

## PRESS RELEASE

### Three month report, January–March 2005

#### Group highlights

SEK M	Jan-Mar 2005	Jan-Mar 2004
Revenue	25,484	26,033
<i>of which revenue from divestments of properties in Commercial Project Development</i>	<i>1,514</i>	<i>396</i>
Operating income	1,036	542
<i>of which gains from divestments of properties in Commercial Project Development</i>	<i>480</i>	<i>119</i>
<i>of which income from discontinued operations</i>	<i>13</i>	<i>48</i>
Income after financial items	1,095	504
Profit for the period	810	356
Earnings per share for the period, SEK	1.93	0.85
Capital employed, SEK bn	22.8	23.8
Equity, SEK bn	17.8	15.3
Net receivables (+)/Net debt (-), SEK bn	7.5	0.2
Return on capital employed, % <sup>1</sup>	23.6	17.7
Return on equity, % <sup>1</sup>	22.1	19.5
Operating cash flow before change in interest-bearing receivables and liabilities	-464	-126
Order bookings, SEK bn <sup>2</sup>	23.4	28.8
Order backlog, SEK bn <sup>2</sup>	119.0	118.9

<sup>1</sup> Rolling 12 months  
<sup>2</sup> Refers to Construction

#### January-March 2005 compared to January-March 2004

- Revenue declined by 2 percent to SEK 25.5 billion (26.0). In Construction, revenue rose by 1 percent in local currencies.
- Operating income rose to SEK 1,036 M (542), mainly due to higher gains from property divestments than in the comparative period. Most units showed improved operating margins.
- During the period, properties in Denmark and Sweden with gross values of SEK 1,514 M (396) were divested. Gains from the divestments amounted to SEK 480 M (119).
- Income after net financial items rose to SEK 1,095 M (504).
- Profit for the period rose to SEK 810 M (356), which meant that earnings per share for the period amounted to SEK 1.93 (0.85).
- Order bookings declined by 19 percent, amounting to SEK 23.4 billion (28.8). Adjusted for currency rate effects, order bookings fell by 18 percent.

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## Comments from Skanska's President and CEO Stuart Graham:

- The overall market situation was stable in most of our home markets.
- During the first quarter of 2005 we saw continued improvement in margins, both in Construction operations and in Residential Project Development. Commercial Project Development realized substantial gains resulting from the divestment of fully developed properties, and BOT continues to generate value in its ongoing projects.
- Order bookings in the first quarter were weak but one quarter is too short a period to assess the business. We have a significant portfolio of projects in USA Building, UK and Poland where we are either the preferred bidder or have been selected by the customer pending financial close. We expect many of these to be entered into order bookings in the coming quarters.

## Market outlook

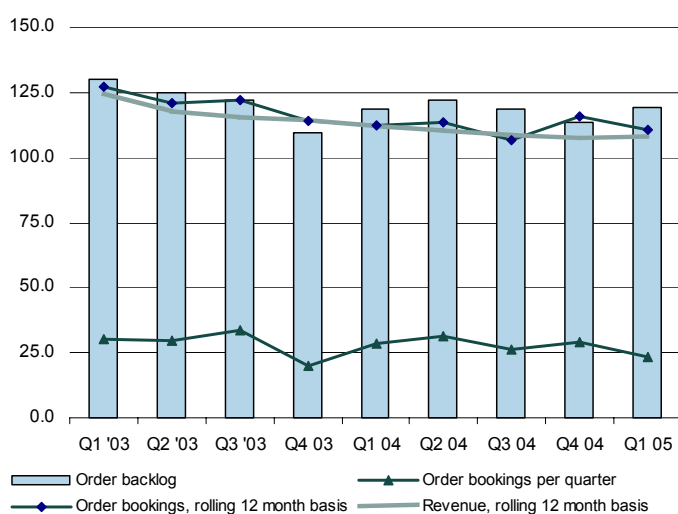
Construction investments in several of Skanska's markets are continuing to show signs of recovery. In the Nordic countries, the situation is cautiously positive. Poland, the Czech Republic and Estonia – new members of the European Union – are experiencing growth. In the United Kingdom, the volume of Private Finance Initiative (PFI) projects is still growing, but in other segments of importance to Skanska, British investment volume is low. In the United States, investment activity in industrial and commercial construction remains at a low level. The outlook for industrial construction in the U.S. has still not improved. The market in the healthcare and educational sectors has plateaued at a high level.

Civil construction in most of Skanska's markets is showing continued signs of recovery. In the U.S., civil construction is nevertheless expected to remain at a low level, as a consequence of large budget deficits in individual states. No long-term decision has yet been made on the federal program of infrastructure investments that has been discussed over a long period. Such a decision is expected during the late spring to early summer. The volume of projects out for tender is low, and there is keen competition for the projects that are initiated. The trend of the Norwegian civil construction market is positive, driven by projects for the oil industry as well as BOT investments in highways. In Finland, civil construction is growing. The Czech Republic and Poland are showing continued good growth, among other things due to EU membership. In Latin America, economic recovery is continuing, with a good outlook for electrical power projects and projects in the oil and gas industries, which are important sectors for Skanska's operations in this region.

Residential construction remains at a high level in the Czech Republic, Finland and Norway. At the same time, late entrants to the market may lead to oversupply. In Sweden, there is heavy demand for residential units in the medium and lower price segments.

The vacancy rates in the Scandinavian and Central European office markets are expected to decline somewhat during 2005. Rent levels are expected to remain squeezed until vacancy rates have stabilized at a lower level. Skanska has experienced a substantial increase in leasing activities, which in the longer term should lead to new projects being initiated. In Scandinavia as well as in Central Europe there is a continued good demand from the investment market for properties with efficient space in the right locations.

