

## PRESS RELEASE

### Six month report, January–June 2005

#### Group highlights

SEK M	Jan-Jun 2005	Jan-Jun 2004	Apr-Jun 2005	Apr-Jun 2004
Revenue	56,400	58,258	30,916	32,225
<i>of which revenue from divestments of properties in Commercial Project Development</i>	3,128	2,082	1,614	1,686
Operating income	2,395	1,756	1,359	1,214
<i>of which gains from divestments of properties in Commercial Project Development</i>	1,226	702	746	583
<i>of which income from discontinued operations</i>	209	137	196	89
Income after financial items	2,468	1,680	1,373	1,176
Profit for the period	1,826	1,141	1,016	785
Earnings per share for the period, SEK	4.35	2.71	2.42	1.86
Capital employed, SEK bn	23.1	23.0		
Equity, SEK bn	18.0	14.8		
Interest-bearing net receivables (+)/net debt (-), SEK bn	7.0	0.2		
Return on capital employed, % <sup>1</sup>	25.0	16.9		
Return on equity, % <sup>1</sup>	23.8	17.4		
Operating cash flow before change in interest-bearing receivables and liabilities	-1,304	-196	-840	-70
Order bookings, SEK bn <sup>2</sup>	50.7	60.2	27.3	31.4
Order backlog, SEK bn <sup>2</sup>	126.2	122.2		

1 Rolling 12 months  
 2 Refers to Construction

#### January-June 2005 compared to January-June 2004

- Revenue amounted to SEK 56.4 billion (58.3). Adjusted for discontinued operations, revenue rose by 3 percent. In Construction, revenue rose by 2 percent adjusted for currency rate effects.
- Operating income rose to SEK 2,395 M (1,756) despite nonrecurring expenses in Yeager Skanska amounting to SEK 360 M. The increase is explained partly by higher gains from property divestments than in the comparative period and by the capital gain of SEK 180 M from the divestment of Skanska Prefab Mark. Most units also showed improved operating margins.
- During the period, commercial properties with a value of SEK 3,128 M (2,082) were divested, with capital gains amounting to SEK 1,226 M (702).
- Income after financial items rose to SEK 2,468 M (1,680).
- Profit for the period rose to SEK 1,826 M (1,141), which meant that earnings per share for the period amounted to SEK 4.35 (2.71).
- Order bookings declined by 16 percent, amounting to SEK 50.7 billion (60.2). Adjusted for currency rate effects, order bookings fell by 15 percent.

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This and previous press releases can also be found at [www.skanska.com](http://www.skanska.com)

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

- The earnings trend in Construction is positive in most of our markets with the Nordics, the Czech Republic and the U.K. delivering good margins. With the events in Yeager Skanska behind us we hope to see gradual margin improvement in Skanska USA Civil.
- The residential business stream delivered higher margins and a 21% RoCE on increased sales in the first 6 months and we also made solid gains on the sale of properties in Commercial Project Development.
- The interest in BOT solutions continues to grow in our home markets. Construction of the A1 motorway in Poland will start shortly and we were also recently selected as preferred bidder for the E 18 motorway in Finland. We also see that more opportunities for BOT projects are developing in the U.S.
- Overall, we are cautiously positive about the order situation for the remainder of the year.

## Market outlook

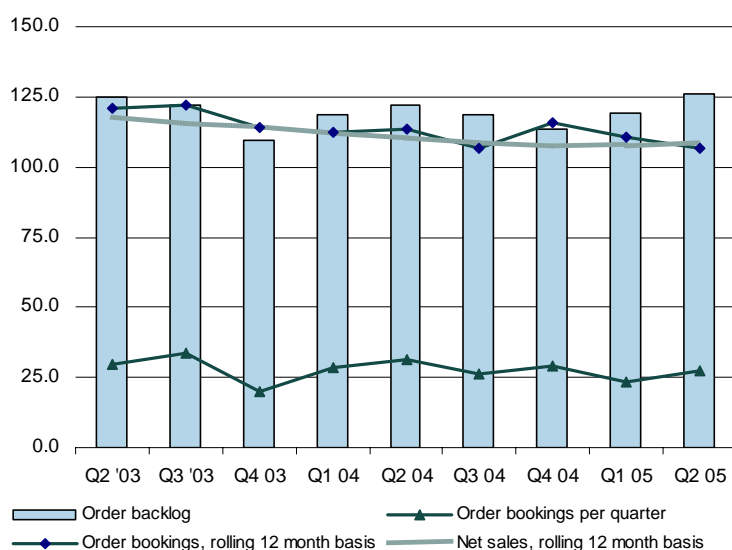
The outlook for construction investments in the Nordic countries is cautiously positive. In Poland the trend is positive, although lead times are long between the tendering process and the start of a project. Construction investments in the Czech Republic during the first half of 2005 showed essentially no growth. During the second half, an improvement is expected. In the United Kingdom, the volume of Private Finance Initiative (PFI) projects is still growing. In other, for Skanska important segments in the British construction market, the 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 remains good.

In the U.S., civil construction remains at a low level. There is keen competition for the projects that are initiated. The federal program of infrastructure investments that is expected to receive approval shortly will lead to more projects that will be successively coming out in the market for tendering. The trend of the Norwegian civil construction market remains positive, driven by projects for the oil industry as well as BOT investments in highways. In Finland, civil construction is expanding. The Czech Republic and Poland are showing continued growth, among other things due to EU membership. In Latin America, there is a continued 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 in the market may contribute to an oversupply. In Sweden, residential construction is increasing. The local planning process continues to be a restraining factor in a number of markets.

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 an increase in leasing activity, which over time 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 16 percent and amounted to SEK 50.7 billion (60.2). Adjusted for currency rate effects, order bookings declined by 15 percent. During the first quarter of 2005, among the assignments that Skanska received was to plan, design and upgrade the M1 motorway in the U.K., a contract in which Skanska's share is valued at SEK 1.3 billion. Skanska also signed an eight-year partnership 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. During the second quarter of 2005, Skanska received a number of large assignments in its American civil construction operations, Skanska USA Civil. These include a contract to design and construct two high-level bridges across Escambia Bay in Pensacola, Florida. Skanska's portion of the contract is valued at SEK 1 billion. The same unit also received two large contracts in the New York City area. One is related to an expansion of a facility to improve the water quality in Brooklyn and the other concerns the construction of a new hub for the subway network in Lower Manhattan. These projects are each worth SEK 1 billion. Skanska USA Building was contracted during the second quarter as construction manager for a new medical center in San Jose, California, with a contract amount of SEK 540 M. In Norway, Skanska received an order totaling SEK 600 M to build, modernize and operate Norway's first two schools under a public-private partnering (PPP) arrangement.

## Order backlog

Order backlog rose by 3 percent, amounting to SEK 126.2 billion (122.2) at the end of the report period. Adjusted for currency rate effects, order backlog declined by 1 percent. Order backlog was equivalent to about 12 (12) months of construction.

## Revenue and earnings

### Performance analysis

SEK M	Jan-Jun 2005	Jan-Jun 2004	Apr-Jun 2005	Apr-Jun 2004
<b>Revenue</b>				
Construction	51,236	50,455	28,468	27,459
Residential Project Development	2,931	2,767	1,502	1,472
Commercial Project Development	3,550	2,546	1,699	1,922
BOT	8	14	2	9
Central and eliminations	-1,742	-1,405	-953	-733
Discontinued operations	417	3,881	198	2,096
<b>Skanska Group</b>	<b>56,400</b>	<b>58,258</b>	<b>30,916</b>	<b>32,225</b>
<b>Operating income</b>				
Construction	752	733	434	460
Residential Project Development	279	230	142	113
Commercial Project Development <sup>1</sup>	1,391	846	700	680
BOT	-15	-10	-6	-7
Central	-198	-191	-105	-105
Eliminations <sup>1</sup>	-23	11	-2	-16
Discontinued operations				
-earnings before interest and taxes	29	137	16	89
-gains from divestments	180	0	180	0
<b>Operating income</b>	<b>2,395</b>	<b>1,756</b>	<b>1,359</b>	<b>1,214</b>
Net interest	54	-70	2	-37
Other net financial items	19	-6	12	-1
<b>Net financial items</b>	<b>73</b>	<b>-76</b>	<b>14</b>	<b>-38</b>
<b>Income after financial items</b>	<b>2,468</b>	<b>1,680</b>	<b>1,373</b>	<b>1,176</b>
Taxes	-642	-539	-357	-391
<b>Profit for the period</b>	<b>1,826</b>	<b>1,141</b>	<b>1,016</b>	<b>785</b>
Attributable to				
Equity holders	1,821	1,133	1,014	777
Minority interest	5	8	2	8
Earnings per share for the period	4.35	2.71	2.42	1.86
<sup>1</sup> Of which gains from divestments of commercial properties reported in Commercial Project Development	1,197	658	721	583
Eliminations	29	44	25	0

Revenue totaled SEK 56.4 M (58.3). In continuing operations, revenue rose by 3 percent. Revenue of the Construction business stream rose by 2 percent in local currencies.

