



South Central Wastewater Treatment Plant – a USD 52 million project in Douglas County, GA.

Skanska

Six Month Report 2007

H1 2007 in brief

- Revenue in Construction SEK 61.0 bn (54.3)
 - up 16 percent in local currencies
- Operating income of SEK 2,198 M (2,567)
 - of which, gains from divestments of properties of SEK 479 (1,205)
- Operating income in Construction up 33 percent to SEK 1,813 M (1,362) with a 3.0 percent operating margin
- Backlog of SEK 155.6 bn represents 15 months of sales

Business Streams

Construction

- Operating income up 33 percent year-on-year and operating margin reaching 3.0 percent
- Good market conditions and continued strong order bookings despite selectivity
- Continued cost escalation and shortage of resources

Residential Development

- Good demand situation in most markets, particularly in capital areas
- Cost increases and scarcity of resources still cause concern

Commercial Development

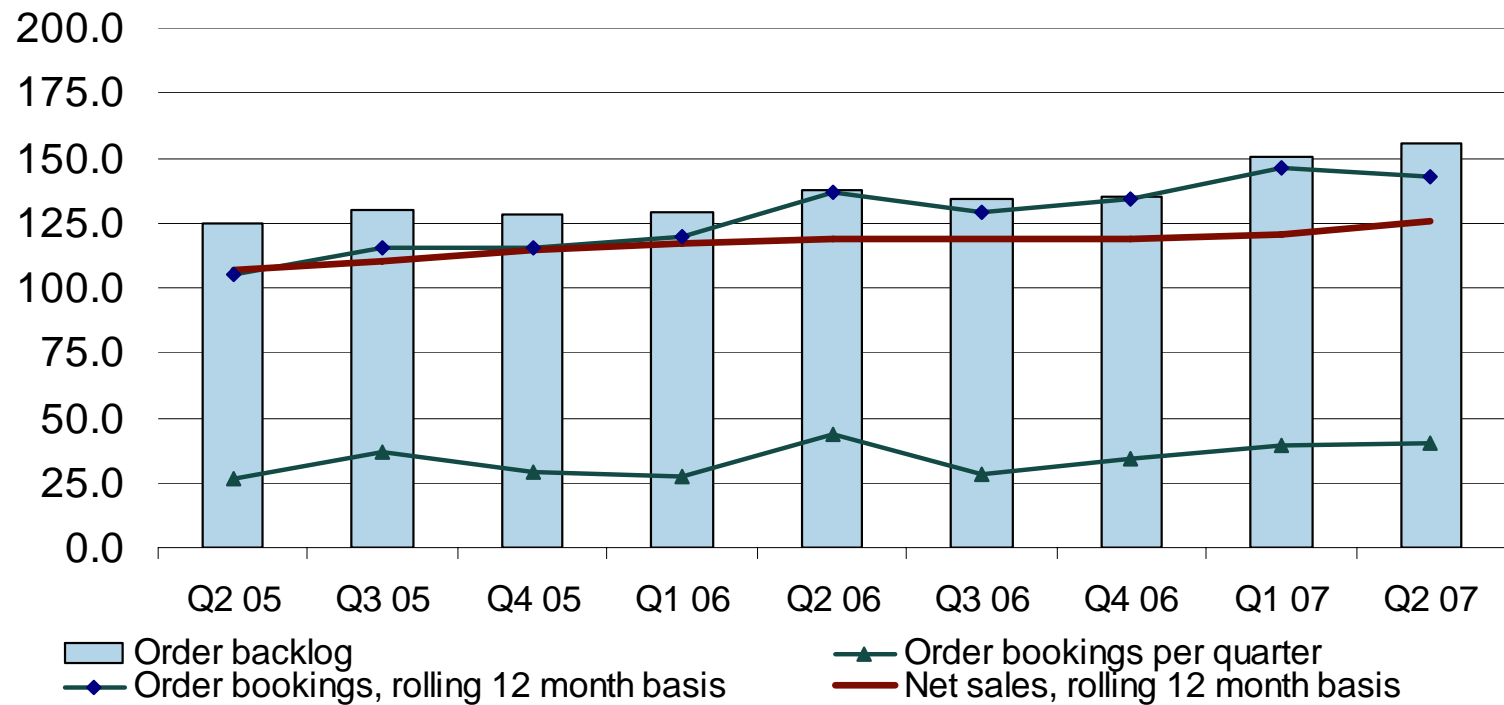
- Good leasing activity
- Eight new projects started during H1