## Order bookings and backlog in Construction, SEK bn



## Order bookings

Order bookings declined by 19 percent and amounted to SEK 23.4 billion (28.8). Adjusted for currency rate effects, order bookings declined by 18 percent. In the comparative period, among other things Skanska signed very large contracts in Sweden related to the rail tunnel through the Halland Ridge (Hallandsåsen) and in Norway connected to the Ormen Lange offshore gas field. During the first quarter of 2005, among the assignments that Skanska received was to plan, design and extend the M1 motorway in the United Kingdom, a contract in which Skanska's share is valued at SEK 1.3 billion. Skanska also signed an eight-year partnering agreement related to replacement of the network of gas distribution mains in north London. Skanska's total commitment over an eight-year period is valued at SEK 2.6 billion. In Brazil, Skanska signed contracted related to construction of a delayed coking unit at an oil refinery, worth about SEK 1 billion.

## Order backlog

Order backlog was nearly unchanged, amounting to SEK 119.0 billion (118.9) at the end of the report period. Adjusted for currency rate effects, order backlog rose by 3 percent. Order backlog was equivalent to about 13 (12) months of construction.

## Revenue and earnings

### Performance analysis

SEK M	Jan-Mar 2005	Jan-Mar 2004
<b>Revenue</b>		
Construction	22,768	22,996
Residential Project Development	1,429	1,295
Commercial Project Development	1,851	624
BOT	6	5
Central and eliminations	-789	-672
Discontinued operations	219	1,785
<b>Skanska Group</b>	<b>25,484</b>	<b>26,033</b>
<b>Operating income</b>		
Construction	318	273
Residential Project Development	137	117
Commercial Project Development <sup>1</sup>	691	166
BOT	-9	-3
Central	-93	-86
Eliminations <sup>1</sup>	-21	27
Discontinued operations		
-earnings before interest and taxes	13	48
-gains from divestments	0	0
<b>Operating income</b>	<b>1,036</b>	<b>542</b>
Net interest	52	-33
Other net financial items	7	-5
<b>Net financial items</b>	<b>59</b>	<b>-38</b>
<b>Income after financial items</b>	<b>1,095</b>	<b>504</b>
Taxes	-285	-148
<b>Profit for the period</b>	<b>810</b>	<b>356</b>
Attributable to		
Equity holders	807	356
Minority interest	3	0
Earnings per share for the period	1.93	0.85
1 Of which gains from divestments of commercial properties reported in Commercial Project Development	476	75
Eliminations	4	44

Revenue totaled SEK 25.5 M (26.0), a decline of 2 percent. Adjusted for currency rate effects, revenue declined by 1 percent. Revenue of the Construction business stream rose by 1 percent in local currencies.

Operating income nearly doubled, amounting to SEK 1,036 M (542). Currency rate effects contributed positively to operating income in the amount of SEK 2 M. In the Construction business stream, operating income rose by 16 percent and amounted to SEK 318 M (273). The operating margin rose to 1.4 (1.2) percent. Residential Project Development increased its operating income by 17 percent to SEK 137 M (117). Practically all markets reported improved earnings, and the operating margin in the business stream rose to 9.6 (9.0) percent. The contribution to earnings from the Commercial Project Development business stream quadrupled. This increase was partly attributable to a large divestment volume of completed properties than in the comparative period. For ongoing projects that were divested during 2004, Skanska applies the percentage of completion principle of accounting, which had a positive effect on operating income during the period. Operating income in Commercial Project Development also included SEK 125 M related to payments for leases that were terminated early. Gains from property divestments amounted to SEK 480 M (119). The operating income of Skanska BOT totaled SEK -9 M (-3).

Corporate overhead totaled SEK -93 M (-86). The item "Discontinued operations" mainly includes operating income from those Swedish businesses that Skanska plans to divest during 2005. This applies to Flexator, Temporent, Skanska Prefab Mark and Skanska Glasbyggarna.

Net interest items improved as a consequence of Skanska's strengthened financial position and amounted to SEK 52 M (-33). Capitalization of interest expenses in ongoing projects totaled SEK 7 M (14). Other financial items totaled SEK 7 M (-5) and mainly consisted of currency rate differences.

Income after net financial items amounted to SEK 1,095 M (504). Taxes for the period amounted to SEK -285 M (-148), equivalent on an annualized basis to a tax expense of about 26 (29) percent. The comparatively low tax rate is mainly explained by lower nominal tax rates in certain home markets (for example Finland and the Czech Republic) as well as the positive tax effect from the discontinuation of subsidiaries outside Sweden. Profit for the period more than doubled, amounting to SEK 810 M (356). Earning per share for the period totaled SEK 1.93 (0.85).

## Investments and divestments

SEK M	Jan-Mar 2005	Jan-Mar 2004
Investments	-1,450	-1,284
Divestments	2,711	1,606
Net investments <sup>1</sup>	1,261	322
1 Of which strategic investments/divestments	-15	-28

In the Construction business stream, investments rose to SEK -438 M (-185). This item was mainly related to investments in non-current assets for Skanska's own construction and manufacturing. Net investments in Construction totaled SEK -243 M (-39). In Residential Project Development, investments fell to SEK -644 M (-798). Net divestments in this business stream were SEK 352 M (176). Investments rose in Commercial Project Development and amounted to SEK -218 M (-181). Divestments in this business stream were substantially higher than during the same period last year and totaled SEK 1,514 M (396). Net divestments in Commercial Project Development totaled SEK 1,296 M (215). Investments in the form of equity and subordinated receivables in the BOT portfolio amounted to SEK -140 M (-18).

The Group's total investments were 13 percent higher than in the comparative period, amounting to SEK -1,450 M (-1,284). Divestments totaled SEK 2,711 M (1,606), and the Skanska Group's net amount of investments (-) and divestments (+) was SEK +1,261 M (+322).