Operating income rose by 36 percent, amounting to SEK 2,395 M (1,756). Currency rate effects contributed positively to operating income in the amount of SEK 23 M. In the Construction business stream, operating income rose by 3 percent and amounted to SEK 752 M (733). The operating margin was unchanged at 1.5 (1.5) percent. Operating income included nonrecurring expenses of SEK 360 M in the California portion of Skanska USA Civil. The comparative period included restructuring expenses at Skanska USA Building amounting to SEK 150 M. Operating margins improved primarily in the Nordic operations. In Poland, margins declined. This is partly explained by development costs for the A1 motorway project.

Residential Project Development increased its operating income by 21 percent to SEK 279 M (230). The operating margin in the business stream rose to 9.5 (8.3) percent. Operating income rose in Sweden and Finland. Also the Czech operation showed a higher operating income but included here is the effect from the transfer to the same profit recognition method that is used in the other markets. The contribution to earnings from the Commercial Project Development business stream rose by 64 percent. This increase was partly attributable to a larger divestment volume of completed properties than in the comparative period. Gains from property divestments amounted to SEK 1,197 M (658). For ongoing projects that were divested, Skanska applies the percentage of completion principle of accounting. Included in gains from property divestment is SEK 147 M pertaining to these projects. Operating income in Commercial Project Development also included SEK 145 M related to payments for leases that were terminated early. The operating income of Skanska BOT totaled SEK -15 M (-10). The lower earnings are an effect of increased tendering expenses as well as higher cost of sales, since operations are growing.

Corporate overhead totaled SEK -198 M (-191). The item "Discontinued operations" mainly includes operating income from those Swedish businesses that Skanska plans to divest during 2005. This applies to Flexator, Temporent and Skanska Glasbyggarna. Skanska Prefab Mark was sold during the second quarter, and the capital gain of SEK 180 M as well as the earnings of this business during the first quarter of 2005 are included in operating income from "Discontinued operations."

Net interest items improved as a consequence of Skanska's strengthened financial position and amounted to SEK 54 M (-70). Capitalization of interest expenses in ongoing projects totaled SEK 13 M (20). Other financial items totaled SEK 19 M (-6) and mainly consisted of currency rate differences.

Income after financial items amounted to SEK 2,468 M (1,680). Taxes for the period amounted to SEK -642 M (-539), equivalent on an annualized basis to a tax rate of about 26 (32) 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 foreign subsidiaries. Profit for the period rose to SEK 1,826 M (1,141). Earning per share for the period rose to SEK 4.35 (2.71).

## Investments and divestments

SEK M	Jan-Jun 2005	Jan-Jun 2004	Apr-Jun 2005	Apr-Jun 2004
Investments	-3,588	-3,052	-2,138	-1,768
Divestments	6,248	4,487	3,537	2,881
Net investments <sup>1</sup>	2,660	1,435	1,399	1,113
1 Of which strategic investments/divestments	297	-145	312	-117

In the Construction business stream, investments rose to SEK -1,105 M (-528). This item was mainly related to investments in non-current assets for Skanska's own construction and manufacturing and included in the period are, among other things, investments in the tunnel boring machine for the Halland ridge project. Net investments in Construction totaled SEK -430 M (-137). In Residential Project Development, investments were on a par with the comparative period and amounted to SEK -1,668 M (-1,623). Net divestments in this business stream were SEK 478 M (234). Investments in Commercial Project Development declined to SEK -520 M (-627). Divestments in the form of sale of completed properties and ongoing projects were substantially higher than during the same period last year and totaled SEK 3,128 M (2,086). Net divestments in Commercial Project Development totaled SEK 2,608 M (1,459). Investments in the BOT business stream totaled SEK -275 M (-26).

The Group's total investments amounted to SEK -3,588 M (-3,052). Divestments totaled SEK 6,248 M (4,487), and the Skanska Group's net amount of investments (-) and divestments (+) was SEK +2,660 M (+1,435).

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

SEK M	Jan-Jun 2005	Jan-Jun 2004	Apr-Jun 2005	Apr-Jun 2004
<b>Cash flow from business operations and net strategic investments by business stream</b>				
Construction	-1,714	317	-190	480
Residential Project Development	1,008	-178	783	-303
Commercial Project Development	2,777	1,787	547	1,420
BOT	-335	-84	-162	-27
Central och eliminations	-237	-314	-50	-187
Discontinued operations	30	316	168	75
<b>Cash flow before taxes, financial operations and dividends</b>	<b>1,529</b>	<b>1,844</b>	<b>1,096</b>	<b>1,458</b>
Taxes paid	-1,069	-677	-246	-224
Net interest items and other financial items	-87	-76	-15	-38
Dividend etc.	-1,677	-1,287	-1,675	-1,266
<b>Cash flow before change in interest-bearing receivables and liabilities</b>	<b>-1,304</b>	<b>-196</b>	<b>-840</b>	<b>-70</b>
Translation differences, net receivables/net debt	120	-51	99	77
Reclassification and change in accounting principle, interest-bearing net receivables/net debt	306	21	193	21
Interest-bearing liabilities acquired/divested	121	-6	150	3
Effects of IAS 39	21	-	-82	-
Other changes, interest-bearing net receivables/net debt	-7	-22	18	-25
<b>Change in interest-bearing net receivables/net debt</b>	<b>-743</b>	<b>-254</b>	<b>-462</b>	<b>6</b>

Cash flow before taxes, financing operations and dividends declined by 17 percent compared to the same period last year, amounting to SEK 1,529 M (1,844). 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. In the Czech Republic, cash flow was substantially weaker than in the comparative period, mainly due to a higher proportion of projects for public sector customers, which mainly pay late in the year. In Residential Project Development, cash flow rose to SEK 1,008 M (-178). Commercial Project Development also reported an improved cash flow amounting to SEK 2,777 M (1,787), mainly due to a higher volume of property divestments than in the comparative period. In Skanska BOT, cash flow from operations totaled SEK -335 M (-84). The difference was explained by investments in equity and subordinate receivables in the BOT portfolio.

Taxes paid amounted to SEK -1,069 M (-677). The increase was explained by a supplementary tax payment amounting to SEK 600 M made during the first quarter of 2005, related to withdrawal of tax allocation reserves. Dividend and adjustments of minority interest amounted to SEK -1,677 M (-1,287). Cash flow before changes in interest-bearing receivables and liabilities amounted to SEK -1,304 M (-196).

## Financial position

The Group's interest-bearing net cash surplus shrank by SEK 743 M during the report period and amounted to SEK 7,026 M on June 30, 2005 (January 1: 7,769). At the end of the period, interest-bearing loans as well as interest-bearing pensions amounted to SEK 5.1 billion (January 1: 5.0).

At the end of the period, capital employed amounted to SEK 23.1 billion (January 1: 21.8).

During the first half, the equity of the Group rose by SEK 1.2 billion to SEK 18.0 billion (January 1: 16.8). Aside from profit for the period and the dividend to shareholders related to the 2004 financial year, equity was affected by translation differences amounting to SEK 1.1 billion. The net debt/equity ratio amounted to -0.4 (January 1: -0.5) and the equity/assets ratio was 26.3 percent (January 1: 26.5).

Total assets in the consolidated balance sheet rose to SEK 68.3 billion (January 1: 63.4). Currency rate effects increased total assets by SEK 4.5 billion.

The book value of current-asset properties amounted to SEK 10.9 billion (January 1: 11.9), of which commercial properties in project development operations accounted for SEK 6.2 billion (January 1: 7.4). 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-Jun	Jan-Jun	Jun 30	Jun 30	Dec 31
	2005	2004	2005	2004	2004
U.S. dollar	7.12	7.47	7.82	7.52	6.62
British pound	13.33	13.61	14.02	13.63	12.70
Norwegian crown	1.12	1.09	1.19	1.08	1.09
Euro	9.14	9.17	9.42	9.14	9.00

## Personnel

The average number of employees in the Group was 53,981 (68,094).

