

PRESS RELEASE

July 26, 2007

8:30 a.m. CET

Six Month Report, January–June 2007

Group highlights

SEK M	Jan-Jun 2007	Jan-Jun 2006	Apr-Jun 2007	Apr-Jun 2006
Revenue	63,967	58,914	35,447	32,111
<i>of which revenue from divestments of properties in Commercial Development</i>	1,218	2,543	1,032	1,937
Operating income	2,198	2,567	1,419	1,957
<i>of which gains from divestments of properties in Commercial Development</i>	479	1,205	382	996
Income after financial items	2,299	2,676	1,448	2,008
Profit for the period	1,634	2,006	1,029	1,512
Earnings per share for the period, SEK	3.87	4.77	2.44	3.59
Capital employed, SEK bn	22.5	22.7		
Equity, SEK bn	18.3	17.5		
Interest-bearing net receivables (+)/net debt (-), SEK bn	7.6	9.1		
Return on capital employed, % ¹	20.5	23.9		
Return on equity, % ¹	17.2	22.9		
Operating cash flow before taxes, financing operations and dividends	328	1,575	280	1,732
Order bookings, SEK bn ²	79.7	71.3	40.0	43.9
Order backlog, SEK bn ²	155.6	137.4		

1 Rolling 12 months
 2 Refers to Construction

January–June 2007 compared to January–June 2006

- Revenue amounted to SEK 64.0 billion (58.9). In Construction, revenue rose by 16 percent adjusted for currency rate effects.
- Operating income for the Group amounted to SEK 2,198 M (2,567).
- Operating income in Construction rose by 33 percent and amounted to SEK 1,813 M (1,362)). The operating margin increased to 3.0 (2.5) percent.
- In Residential Development, operating income amounted to SEK 386 M (350), with an operating margin of 10.0 (10.6) percent.
- During the report period, commercial properties with a value of SEK 1,218 M (2,543) were divested, with capital gains amounting to SEK 479 M (1,205).
- Income after financial items amounted to SEK 2,299 M (2,676).
- Profit for the report period amounted to SEK 1,634 M (2,006), and earnings per share totaled SEK 3.87 (4.77).
- Order bookings increased by 12 percent and amounted to SEK 79.7 billion (71.3). Adjusted for currency rate effects, order bookings increased by 17 percent.
- Order backlog totaled SEK 155.6 billion (137.4), equivalent to 15 (14) months of construction.

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This report will also be presented in a telephone conference at 11:00 a.m. CET on July 26. To participate in the conference, please register at the following website: <https://eventreg2.conferencing.com/inv/reg.html?Acc=2001181000&Conf=178490>. For five business days after the conference call, it will be possible to listen to a recording at telephone +46 8 505 203 33, code 757495.

This and previous releases can also be found at www.skanska.com.

This is the type of information that Skanska AB may be obliged to disclose in accordance with the Swedish Securities Exchange and Clearing Operations Act and/or the Financial Instruments Trading Act.

Comments from Skanska's President and CEO Stuart Graham:

- Market conditions remain good in our home markets. One indication is that for the second consecutive quarter, order bookings amounted to SEK 40 billion. One effect of this strong market, however, is that we are also continuing to experience capacity problems in the construction industry and consequent cost increases.
- During the first six months of 2007, operating income in construction rose by 33 percent at the same time as we continued to improve our operating margins, with most units contributing to the improvement.
- The demand for residential units is at a good level and overall earnings are up but cost increases and scarcity of resources are making it difficult to start new projects and maintain margins.
- Vacancy rates are continuing to fall and rents are rising in the markets where we are active in the development of commercial space. This is evident from our good leasing activity. During the first half of 2007, we signed leases for more than 120,000 sq. m (1.3 million sq. ft.) of space. The outlook for new projects is good, and during the report period we started eight new projects.
- In our Infrastructure Development operations we are continuing to work on the acquisition of new projects, mainly in the United Kingdom and in the United States. It is encouraging to see that the Swedish government is now taking steps to use the Public Private Partnership model for procurement of infrastructure. Unrealized development gains in our existing project portfolio increased by about SEK 500 M during the first half and amounted to SEK 4.2 billion on June 30.