## Operating cash flow and change in interest-bearing net receivables/net debt

SEK M	Jan-Mar 2005	Jan-Mar 2004
<b>Cash flow from business operations and net strategic investments by business stream</b>		
Construction	-1,524	-163
Residential Project Development	225	125
Commercial Project Development	2,230	367
BOT	-173	-57
Central and eliminations	-187	-127
Discontinued operations	-138	241
<b>Cash flow before taxes, financial operations and dividends</b>	<b>433</b>	<b>386</b>
Taxes paid	-823	-453
Net interest items and other financial items	-72	-38
Dividend etc.	-2	-21
<b>Cash flow before change in interest-bearing receivables and liabilities</b>	<b>-464</b>	<b>-126</b>
Translation differences, net receivables/net debt	21	-128
Reclassification and change in accounting principle, interest-bearing net receivables/net debt	113	0
Interest-bearing liabilities acquired/divested	-29	-9
Effects of IAS 39	103	-
Other changes, interest-bearing net receivables/net debt	-25	3
<b>Change in interest-bearing net receivables/net debt</b>	<b>-281</b>	<b>-260</b>

Cash flow before taxes, financing operations and dividends rose by 12 percent compared to the same period last year, amounting to SEK 433 M (386). The weaker cash flow in the Construction business stream was partly explained by negative cash flow effects related to the project writedowns carried out in the United Kingdom and the United States during the fourth quarter of last year. There are also seasonal variations to changes in working capital where the first quarter normally is the weakest and the fourth quarter is the strongest. In Residential Project Development, cash flow rose by 80 percent to SEK 225 M (125). Commercial Project Development reported an improved cash flow amounting to SEK 2,230 M (367), due to a higher volume of property divestments than in the comparative period. In Skanska BOT, cash flow from operations totaled SEK -173 M (-57). The difference was explained by investments in equity and subordinate receivables in the BOT portfolio.

Taxes paid amounted to SEK -823 M (-453). The increase was explained by a supplementary tax payment amounting to SEK 600 M relating to withdrawal of tax allocation reserves. Dividends and adjustments of minority interest amounted to SEK -2 M (-21). Cash flow before changes in interest-bearing receivables and liabilities amounted to SEK -464 M (-126).

## Financial position

The Group's interest-bearing net cash surplus shrank by SEK 281 M, amounting to SEK 7,488 M (177) at the close of the report period. At the end of the period, the gross amount of interest-bearing loans and credits as well as interest-bearing pensions and liabilities classified as held for sale was SEK 4.9 billion (8.4).

At the end of the period, capital employed amounted to SEK 22.8 billion (23.8).

During the quarter, the equity of the Group rose by SEK 1 billion to SEK 17.8 billion (15.3). The net debt/equity ratio amounted to -0.4 (0.0) and the equity/assets ratio was 28.4 (23.4) percent.

Total assets in the consolidated balance sheet fell to SEK 62.8 billion (63.4). Currency rate effects increased total assets by SEK 1.5 billion.

The book value of current-asset properties amounted to SEK 11.2 billion (14.0), of which commercial properties in project development operations accounted for SEK 6.6 billion (9.4). See the table on page 15.

### Exchange rates for the most important currencies

SEK	Average exchange rates		Exchange rates on the balance sheet date		
	Jan-Mar 2005	Jan-Mar 2004	Mar 31 2005	Mar 31 2004	Dec 31 2004
U.S. dollar	6.92	7.35	7.05	7.57	6.62
British pound	13.09	13.50	13.28	13.89	12.70
Norwegian crown	1.10	1.06	1.11	1.10	1.09
Euro	9.08	9.18	9.14	9.26	9.00

## Personnel

The number of employees in the Group was 52,866 (66,992), measured as the average number of employees.

## Accounting principles and changes in accounting practices

Beginning with 2005, the Skanska Group is applying International Financial Reporting Standards (IFRS) in its financial reporting. The Interim Report has been prepared in accordance with IAS 34, "Interim financial reporting" and in accordance with the IFRS principles that are expected to be applied on December 31, 2005. IFRS is subject to continuous review, and changes may thus occur during 2005. Accounting practices, differences from earlier Swedish generally accepted accounting practices (GAAP) and a detailed presentation of their financial effects as well as recalculated comparative figures are provided in "Reporting in accordance with the International Financial Reporting Standards (IFRS)," which was published via press release on April 11, 2005 and is available at [www.skanska.com](http://www.skanska.com).

In conjunction with the transition to IFRS, goodwill amounting to SEK 428 M has been transferred from the Construction business stream to Residential Project Development.

The application of IAS 39 has for Skanska led to an extended gross accounting of financial income and expenses.

Effective from January 1, 2005, Skanska has also changed its principle for reporting of contingencies (formerly contingent liabilities). The amount of completion guarantees is included until the project is handed over to the customer, which normally occurs upon approval of final inspection. Contingent liabilities are calculated as the contract value less the value of the portion carried out. The guarantee amount was previously unchanged until the guarantee formally expired. The guarantee amount is not reduced by offsetting against still unreceived payment from the customer. Likewise, guarantees received from subcontractors and material suppliers are not taken into account. In the case of the Skanska Group, this change affects recognition of the Group's liability for the portion of the commitments of construction consortia borne by consortium members outside the Group. Reciprocal guarantees that have been received concerning the share of joint and several liability borne by external consortium members are not taken into account. Tax cases, court and arbitration proceedings are no longer included in contingency amounts. Instead a separate description is provided.

The definitions of the following key financial ratios have changed due to the transition to IFRS:

Earnings per share	Profit/loss for the period attributable to equity holders of Skanska, divided by the average number of shares
Equity per share	Visible equity attributable to equity holders of Skanska, divided by the number of shares
Return on equity	Profit/loss attributable to equity holders of Skanska as a percentage of average visible equity attributable to equity holders of Skanska

For other key financial ratios, see the Annual Report for 2004.

## Other matters

After an “intermediate judgment” in Sweden’s Market Court in September 2004, it was clarified that the Swedish Competition Authority’s suit in Stockholm City Court demanding fines for alleged collusive anti-competitive practices will be heard in its entirety, i.e. also concerning contracting procurements by the National Road Administration included in the Competition Authority’s allegations concerning cartels. The City Court estimates that the main hearings on this case can be held no earlier than the autumn of 2006. No new information has emerged either in the corresponding Finnish legal action or in cases where individual Swedish municipalities have sued construction companies, among them Skanska, maintaining they have suffered damage from alleged cartels.

## Events after the close of the report period

As of today (April 28), Skanska has carried out property divestments worth SEK 1,091 M during the second quarter, with capital gains amounting to SEK 550 M.