## Parent Company

Net sales of the Parent Company during the period January-June were SEK 0 (0). Operating income amounted to SEK -169 M (114). Income after financial items totaled SEK 1,032 M (1,306). The average number of employees in the Parent Company was 56 (56).

## 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, acquired goodwill amounting to SEK 428 M has been transferred from the Construction business stream to Residential Project Development.

For Skanska, the introduction of IAS 39 resulted in expanded 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. Contingencies 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.

## Parent Company

The Interim Report for the Parent Company, Skanska AB, has been prepared in accordance with the Swedish Annual Accounts Act, with derivative instruments being valued at fair value. The positive effect on equity at the beginning of 2005 amounted to SEK 12 M. In the income statement for the first six months of the year, income after financial items was positively affected in the amount of SEK 32 M.

In accordance with IFRS 1, "First-time Adoption of International Financial Reporting Standards," point 36A, comparative figures have not been restated.

## IAS/IFRS

For "the bridge," January-June 2004 and the full year 2004, between previous Swedish GAAP and IAS/IFRS, see pages 16-19

## 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.

## Incentive programs

The 2000-2005 employee stock option program comprising 1,596,000 synthetic options expired on March 31, 2005 without anyone exercising their options as the exercise price of SEK 94.40 never was reached.

At the Annual Shareholders' Meeting, held on April 7, 2005, a new share incentive program was approved. The three year program, which encompasses the 300 most senior executives, can provide B shares equal to a maximum of 30 percent of fixed annual salary. The maximum cost for the allotment is approximately SEK 120 M annually. The maximum dilution of share capital is 1.1 percent over three years. Information about the program has been announced in a separate press release on March 24, 2005. The press release is available on Skanska's web site [www.skanska.com](http://www.skanska.com).

## Events after the close of the report period

As of today (July 28), Skanska has carried out property divestments worth SEK 57 M during the third quarter, with capital gains amounting to SEK 21 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:

November 3, 2005    Nine Month Report

February 16, 2006    Year-end Report

Solna, July 28, 2005

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	Jan-Jun 2005	Jan-Jun 2004	Apr-Jun 2005	Apr-Jun 2004	Jul 2004- Jun 2005	Jan-Dec 2004
<b>SEK M</b>						
Revenue	56,400	58,258	30,916	32,225	119,405	121,263
Cost of sales	-50,977	-52,885	-28,049	-29,078	-109,798	-111,706
<b>Gross income</b>	<b>5,423</b>	<b>5,373</b>	<b>2,867</b>	<b>3,147</b>	<b>9,607</b>	<b>9,557</b>
Selling and administrative expenses	-3,282	-3,665	-1,739	-1,953	-6,568	-6,951
Income from divestments of discontinued operations	180	0	180	0	1,767	1,587
Income from joint ventures and associated companies	74	48	51	20	194	168
<b>Operating income</b>	<b>2,395</b>	<b>1,756</b>	<b>1,359</b>	<b>1,214</b>	<b>5,000</b>	<b>4,361</b>
Interest income	493	93	171	21	684	284
Interest expenses	-439	-163	-169	-58	-608	-332
<i>Net interest</i>	<i>54</i>	<i>-70</i>	<i>2</i>	<i>-37</i>	<i>76</i>	<i>-48</i>
Other net financial items	19	-6	12	-1	39	14
<b>Net financial items</b>	<b>73</b>	<b>-76</b>	<b>14</b>	<b>-38</b>	<b>115</b>	<b>-34</b>
<b>Income after financial items</b>	<b>2,468</b>	<b>1,680</b>	<b>1,373</b>	<b>1,176</b>	<b>5,115</b>	<b>4,327</b>
Taxes	-642	-539	-357	-391	-1,244	-1,141
<b>Profit for the period</b>	<b>1,826</b>	<b>1,141</b>	<b>1,016</b>	<b>785</b>	<b>3,871</b>	<b>3,186</b>
Attributable to:						
Equity holders	1,821	1,133	1,014	777	3,861	3,173
Minority interest	5	8	2	8	10	13
<b>Key financial figures</b>						
Earnings per share, SEK	4.35	2.71	2.42	1.86	9.22	7.58
Average number of shares	418,553,072	418,553,072	418,553,072	418,553,072	418,553,072	418,553,072
Depreciation, non-current assets	-513	-641	-258	-314	-1,121	-1,249
Impairment loss, goodwill	-94	-26	-94	-18	-236	-168
Return on capital employed, % <sup>1</sup>	25.0	16.9				19.9
Return on equity, % <sup>1</sup>	23.8	17.4				20.4
Average number of employees	53,981	68,094				53,803

<sup>1</sup> Rolling 12 months

CONTINUING OPERATIONS	Jan-Jun 2005	Jan-Jun 2004	Apr-Jun 2005	Apr-Jun 2004	Jul 2004- Jun 2005	Jan-Dec 2004
<b>SEK M</b>						
Revenue	55,983	54,377	30,718	30,129	117,863	116,257
Cost of sales	-50,646	-49,511	-27,892	-27,294	-107,831	-106,696
<b>Gross income</b>	<b>5,337</b>	<b>4,866</b>	<b>2,826</b>	<b>2,835</b>	<b>10,032</b>	<b>9,561</b>
Selling and administrative expenses	-3,225	-3,285	-1,714	-1,734	-6,283	-6,343
Income from divestments of discontinued operations	0	0	0	0	0	0
Income from joint ventures and associated companies	74	38	51	24	192	156
<b>Operating income</b>	<b>2,186</b>	<b>1,619</b>	<b>1,163</b>	<b>1,125</b>	<b>3,941</b>	<b>3,374</b>
<b>Net financial items</b>	<b>87</b>	<b>-64</b>	<b>21</b>	<b>-30</b>	<b>137</b>	<b>-14</b>
<b>Income after financial items</b>	<b>2,273</b>	<b>1,555</b>	<b>1,184</b>	<b>1,095</b>	<b>4,078</b>	<b>3,360</b>
Taxes	-631	-505	-376	-373	-1,221	-1,095
<b>Profit for the period</b>	<b>1,642</b>	<b>1,050</b>	<b>808</b>	<b>722</b>	<b>2,857</b>	<b>2,265</b>
Earnings per share, SEK	3.91	2.50	1.92	1.72	6.79	5.38

DISCONTINUED OPERATIONS	Jan-Jun 2005	Jan-Jun 2004	Apr-Jun 2005	Apr-Jun 2004	Jul 2004- Jun 2005	Jan-Dec 2004
<b>SEK M</b>						
Revenue	417	3,881	198	2,096	1,542	5,006
Cost of sales	-331	-3,374	-157	-1,784	-1,967	-5,010
<b>Gross income</b>	<b>86</b>	<b>507</b>	<b>41</b>	<b>312</b>	<b>-425</b>	<b>-4</b>
Selling and administrative expenses	-57	-380	-25	-219	-285	-608
Income from divestments of discontinued operations	180	0	180	0	1,767	1,587
Income from joint ventures and associated companies	0	10	0	-4	2	12
<b>Operating income</b>	<b>209</b>	<b>137</b>	<b>196</b>	<b>89</b>	<b>1,059</b>	<b>987</b>
<b>Net financial items</b>	<b>-14</b>	<b>-12</b>	<b>-7</b>	<b>-8</b>	<b>-22</b>	<b>-20</b>
<b>Income after financial items</b>	<b>195</b>	<b>125</b>	<b>189</b>	<b>81</b>	<b>1,037</b>	<b>967</b>
Taxes	-11	-34	19	-18	-23	-46
<b>Profit for the period</b>	<b>184</b>	<b>91</b>	<b>208</b>	<b>63</b>	<b>1,014</b>	<b>921</b>
Earnings per share, SEK	0.44	0.21	0.50	0.14	2.43	2.20