Infrastructure Development

- Continuing work on project acquisition
- Unrealized development gain up SEK 500 M

Order situation – Construction

SEK bn	Jan–Jun 2007	Jan–Jun 2006	Jul 2006–Jun 2007	Jan–Dec 2006
Revenue	61.0	54.3	125.4	118.7
Order bookings	79.7	71.3	142.5	134.1
Order backlog	155.6	137.4		135.1



Order bookings

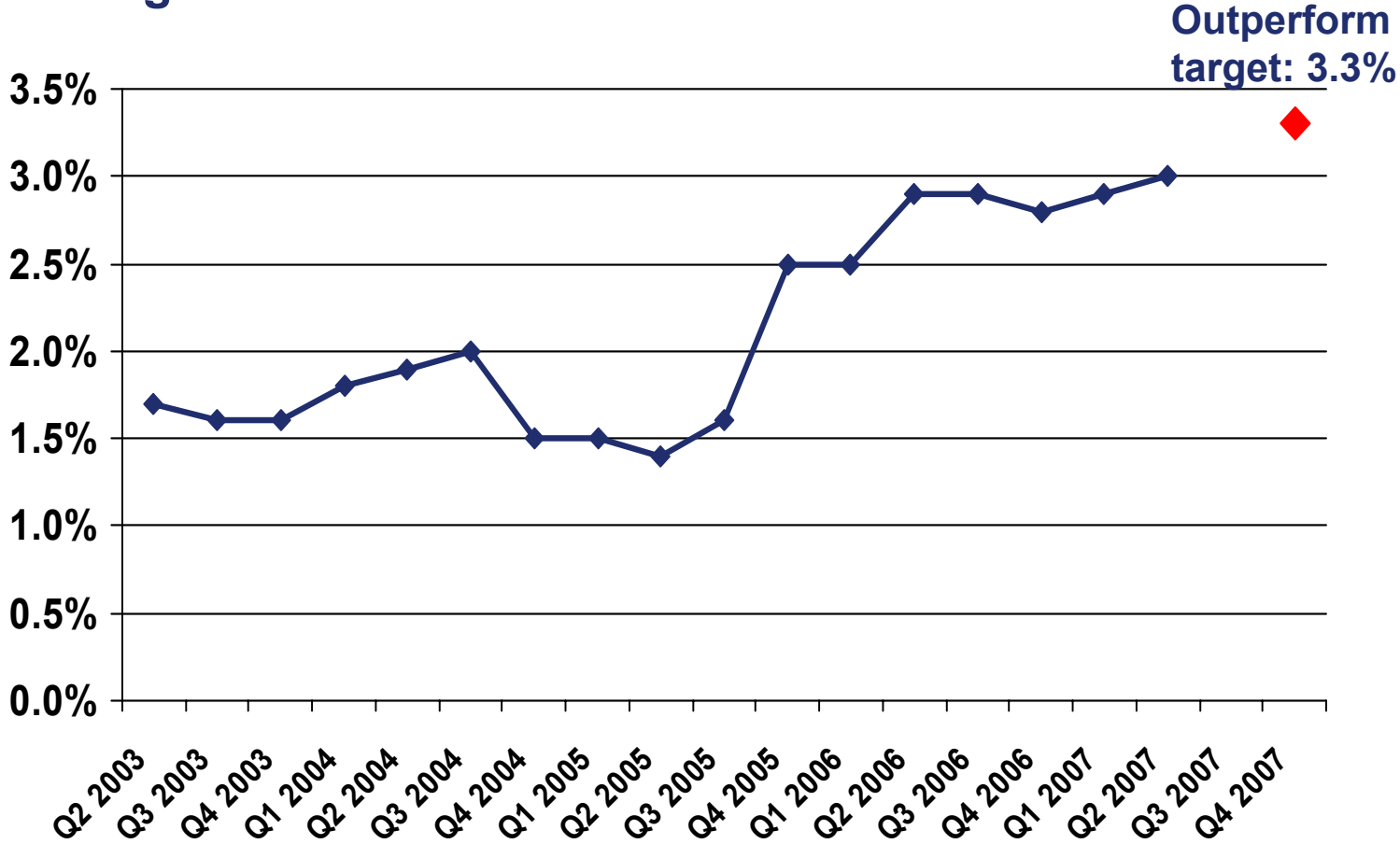
SEK bn	Jan–Jun 2007	Jan–Jun 2006	Jul 2006– Jun 2007	Jan–Dec 2006
Sweden	14.9	13.0	29.4	27.5
Norway	8.0	5.3	15.1	12.4
Denmark	1.6	2.4	3.0	3.7
Finland	4.7	4.6	9.7	9.6
Poland	2.9	2.7	5.9	5.7
Czech Republic	3.4	6.0	9.1	11.7
UK	7.0	18.6	12.1	23.7
USA Building	22.2	12.2	35.0	25.1
USA Civil	12.2	4.1	19.2	11.1
Latin America	2.9	2.6	3.9	3.6
Total	79.7	71.3	142.5	134.1

