



Norra Bantorget, Stockholm

Skanska

Year-end report 2006

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zero loss-making projects
zero environmental incidents
zero work site accidents
zero ethical breaches

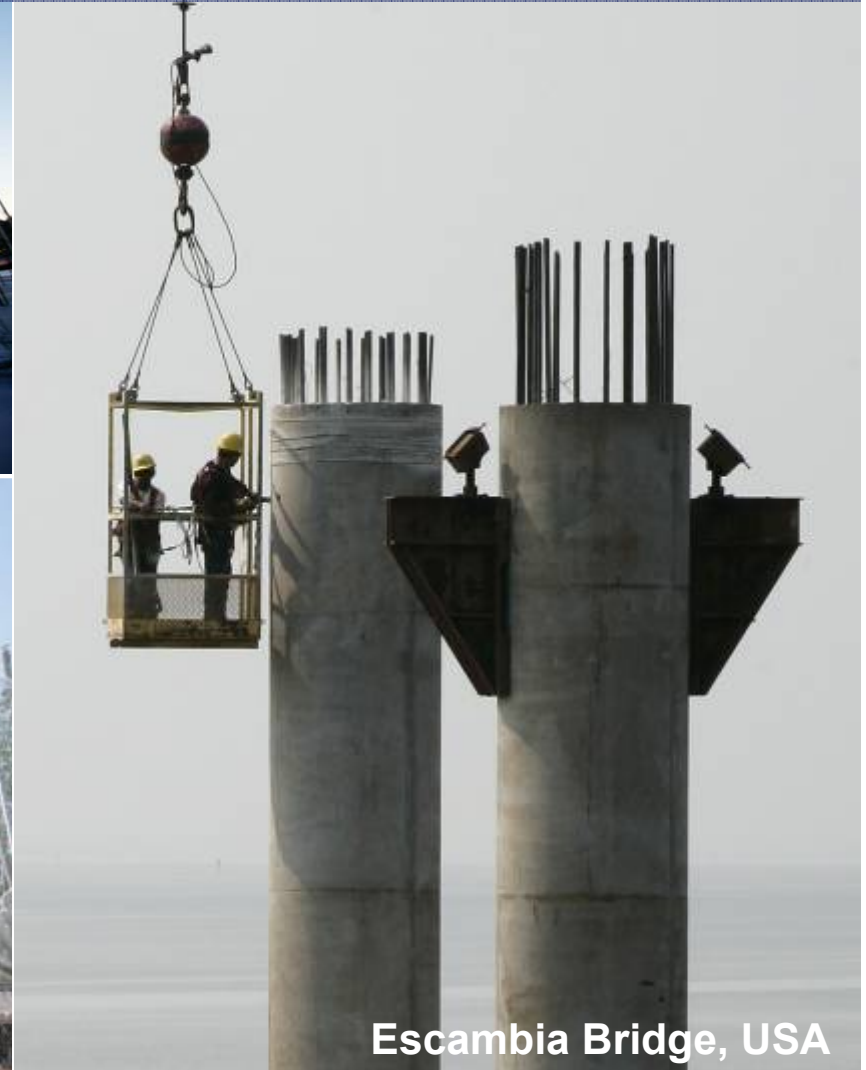
Construction



Swedbank Arena, Sweden



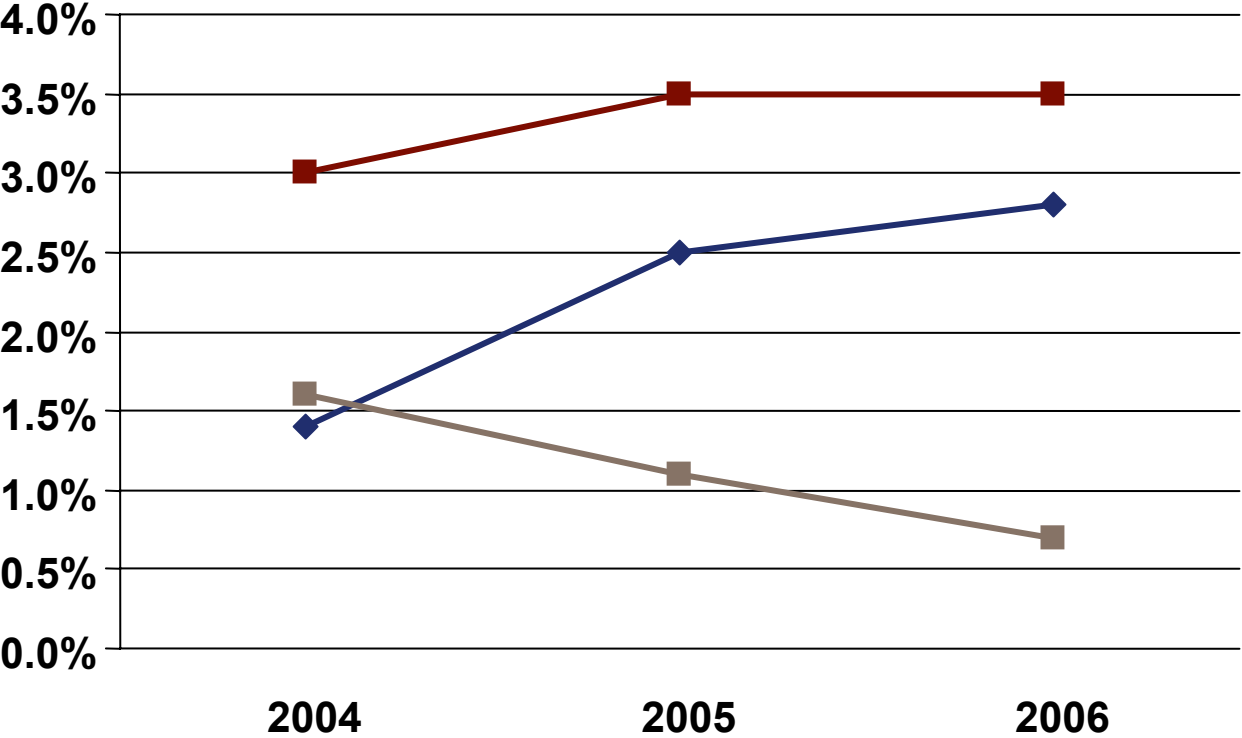
Lodz University, Poland



Escambia Bridge, USA

Good overall performance. Several units already meeting or exceeding their Outperform targets.

Margin in Construction



- ◆ Operating margin
- Negative margin effect from large loss-making projects
- Operating margin excluding large loss-making projects

Profitability issues in Denmark

- Personnel turnover 3 x Skanska average



- Inexperienced personnel



- Overly optimistic assumptions on claims

- Extended warranty timelines
- Inefficient supply chain
- Market dominated by consultants

Residential Development



Hlavní záběr, Czech Republic



Skjoldtun, Norway



Råsunda, Sweden

Strong residential markets all over. Exceeding the Outperform target. Growth in both volumes, margins and new housing starts.