Market outlook

Construction

The outlook for building construction is positive in Skanska's main markets and especially in the Nordic markets and in the UK. In these markets, retail space and office buildings are among the stronger segments.

The trends in the Nordic as well as the Central European civil construction markets remain positive, with expectations of a strong continuation of 2007. The outlook for U.S. civil construction is very good, particularly in New York.

Both building and civil construction are being affected by shortages of human resources as well as certain materials such as prefabricated elements.

Residential Development

In Sweden, Norway and Finland, the demand for residential units is at a good level, especially in major metropolitan regions, although the capacity shortage and higher material prices are having a restraining effect on new project starts. The Danish market has an oversupply, as does regions outside Helsinki in Finland. In the Czech Republic, the housing market is showing good demand, but the lengthy permitting processes are adversely affecting new project starts.

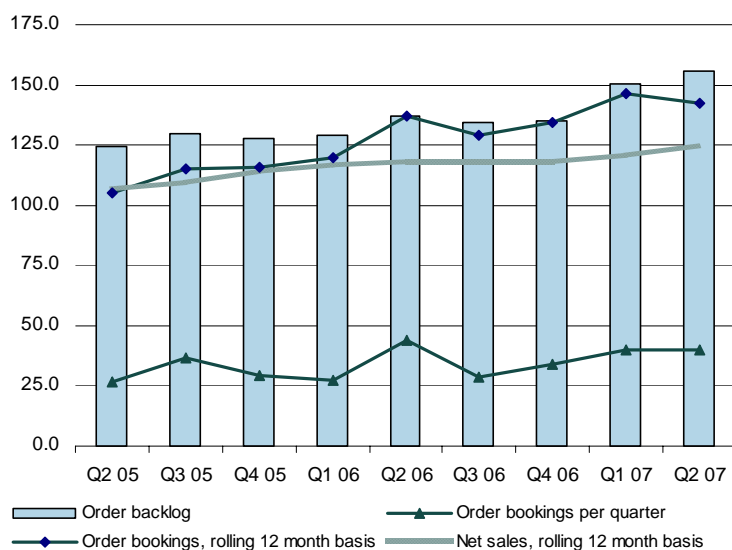
Commercial Development

Vacancy rates in modern properties in the Scandinavian and parts of the Central European office markets are declining and rents are increasing. As a consequence of increasing project activity, investments are growing. In Scandinavia as well as Central Europe, there is continued good demand from the investor market for properties with efficient space in the right locations and with high occupancy rates.

Infrastructure Development

The volume of public-private partnership (PPP) projects in the U.K. is still large, and in the school sector the market is growing. In Skanska's other European markets, the supply of projects is more limited. The lead times for PPP projects in the U.S. remain unpredictable.

Order bookings and backlog in Construction, SEK bn



Order bookings

Order bookings increased by 12 percent compared to the first half of last year and amounted to SEK 79.7 billion (71.3). Adjusted for currency rate effects, order bookings increased by 17 percent.

During the second quarter of 2007, Skanska's U.S. operations signed a number of major new contracts. Skanska USA Civil was awarded Skanska's largest U.S. order to date. The contract is related to the Croton Water Filtration Plant in New York City, and Skanska's share of the contract amount totals about SEK 7.2 billion. Skanska USA Building was awarded the construction contract for the expansion of the hotel, retail and dining area and the office building at a casino in Connecticut. The contract amount is about SEK 2.4 billion. The same unit was also awarded construction management assignments for the second phase of a shopping center, amounting to about SEK 820 M, and for an office complex, amounting to about SEK 355 M, as well as a design-build contract for a service center at Portland State University in Oregon amounting to approximately SEK 350 M.

Skanska UK secured another project as part of the extension of the Docklands Light Railway in London. Skanska's share of the contract totals about SEK 460 M.

Skanska Sweden signed a contract to expand the facilities at Boliden's copper mine in Aitik. The contract amount is about SEK 460 M.

Skanska Norway was assigned to construct a combined office and housing project in Stavanger, with the contract amount totaling about SEK 460 M.

In Brazil, Skanska secured a contract to build a propane production unit. Skanska's share of the contract is equivalent to about SEK 535 M.