Construction

SEK M	Jan–Jun 2007	Jan–Jun 2006	Jul 2006– Jun 2007	Jan–Dec 2006
Revenue	61,044	54,343	125,411	118,710
Gross income	4,711	4,012	9,695	8,996
Selling and administrative expenses	-2,928	-2,673	-5,977	-5,722
Income from joint ventures and associated companies	30	23	69	62
Operating income	1,813	1,362	3,787	3,336
Gross margin, %	7.7	7.4	7.7	7.6
Selling and admin. expenses, %	-4.8	-4.9	-4.8	-4.8
Operating margin, %	3.0	2.5	3.0	2.8
Order bookings, SEK bn	79.7	71.3	142.5	134.1
Order backlog, SEK bn	155.6	137.4		135.1

Operating margin in Construction

Rolling 12 months



Residential Development

SEK M	Jan–Jun 2007	Jan–Jun 2006	Jul 2006– Jun 2007	Jan–Dec 2006
Revenue	3,860	3,310	7,338	6,788
Gross income	582	531	1,282	1,231
Selling and administrative expenses	-294	-209	-517	-432
Income from joint ventures and associated companies	98	28	123	53
Operating income	386	350	888	852
Operating margin, %	10.0	10.6	12.1	12.6
Capital employed, SEK bn	5.3	2.8		3.7
Return on capital employed, %	22.1	28.1		27.5

Residential Development, June 30, 2007

	Under construction, #		Of which sold %		Completed unsold, #	
	Apr-Jun 2007	Jan-Mar 2007	Apr-Jun 2007	Jan-Mar 2007	Apr-Jun 2007	Jan-Mar 2007
Sweden	2,041	2,109	91	87	4	5
Norway	1,009	1,026	88	86	10	12
Finland incl. Estonia	1,888	1,742	60	62	179	99
Denmark	385	401	90	93	4	1
Nordic	5,323	5,278	79	79	197	117
Czech Republic	787	628	84	90	11	10
TOTAL	6,110	5,906	80	80	208	127

All units sold include reserved units in this summary.