## Financial reports about the 2005 financial year

Skanska has stopped printing and distributing interim reports. Only the Annual Report is printed and distributed. The interim reports as well as the Year-end Report are available for downloading on Skanska’s website, [www.skanska.com](http://www.skanska.com) and can also be ordered from Skanska AB, Investor Relations.

The Group’s reports related to 2005 will be published on the following dates:

July 28, 2005	Six Month Report
November 3, 2005	Nine Month Report
February 16, 2006	Year-end Report

Solna, April 28, 2004

STUART E. GRAHAM

President and CEO

*This interim report has not been subjected to separate examination by the Company’s auditors.*

## The Skanska Group

### Summary income statement

#### GROUP

SEK M	Jan-Mar 2005	Jan-Mar 2004	Apr 2004- Mar 2005	Jan-Dec 2004
Revenue	25,484	26,033	120,714	121,263
Cost of sales	-22,928	-23,807	-110,827	-111,706
<b>Gross income</b>	<b>2,556</b>	<b>2,226</b>	<b>9,887</b>	<b>9,557</b>
Selling and administrative expenses	-1,543	-1,712	-6,782	-6,951
Income from divestments of discontinued operations	0	0	1,587	1,587
Income from joint ventures and associated companies	23	28	163	168
<b>Operating income</b>	<b>1,036</b>	<b>542</b>	<b>4,855</b>	<b>4,361</b>
Interest income	322	72	534	284
Interest expenses	-270	-105	-497	-332
<i>Net interest</i>	52	-33	37	-48
Other net financial items	7	-5	26	14
<b>Net financial items</b>	<b>59</b>	<b>-38</b>	<b>63</b>	<b>-34</b>
<b>Income after financial items</b>	<b>1,095</b>	<b>504</b>	<b>4,918</b>	<b>4,327</b>
Taxes	-285	-148	-1,278	-1,141
<b>Profit for the period</b>	<b>810</b>	<b>356</b>	<b>3,640</b>	<b>3,186</b>
Attributable to:				
Equity holders	807	356	3,624	3,173
Minority interest	3	0	16	13
<b>Key financial figures</b>				
Earnings per share, SEK	1.93	0.85	8.66	7.58
Average number of shares	418,533,072	418,533,072	418,533,072	418,533,072
Depreciation, non-current assets	-255	-327	-1,177	-1,249
Writedown, goodwill	0	-8	-160	-168
Return on capital employed, %	23.7	17.7	23.7	19.9
Return on equity, %	22.1	19.5	22.1	20.4
Average number of employees	52,866	66,992	52,866	83,803



<b>CONTINUING OPERATIONS</b> SEK M	Jan-Mar 2005	Jan-Mar 2004	Apr 2004- Mar 2005	Jan-Dec 2004
Revenue	25,265	24,248	117,274	116,257
Cost of sales	-22,754	-22,217	-107,233	-106,696
<b>Gross income</b>	<b>2,511</b>	<b>2,031</b>	<b>10,041</b>	<b>9,561</b>
Selling and administrative expenses	-1,511	-1,551	-6,303	-6,343
Income from divestments of discontinued operations	0	0	0	0
Income from joint ventures and associated companies	23	14	165	156
<b>Operating income</b>	<b>1,023</b>	<b>494</b>	<b>3,903</b>	<b>3,374</b>
<b>Net financial items</b>	<b>66</b>	<b>-34</b>	<b>86</b>	<b>-14</b>
<b>Income after financial items</b>	<b>1,089</b>	<b>460</b>	<b>3,989</b>	<b>3,360</b>
Taxes	-255	-132	-1,218	-1,095
<b>Profit for the period</b>	<b>834</b>	<b>328</b>	<b>2,771</b>	<b>2,265</b>
Earnings per share, SEK	1.99	0.78	6.59	5.38

<b>DISCONTINUED OPERATIONS</b> SEK M	Jan-Mar 2005	Jan-Mar 2004	Apr 2004- Mar 2005	Jan-Dec 2004
Revenue	219	1,785	3,440	5,006
Cost of sales	-174	-1,590	-3,594	-5,010
<b>Gross income</b>	<b>45</b>	<b>195</b>	<b>-154</b>	<b>-4</b>
Selling and administrative expenses	-32	-161	-479	-608
Income from divestments of discontinued operations	0	0	1,587	1,587
Income from joint ventures and associated companies	0	14	-2	12
<b>Operating income</b>	<b>13</b>	<b>48</b>	<b>952</b>	<b>987</b>
<b>Net financial items</b>	<b>-7</b>	<b>-4</b>	<b>-23</b>	<b>-20</b>
<b>Income after financial items</b>	<b>6</b>	<b>44</b>	<b>929</b>	<b>967</b>
Taxes	-30	-16	-60	-46
<b>Profit for the period</b>	<b>-24</b>	<b>28</b>	<b>869</b>	<b>921</b>
Earnings per share, SEK	-0.06	0.07	2.07	2.20

<b>SUMMARY CASH FLOW STATEMENT</b> SEK M	Jan-Mar 2005	Jan-Mar 2004	Apr 2004- Mar 2005	Jan-Dec 2004
Cash flow from operating activities	-76	98	6,345	6,519
Cash flow from investing activities	-410	679	117	1,206
Cash flow from financing activities	-171	-1,712	-4,263	-5,804
<b>Cash flow for the period</b>	<b>-657</b>	<b>-935</b>	<b>2,199</b>	<b>1,921</b>
<b>of which discontinued operations</b> SEK M				
Cash flow from operating activities	-136	230	-300	66
Cash flow from investing activities	36	3	2,381	2,348
Cash flow from financing activities	101	-353	377	-77
<b>Cash flow for the period</b>	<b>1</b>	<b>-120</b>	<b>2,458</b>	<b>2,337</b>

<b>CHANGES IN SHAREHOLDERS' EQUITY</b> SEK M	Jan-Mar 2005	Jan-Mar 2004	Apr 2004- Mar 2005	Jan-Dec 2004
Opening balance (IFRS excl IAS 39)	16,793	14,701	15,324	14,701
Change to IAS 39, opening balance 2005	-11	-	-11	-
Dividend	0	0	-1,256	-1,256
Translation differences	286	282	262	258
Effects of IAS 39 Hedge accounting	-42	-	-42	-
Change, minority interest	1	-15	-80	-96
Profit for the period	810	356	3,640	3,186
<b>Closing balance</b>	<b>17,837</b>	<b>15,324</b>	<b>17,837</b>	<b>16,793</b>