Order backlog

Order backlog increased by 13 percent and totaled SEK 155.6 billion (137.4) at the end of the report period. Adjusted for currency rate effects, order backlog rose by 15 percent. Order backlog was equivalent to about 15 (14) months of construction.

Revenue and earnings

Performance analysis

SEK M	Jan-Jun 2007	Jan-Jun 2006	Apr-Jun 2007	Apr-Jun 2006
Revenue				
Construction	61,044	54,343	33,522	29,010
Residential Development	3,860	3,310	1,818	1,749
Commercial Development	1,383	2,729	1,118	2,027
Infrastructure Development	29	105	21	81
Central and eliminations	-2,349	-1,573	-1,032	-756
Skanska Group	63,967	58,914	35,447	32,111
Operating income				
Construction	1,813	1,362	1,149	881
Residential Development	386	350	140	201
Commercial Development ¹	429	1,139	353	934
Infrastructure Development	-115	10	-19	62
Central	-355	-302	-232	-153
Eliminations ¹	40	8	28	32
Operating income	2,198	2,567	1,419	1,957
Net interest items	199	113	81	65
Change in fair value	-50	-48	-24	-41
Other net financial items	-48	44	-28	27
Net financial items	101	109	29	51
Income after financial items	2,299	2,676	1,448	2,008
Taxes	-665	-670	-419	-496
Profit for the period	1,634	2,006	1,029	1,512
Attributable to				
Equity holders	1,622	1,998	1,022	1,504
Minority interest	12	8	7	8
Earnings per share for the period	3.87	4.77	2.44	3.59
1 Of which gains from divestments of commercial properties reported in:				
Commercial Development	479	1,165	382	956
Eliminations	0	40	0	40

Revenue increased by 9 percent and totaled SEK 64.0 billion (58.9). Adjusted for currency rate effects, revenue rose by 12 percent. Revenue of the Construction business stream increased by 16 percent in local currencies.

Operating income amounted to SEK 2,198 M (2,567). Currency rate effects reduced operating income by SEK 47 M.

In the Construction business stream, operating income rose by 33 percent and amounted to SEK 1,813 M (1,362). Operating margin rose to 3.0 (2.5) percent. Margins increased in all markets except the United Kingdom, where the results for the year-earlier period included a positive effect of SEK 80 M due to the financial close of the Barts and The London hospital project.

In Residential Development, operating income rose by 10 percent to SEK 386 M (350). The operating margin in this business stream amounted to 10.0 (10.6) percent. In the second quarter, the Danish RD unit reported a reduced profit in the amount of SEK -60 M on one large project.

Operating income in the Commercial Development business stream totaled SEK 429 M (1,139). Operating income included capital gains from property divestments amounting to SEK 479 M (1,165). For ongoing projects that are divested, Skanska applies the percentage of completion principle. Included in gains from property investments was SEK 154 M (88) attributable to these projects.

The operating income of the Infrastructure Development business stream amounted to SEK -115 M (10). Higher bidding costs for new projects is one of the explanations for the lower earnings. Income from projects in operation, excluding gains from divestments of shares in projects, more than doubled compared to the same period last year. Gains from divestments of shares in projects in the period amounted to SEK 0 M (38).

In the Swedish Competition Authority's suit, Stockholm City Court imposed a fine of SEK 170 M on Skanska for collusive anti-competitive practices related to the asphalt business. This nonrecurring cost was included in operating income for the second quarter under the item "Central". During the report period, about SEK 135 M was recovered from previously completed projects in operations reported under the item "Central".

Net interest income amounted to SEK 199 M (113). Capitalization of interest expenses in ongoing projects for Skanska's own account totaled SEK 28 M (18). The net change in the market value of financial instruments amounted to SEK -50 M (-48). Other financial items totaled SEK -48 M (44) and mainly consisted of currency rate differences.

Income after financial items amounted to SEK 2,299 M (2,676). Taxes for the period amounted to SEK -665 M (-670), equivalent to a tax rate of about 29 (25) percent. Profit for the period amounted to SEK 1,634 M (2,006). Earnings per share for the period amounted to SEK 3.87 (4.77).