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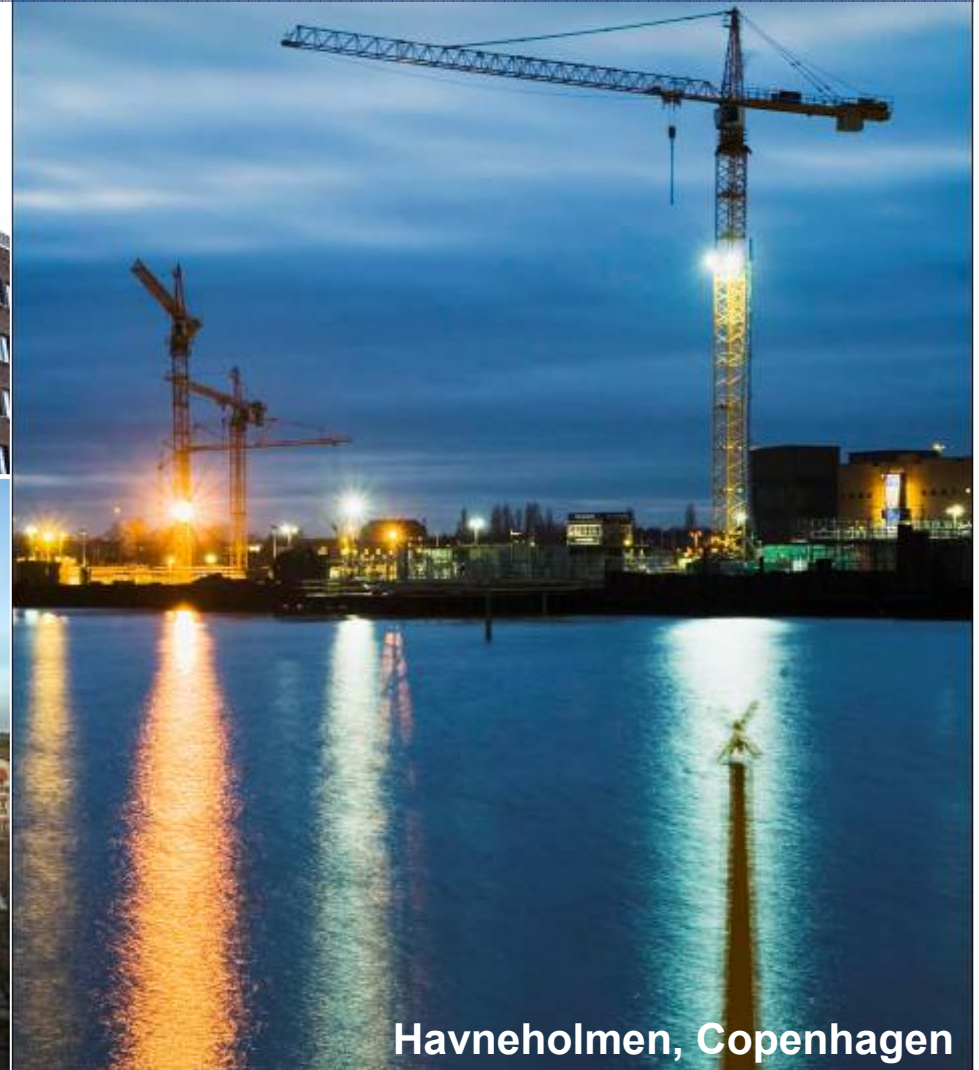
Commercial Development



Hjälmarekajen , Malmö



Norra Bantorget , Sweden



Havneholmen, Copenhagen

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Continuous good earnings. Divestments on average 25 percent above estimated market values. New appraisal indicates surplus values of SEK 2 bn. 11 new projects with SEK 1.6 bn in investment commitment.

Infrastructure Development



Autopista Central highway, Chile