## Group net investments

SEK M	Jan-Mar 2005	Jan-Mar 2004	Apr 2004- Mar 2005	Jan-Dec 2004
<b>OPERATIONS - INVESTMENTS</b>				
Intangible assets	-2	-22	-18	-38
Property, plant and equipment	-301	-223	-1,209	-1,131
Assets in BOT operations	-140	-18	-310	-188
Shares	-2	0	-8	-6
Current-asset properties	-968	-993	-5,241	-5,266
<i>of which Residential Project Development</i>	-640	-819	-3,486	-3,665
<i>of which Commercial Project Development</i>	-216	-177	-1,370	-1,331
<i>of which other commercial properties</i>	-112	3	-385	-270
<b>Investments</b>	<b>-1,413</b>	<b>-1,256</b>	<b>-6,786</b>	<b>-6,629</b>
<b>OPERATIONS - DIVESTMENTS</b>				
Intangible assets	2	10	-6	2
Property, plant and equipment	121	139	617	635
Assets in BOT operations	0	0	7	7
Shares	2	0	14	12
Current-asset properties	2,564	1,457	10,428	9,321
<i>of which Residential Project Development</i>	994	999	4,138	4,143
<i>of which Commercial Project Development</i>	1,514	396	5,763	4,645
<i>of which other commercial properties</i>	56	62	527	533
<b>Divestments</b>	<b>2,689</b>	<b>1,606</b>	<b>11,060</b>	<b>9,977</b>
<b>Net investments in operations</b>	<b>1,276</b>	<b>350</b>	<b>4,274</b>	<b>3,348</b>
<b>STRATEGIC INVESTMENTS</b>				
Businesses	-37	-27	-145	-135
Shares	0	-1	0	-1
<b>Strategic investments</b>	<b>-37</b>	<b>-28</b>	<b>-145</b>	<b>-136</b>
<b>STRATEGIC DIVESTMENTS</b>				
Businesses	7	0	2,085	2,078
Shares	15	0	494	479
<b>Strategic divestments</b>	<b>22</b>	<b>0</b>	<b>2,579</b>	<b>2,557</b>
<b>Net strategic investments</b>	<b>-15</b>	<b>-28</b>	<b>2,434</b>	<b>2,421</b>
<b>TOTAL NET INVESTMENTS</b>	<b>1,261</b>	<b>322</b>	<b>6,708</b>	<b>5,769</b>
Depreciation, non-current assets	-255	-327	-1,177	-1,249

## Consolidated operating cash flow statement

SEK M	Jan-Mar 2005	Jan-Mar 2004	Apr 2004- Mar 2005	Jan-Dec 2004
Cash flow from business operations before change in working capital	599	565	2,017	1,983
Change in working capital	-2,155	-501	-135	1,519
Net investments in business operations	1,276	350	4,274	3,348
Cash flow adjustment, net investments	728	0	675	-53
Taxes paid in business operations	-844	-435	-1,420	-1,011
<b>Cash flow from business operations</b>	<b>-396</b>	<b>-21</b>	<b>5,411</b>	<b>5,786</b>
Net interest items and other financial items	-72	-38	-68	-34
Taxes paid in financing operations	22	11	21	10
<b>Cash flow from financing operations</b>	<b>-50</b>	<b>-27</b>	<b>-47</b>	<b>-24</b>
<b>CASH FLOW FROM OPERATIONS</b>	<b>-446</b>	<b>-48</b>	<b>5,364</b>	<b>5,762</b>
Net strategic investments	-15	-28	2,434	2,421
Taxes paid on net strategic investments	-1	-29	-1	-29
<b>Cash flow from net strategic investments</b>	<b>-16</b>	<b>-57</b>	<b>2,433</b>	<b>2,392</b>
Dividend etc.	-2	-21	-1,269	-1,288
<b>CASH FLOW BEFORE CHANGE IN INTEREST-BEARING RECEIVABLES AND LIABILITIES</b>	<b>-464</b>	<b>-126</b>	<b>6,528</b>	<b>6,866</b>
Change in interest-bearing receivables and liabilities	-193	-809	-4,329	-4,945
<b>CASH FLOW FOR THE PERIOD</b>	<b>-657</b>	<b>-935</b>	<b>2,199</b>	<b>1,921</b>
Liquid assets at the beginning of the period	8,868	7,037	6,226	7,037
Exchange rate differences in liquid assets	112	124	-102	-90
<b>Liquid assets at the end of the period</b>	<b>8,323</b>	<b>6,226</b>	<b>8,323</b>	<b>8,868</b>
Change in interest-bearing net receivables/net debt	-281	-260	7,361	7,382

