweden	21	78	2.5	8.7
Norway	-9	60	neg.	13.1
Denmark	-9	-23	neg.	neg.
Finland	-36	-6	neg.	neg.
Nordics	-33	109	neg.	6.6
Czech Republic	22	42	8.9	13.5
Total	-11	151	neg.	7.7

Residential Development, March 31, 2009

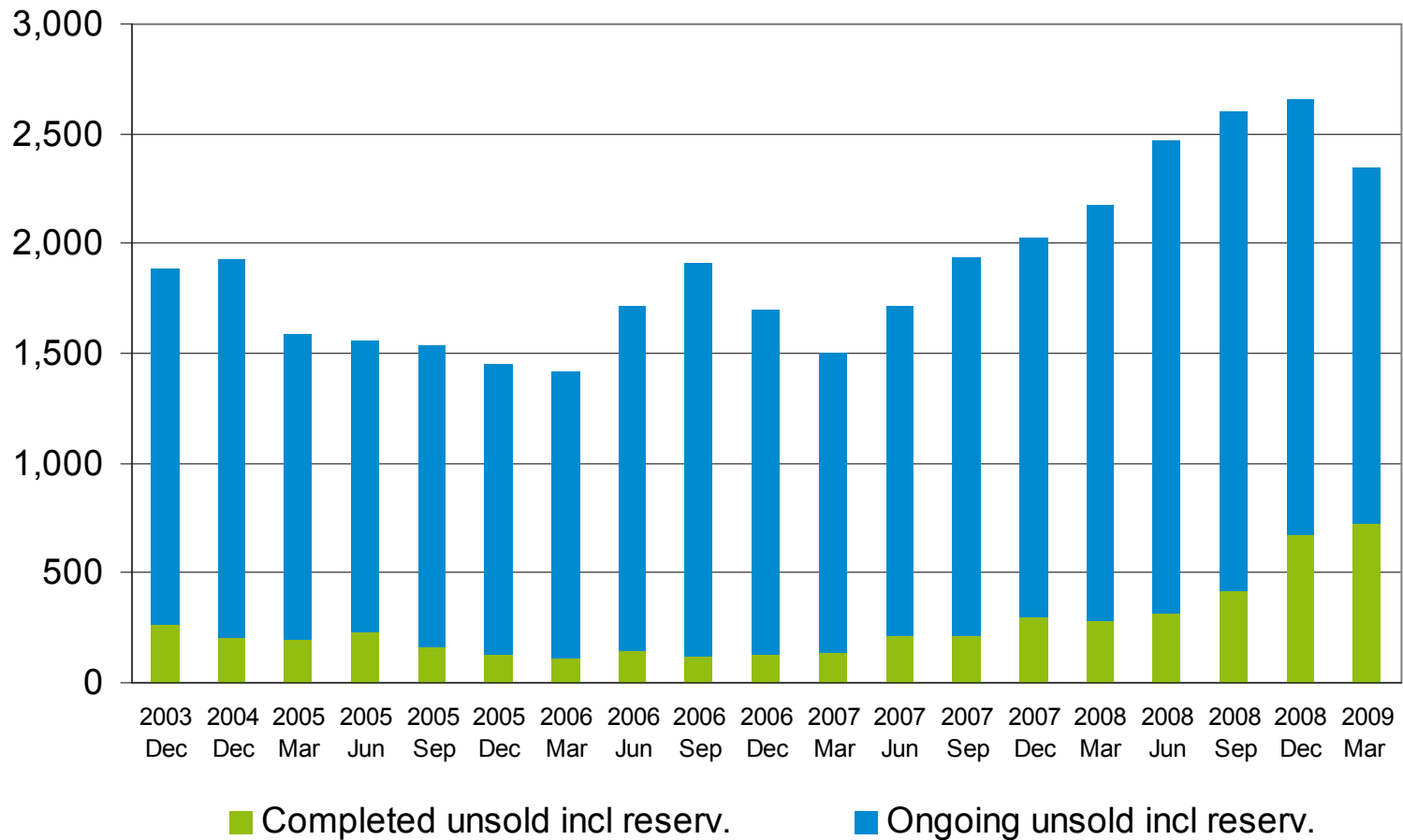
	Under construction #		Of which sold %		Completed unsold #	
	Q1, 2009	Q4, 2008	Q1, 2009	Q4, 2008	Q1, 2009	Q4, 2008
Sweden	2,459	2,408	67	62	41	46
Norway	83	177	66	34	75	39
Finland incl. Estonia	627	756	44	40	521	529
Denmark	38	76	97	97	49	52
Nordics	3,207	3,417	63	57	686	666
Czech Republic	1,254	1,532	66	67	40	9
TOTAL	4,461	4,949	64	60	726	675