Investments and divestments

SEK M	Jan-Jun 2007	Jan-Jun 2006	Apr-Jun 2007	Apr-Jun 2006
Investments	-5,008	-3,917	-2,530	-2,470
Divestments	3,986	5,179	2,568	3,248
Net investments ¹	-1,022	1,262	38	778
1 Of which strategic investments/divestments	-60	6	-12	4

In the Construction business stream, investments rose to SEK -1,129 M (-844). This item was mainly related to investments in property, plant and equipment for Skanska's own construction and manufacturing. Net investments in Construction totaled SEK -616 M (-510). During the period, depreciation of property, plant and equipment totaled SEK -588 M (-554). The acquisition of the Slovakian company Stamart, which was announced during the fourth quarter of 2006, is included under strategic investments.

In Residential Development, investments increased to SEK -2,810 M (-2,115), of which approximately SEK 1.4 billion was related to acquisitions of land equivalent to about 4,300 building rights. On a net basis, the number of building rights rose during the period by about 1,700 units. Net investments in Residential Development operations totaled SEK -543 M (-62).

In Commercial Development, investments rose to SEK -1,080 M (-690). Of this, about SEK 150 M was related to investments in land for new development. Divestments in the form of sale of completed properties and ongoing projects decreased to SEK 1,218 M (2,543). Net divestments in Commercial Development totaled SEK 138 M (1,853).

Investments in Infrastructure Development amounted to SEK -19 M (-148) and divestments totaled SEK 23 M (79). Divestments consisted of repayments of subordinated loans. In the comparative period of 2006, Skanska divested part of its holding in Maputo Port, Mozambique. Net divestments in Infrastructure Development totaled SEK 4 M (-69).

The Group's total investments amounted to SEK -5,008 M (-3,917). Divestments totaled SEK 3,986 M (5,179), and the Group's net investments amounted to -1,022 (1,262).

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

SEK M	Jan-Jun 2007	Jan-Jun 2006	Apr-Jun 2007	Apr-Jun 2006
Cash flow from business operations and net strategic investments by business stream				
Construction	1,244	286	362	349
Residential Development	-699	212	-380	251
Commercial Development	216	1,747	450	1,479
Infrastructure Development	-122	-105	-44	-62
Central and eliminations	-311	-565	-108	-285
Cash flow before taxes, financing operations and dividends	328	1,575	280	1,732
Taxes paid	-418	-847	-175	-386
Net interest items and other financial items	74	193	-17	165
Dividend etc.	-3,459	-2,731	-3,455	-2,732
Cash flow before change in interest-bearing receivables and liabilities	-3,475	-1,810	-3,367	-1,221
Translation differences, net receivables/net debt	87	-176	-35	-137
Change in pension liability	687	139	573	-132
Reclassification, interest-bearing net receivables/net debt	0	-35	0	0
Interest-bearing liabilities acquired/divested	6	0	0	0
Other changes, interest-bearing net receivables/net debt	-95	-97	-142	-46
Change in interest-bearing net receivables/net debt	-2,790	-1,979	-2,971	-1,536

Cash flow before taxes, financing activities and dividends amounted to SEK 328 M (1,575).

In Construction, cash flow amounted to SEK 1,244 M (286). Aside from improved cash flow from operations, the increase in cash flow was due to an improvement in the change in working capital compared to the year-earlier period. In Residential Development, cash flow decreased to SEK -699 M (212), mainly as a consequence of increased investments in projects and in land for new development. Commercial Development reported a cash flow amounting to SEK 216 M (1,747). The decrease was mainly an effect of lower divestment volume of projects and completed properties, as well as increased investments in ongoing projects. In Infrastructure Development, cash flow from business operations totaled SEK -122 M (-105).

Taxes paid amounted to SEK -418 M (-847). Dividends and adjustments of minority interest amounted to SEK -3,459 M (-2,731). The dividend of SEK 3,453 M that the Annual Shareholders' Meeting of Skanska approved was disbursed during the second quarter. Cash flow before changes in interest-bearing receivables and liabilities amounted to SEK -3,475 M (-1,810).

Pension liability decreased by a net of SEK 687 M due to a 0.5 percentage point increase in the discount rate partly offset by an increase of the life expectancy assumptions in the Swedish pension plan.