## Balance sheet

SEK M	Mar 31 2005	Mar 31 2004	Jan 1 2005	Dec 31 2004
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5,104	6,505	4,978	5,507
Goodwill	4,055	4,456	3,899	3,899
Intangible assets	536	561	535	535
Investments accounted for using the equity method	883	1,458	862	862
Financial assets <sup>1</sup>	1,426	1,585	1,253	1,137
Deferred tax assets	1,194	1,681	1,442	1,455
<b>Total non-current assets</b>	<b>13,198</b>	<b>16,246</b>	<b>12,969</b>	<b>13,395</b>
<b>Current assets</b>				
Current-asset properties <sup>2</sup>	11,174	13,985	11,935	11,948
Inventories	603	1,134	605	732
Financial receivables	2,734	879	2,771	2,490
Tax receivables	287	298	269	269
Costs and earnings in excess of invoicing	5,458	5,616	3,653	3,579
Trade and other receivables	20,185	21,054	21,457	21,622
Short-term investments	2,013	457	3,053	3,053
Cash and cash equivalents	6,298	5,769	5,794	5,815
Assets classified as held for sale	844	0	869	0
<b>Total current assets</b>	<b>49,596</b>	<b>49,192</b>	<b>50,406</b>	<b>49,508</b>
<b>TOTAL ASSETS</b>	<b>62,794</b>	<b>65,438</b>	<b>63,375</b>	<b>62,903</b>
<i>of which interest-bearing non-current assets</i>	<i>1,352</i>	<i>1,510</i>	<i>1,179</i>	<i>1,063</i>
<i>of which interest-bearing assets held for sale</i>	<i>12</i>	<i>0</i>	<i>21</i>	<i>0</i>
<i>of which interest-bearing current assets</i>	<i>11,045</i>	<i>7,105</i>	<i>11,618</i>	<i>11,358</i>
	<b>12,409</b>	<b>8,615</b>	<b>12,818</b>	<b>12,421</b>
<b>EQUITY</b>				
Equity attributable to equity holders	17,716	15,139	16,665	16,676
Minority interest	121	185	117	117
<b>Total equity</b>	<b>17,837</b>	<b>15,324</b>	<b>16,782</b>	<b>16,793</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Loans and borrowings	3,073	5,556	3,300	3,046
Pensions	517	1,500	518	522
Deferred tax liabilities	2,413	3,104	2,708	2,744
Provisions	136	156	135	135
<b>Total non-current liabilities</b>	<b>6,139</b>	<b>10,316</b>	<b>6,661</b>	<b>6,447</b>
<b>Current liabilities</b>				
Loans and borrowings	1,273	1,363	1,197	1,006
Tax liabilities	421	339	994	998
Provisions	2,408	3,125	2,722	2,727
Invoicing in excess of costs and earnings	11,075	9,959	10,471	10,428
Trade and other payables	23,320	25,012	24,224	24,504
Liabilities classified as held for sale	321	0	324	0
<b>Total current liabilities</b>	<b>38,818</b>	<b>39,798</b>	<b>39,932</b>	<b>39,663</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>62,794</b>	<b>65,438</b>	<b>63,375</b>	<b>62,903</b>
<i>of which interest-bearing loans and borrowings</i>	<i>4,346</i>	<i>6,919</i>	<i>4,497</i>	<i>4,052</i>
<i>of which interest-bearing pensions and provisions</i>	<i>561</i>	<i>1,519</i>	<i>546</i>	<i>550</i>
<i>of which interest-bearing liabilities held for sale</i>	<i>14</i>	<i>0</i>	<i>6</i>	<i>0</i>
	<b>4,921</b>	<b>8,438</b>	<b>5,049</b>	<b>4,602</b>
<b>Key financial figures</b>				
Capital employed, closing balance	22,758	23,762	21,831	21,395
Capital employed, average	22,986	26,319	23,446	23,391
Equity/assets ratio, %	28.4	23.4	26.5	26.7
Net receivables (+)/net debt (-), SEK m	7,488	177	7,769	7,819
Debt/equity ratio	0	0	0	0
1 of which interest-bearing receivables	1,352	1,510	1,179	1,063
of which shares	74	75	74	74
2 <b>Current-asset properties</b>				
Commercial Project Development	6,637	9,428	7,395	7,408
Other commercial properties	1,384	1,351	1,272	1,272
Residential Project Development	3,153	3,206	3,268	3,268
	<b>11,174</b>	<b>13,985</b>	<b>11,935</b>	<b>11,948</b>

### Note Contingent liabilities

Contingent liabilities amounted to SEK 7.4 billion on Jan 1, 2005 according to changed accounting practices. No important events occurred during the quarter.

Regarding tax cases, court and arbitration proceedings, major ongoing legal proceedings were described in Note 32 in the Annual Report of 2004. No important events occurred during the first quarter of 2005.

## Additional information

### Business streams

#### Construction

SEK M	Jan-Mar 2005	Jan-Mar 2004	Apr 2004- Mar 2005	Jan-Dec 2004
Revenue	22,768	22,996	107,749	107,977
<b>Gross income</b>	<b>1,543</b>	<b>1,548</b>	<b>6,675</b>	<b>6,680</b>
Selling and administrative expenses	-1,234	-1,281	-5,160	-5,207
Income from joint ventures and associated companies	9	6	42	39
<b>Operating income</b>	<b>318</b>	<b>273</b>	<b>1,557</b>	<b>1,512</b>
Investments	-438	-185	-1,583	-1,330
Divestments	195	146	1,127	1,078
<b>Net investments</b>	<b>-243</b>	<b>-39</b>	<b>-456</b>	<b>-252</b>
Cash flow from operations before investments and change in working capital	544	480	2,301	2,237
Change in working capital	-1,875	-609	636	1,902
Net investments in operations	-226	-39	-453	-266
Cash flow adjustment, net investments	50	5	123	78
Operating cash flow from business operations <sup>1</sup>	-1,507	-163	2,607	3,951
Strategic net investments	-17	0	-3	14
<b>Cash flow</b>	<b>-1,524</b>	<b>-163</b>	<b>2,604</b>	<b>3,965</b>
Gross margin, %	6.8	6.7	6.2	6.2
Selling and administrative expenses, %	-5.4	-5.6	-4.8	-4.8
Operating margin %	1.4	1.2	1.4	1.4
Capital employed, SEK bn	5.0	7.1	5.0	3.6
Return on capital employed (RoCE), %	29.0	21.6	29.0	24.4
Order bookings, SEK bn	23.4	28.8	110.6	116.0
Order backlog, SEK bn	119.0	118.9	119.0	113.5
Employees	51,078	52,326	51,078	51,583