Barts and The London new hospitals program, UK



Schools, UK

Continued investment in the Infrastructure development portfolio. Two new projects and three divestments. Appraisal at year-end indicates surplus values of SEK 3.7 bn

Financial Outperformance

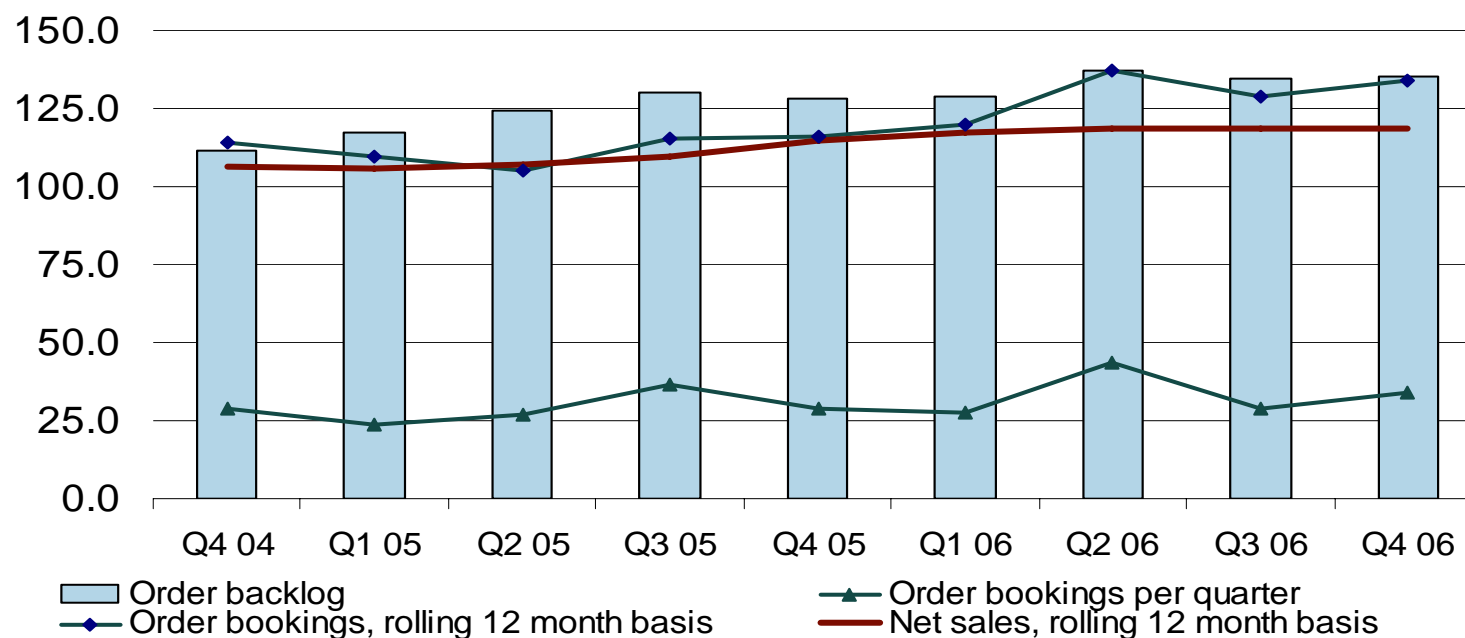
	2007 target	2006
Operating margin, %		
Construction	3.3	2.8
Residential Development	10.0	12.6
ROCE, %		
Residential Development	18.0	27.5
Commercial Development	15 ¹	17
Infrastructure Development	16 ²	34
ROE, %		
Group	18	19