Financial position

During the period, the Group's interest-bearing net cash position decreased by SEK 2.8 billion, amounting to SEK 7.6 billion (December 31, 2006: 10.4) at the end of the second quarter. Interest-bearing loans plus interest-bearing pensions and provisions totaled SEK 4.2 billion (December 31, 2006: 5.1). Of this amount, "Interest-bearing pensions and provisions" totaled SEK 1.0 billion (December 31, 2006: 1.7).

At the end of the period, capital employed amounted to SEK 22.5 billion (December 31, 2006: 24.4).

The equity of the Group totaled SEK 18.3 billion (December 31, 2006: 19.3). Actuarial gains on pensions accounted for SEK 512 M of this change. The net debt/equity ratio amounted to SEK -0.4 (December 31, 2006: -0.5) and the equity/assets ratio was 24.9 percent (December 31, 2006: 27.1).

Total assets in the consolidated balance sheet amounted to SEK 73.6 billion (December 31, 2006: 71.3). This sum was influenced by positive currency rate effects of SEK 0.8 M.

The carrying amount of current-asset properties totaled SEK 13.2 billion (December 31, 2006: 11.8), of which Commercial Development current-asset properties accounted for SEK 5.9 billion (December 31, 2006: 5.6). See the table on page 16.

Surplus values in the Infrastructure Development and Commercial Development business streams

At the end of the period, the adjusted appraisal of market values in Infrastructure Development showed surplus values at the Group level of SEK 4.2 billion (December 31, 2006: 3.7). See page 17 for more details.

The appraisal of market values in Commercial Development showed surplus values of SEK 2.1 billion (December 31, 2006: 2.0). See page 16 for more details.

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
	2007	2006	2007	2006	2006
U.S. dollar	6.94	7.59	6.85	7.27	6.86
British pound	13.67	13.57	13.74	13.35	13.47
Norwegian crown	1.13	1.18	1.16	1.16	1.10
Euro	9.22	9.33	9.25	9.24	9.04

Personnel

The average number of employees in the Group was 56,145 (55,120).

Accounting principles

This Interim Report has been prepared in compliance with IAS 34, "Interim Financial Reporting." Skanska is applying the same accounting principles that were described in the Annual Report for 2006.

New disclosure requirements

In accordance with new Swedish law, effective from July 1, 2007, listed companies are required to disclose information about essential risks and uncertainty factors as well as additional information about the parent company. The Board of Directors are also obliged to certify the information in the report.

Parent Company

During the first half of 2007, the revenue of the Parent Company was SEK 0 M (0), and its income after financial items amounted to SEK 2,711 M (2,250). The average number of employees was 74 (65).

The Parent Company is indirectly affected by the risks and uncertainty factors that have been described in a separate section of this report.

Related-party transactions

No transactions between Skanska and related parties having an essential effect on the Company's position and earnings have taken place.

Essential risks and uncertainty factors

The construction business is largely about risk management. Practically every project is unique. Size, shape, environment – everything varies for each new assignment. The construction industry differs in this way from typical manufacturing that operates in permanent facilities and with long production runs.

In Skanska's operations there are many different types of contractual mechanisms. The degree of risk associated with the prices of goods and services varies greatly, depending on the contract type. Sharp increases in prices of materials may pose a risk, especially in long projects with fixed-price commitments. Shortages of human resources as well as certain input goods may potentially have an adverse impact on operations. Delays in the design phase or changes in design are other circumstances that may adversely affect projects.

To ensure a systematic and uniform assessment of construction projects, Skanska uses a common model for identifying and managing risks throughout the Group. With the help of this model, Skanska evaluates construction projects continuously, from tender preparation to completion of the assignment, with regard to technical, legal and financial risks.

For a description of key estimates and judgments, see Note 2 in the Annual Report for 2006.

Other matters

Cartel cases

In the Swedish Competition Authority's suit on alleged collusive anti-competitive practices in Stockholm City Court, a ruling was announced on July 10. According to this ruling, fines for collusive anti-competitive practices in the asphalt business were imposed on all seven companies that have been involved in the suit. For Skanska's part, the fee totaled SEK 170 M. A nonrecurring cost in the same amount was included in Skanska's results for the second quarter of 2007

The main hearings in the corresponding Finnish case were completed in December 2006, and a ruling is expected to be issued during 2007.