<sup>1</sup> Before taxes, financing operations and dividends

#### Residential Project Development

SEK M	Jan-Mar 2005	Jan-Mar 2004	Apr 2004- Mar 2005	Jan-Dec 2004
Revenue	1,429	1,295	5,948	5,814
<b>Gross income</b>	<b>221</b>	<b>189</b>	<b>853</b>	<b>821</b>
Selling and administrative expenses	-84	-72	-317	-305
Income from joint ventures and associated companies	0	0	12	12
<b>Operating income</b>	<b>137</b>	<b>117</b>	<b>548</b>	<b>528</b>
Investments	-644	-798	-3,522	-3,676
Divestments	996	974	4,107	4,085
<b>Net investments</b>	<b>352</b>	<b>176</b>	<b>585</b>	<b>409</b>
Cash flow from operations before investments and change in working capital	-50	-46	-73	-69
Change in working capital	12	90	-202	-124
Net investments in operations	352	176	585	409
Cash flow adjustment, net investments	-89	-95	94	88
Operating cash flow from business operations <sup>1</sup>	225	125	404	304
Strategic net investments	0	0	0	0
<b>Cash flow</b>	<b>225</b>	<b>125</b>	<b>404</b>	<b>304</b>
Operating margin, %	9.6	9.0	9.2	9.1
Capital employed, SEK bn	2.8	2.8	2.8	2.8
Return on capital employed (RoCE), %	19.4	9.6	19.4	20.7
Employees	621	641	621	739

<sup>1</sup> Before taxes, financing operations and dividends

## Commercial Project Development

SEK M	Jan-Mar 2005	Jan-Mar 2004	Apr 2004- Mar 2005	Jan-Dec 2004
Revenue	1,851	624	6,811	5,584
<b>Gross income</b>	<b>744</b>	<b>228</b>	<b>2,389</b>	<b>1,873</b>
Selling and administrative expenses	-54	-57	-212	-215
Income from joint ventures and associated companies	1	-5	-35	-41
<b>Operating income</b>	<b>691</b>	<b>166</b>	<b>2,142</b>	<b>1,617</b>
of which gain from divestments of properties <sup>1</sup>	476	75	1,823	1,422
of which operating net, completed properties	251	134	621	504
of which writedowns/reversal of writedowns	0	0	-98	-98
Investments	-218	-181	-1,373	-1,336
Divestments	1,514	396	5,833	4,715
<b>Net investments</b>	<b>1,296</b>	<b>215</b>	<b>4,460</b>	<b>3,379</b>
Cash flow from operations before investments and change in working capital	214	105	446	337
Change in working capital	-48	-44	-155	-151
Net investments in operations	1,297	218	4,457	3,378
Cash flow adjustment, net investments	767	91	457	-219
Operating cash flow from business operations before taxes <sup>2</sup>	2,230	370	5,205	3,345
Strategic investments	0	-3	4	1
<b>Cash flow</b>	<b>2,230</b>	<b>367</b>	<b>5,209</b>	<b>3,346</b>
Capital employed, SEK bn	7.6	9.5	7.6	7.8
Return on capital employed (RoCE), %	24.8	22.3	24.8	17.7
Employees	124	136	124	129
1 Additional gain included in eliminations was	4	44	32	72
2 Before taxes, financing operations and dividends				

## BOT

SEK M	Jan-Mar 2005	Jan-Mar 2004	Apr 2004- Mar 2005	Jan-Dec 2004
Revenue	6	5	34	33
<b>Gross income</b>	<b>-2</b>	<b>-3</b>	<b>-11</b>	<b>-12</b>
Selling and administrative expenses	-19	-13	-76	-70
Income from joint ventures and associated companies	12	13	112	113
<b>Operating income</b>	<b>-9</b>	<b>-3</b>	<b>25</b>	<b>31</b>
of which gains from divestments of projects	0	0	0	0
Investments	-140	-18	-310	-188
Divestments	0	0	6	6
<b>Net investments</b>	<b>-140</b>	<b>-18</b>	<b>-304</b>	<b>-182</b>
Cash flow from operations before investments and change in working capital	-22	-16	-24	-18
Change in working capital	-11	-23	-3	-15
Net investments in operations	-140	-18	-304	-182
Cash flow adjustment, net investments	0	0	0	0
Operating cash flow from business operations <sup>1</sup>	-173	-57	-331	-215
Strategic investments	0	0	0	0
<b>Cash flow</b>	<b>-173</b>	<b>-57</b>	<b>-331</b>	<b>-215</b>
Capital employed, SEK bn	1.7	1.4	1.7	1.5
Return on capital employed (RoCE), %	2.8	4.4	2.8	3.3
Employees	45	39	45	40

1 Before taxes, financing operations and dividends

At the end of the report period, the book value of shares, participations and subordinated receivables in BOT operations totaled about SEK 1.5 billion. Skanska BOT's remaining investment commitments related to ongoing projects totaled about SEK 0.9 billion. The increase since year-end 2004 was attributable to currency effects.

## Construction, by business/reporting unit

SEK M	Revenue			
	Jan-Mar 2005	Jan-Mar 2004	Apr 2004-Mar 2005	Jan-Dec 2004
Sweden	4,287	4,135	20,671	20,519
Norway	2,441	1,891	9,190	8,640
Denmark	929	777	3,788	3,636
Finland	1,467	1,602	7,488	7,623
Poland	599	384	4,185	3,970
Czech Republic	1,591	1,126	8,371	7,906
UK	2,148	3,055	10,117	11,024
USA Building	6,491	6,154	27,938	27,601
USA Civil	1,807	2,996	11,217	12,406
Latin America	718	543	2,960	2,785
International <sup>1</sup>	290	333	1,824	1,867
<b>Total</b>	<b>22,768</b>	<b>22,996</b>	<b>107,749</b>	<b>107,977</b>

<sup>1</sup> International includes operations in Russia as well as International Projects.