1 Over a 9 year business cycle including unrealized development gains and change in market value

2 Including unrealized change in market value. Excl. FX and long-term interest rate changes

Order situation – Construction

SEK bn	Jan–Dec 2006	Jan–Dec 2005	Oct–Dec 2006	Oct–Dec 2005
Revenue	118.7	114.5	33.2	33.2
Order bookings	134.1	115.8	34.2	29.1
Order backlog	135.1	127.9	135.1	127.9



Order bookings

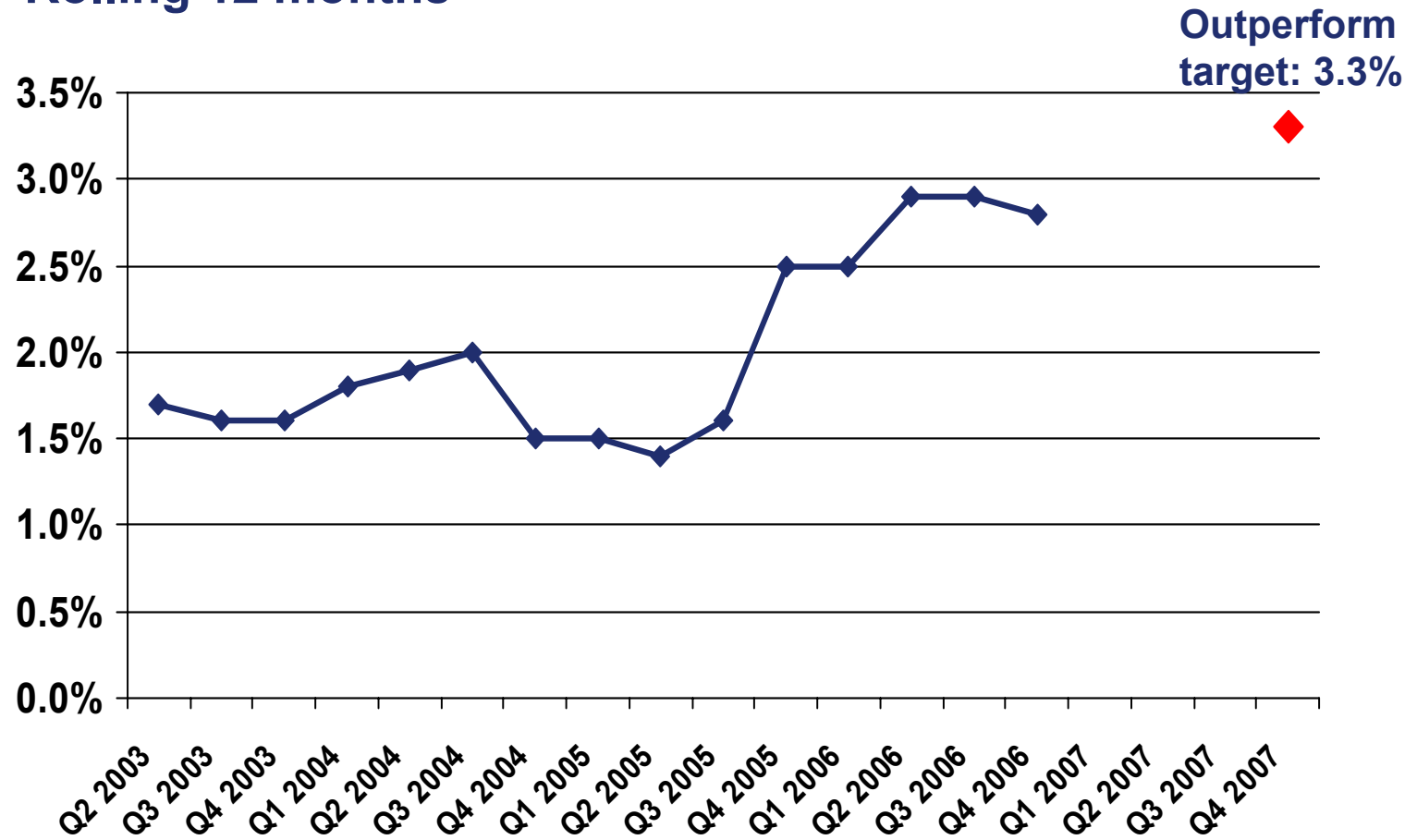
SEK bn	Jan–Dec 2006	Jan–Dec 2005	Oct–Dec 2006	Oct–Dec 2005
Sweden	27.5	22.1	8.1	4.7
Norway	12.4	11.4	4.2	2.7
Denmark	3.7	3.9	0.8	1.1
Finland	9.6	9.1	2.5	3.0
Poland	5.7	7.6	1.2	0.6
Czech Republic	11.7	8.6	2.8	2.3
UK	23.7	13.8	3.0	5.1
USA Building	25.1	23.2	8.2	7.2
USA Civil	11.1	13.2	2.8	1.5
Latin America	3.6	3.1	0.6	0.8
Total	134.1	115.8	34.2	29.1