<b>SUMMARY CASH FLOW STATEMENT</b>	<b>Jan-Jun</b>	<b>Jan-Jun</b>	<b>Apr-Jun</b>	<b>Apr-Jun</b>	<b>Jul 2004-</b>	<b>Jan-Dec</b>
<b>SEK M</b>	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>	<b>Jun 2005</b>	<b>2004</b>
Cash flow from operating activities	938	1,624	1,014	1,526	5,833	6,519
Cash flow from investing activities	549	-266	959	-945	2,021	1,206
Cash flow from financing activities	-1,585	-3,086	-1,414	-1,374	-4,303	-5,804
<b>Cash flow for the period</b>	<b>-98</b>	<b>-1,728</b>	<b>559</b>	<b>-793</b>	<b>3,551</b>	<b>1,921</b>
<b>of which discontinued operations</b>	<b>Jan-Jun</b>	<b>Jan-Jun</b>	<b>Apr-Jun</b>	<b>Apr-Jun</b>	<b>Jul 2004-</b>	<b>Jan-Dec</b>
<b>SEK M</b>	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>	<b>Jun 2005</b>	<b>2004</b>
Cash flow from operating activities	-171	405	-35	175	-510	66
Cash flow from investing activities	233	-104	197	-107	2,685	2,348
Cash flow from financing activities	139	-345	38	8	407	-77
<b>Cash flow for the period</b>	<b>201</b>	<b>-44</b>	<b>200</b>	<b>76</b>	<b>2,582</b>	<b>2,337</b>
<b>CHANGES IN SHAREHOLDERS' EQUITY</b>	<b>Jan-Jun</b>	<b>Jan-Jun</b>	<b>Apr-Jun</b>	<b>Apr-Jun</b>	<b>Jul 2004-</b>	<b>Jan-Dec</b>
<b>SEK M</b>	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>	<b>Jun 2005</b>	<b>2004</b>
Opening balance (IFRS excl IAS 39)	16,793	14,701	17,837	15,324	14,760	14,701
Change to IAS 39, opening balance 2005	-11	-	0	-	-11	-
Dividend	-1,674	-1,256	-1,674	-1,256	-1,674	-1,256
Translation differences	1,060	217	774	-65	1,101	258
Effects of IAS 39 Hedge accounting	-35	-	7	-	-35	-
Change, minority interest	0	-43	-1	-28	-53	-96
Profit for the period	1,826	1,141	1,016	785	3,871	3,186
<b>Closing balance</b>	<b>17,959</b>	<b>14,760</b>	<b>17,959</b>	<b>14,760</b>	<b>17,959</b>	<b>16,793</b>

## Group net investments

SEK M	Jan-Jun 2005	Jan-Jun 2004	Apr-Jun 2005	Apr-Jun 2004	Jul 2004- Jun 2005	Jan-Dec 2004
<b>OPERATIONS - INVESTMENTS</b>						
Intangible assets	-9	-29	-7	-7	-18	-38
Property, plant and equipment	-823	-584	-522	-361	-1,370	-1,131
Assets in BOT operations	-275	-27	-135	-9	-436	-188
Shares	0	0	2	0	-6	-6
Current-asset properties	-2,434	-2,272	-1,466	-1,279	-5,428	-5,266
<i>of which Residential Project Development</i>	-1,660	-1,651	-1,020	-832	-3,674	-3,665
<i>of which Commercial Project Development</i>	-518	-623	-302	-446	-1,226	-1,331
<i>of which other commercial properties</i>	-256	2	-144	-1	-528	-270
<b>Investments</b>	<b>-3,541</b>	<b>-2,912</b>	<b>-2,128</b>	<b>-1,656</b>	<b>-7,258</b>	<b>-6,629</b>
<b>OPERATIONS - DIVESTMENTS</b>						
Intangible assets	3	9	1	-1	-4	2
Property, plant and equipment	300	317	179	178	618	635
Assets in BOT operations	8	7	8	7	8	7
Shares	1	6	-1	6	7	12
Current-asset properties	5,592	4,153	3,028	2,696	10,760	9,321
<i>of which Residential Project Development</i>	2,139	1,924	1,145	925	4,358	4,143
<i>of which Commercial Project Development</i>	3,128	2,082	1,614	1,686	5,691	4,645
<i>of which other commercial properties</i>	325	147	269	85	711	533
<b>Divestments</b>	<b>5,904</b>	<b>4,492</b>	<b>3,215</b>	<b>2,886</b>	<b>11,389</b>	<b>9,977</b>
<b>Net investments in operations</b>	<b>2,363</b>	<b>1,580</b>	<b>1,087</b>	<b>1,230</b>	<b>4,131</b>	<b>3,348</b>
<b>STRATEGIC INVESTMENTS</b>						
Businesses	-47	-139	-10	-112	-43	-135
Shares	0	-1	0	0	0	-1
<b>Strategic investments</b>	<b>-47</b>	<b>-140</b>	<b>-10</b>	<b>-112</b>	<b>-43</b>	<b>-136</b>
<b>STRATEGIC DIVESTMENTS</b>						
Businesses	313	-9	306	-9	2,400	2,078
Shares	31	4	16	4	506	479
<b>Strategic divestments</b>	<b>344</b>	<b>-5</b>	<b>322</b>	<b>-5</b>	<b>2,906</b>	<b>2,557</b>
<b>Net strategic investments</b>	<b>297</b>	<b>-145</b>	<b>312</b>	<b>-117</b>	<b>2,863</b>	<b>2,421</b>
<b>TOTAL NET INVESTMENTS</b>	<b>2,660</b>	<b>1,435</b>	<b>1,399</b>	<b>1,113</b>	<b>6,994</b>	<b>5,769</b>
Depreciation, non-current assets	-513	-641	-258	-314	-1,121	-1,249

## Consolidated operating cash flow statement

SEK M	Jan-Jun 2005	Jan-Jun 2004	Apr-Jun 2005	Apr-Jun 2004	Jul 2004- Jun 2005	Jan-Dec 2004
Cash flow from business operations before change in working capital	1,117	1,348	518	783	1,752	1,983
Change in working capital	-1,985	-1,067	170	-566	601	1,519
Net investments in business operations	2,363	1,580	1,087	1,230	4,131	3,348
Cash flow adjustment, net investments	-263	128	-991	128	-444	-53
Taxes paid in business operations	-1,094	-671	-250	-236	-1,434	-1,011
<b>Cash flow from business operations</b>	<b>138</b>	<b>1,318</b>	<b>534</b>	<b>1,339</b>	<b>4,606</b>	<b>5,786</b>
Net interest items and other financial items	-87	-76	-15	-38	-45	-34
Taxes paid in financing operations	26	23	4	12	13	10
<b>Cash flow from financing operations</b>	<b>-61</b>	<b>-53</b>	<b>-11</b>	<b>-26</b>	<b>-32</b>	<b>-24</b>
<b>CASH FLOW FROM OPERATIONS</b>	<b>77</b>	<b>1,265</b>	<b>523</b>	<b>1,313</b>	<b>4,574</b>	<b>5,762</b>
Net strategic investments	297	-145	312	-117	2,863	2,421
Taxes paid on net strategic investments	-1	-29	0	0	-1	-29
<b>Cash flow from net strategic investments</b>	<b>296</b>	<b>-174</b>	<b>312</b>	<b>-117</b>	<b>2,862</b>	<b>2,392</b>
Dividend etc.	-1,677	-1,287	-1,675	-1,266	-1,678	-1,288
<b>CASH FLOW BEFORE CHANGE IN INTEREST-BEARING RECEIVABLES AND LIABILITIES</b>	<b>-1,304</b>	<b>-196</b>	<b>-840</b>	<b>-70</b>	<b>5,758</b>	<b>6,866</b>
Change in interest-bearing receivables and liabilities	1,206	-1,532	1,399	-723	-2,207	-4,945
<b>CASH FLOW FOR THE PERIOD</b>	<b>-98</b>	<b>-1,728</b>	<b>559</b>	<b>-793</b>	<b>3,551</b>	<b>1,921</b>
Liquid assets at the beginning of the period	8,868	7,037	8,323	6,226	5,407	7,037
Exchange rate differences in liquid assets	325	98	213	-26	137	-90
<b>Liquid assets at the end of the period</b>	<b>9,095</b>	<b>5,407</b>	<b>9,095</b>	<b>5,407</b>	<b>9,095</b>	<b>8,868</b>
Change in interest-bearing net receivables/net debt	-743	-254	-462	6	6,893	7,382