SEK M	Operating income				Operating margin, %			
	Jan-Mar 2005	Jan-Mar 2004	Apr 2004-Mar 2005	Jan-Dec 2004	Jan-Mar 2005	Jan-Mar 2004	Apr 2004-Mar 2005	Jan-Dec 2004
Sweden	80	53	606	579	1.9	1.3	2.9	2.8
Norway	53	41	227	215	2.2	2.2	2.5	2.5
Denmark	17	10	60	53	1.8	1.3	1.6	1.5
Finland	10	12	261	263	0.7	0.7	3.5	3.5
Poland	2	-27	130	101	0.3	-7.0	3.1	2.5
Czech Republic	48	43	373	368	3.0	3.8	4.5	4.7
UK	72	101	23	52	3.4	3.3	0.2	0.5
USA Building	48	39	-404	-413	0.7	0.6	-1.4	-1.5
USA Civil	13	11	220	218	0.7	0.4	2.0	1.8
Latin America	21	23	116	118	2.9	4.2	3.9	4.2
International <sup>1</sup>	-46	-33	-55	-42	-15.9	-9.9	-3.0	-2.2
<b>Total</b>	<b>318</b>	<b>273</b>	<b>1,557</b>	<b>1,512</b>	<b>1.4</b>	<b>1.2</b>	<b>1.4</b>	<b>1.4</b>

SEK M	Order backlog			Order bookings			
	Mar 31 2005	Mar 31 2004	Dec 31 2004	Jan-Mar 2005	Jan-Mar 2004	Apr 2004-Mar 2005	Jan-Dec 2004
Sweden	16,209	16,589	15,485	4,988	7,886	20,141	23,039
Norway	6,608	6,586	7,371	1,715	2,644	9,266	10,195
Denmark	2,420	1,979	2,157	989	792	3,715	3,518
Finland	5,050	5,116	4,854	1,576	1,427	7,465	7,316
Poland	4,402	3,144	3,844	1,097	817	4,839	4,559
Czech Republic	12,818	8,758	13,047	919	2,368	11,461	12,910
UK	16,516	12,750	13,318	4,700	1,116	14,434	10,850
USA Building	37,760	42,898	36,577	5,276	9,263	25,712	29,699
USA Civil	12,902	16,285	12,116	1,791	1,180	8,853	8,242
Latin America	2,760	2,122	2,885	413	505	3,832	3,924
International	1,511	2,628	1,844	-43	821	892	1,756
<b>Total</b>	<b>118,956</b>	<b>118,855</b>	<b>113,498</b>	<b>23,421</b>	<b>28,819</b>	<b>110,610</b>	<b>116,008</b>

## Residential Project Development, by business/reporting unit

SEK M	Revenue				Operating income <sup>1</sup>			
	Jan-Mar 2005	Jan-Mar 2004	Apr 2004-Mar 2005	Jan-Dec 2004	Jan-Mar 2005	Jan-Mar 2004	Apr 2004-Mar 2005	Jan-Dec 2004
Sweden	495	397	2,144	2,046	31	26	141	136
Norway	384	311	1,307	1,234	35	31	126	122
Finland	386	378	1,617	1,609	39	24	166	151
Poland	21	33	104	116	-1	3	6	10
Czech Republic	97	119	501	523	33	29	109	105
International	46	57	275	286	0	4	0	4
<b>Total</b>	<b>1,429</b>	<b>1,295</b>	<b>5,948</b>	<b>5,814</b>	<b>137</b>	<b>117</b>	<b>548</b>	<b>528</b>
SEK M	Operating margin, % <sup>1</sup>				Return on capital employed <sup>2</sup>			
	Jan-Mar 2005	Jan-Mar 2004	Apr 2004-Mar 2005	Jan-Dec 2004	Apr 2004-Mar 2005		Jan-Dec 2004	
Sweden	6.3	6.5	6.6	6.6	25.3		25.6	
Norway	9.1	10.0	9.6	9.9	10.3		13.1	
Finland	10.1	6.3	10.3	9.4	27.0		24.0	
Poland	-4.8	9.1	5.8	8.6	5.2		7.7	
Czech Republic	34.0	24.4	21.8	20.1	46.8		48.6	
International	0.0	7.0	0.0	1.4	3.9		8.6	
<b>Total</b>	<b>9.6</b>	<b>9.0</b>	<b>9.2</b>	<b>9.1</b>	<b>19.4</b>		<b>20.7</b>	

1 Development profit only. Construction margin reported under Construction.

2 Rolling 12 months

At the end of March 2005, there were 5,874 (6,024) residential units under construction. Of these, 73 (71) percent were sold. The number of completed unsold residential units totaled 287 (353). During the first quarter, construction started on 1,020 (1,080) units. The number of residential units sold during the first three months of the year was 1,340 (1,180).

The book value of current-asset properties in Residential Project Development totaled SEK 3.2 billion (3.2). A breakdown of book value can be seen in the table below. The book value of undeveloped land and development properties was SEK 2.1 billion. This is equivalent to building rights for about 15,000 residential units. There are also about 3,200 building rights in associated companies.

## Breakdown of book value, current-asset properties, March 31, 2005

SEK M	Residential Project Development	Commercial Project Development	Other commercial properties	Total
Completed projects	610	4,233	131	4,974
Ongoing projects	482	210	383	1,075
Land bank	2,061	2,194	870	5,125
<b>Total</b>	<b>3,153</b>	<b>6,637</b>	<b>1,384</b>	<b>11,174</b>

## Commercial Project Development

SEK M	Book value, end of period	Book value upon completion	Market value Dec 31, 2004	Occupancy rate, %
Completed properties	4,233	4,233	6,050	72
Ongoing projects	210	598	768	32
<b>Subtotal</b>	<b>4,443</b>	<b>4,831</b>	<b>6,818</b>	
Land bank	2,194	2,194		
<b>TOTAL</b>	<b>6,637</b>	<b>7,025</b>		

Commercial Project Development has four projects underway, two of them in Sweden. Ongoing projects represent leasable space of about 38,000 sq. m (409,000 sq. ft.) and are 32 percent pre-leased, measured in rent. At the end of the report period, the book value of ongoing projects amounted to SEK 0.2 billion (Dec. 2004: 0.2). Their book value upon completion is expected to total SEK 0.6 billion, with an estimated market value of SEK 0.8 billion. The degree of completion in ongoing projects is about 35 percent.

The book value of Skanska's portfolio of completed projects amounted to SEK 4.2 billion (Dec. 2004: 4.6), with an estimated market value, based on an appraisal dated December 2004, of about SEK 6.0 billion (Dec. 2004: 6.9). The occupancy rate, measured in rent, amounted to 72 percent.

The book value of Skanska's undeveloped land and development properties (or "land bank") totaled about SEK 2.2 billion (Dec. 2004: 2.4).

As of today (April 28), Skanska has carried out property divestments worth SEK 1,091 M during the second quarter, with capital gains amounting to SEK 550 M.