Construction

SEK M	Jan–Dec 2006	Jan–Dec 2005	Oct–Dec 2006	Oct–Dec 2005
Revenue	118,710	114,478	33,197	33,211
Gross income	8,996	8,153	2,488	2,556
Selling and administrative expenses	-5,722	-5,340	-1,550	-1,475
Income from joint ventures and associated companies	62	47	18	20
Operating income	3,336	2,860	956	1,101
Gross margin, %	7.6	7.1	7.5	7.7
Selling and admin. expenses, %	-4.8	-4.7	-4.7	-4.4
Operating margin, %	2.8	2.5	2.9	3.3
Capital employed, SEK bn	2.5	3.2		
Order bookings, SEK bn	134.1	115.8	34.2	29.1
Order backlog, SEK bn	135.1	127.9		

Operating margin in Construction

Rolling 12 months



Residential Development

SEK M	Jan–Dec 2006	Jan–Dec 2005	Oct–Dec 2006	Oct–Dec 2005
Revenue	6,788	5,883	2,102	1,662
Gross income	1,231	917	440	226
Selling and administrative expenses	-432	-309	-120	-76
Income from joint ventures and associated companies	53	17	20	19
Operating income	852	625	340	169
Operating margin, %	12.6	10.6	16.2	10.2
Capital employed, SEK bn	3.7	2.4		
Return on capital employed, %	27.5	25.6		

Residential Development

December 31, 2006

	Under construction #			Of which sold %			Completed unsold #		
	Q4 2006	Q3 2006	Q4 2005	Q4 2006	Q3 2006	Q4 2005	Q4 2006	Q3 2006	Q4 2005
Sweden	2,567	2,664	1,608	91	91	90	4	5	11
Norway	843	804	714	88	86	88	15	11	13
Finland incl. Estonia	2,073	1,821	1,739	62	64	71	86	86	70
Denmark	325	325	-	90	84	-	1	6	-
Nordic	5,808	5,614	4,061	80	81	82	108	108	94
Czech Republic	679	643	424	85	94	48	13	3	22
TOTAL	6,487	6,257	4,485	81	82	79	119	111	116

All units sold include reserved units in this summary.