Residential Development

	Started				Sold			
	Jan-Mar 2009	Jan-Mar 2008	Apr 2008- Mar 2009	Jan-Dec 2008	Jan-Mar 2009	Jan-Mar 2008	Apr 2008- Mar 2009	Jan-Dec 2008
Sweden	122	307	1,031	1216	235	229	817	811
Norway	0	58	45	103	52	45	90	83
Finland incl. Estonia	0	155	516	671	107	240	644	777
Denmark	0	19	0	19	4	7	15	18
Nordics	122	539	1,592	2,009	398	521	1,566	1,689
Czech Republic	1	440	570	1,009	42	317	424	699
TOTAL	123	979	2,162	3,018	440	838	1,990	2,388

Residential Development

Number of unsold units



Commercial Development

SEK bn	Jan–Mar 2009	Jan–Mar 2008	Apr 2008– Mar 2009	Jan–Dec 2008
Revenue	0.8	0.3	4.4	4.0
Gross income	0.2	0.1	1.4	1.3
Selling and administrative expenses ¹	-0.1	-0.1	-0.3	-0.3
Operating income	0.2	0.0	1.1	1.0
of which gain from divestments of properties ²	0.2	0.1	1.3	1.2
of which operating net, completed properties ³	0.1	0.0	0.2	0.1
of which write-downs/reversal of write-downs	0.0	0.0	-0.1	-0.1
Capital employed	12.2	8.3		11.5
1 Of which cost for development organization	-63	-57	-268	-262
2 Additional gain included in eliminations was	16	5	66	55
3 After selling and administrative expenses				

Sale of commercial properties, Q1 2009

SEK M	Total		Of which ongoing projects	
	Sales price ¹	Capital gain ²	Sales price	Capital gain ²
Q1	657	166	404	146
Total	657	166	404	146

1 Including sale of building right to RDN for SEK 206 M with 0 gain

2 Including eliminations of internal project gains

- New leases were signed for 9,000 sq.m of space in Q1
- Gains from ongoing projects are reported on a percentage of completion basis. Remaining profits in sold ongoing projects were about SEK 170.
- One divestment in the second quarter
 - Sturegatan 1 – selling price of SEK 400 M (ongoing project)

Commercial Development

SEK bn	Carrying amount, end of period	Carrying amount upon completion	Market value, Dec 31, 2008	Occupancy rate, %	Degree of completion, %
Completed projects	3.7	3.7	5.0	90	100
Undeveloped land and development properties	2.5	2.5	2.7		
Subtotal	6.2	6.2	7.7		
Ongoing projects	3.9	5.6	4.5	79	72
Total	10.1	11.8	12.1		