## Balance sheet

SEK M	Jun 30 2005	Jun 30 2004	Jan 1 2005	Dec 31 2004
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5,429	6,360	4,978	5,507
Goodwill	4,204	4,450	3,899	3,899
Intangible assets	575	565	535	535
Investments in associated companies and joint ventures	1,511	1,382	862	862
Financial assets <sup>1</sup>	1,194	1,427	1,253	1,137
Deferred tax assets	1,528	1,625	1,442	1,455
<b>Total non-current assets</b>	<b>14,441</b>	<b>15,809</b>	<b>12,969</b>	<b>13,395</b>
<b>Current assets</b>				
Current-asset properties <sup>2</sup>	10,938	13,379	11,935	11,948
Inventories	635	1,249	605	732
Financial receivables	1,991	1,691	2,771	2,490
Tax receivables	574	574	269	269
Gross amount due from customers for contract work	6,018	5,479	3,653	3,579
Trade and other receivables	23,901	23,481	21,457	21,622
Short-term investments	1,906	872	3,053	3,053
Cash and bank balances	7,181	4,535	5,794	5,815
Assets classified as held for sale	742	0	869	0
<b>Total current assets</b>	<b>53,886</b>	<b>51,260</b>	<b>50,406</b>	<b>49,508</b>
<b>TOTAL ASSETS</b>	<b>68,327</b>	<b>67,069</b>	<b>63,375</b>	<b>62,903</b>
<i>of which interest-bearing non-current assets</i>	<i>1,088</i>	<i>1,352</i>	<i>1,179</i>	<i>1,063</i>
<i>of which interest-bearing assets held for sale</i>	<i>8</i>	<i>0</i>	<i>21</i>	<i>0</i>
<i>of which interest-bearing current assets</i>	<i>11,078</i>	<i>7,098</i>	<i>11,618</i>	<i>11,358</i>
	<b>12,174</b>	<b>8,450</b>	<b>12,818</b>	<b>12,421</b>
<b>EQUITY</b>				
Equity attributable to equity holders	17,837	14,595	16,665	16,676
Minority interest	122	165	117	117
<b>Total equity</b>	<b>17,959</b>	<b>14,760</b>	<b>16,782</b>	<b>16,793</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Loans and borrowings	2,922	5,554	3,300	3,046
Pensions	643	1,461	518	522
Deferred tax liabilities	2,528	3,207	2,708	2,744
Provisions	124	158	135	135
<b>Total non-current liabilities</b>	<b>6,217</b>	<b>10,380</b>	<b>6,661</b>	<b>6,447</b>
<b>Current liabilities</b>				
Loans and borrowings	1,530	1,199	1,197	1,006
Tax liabilities	1,035	682	994	998
Provisions	2,600	2,925	2,722	2,727
Gross amount due to customers for contract work	12,061	10,364	10,471	10,428
Trade and other payables	26,622	26,759	24,224	24,504
Liabilities classified as held for sale	303	0	324	0
<b>Total current liabilities</b>	<b>44,151</b>	<b>41,929</b>	<b>39,932</b>	<b>39,663</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>68,327</b>	<b>67,069</b>	<b>63,375</b>	<b>62,903</b>
<i>of which interest-bearing loans and borrowings</i>	<i>4,452</i>	<i>6,753</i>	<i>4,497</i>	<i>4,052</i>
<i>of which interest-bearing pensions and provisions</i>	<i>686</i>	<i>1,514</i>	<i>546</i>	<i>550</i>
<i>of which interest-bearing liabilities held for sale</i>	<i>10</i>	<i>0</i>	<i>6</i>	<i>0</i>
	<b>5,148</b>	<b>8,267</b>	<b>5,049</b>	<b>4,602</b>
<b>Key financial figures</b>				
Capital employed, closing balance	23,107	23,027	21,831	21,395
Capital employed, average	22,871	24,706	23,446	23,391
Equity/assets ratio, %	26.3	22.0	26.5	26.7
Interest-bearing net receivables (+)/net debt (-), SEK m	7,026	183	7,769	7,819
Debt/equity ratio	-0.4	0.0	-0.5	-0.5
1 of which interest-bearing receivables	1,088	1,352	1,179	1,063
of which shares	106	75	74	74
2 <b>Current-asset properties</b>				
Commercial Project Development	6,180	8,740	7,395	7,408
Other commercial properties	1,335	1,371	1,272	1,272
Residential Project Development	3,423	3,268	3,268	3,268
	<b>10,938</b>	<b>13,379</b>	<b>11,935</b>	<b>11,948</b>

### Note Contingent liabilities

Contingent liabilities amounted to SEK 7.8 billion on June 30, 2005 (Dec 31, 2004: 7.4). During the quarter the liabilities increased by SEK 0.4 billion.

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 second quarter of 2005.

## Additional information

### Business streams

#### Construction

SEK M	Jan-Jun 2005	Jan-Jun 2004	Apr-Jun 2005	Apr-Jun 2004	Jul 2004- Jun 2005	Jan-Dec 2004
Revenue	51,236	50,455	28,468	27,459	108,758	107,977
<b>Gross income</b>	<b>3,360</b>	<b>3,431</b>	<b>1,817</b>	<b>1,883</b>	<b>6,609</b>	<b>6,680</b>
Selling and administrative expenses	-2,627	-2,710	-1,393	-1,429	-5,124	-5,207
Income from joint ventures and associated companies	19	12	10	6	46	39
<b>Operating income</b>	<b>752</b>	<b>733</b>	<b>434</b>	<b>460</b>	<b>1,531</b>	<b>1,512</b>
Investments	-1,105	-528	-667	-343	-1,907	-1,330
Divestments	675	391	480	245	1,362	1,078
<b>Net investments</b>	<b>-430</b>	<b>-137</b>	<b>-187</b>	<b>-98</b>	<b>-545</b>	<b>-252</b>
Cash flow from operations before investments and change in working capital	1,348	1,181	804	701	2,404	2,237
Change in working capital	-2,634	-726	-759	-117	-6	1,902
Net investments in operations	-440	-99	-214	-60	-607	-266
Cash flow adjustment, net investments	2	-1	-48	-6	81	78
Operating cash flow from business operations <sup>1</sup>	-1,724	355	-217	518	1,872	3,951
Strategic net investments	10	-38	27	-38	62	14
<b>Cash flow</b>	<b>-1,714</b>	<b>317</b>	<b>-190</b>	<b>480</b>	<b>1,934</b>	<b>3,965</b>
Gross margin, %	6.6	6.8	6.4	6.9	6.1	6.2
Selling and administrative expenses, %	-5.1	-5.4	-4.9	-5.2	-4.7	-4.8
Operating margin %	1.5	1.5	1.5	1.7	1.4	1.4
Capital employed, SEK bn	6.1	7.0				3.6
Return on capital employed (RoCE), % <sup>2</sup>	30.8	23.9				25.6
Order bookings, SEK bn	50.7	60.2	27.3	31.4	106.5	116.0
Order backlog, SEK bn	126.2	122.2				113.5
Employees	52,416	52,395				51,583

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

<sup>2</sup> Rolling 12 months

#### Residential Project Development

SEK M	Jan-Jun 2005	Jan-Jun 2004	Apr-Jun 2005	Apr-Jun 2004	Jul 2004- Jun 2005	Jan-Dec 2004
Revenue	2,931	2,767	1,502	1,472	5,978	5,814
<b>Gross income</b>	<b>449</b>	<b>377</b>	<b>228</b>	<b>188</b>	<b>893</b>	<b>821</b>
Selling and administrative expenses	-170	-147	-86	-75	-328	-305
Income from joint ventures and associated companies	0	0	0	0	12	12
<b>Operating income</b>	<b>279</b>	<b>230</b>	<b>142</b>	<b>113</b>	<b>577</b>	<b>528</b>
Investments	-1,668	-1,623	-1,024	-825	-3,721	-3,676
Divestments	2,146	1,857	1,150	883	4,374	4,085
<b>Net investments</b>	<b>478</b>	<b>234</b>	<b>126</b>	<b>58</b>	<b>653</b>	<b>409</b>
Cash flow from operations before investments and change in working capital	-189	-72	-139	-26	-186	-69
Change in working capital	858	-314	846	-404	1,048	-124
Net investments in operations	478	234	126	58	653	409
Cash flow adjustment, net investments	-139	-26	-50	69	-25	88
Operating cash flow from business operations <sup>1</sup>	1,008	-178	783	-303	1,490	304
Strategic net investments	0	0	0	0	0	0
<b>Cash flow</b>	<b>1,008</b>	<b>-178</b>	<b>783</b>	<b>-303</b>	<b>1,490</b>	<b>304</b>
Operating margin, %	9.5	8.3	9.5	7.7	9.7	9.1
Capital employed, SEK bn	2.3	3.2				2.8
Return on capital employed (RoCE), % <sup>2</sup>	20.9	14.1				18.4
Employees	635	655				739