Residential Development

	Started				Sold			
	Jan– Dec 2006	Jan– Dec 2005	Oct– Dec 2006	Oct– Dec 2005	Jan– Dec 2006	Jan– Dec 2005	Oct– Dec 2006	Oct– Dec 2005
Sweden	1,484	1,173	188	229	1,357	1,450	527	258
Norway	845	672	188	100	833	669	198	91
Finland incl. Estonia	1,753	1,764	526	474	1,544	1,737	411	502
Denmark	152	0	38	0	128	0	85	0
Nordic	4,234	3,609	940	803	3,862	3,856	1,221	851
Czech Republic	481	233	184	45	624	355	116	79
TOTAL	4,715	4,211	1,124	848	4,486	4,211	1,337	930

Commercial development

SEK M	Jan–Dec 2006	Jan–Dec 2005	Oct–Dec 2006	Oct–Dec 2005
Revenue	3,425	5,075	420	1,108
of which revenue from divestments of properties ¹	3,084	4,430	333	1,003
Gross income	1,422	1,963	92	279
Selling and administrative expenses	-235	-228	-69	-69
Income from joint ventures and associated companies	23	5	21	1
Operating income	1,210	1,740	44	211
of which gain from divestments of properties	1,260	1,551	48	238
of which operating net, completed properties (after S&A)	102	350	13	37
Capital employed, SEK bn	5.8	6.0		
Return on capital employed (adj.), %	17	17		

¹ Divestments made at prices on average 25 percent in excess of market values assigned at year-end 2005

Eleven new CD projects

Project		Leasable area, sq m	Occupancy rate, %	Investment, SEK M
Lundbyvassen, office, Gothenburg	Q1	11,000	70	135
Atrium, office, Copenhagen	Q1	16,000	38	319
Népliget, office, Budapest	Q2	10,000	0	175
Stenalyckan III, retail, Halmstad	Q2	7,000	100	73
Pilsåker III, retail, Lund	Q2	2,000	100	20
Generatorn 11, warehouse, Mölndal	Q2	2,000	63	20
Scylla III, office, Malmö	Q3	8,000	44	200
TOTAL Q1-Q3		56,000		942
Norra Bantorget, office, Stockholm	Q4	14,000	0	364
Pilsåker IV, retail, Lund	Q4	5,000	100	58
Eklanda, retail, Gothenburg	Q4	4,000	100	39
Flundran II, office, Malmö	Q4	9,000	100	237
TOTAL Q4		32,000		698
TOTAL 2006		88,000	45	1,640

Commercial Development

SEK bn	Carrying amount, end of period	Carrying amount upon completion	Market value Dec 31, 2006	Occupancy rate, %
Completed properties	2,525	2,525	3,505	70
Projects completed in 2006	405	405	565	76
Ongoing projects	821	2,774	3,588	49
Subtotal	3,751	5,704	7,658	
Land bank	1,832	1,832		
TOTAL	5,583	7,536		