Infrastructure Development

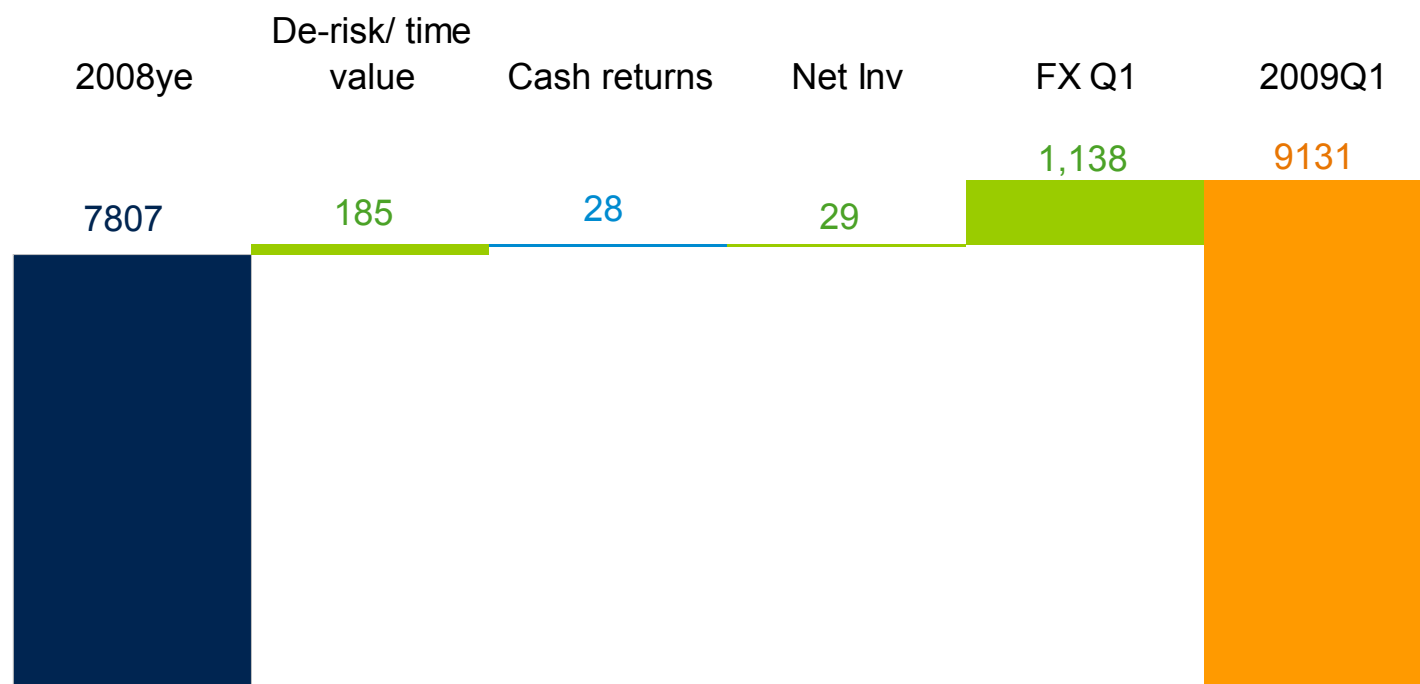
SEK M	Jan–Mar 2009	Jan–Mar 2008	Apr 2008– Mar 2009	Jan–Dec 2008
Revenue	12	15	52	55
Gross income	-44	-49	-179	-184
Selling and administrative expenses	-40	-34	-208	-202
Income from joint ventures and associated companies	22	664	140	782
Operating income (EBIT)	-62	581	-247	396
of which gains from divestments of projects	0	643	41	684
Capital employed, SEK bn	2.0	3.0		1.8

Unrealized development gains, ID projects

SEK bn	Mar. 31, 2009	Dec. 31, 2008
Present value of cash flow from projects	9.7	8.4
Present value of remaining investments	-0.6	-0.6
NPV of projects	9.1	7.8
Carrying amount	-2.2	-2.0
Unrealized development gain Skanska ID	6.9	5.8
Group eliminations	0.3	0.2
Unrealized development gain, Group	7.2	6.0

Net Present Value of projects

SEK M



Income statement

SEK M	Jan–Mar 2009	Jan–Mar 2008	Apr 2008– Mar 2009	Jan–Dec 2008
Operating income from business streams	815	1,252	4,496	4,933
Central	-143	-151	-820	-827
Eliminations	3	-21	5	-20
Operating income	675	1,080	3,681	4,086
Net financial items	-57	140	99	324
Income after financial items	618	1,220	3,780	4,410
Taxes	-185	-342	-1,088	-1,253
Profit for the period	433	878	2,692	3,157
Earnings per share	1.03	2.08	6.3	7.43
<i>Tax rate, %</i>	30	28	29	28

Financial net

SEK bn	Jan–Mar 2009	Jan–Mar 2008	Oct–Dec 2008
Interest income	75	172	61
Financial net pension costs	-10	24	34
Interest expenses	-66	-58	-92
Capitalized interest	31	38	42
Net interest	30	176	45
Change in fair value	-34	-25	3
Other financial net	-53	-11	-50
Net financial items	-57	140	2