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

<sup>2</sup> Rolling 12 months

## Commercial Project Development

SEK M	Jan-Jun 2005	Jan-Jun 2004	Apr-Jun 2005	Apr-Jun 2004	Jul 2004- Jun 2005	Jan-Dec 2004
Revenue	3,550	2,546	1,699	1,922	6,588	5,584
<b>Gross income</b>	<b>1,497</b>	<b>963</b>	<b>753</b>	<b>735</b>	<b>2,407</b>	<b>1,873</b>
Selling and administrative expenses	-107	-113	-53	-56	-209	-215
Income from joint ventures and associated companies	1	-4	0	1	-36	-41
<b>Operating income</b>	<b>1,391</b>	<b>846</b>	<b>700</b>	<b>680</b>	<b>2,162</b>	<b>1,617</b>
of which gain from divestments of properties <sup>1</sup>	1,197	658	721	583	1,961	1,422
of which operating net, completed properties	274	276	23	142	502	504
of which write-downs/reversal of write-downs	0	0	0	0	-98	-98
Investments	-520	-627	-302	-446	-1,229	-1,336
Divestments	3,128	2,086	1,614	1,690	5,757	4,715
<b>Net investments</b>	<b>2,608</b>	<b>1,459</b>	<b>1,312</b>	<b>1,244</b>	<b>4,528</b>	<b>3,379</b>
Cash flow from operations before investments and change in working capital	192	192	-22	87	337	337
Change in working capital	103	-19	151	25	-29	-151
Net investments in operations	2,608	1,458	1,311	1,240	4,528	3,378
Cash flow adjustment, net investments	-126	155	-893	64	-500	-219
Operating cash flow from business operations before taxes <sup>2</sup>	2,777	1,786	547	1,416	4,336	3,345
Strategic investments	0	1	0	4	0	1
<b>Cash flow</b>	<b>2,777</b>	<b>1,787</b>	<b>547</b>	<b>1,420</b>	<b>4,336</b>	<b>3,346</b>
Capital employed, SEK bn	7.0	9.8				7.8
Return on capital employed (RoCE), % <sup>3</sup>	26.9	18.5				17.7
Employees	124	136				129

1 Additional gain included in eliminations was

2 Before taxes, financing operations and dividends

3 Rolling 12 months

## BOT

SEK M	Jan-Jun 2005	Jan-Jun 2004	Apr-Jun 2005	Apr-Jun 2004	Jul 2004- Jun 2005	Jan-Dec 2004
Revenue	8	14	2	9	27	33
<b>Gross income</b>	<b>-21</b>	<b>-6</b>	<b>-19</b>	<b>-3</b>	<b>-27</b>	<b>-12</b>
Selling and administrative expenses	-46	-33	-27	-20	-83	-70
Income from joint ventures and associated companies	52	29	40	16	136	113
<b>Operating income</b>	<b>-15</b>	<b>-10</b>	<b>-6</b>	<b>-7</b>	<b>26</b>	<b>31</b>
of which gains from divestments of projects	0	0	0	0	0	0
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Investments	-275	-26	-135	-8	-437	-188
Divestments	8	6	8	6	8	6
<b>Net investments</b>	<b>-267</b>	<b>-20</b>	<b>-127</b>	<b>-2</b>	<b>-429</b>	<b>-182</b>
Cash flow from operations before investments and change in working capital	-50	-38	-28	-22	-30	-18
Change in working capital	-18	-26	-7	-3	-7	-15
Net investments in operations	-267	-20	-127	-2	-429	-182
Cash flow adjustment, net investments	0	0	0	0	0	0
Operating cash flow from business operations <sup>1</sup>	-335	-84	-162	-27	-466	-215
Strategic investments	0	0	0	0	0	0
<b>Cash flow</b>	<b>-335</b>	<b>-84</b>	<b>-162</b>	<b>-27</b>	<b>-466</b>	<b>-215</b>
Capital employed, SEK bn	2.1	1.3				1.5
Return on capital employed (RoCE), % <sup>2</sup>	1.2	2.2				3.3
Employees	48	39				40

1 Before taxes, financing operations and dividends

2 Rolling 12 months

At the end of the report period, the book value of shares, participations and subordinated receivables in BOT operations totaled about SEK 1.8 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-Jun 2005	Jan-Jun 2004	Apr-Jun 2005	Apr-Jun 2004	Jul 2004-Jun 2005	Jan-Dec 2004
Sweden	10,120	9,163	5,833	5,028	21,476	20,519
Norway	5,313	3,950	2,872	2,059	10,003	8,640
Denmark	1,973	1,613	1,044	836	3,996	3,636
Finland	3,516	3,496	2,049	1,894	7,643	7,623
Poland	1,512	1,157	913	773	4,325	3,970
Czech Republic	4,197	3,109	2,606	1,983	8,994	7,906
UK	4,440	6,150	2,292	3,095	9,314	11,024
USA Building	13,619	13,483	7,128	7,329	27,737	27,601
USA Civil	4,026	6,235	2,219	3,239	10,197	12,406
Latin America	1,674	1,154	956	611	3,305	2,785
International <sup>1</sup>	846	945	556	612	1,768	1,867
<b>Total</b>	<b>51,236</b>	<b>50,455</b>	<b>28,468</b>	<b>27,459</b>	<b>108,758</b>	<b>107,977</b>

<sup>1</sup> International includes operations in Russia, International Projects and UK International.

SEK M	Operating income						Operating margin, %					
	Jan-Jun 2005	Jan-Jun 2004	Apr-Jun 2005	Apr-Jun 2004	Jul 2004-Jun 2005	Jan-Dec 2004	Jan-Jun 2005	Jan-Jun 2004	Apr-Jun 2005	Apr-Jun 2004	Jul 2004-Jun 2005	Jan-Dec 2004
Sweden	312	208	232	155	683	579	3.1	2.3	4.0	3.1	3.2	2.8
Norway	146	104	93	63	257	215	2.7	2.6	3.2	3.1	2.6	2.5
Denmark	42	20	25	10	75	53	2.1	1.2	2.4	1.2	1.9	1.5
Finland	58	58	48	46	263	263	1.6	1.7	2.3	2.4	3.4	3.5
Poland	-23	-7	-25	20	85	101	-1.5	-0.6	-2.7	2.6	2.0	2.5
Czech Republic	197	161	149	118	404	368	4.7	5.2	5.7	6.0	4.5	4.7
UK	134	181	62	80	5	52	3.0	2.9	2.7	2.6	0.1	0.5
USA Building	100	-53	52	-92	-260	-413	0.7	-0.4	0.7	-1.3	-0.9	-1.5
USA Civil	-240	78	-253	67	-100	218	-6.0	1.3	-11.4	2.1	-1.0	1.8
Latin America	50	56	29	33	112	118	3.0	4.9	3.0	5.4	3.4	4.2
International <sup>1</sup>	-24	-73	22	-40	7	-42	-2.8	-7.7	4.0	-6.5	0.4	-2.2
<b>Total</b>	<b>752</b>	<b>733</b>	<b>434</b>	<b>460</b>	<b>1,531</b>	<b>1,512</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.7</b>	<b>1.4</b>	<b>1.4</b>

SEK M	Order backlog			Order bookings					
	Jun 30 2005	Jun 30 2004	Dec 31 2004	Jan-Jun 2005	Jan-Jun 2004	Apr-Jun 2005	Apr-Jun 2004	Jul 2004-Jun 2005	Jan-Dec 2004
Sweden	15,713	16,073	15,485	10,260	12,342	5,272	4,456	20,957	23,039
Norway	6,792	6,615	7,371	4,307	4,831	2,592	2,187	9,671	10,195
Denmark	2,546	2,057	2,157	1,935	1,707	946	915	3,746	3,518
Finland	5,858	5,348	4,854	4,249	3,604	2,673	2,177	7,961	7,316
Poland	4,561	3,377	3,844	1,953	1,696	856	879	4,816	4,559
Czech Republic	13,767	11,553	13,047	4,120	6,940	3,201	4,572	10,090	12,910
UK	15,902	15,172	13,318	5,581	6,851	881	5,735	9,580	10,850
USA Building	39,204	42,702	36,577	9,955	16,728	4,679	7,465	22,926	29,699
USA Civil	16,464	14,555	12,116	5,978	2,775	4,187	1,595	11,445	8,242
Latin America	3,800	2,659	2,885	1,853	1,693	1,440	1,188	4,084	3,924
International	1,611	2,097	1,844	536	1,054	579	233	1,238	1,756
<b>Total</b>	<b>126,218</b>	<b>122,208</b>	<b>113,498</b>	<b>50,727</b>	<b>60,221</b>	<b>27,306</b>	<b>31,402</b>	<b>106,514</b>	<b>116,008</b>