Infrastructure Development

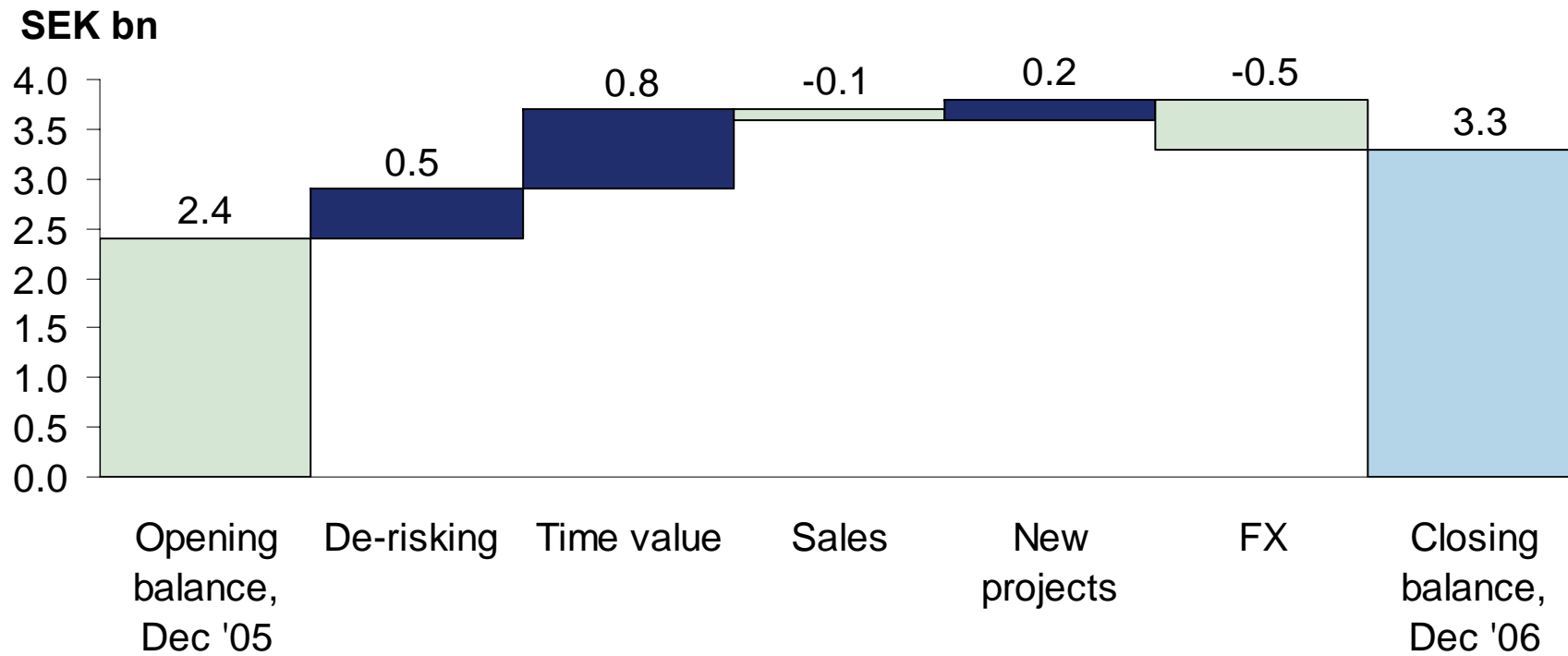
SEK M	Jan–Dec 2006	Jan–Dec 2005	Oct–Dec 2006	Oct–Dec 2005
Revenue	151	53	23	42
Gross income	-25	-47	-39	-8
Selling and administrative expenses	-186	-123	-58	-49
Income from joint ventures and associated companies	203	161	53	124
Operating income (EBIT)	-8	-9	-44	67
of which gains from divestments of shares in projects	118	0	0	0
Capital employed, SEK bn	2.4	2.5		
Return on capital employed (adj.), %	34	36		

Remaining investment commitments at the end of the period amounted to about SEK 0.9 billion in nominal terms with an NPV of about SEK 0.6 billion.

ID appraisal methodology

- Discounted cash flow model with differentiated discount rates based on country, risk model and project phase
- Market valuation only of projects that have reached Financial Close
- The assessment of market values has been made in cooperation with external appraisal expertise
- Weighted average discount rate of 11.7 % (13.7)

Unrealized development gains in ID



Unrealized development gains, ID projects

SEK bn	Dec 31 2006	Dec 31 2005
Present value of cash flow from projects	6.3	5.2
Present value of remaining investments	-0.6	-0.4
Carrying amount	-2.4	-2.4
Unrealized development gain in ID	3.3	2.4
Group eliminations	+0.4	+0.3
Consolidated unrealized development gain	3.7	2.7

Income statement

SEK M	Jan–Dec 2006	Jan–Dec 2005	Oct–Dec 2006	Oct–Dec 2005
Operating income from business streams	5,390	5,216	1,296	1,548
Central	-514	-345	-95	-43
Eliminations	-114	-73	-53	-25
Discontinued operations	-	202	-	-25
Operating income	4,762	5,000	1,148	1,455
Net interest	299	171	104	39
Change in fair value	-118	19	-33	0
Other net financial items	42	-70	-1	-69
Income after financial items	4,985	5,120	1,218	1,425
Taxes	-1,330	-1,230	-372	-343
Profit for the period	3,655	3,890	846	1,082
Earnings per share, SEK	8.68	9.27	2.00	2.58
<i>Tax rate, %</i>	27	24	30	24