Balance sheet – summary

SEK bn	Mar. 31, 2009	Mar. 31, 2008	Dec. 31, 2008
Total assets	82.6	77.6	83.5
Equity attributable to equity holders	19.4	20.5	19.1
Interest-bearing net receivables (+)/net debt (-)	7.3	11.7	9.2
Working capital in construction, net	-17.9	-13.3	-19.1
Capital employed, closing balance	26.5	26.1	25.2
Equity/assets ratio, %	23.7	26.6	23.1

Changes in Equity

SEK bn	Jan–Mar 2009	Jan–Mar 2008	Apr2008 – Mar 2009	Jan–Dec 2008
Opening balance	19.2	20.7	20.6	20.7
Profit for the period	0.4	0.9	2.7	3.2
Dividend	0.0	0.0	-3.4	-3.4
Translation differences				
incl. Fx hedges	0.4	-0.2	1.6	1.0
Actuarial losses on pensions	-0.5	-0.7	-1.8	-2.0
Repurchase of shares	0.0	0.0	-0.3	-0.3
Other	0.1	-0.1	0.2	0.0
Closing balance	19.6	20.6	19.6	19.2

Operating cash flow

SEK bn	Jan–Mar 2009	Jan–Mar 2008	Apr 2008– Mar 2009	Jan–Dec 2008
Cash flow from business operations before change in working capital	0.8	0.3	3.7	3.2
Change in working capital	-1.0	-1.2	2.0	1.9
Net investments in business operations	-0.8	-0.4	-4.1	-3.6
Cash flow adjustment, net investments	-0.1	-0.1	0.1	0.0
Taxes paid in business operations	-0.3	-0.3	-1.7	-1.8
Cash flow from business operations	-1.4	-1.8	0.0	-0.3
Cash flow from financing operations	0.0	0.1	0.2	0.3
Dividend	0.0	-0.1	-3.7	-3.8
Cash flow before change in interest- bearing receivables and liabilities	-1.4	-1.7	-3.5	-3.8

Change in interest-bearing net receivables

SEK bn	Jan–Mar 2009	Jan–Mar 2008	Apr 2008– Mar 2009	Jan–Dec 2008
Opening balance interest-bearing net receivables	9.2	14.6	11.7	14.6
Cash flow before change in interest-bearing receivables and liabilities	-1.4	-1.7	-3.5	-3.8
Translation differences, interest-bearing net receivables	0.1	-0.3	1.2	0.8
Change in pension liability	-0.5	-0.8	-2.1	-2.4
Other changes, interest-bearing net receivables	-0.1	-0.1		
Change in interest-bearing net receivables	-1.9	-2.9	-4.4	-5.4
Closing balance interest-bearing net receivables	7.3	11.7	7.3	9.2

Market outlook – Construction

- Continued weak building construction market, especially in residential and for private customers
- Civil construction also affected by the economic downturn, especially private customers but decreasing tax income also impact public customers
- Government stimulus packages are expected to contribute to stability in the public building and civil construction markets, especially in the US

Market outlook – Residential Development

- Stabilized market in Sweden and Norway
- Weak residential markets in Finland, Czech Republic and Slovakia
- Development of unemployment and interest rates key factors

Market outlook – Commercial Development

- Vacancy rates expected to increase
- Pressure on rent levels
- Increased yield requirements
- Pressure on land prices
- Interest among investors for green modern properties

Market outlook – Infrastructure Development

- Still a good volume of PPP projects in the U.K.
- Some interest in PPP in Central Europe
- Financing more expensive

Going forward

- Estimated revenue decline 2009 in local currency - 10 percent
- Monitor and adjust S&A costs
- Continued focus on cash flow and risk management
- Continued restrictiveness with new project start-ups
 - Selected RD projects to be started from Q2
- Unrealized development gains of SEK 9.9 bn
- Increased interest in green construction

Summary

- Falling revenues
- Falling order bookings
- Strong order backlog
- Strong earnings in several construction markets
- Weak outlook in building construction
- Civil construction more stable outlook
- Mixed residential markets
- Good quality in ID and CD portfolio

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