## Residential Project Development, by business/reporting unit

SEK M	Revenue						Operating income <sup>1</sup>					
	Jan-Jun 2005	Jan-Jun 2004	Apr-Jun 2005	Apr-Jun 2004	Jul 2004-Jun 2005	Jan-Dec 2004	Jan-Jun 2005	Jan-Jun 2004	Apr-Jun 2005	Apr-Jun 2004	Jul 2004-Jun 2005	Jan-Dec 2004
Sweden	1,091	930	596	533	2,207	2,046	73	38	42	12	171	136
Norway	674	614	290	303	1,294	1,234	61	69	26	38	114	122
Finland	832	785	446	407	1,656	1,609	85	59	46	35	177	151
Poland	45	59	24	26	102	116	0	7	1	4	3	10
Czech Republic	192	260	95	141	455	523	58	53	25	24	110	105
International	97	119	51	62	264	286	2	4	2	0	2	4
<b>Total</b>	<b>2,931</b>	<b>2,767</b>	<b>1,502</b>	<b>1,472</b>	<b>5,978</b>	<b>5,814</b>	<b>279</b>	<b>230</b>	<b>142</b>	<b>113</b>	<b>577</b>	<b>528</b>

SEK M	Operating margin, % <sup>1</sup>						Return on capital employed <sup>2</sup>		
	Jan-Jun 2005	Jan-Jun 2004	Apr-Jun 2005	Apr-Jun 2004	Jul 2004-Jun 2005	Jan-Dec 2004	Jul 2004-Jun 2005	Jul 2003-Jun 2004	Jan-Dec 2004
Sweden	6.7	4.1	7.0	2.3	7.7	6.6	33.6	10.8	25.4
Norway	9.1	11.2	9.0	12.5	8.8	9.9	9.8	10.6	9.7
Finland	10.2	7.5	10.3	8.6	10.7	9.4	28.6	13.1	24.0
Poland	0.0	11.9	4.2	15.4	2.9	8.6	2.0	-2.1	7.7
Czech Republic	30.2	20.4	26.3	17.0	24.2	20.1	46.1	62.5	48.6
International	2.1	3.4	3.9	0.0	0.8	1.4	3.3	9.6	8.6
<b>Total</b>	<b>9.5</b>	<b>8.3</b>	<b>9.5</b>	<b>7.7</b>	<b>9.7</b>	<b>9.1</b>	<b>20.9</b>	<b>14.1</b>	<b>18.4</b>

<sup>1</sup> Development profit only. Construction margin reported under Construction.

<sup>2</sup> Rolling 12 months

At the end of June 2005, there were 5,572 (7,042) residential units under construction. Of these, 75 (68) percent were sold. The number of completed unsold residential units totaled 301 (300). During the first half, construction started on 2,110 (2,865) units. In the Nordic countries, the number of residential units started increased, while it declined in the Czech Republic and in St. Petersburg, Russia. The number of residential units sold during the first six months of the year was 2,441 (2,375). Here, too, the Nordic countries experienced an increase, while sales declined in other markets.

The book value of current-asset properties in Residential Project Development totaled SEK 3.4 billion (3.3). 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, June 30, 2005

SEK M	Residential Project Development	Commercial Project Development	Other commercial properties	Total
Completed projects	658	3,706	39	4,403
Ongoing projects	656	386	302	1,344
Land bank	2,109	2,088	994	5,191
<b>Total</b>	<b>3,423</b>	<b>6,180</b>	<b>1,335</b>	<b>10,938</b>

### Commercial Project Development

SEK M	Book value, end of period	Book value upon completion	Market value Dec 31, 2004	Occupancy rate, %
Completed properties	3,706	3,706	4,992	69
Ongoing projects	386	798	1,009	37
<b>Subtotal</b>	<b>4,092</b>	<b>4,504</b>	<b>6,001</b>	
Land bank	2,088	2,088		
<b>TOTAL</b>	<b>6,180</b>	<b>6,592</b>		

Commercial Project Development has four projects underway, three of them in Sweden. Ongoing projects represent leasable space of about 41,000 sq. m (441,300 sq. ft.) and are 37 percent pre-leased, measured in rent. Including the seven ongoing projects that were sold during construction, leasable space totals 102,000 sq. m (1,098,000 sq. ft.) of which a total of 71 percent is pre-leased. At the end of the report period, the book value of ongoing projects amounted to SEK 0.4 billion (Dec. 2004: 0.2). Their book value upon completion is expected to total SEK 0.8 billion, with an estimated market value of SEK 1.0 billion. The degree of completion in ongoing projects is about 48 percent.

The book value of Skanska's portfolio of completed projects amounted to SEK 3.7 billion (Dec. 2004: 4.6), with an estimated market value, based on an appraisal dated December 2004, of about SEK 5.0 billion (Dec. 2004: 6.9). The occupancy rate, measured in rent, amounted to 69 percent.

The book value of Skanska's undeveloped land and development properties (or "land bank") totaled about SEK 2.1 billion (Dec. 2004: 2.4).

As of today (July 28), Skanska has carried out property divestments worth SEK 57 M during the third quarter, with capital gains amounting to SEK 21 M.



Income statement "The bridge" Jan - Jun 2004

GROUP	SWGAAAP	IFRS-	IFRS
SEK M	Jan-Jun	related	Jan-Jun
	2004	change	2004
Revenue	58,258		58,258
Cost of sales	-52,863	-22	-52,885
<b>Gross income</b>	<b>5,395</b>	<b>-22</b>	<b>5,373</b>
Selling and administrative expenses	-3,857	192	-3,665
Income from divestments of discontinued operations	0		0
Income from joint ventures and associated companies	48		48
<b>Operating income</b>	<b>1,586</b>	<b>170</b>	<b>1,756</b>
Interest income	93		93
Interest expenses	-163		-163
<i>Net interest</i>	<i>-70</i>	<i>0</i>	<i>-70</i>
Other net financial items	-6		-6
<b>Net financial items</b>	<b>-76</b>	<b>0</b>	<b>-76</b>
<b>Income after financial items</b>	<b>1,510</b>	<b>170</b>	<b>1,680</b>
Taxes	-544	5	-539
<b>Profit for the period</b>	<b>966</b>	<b>175</b>	<b>1,141</b>
Attributable to:			
Equity holders of Skanska	958	175	1,133
Minority interests	8	0	8
Earnings per share, SEK	2.29	0.42	2.71

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CONTINUING OPERATIONS	SWGAAAP	IFRS-	IFRS
SEK M	Jan-Jun	related	Jan-Jun
	2004	change	2004
Revenue	54,377		54,377
Cost of sales	-49,489	-22	-49,511
<b>Gross income</b>	<b>4,888</b>	<b>-22</b>	<b>4,866</b>
Selling and administrative expenses	-3,464	179	-3,285
Income from divestments of discontinued operations	0		0
Income from joint ventures and associated companies	38		38
<b>Operating income</b>	<b>1,462</b>	<b>157</b>	<b>1,619</b>
<b>Net financial items</b>	<b>-64</b>	<b>0</b>	<b>-64</b>
<b>Income after financial items</b>	<b>1,398</b>	<b>157</b>	<b>1,555</b>
Taxes	-509	4	-505
<b>Profit for the period</b>	<b>889</b>	<b>161</b>	<b>1,050</b>

DISCONTINUED OPERATIONS	SWGAAAP	IFRS-	IFRS
SEK M	Jan-Jun	related	Jan-Jun
	2004	change	2004
Revenue	3,881		3,881
Cost of sales	-3,374		-3,374
<b>Gross income</b>	<b>507</b>	<b>0</b>	<b>507</b>
Selling and administrative expenses	-393	13	-380
Income from divestments of discontinued operations	0		0
Income from joint ventures and associated companies	10		10
<b>Operating income</b>	<b>124</b>	<b>13</b>	<b>137</b>
<b>Net financial items</b>	<b>-12</b>	<b>0</b>	<b>-12</b>
<b>Income after financial items</b>	<b>112</b>	<b>13</b>	<b>125</b>
Taxes	-35	1	-34
<b>Profit for the period</b>	<b>77</b>	<b>14</b>	<b>91</b>