Balance sheet

SEK bn	Dec 31, 2006	Dec 31, 2005
Total assets	71.3	71.3
Equity attributable to equity holders	19.2	18.5
Interest-bearing liabilities	5.1	5.9
Interest-bearing assets	15.4	17.0
Interest-bearing net receivables (+)/net debt (-)	10.4	11.1
Working capital, net	-15.5	-15.0
Working capital in construction, net	-11.9	-12.1
Capital employed, closing balance	24.4	24.5
Equity/assets ratio, %	27.1	26.1

Change in interest-bearing assets and liabilities

SEK M	Oct–Dec 2006	Jan–Dec 2006
Net debt (-) / Net cash position (+), opening balance	10,109	11,111
Change in interest-bearing receivables and liquid assets	309	-1,066
Change in interest-bearing liabilities	-87	211
Translation differences, interest-bearing receivables and liquid assets	-214	-518
Translation differences, interest-bearing liabilities	193	218
Reclassification, interest-bearing net receivables/net debt	-223	-252
Interest-bearing debts acquired/divested	5	22
Effect of IAS 19	200	651
Other changes	85	-63
Net debt (-) / Net cash position (+), closing balance	10,377	10,377

Operating cash flow

SEK M	Jan–Dec 2006	Jan–Dec 2005	Oct–Dec 2006	Oct–Dec 2005
Cash flow from business operations before change in working capital	3,482	3,313	1,012	1,014
Change in working capital	90	456	989	2,864
Net investments in business operations	-206	3,060	-929	749
Net strategic investments	-532	528	-636	284
Net interest items and other financial items	90	-120	10	-50
Taxes paid	-1,067	-1,440	-242	-20
Dividend etc.	-2,712	-1,675	18	0
Cash flow before change in interest-bearing receivables and liabilities	-855	4,122	222	4,841

Group net investments

SEK bn	Jan–Dec 2006	Jan–Dec 2005	Oct–Dec 2006	Oct–Dec 2005
Property, plant and equipment				
Investments	-1.7	-1.5	-0.6	-0.3
Divestments	0.5	0.6	0.2	0.2
Net investments	-1.2	-0.9	-0.4	-0.1
Residential Development				
Investments	-5.2	-3.2	-1.8	-1.0
Divestments	4.5	4.2	1.3	1.1
Net investments	-0.7	1.0	-0.5	0.1
Commercial Development				
Investments	-1.6	-1.1	-0.7	-0.4
Divestments	3.0	4.4	0.2	1.0
Net investments	1.4	3.3	-0.5	0.6
Infrastructure Development				
Investments	-0.3	-0.5	-0.1	-0.1
Divestments	0.2	-	-	-
Net investments	-0.1	-0.5	-0.1	-0.1
Total investments	-9.1	-6.9	-3.2	-1.9
Total divestments	8.5	10.1	2.0	2.7
Total net investments	-0.6	3.2	-1.2	0.8
Strategic net investments	-0.5	0.5	-0.6	0.3
Total net investments	-1.1	3.6	-1.8	1.0

Market outlook – Construction

- Positive outlook for building construction in Skanska's main markets, especially in the Nordics
- Positive trend in civil construction in the Nordics, Central Europe and in the U.S.

Market outlook – Project development

- Residential Development activity remains at a high level.
- In Commercial Development, interest in new facilities continues to lead to new project starts. Investor interest remains strong.
- Volume of PPP projects in the U.K. still large. More limited supply of projects in other markets. Pipeline of U.S. projects is increasing but lead times are lengthy.

Dividend for 2006

- The Board of Directors proposes a regular dividend of SEK 4.75 (4.50) per share and an extra dividend of SEK 3.50 (2.00) per share for the 2006 financial year

Outperformance by business unit

Construction	Residential Development	Commercial Development	Infrastructure Development
Skanska Sweden	Skanska Residential Development Nordic	Skanska Commercial Development Nordic	Skanska Infrastructure Development
Skanska Norway			
Skanska Denmark			
Skanska Finland			
Skanska Poland		Skanska Commercial Development Europe	
Skanska Czech Republic	Residential Dev. CZ		
Skanska UK			
Skanska USA Building			
Skanska USA Civil			
Skanska Latin America			

- Outperforming already
- Significant improvements towards Outperform
- No improvement in 2006

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