Residential Development

	Started				Sold			
	Jan–Jun 2007	Jan–Jun 2006	Jul 2006– Jun 2007	Jan–Dec 2006	Jan–Jun 2007	Jan–Jun 2006	Jul 2006– Jun 2007	Jan–Dec 2006
Sweden	630	728	1,386	1,484	780	697	1,440	1,357
Norway	380	446	779	845	360	443	750	833
Finland incl. Estonia	756	1,042	1,466	1,753	661	767	1,438	1,544
Denmark	99	75	176	152	93	2	214	128
Nordic	1,865	2,291	3,807	4,234	1,894	1,909	3,842	3,862
Czech Republic	159	267	291	481	107	433	298	624
TOTAL	2,024	2,558	4,098	4,715	2,001	2,342	4,140	4,486

Commercial Development

SEK M	Jan–Jun 2007	Jan–Jun 2006	Jul 2006– Jun 2007	Jan–Dec 2006
Revenue	1,383	2,729	2,079	3,425
Gross income	556	1,254	724	1,422
Selling and administrative expenses	-127	-115	-247	-235
Income from joint ventures and associated companies	0	0	23	23
Operating income	429	1,139	500	1,210
of which gain from divestments of properties ¹	479	1,165	574	1,260
of which operating net, completed properties ²	64	68	98	102
Capital employed, SEK bn	6.7	5.9		5.8
1 Additional gain included in eliminations was	0	40	0	40

2 After selling and administrative expenses

Sale of commercial properties, 2007

SEK M	Sale price	Capital gain
Q1	186	97
Q2	1,032	382
Total Q1-Q2	1,218	479

In Q3 to date, Skanska has carried out divestments of completed properties worth SEK 217 M, with capital gains amounting to SEK 78 M.

New CD projects

Project		Leasable area, sq m	Occupancy rate, %	Investment, SEK M
Högsbo 27:8, warehouse, Gothenburg	Q1	3,000	55	30
Marynarska Point II, office, Warsaw	Q1	20,000	0	300
Grunvaldski Center I, office, Wroclaw	Q1	16,000	0	200
Vysehrad, office, Prague	Q1	6,000	0	120
Gångaren 11 ¹ , office, Stockholm		30,000	96	850
Sturegatan 1, office, Sundbyberg	Q2	14,000	0	275
Sunnanå, warehouse, Malmö	Q2	15,000	100	165
Scylla 3:2, office, Malmö	Q2	6,000	0	135
6 A Stilling, logistic, Skanderbo	Q2	15,000	100	160
TOTAL		125,000	48	2,235

¹Conditional on receipt of the necessary permits

Commercial Development

SEK bn	Carrying amount, end of period	Carrying amount upon completion	Market value Dec 31, 2006	Occupancy rate, %
Completed properties	2.6	2.6	3.7	75
Ongoing projects	1.4	3.8	4.8	40
Subtotal	4.0	6.4	8.5	
Land bank	2.0	2.0		
TOTAL	5.9	8.4		

Infrastructure Development

SEK M	Jan–Jun 2007	Jan–Jun 2006	Jul 2006– Jun 2007	Jan–Dec 2006
Revenue	29	105	75	151
Gross income	-73	32	-130	-25
Selling and administrative expenses	-92	-80	-198	-186
Income from joint ventures and associated companies	50	58	195	203
Operating income (EBIT)	-115	10	-133	-8
of which gains from divestments of shares in projects	0	38	80	118
Capital employed, SEK bn	2.5	2.4		2.4

Unrealized development gains, ID projects

SEK bn	June 30, 2007	Dec 31, 2006
Present value of cash flow from projects	6.9	6.3
Present value of remaining investments	-0.7	-0.6
Carrying amount	-2.5	-2.4
Unrealized development gain in ID	3.8	3.3
Group eliminations	0.4	0.4
Consolidated unrealized development gain	4.2	3.7

Income statement

SEK M	Jan–Jun 2007	Jan–Jun 2006	Jul 2006– Jun 2007	Jan–Dec 2006
Operating income from business streams	2,513	2,861	5,042	5,390
Central	-355	-302	-567	-514
Eliminations	40	8	-82	-114
Operating income	2,198	2,567	4,392	4,762
Net interest	199	113	387	299
Change in fair value	-50	-48	-120	-118
Other net financial items	-48	44	-50	42
Income after financial items	2,299	2,676	4,609	4,985
Taxes	-665	-670	-1,327	-1,330
Profit for the period	1,634	2,006	3,282	3,655
Earnings per share, SEK	3.87	4.77	7.78	8.68
<i>Tax rate, %</i>	29	25	29	27