**BALANCE SHEET "The bridge" June 30, 2004**

SEK M	SWGAAAP Jun 30 2004	IFRS-related change	IFRS Jun 30 2004
<b>ASSETS</b>			
<u>Non-current assets</u>			
Property, plant and equipment	6,390	-30	6,360
Goodwill	4,278	172	4,450
Intangible assets	459	106	565
Investments in associated companies and joint ventures	1,382		1,382
Financial assets	1,427		1,427
Deferred tax assets	1,710	-85	1,625
<b>Total non-current assets</b>	<b>15,646</b>	<b>163</b>	<b>15,809</b>
<u>Current assets</u>			
Current-asset properties 1)	13,217	162	13,379
Inventories	1,249		1,249
Financial receivables	1,691		1,691
Tax receivables	574		574
Gross amount due from customers for contract work	5,528	-49	5,479
Trade and other receivables	23,481		23,481
Short-term investments	872		872
Cash and bank balances	4,535		4,535
<b>Total current assets</b>	<b>51,147</b>	<b>113</b>	<b>51,260</b>
<b>TOTAL ASSETS</b>	<b>66,793</b>	<b>276</b>	<b>67,069</b>
<i>of which interest-bearing non-current assets</i>	<i>1,352</i>		<i>1,352</i>
<i>of which interest-bearing current assets</i>	<i>7,098</i>		<i>7,098</i>
	<i>8,450</i>	<i>0</i>	<i>8,450</i>
<b>EQUITY</b>			
Equity attributable to holders of Skanska	14,076	519	14,595
Minority interests	165		165
<b>Total equity</b>	<b>14,241</b>	<b>519</b>	<b>14,760</b>
<b>LIABILITIES</b>			
<u>Non-current liabilities</u>			
Loans and borrowings	5,569	-15	5,554
Pensions	1,762	-301	1,461
Deferred tax liabilities	3,142	65	3,207
Provisions	158		158
<b>Total non-current liabilities</b>	<b>10,631</b>	<b>-251</b>	<b>10,380</b>
<u>Current liabilities</u>			
Loans and borrowings	1,184	15	1,199
Tax liabilities	682		682
Provisions	2,932	-7	2,925
Gross amount due to customers for contract work	10,364		10,364
Trade and other payables	26,759		26,759
<b>Total current liabilities</b>	<b>41,921</b>	<b>8</b>	<b>41,929</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>66,793</b>	<b>276</b>	<b>67,069</b>
<i>of which interest-bearing loans and borrowings</i>	<i>6,753</i>		<i>6,753</i>
<i>of which interest-bearing provisions</i>	<i>1,815</i>	<i>-301</i>	<i>1,514</i>
	<i>8,568</i>	<i>-301</i>	<i>8,267</i>
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<b>1) Current-asset properties</b>			
Commercial Project Development	8,578	162	8,740
Other commercial properties	1,371		1,371
Residential Project Development	3,268		3,268
	13,217	162	13,379

Income statement "The bridge" Jan - Dec 2004

GROUP	SWGAAAP Jan-Dec 2004	IFRS- related change	IFRS Jan-Dec 2004
<b>SEK M</b>			
Revenue	121,263		121,263
Cost of sales	-111,667	-39	-111,706
<b>Gross income</b>	<b>9,596</b>	<b>-39</b>	<b>9,557</b>
Selling and administrative expenses	-7,289	338	-6,951
Income from Group companies	1,413	-1,413	0
Income from divestments of discontinued operations	0	1,587	1,587
Income from joint ventures and associated companies	133	35	168
<b>Operating income</b>	<b>3,853</b>	<b>508</b>	<b>4,361</b>
Interest income	284		284
Interest expenses	-332		-332
<i>Net interest</i>	<i>-48</i>	<i>0</i>	<i>-48</i>
Other net financial items	14		14
<b>Net financial items</b>	<b>-34</b>	<b>0</b>	<b>-34</b>
<b>Income after financial items</b>	<b>3,819</b>	<b>508</b>	<b>4,327</b>
Taxes	-1,158	17	-1,141
<b>Profit for the period</b>	<b>2,661</b>	<b>525</b>	<b>3,186</b>
Attributable to:			
Equity holders of Skanska	2,648	525	3,173
Minority interests	13	0	13
Earnings per share, SEK	6.33	1.25	7.58

CONTINUING OPERATIONS	SWGAAAP Jan-Dec 2004	IFRS- related change	IFRS Jan-Dec 2004
<b>SEK M</b>			
Revenue	116,257		116,257
Cost of sales	-106,657	-39	-106,696
<b>Gross income</b>	<b>9,600</b>	<b>-39</b>	<b>9,561</b>
Selling and administrative expenses	-6,671	328	-6,343
Income from Group companies	0		0
Income from divestments of discontinued operations	0		0
Income from joint ventures and associated companies	156		156
<b>Operating income</b>	<b>3,085</b>	<b>289</b>	<b>3,374</b>
<b>Net financial items</b>	<b>-14</b>	<b>0</b>	<b>-14</b>
<b>Income after financial items</b>	<b>3,071</b>	<b>289</b>	<b>3,360</b>
Taxes	-1,111	16	-1,095
<b>Profit for the period</b>	<b>1,960</b>	<b>305</b>	<b>2,265</b>

DISCONTINUED OPERATIONS	SWGAAAP Jan-Dec 2004	IFRS- related change	IFRS Jan-Dec 2004
<b>SEK M</b>			
Revenue	5,006		5,006
Cost of sales	-5,010		-5,010
<b>Gross income</b>	<b>-4</b>	<b>0</b>	<b>-4</b>
Selling and administrative expenses	-618	10	-608
Income from Group companies	1,413	-1,413	0
Income from divestments of discontinued operations	0	1,587	1,587
Income from joint ventures and associated companies	-23	35	12
<b>Operating income</b>	<b>768</b>	<b>219</b>	<b>987</b>
<b>Net financial items</b>	<b>-20</b>	<b>0</b>	<b>-20</b>
<b>Income after financial items</b>	<b>748</b>	<b>219</b>	<b>967</b>
Taxes	-47	1	-46
<b>Profit for the period</b>	<b>701</b>	<b>220</b>	<b>921</b>

**BALANCE SHEET "The bridge" December 31, 2004**

SEK M	SWGAAAP Dec 31 2004	IFRS-related change	IFRS Dec 31 2004
<b>ASSETS</b>			
<u>Non-current assets</u>			
Property, plant and equipment	5,537	-30	5,507
Goodwill	3,565	334	3,899
Intangible assets	464	71	535
Investments in associated companies and joint ventures	862		862
Financial assets	1,137		1,137
Deferred tax assets	1,526	-71	1,455
<b>Total non-current assets</b>	<b>13,091</b>	<b>304</b>	<b>13,395</b>
<u>Current assets</u>			
Current-asset properties 1)	11,796	152	11,948
Inventories	732		732
Financial receivables	2,490		2,490
Tax receivables	269		269
Gross amount due from customers for contract work	3,641	-62	3,579
Trade and other receivables	21,622		21,622
Short-term investments	3,053		3,053
Cash and bank balances	5,815		5,815
<b>Total current assets</b>	<b>49,418</b>	<b>90</b>	<b>49,508</b>
<b>TOTAL ASSETS</b>	<b>62,509</b>	<b>394</b>	<b>62,903</b>
<i>of which interest-bearing non-current assets</i>	<i>1,063</i>		<i>1,063</i>
<i>of which interest-bearing current assets</i>	<i>11,358</i>		<i>11,358</i>
	<i>12,421</i>	<i>0</i>	<i>12,421</i>
<b>EQUITY</b>			
Equity attributable to holders of Skanska	16,066	610	16,676
Minority interests	117		117
<b>Total equity</b>	<b>16,183</b>	<b>610</b>	<b>16,793</b>
<b>LIABILITIES</b>			
<u>Non-current liabilities</u>			
Loans and borrowings	3,094	-48	3,046
Pensions	831	-309	522
Deferred tax liabilities	2,698	46	2,744
Provisions	135	0	135
<b>Total non-current liabilities</b>	<b>6,758</b>	<b>-311</b>	<b>6,447</b>
<u>Current liabilities</u>			
Loans and borrowings	958	48	1,006
Tax liabilities	998		998
Provisions	2,680	47	2,727
Gross amount due to customers for contract work	10,428		10,428
Trade and other payables	24,504		24,504
<b>Total current liabilities</b>	<b>39,568</b>	<b>95</b>	<b>39,663</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>62,509</b>	<b>394</b>	<b>62,903</b>
<i>of which interest-bearing loans and borrowings</i>	<i>4,052</i>		<i>4,052</i>
<i>of which interest-bearing provisions</i>	<i>870</i>	<i>-320</i>	<i>550</i>
	<i>4,922</i>	<i>-320</i>	<i>4,602</i>
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<b>1) Current-asset properties</b>			
Commercial Project Development	7,256	152	7,408
Other commercial properties	1,272		1,272
Residential Project Development	3,268		3,268
	<b>11,796</b>	<b>152</b>	<b>11,948</b>