Balance sheet

SEK bn	June 30, 2007	June 30, 2006	Dec 31, 2006
Total assets	73.6	68.3	71.3
Equity attributable to equity holders	18.2	17.3	19.2
Interest-bearing liabilities	4.2	5.3	5.1
Interest-bearing assets	11.8	14.4	15.4
Interest-bearing net receivables (+)/net debt (-)	7.6	9.1	10.4
Working capital in construction, net	-12.1	-10.6	-11.8
Capital employed, closing balance	22.5	22.7	24.4
Equity/assets ratio, %	24.9	25.6	27.1

Change in interest-bearing assets and liabilities

SEK M	Jan–June 2007
Net receivables/Net debt opening balance	10,377
Change in interest-bearing receivables and liquid assets	-3,849
Change in interest-bearing liabilities	374
Translation differences interest-bearing receivables and liquid assets	31
Translation differences interest-bearing liabilities	56
Effects of IAS 19	687
Reclassification and change in accounting principles	0
Interest-bearing debt acquired/divested	6
Effect of IAS 39	0
Other changes	-95
Net receivables/Net debt closing balance	7,587

Operating cash flow

SEK M	Jan–Jun 2007	Jan–Jun 2006	Jul 2006– Jun 2007	Jan–Dec 2006
Cash flow from business operations before change in working capital	1,705	1,508	3,679	3,482
Change in working capital	-787	-1,211	514	90
Net investments in operations	-962	1,256	-2,832	-614
Cash flow adjustment net investments	432	16	824	408
Strategic net investments	-60	6	-598	-532
Net interest items and other financial items	74	193	-29	90
Taxes paid	-418	-847	-638	-1,067
Dividend	-3,459	-2,731	-3,440	-2,712
Cash flow before change in interest-bearing receivables and liabilities	-3,475	-1,810	-2,520	-855

Group net investments

SEK bn	Jan–Jun 2007	Jan–Jun 2006	Jul 2006– Jun 2007	Jan–Dec 2006
Construction				
Investments	-1,129	-844	-2,984	-2,699
Divestments	513	334	1,183	1,004
Net investments	-616	-510	-1,801	-1,695
Residential Development				
Investments	-2,810	-2,115	-5,740	-5,045
Divestments	2,267	2,053	4,381	4,167
Net investments	-543	-62	-1,359	-878
Commercial Development				
Investments	-1,080	-690	-2,061	-1,671
Divestments	1,218	2,543	1,759	3,084
Net investments	138	1,853	-302	1,413
Infrastructure Development				
Investments	-19	-148	-157	-286
Divestments	23	79	136	192
Net investments	4	-69	-21	-94
Group investments	-4,947	-3,912	-10,154	-9,119
Group divestments	3,985	5,168	7,322	8,505
Group net investments	-962	1,256	-2,832	-614
Strategic net investments	-60	6	-598	-532
Total net investments	-1,022	1,262	-3,430	-1,146

Market outlook – Construction

- Positive outlook for building construction in Skanska's main markets, especially in the Nordics and in the U.K.
- Positive trend in civil construction in the Nordics, Central Europe and in the U.S.
- The construction industry is working at close to its capacity ceiling. The cost trend for international commodities as well as local supplies and labor is accelerating

Market outlook – Project development

- Residential Development activity remains at a good level in most of the Nordics. Oversupply in Denmark and regions outside Helsinki in Finland. Czech Republic shows good demand but approval processes are lengthy. Escalating production cost is delaying new project starts
- Vacancy rates are falling in our Commercial Development markets, and our investments in new projects are increasing. Investor interest remains strong
- Still a large volume of PPP projects in the U.K. More limited supply of projects in other markets. The lead times for U.S. projects continue to be unpredictable

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