Property divestments during the third quarter

As of today, (July 26), Skanska has carried out divestments of completed properties worth SEK 217 M during the third quarter, with capital gains amounting to SEK 78 M.

Financial reports during the 2007 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, and can also be ordered from Skanska AB, Investor Relations.

The Group's remaining report during 2007 will be published on the following date:

November 1 Nine Month Report

Certification

The Board of Directors and the CEO certify that the half-yearly financial report gives a fair review of the performance of the business, position and profit or loss of the Company and the Group, and describes the principal risks and uncertainties that the Company and the companies in the Group face.

Solna, July 26, 2007

Sverker Martin-Löf
Chairman

Jane F. Garvey
Board member

Anders Nyrén
Board member

Finn Johnsson
Board member

Lars Pettersson
Board member

Curt Källströmer
Board member

Matti Sundberg
Board member

Sir Adrian Montague
Board member

Gunnar Larsson
Board member

Inge Johansson
Board member

Alf Svensson
Board member

Stuart E. Graham
President and CEO, Board member

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

The Skanska Group

Summary income statement

SEK M	Jan-Jun 2007	Jan-Jun 2006	Apr-Jun 2007	Apr-Jun 2006	Jul 2006- Jun 2007	Jan-Dec 2006
Revenue	63,967	58,914	35,447	32,111	130,656	125,603
Cost of sales	-58,044	-53,120	-31,989	-28,584	-119,144	-114,220
Gross income	5,923	5,794	3,458	3,527	11,512	11,383
Selling and administrative expenses	-3,911	-3,343	-2,144	-1,675	-7,553	-6,985
Income from joint ventures and associated companies	186	116	105	105	434	364
Operating income	2,198	2,567	1,419	1,957	4,393	4,762
Financial income ¹	266	202	110	93	530	466
Financial expenses ¹	-165	-93	-81	-42	-316	-244
Income from associated companies ¹	0	0	0	0	1	1
Net financial items	101	109	29	51	215	223
Income after financial items	2,299	2,676	1,448	2,008	4,608	4,985
Taxes	-665	-670	-419	-496	-1,325	-1,330
Profit for the period	1,634	2,006	1,029	1,512	3,283	3,655
Attributable to:						
Equity holders	1,622	1,998	1,022	1,504	3,259	3,635
Minority interest	12	8	7	8	24	20
Key financial figures						
Earnings per share, SEK	3.87	4.77	2.44	3.59	7.79	8.68
Average number of shares ²	418,553,072	418,553,072	418,553,072	418,553,072	418,553,072	418,553,072
Number of own shares	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Depreciation, non-current assets	-588	-554	-292	-269	-1,181	-1,147
Impairment loss, goodwill	0	0	0	0	0	0
Return on capital employed, % ²	20.5	23.9		0	20.5	22.5
Return on equity, % ²	17.2	22.9		0	17.2	20.5
Average number of employees	56,145	55,120		0	57,110	56,085

1 of which

Interest income	266	156	110	82	516	406
Interest expenses	-67	-43	-29	-17	-131	-107
<i>Net interest</i>	199	113	81	65	385	299
Change in fair value	-50	-48	-24	-41	-120	-118
Other net financial items	-48	44	-28	27	-50	42
Net financial items	101	109	29	51	215	223

2 Rolling 12 months

SUMMARY CASH FLOW STATEMENT

SEK M	Jan-Jun 2007	Jan-Jun 2006	Apr-Jun 2007	Apr-Jun 2006	Jul 2006- Jun 2007	Jan-Dec 2006
Cash flow from operating activities	770	1,459	533	1,809	3,028	3,717
Cash flow from investing activities	-1,090	-1,724	-871	-1,219	-2,566	-3,200
Cash flow from financing activities	-3,781	-3,039	-3,830	-2,558	-3,602	-2,860
Cash flow for the period	-4,101	-3,304	-4,168	-1,968	-3,140	-2,343

CHANGES IN EQUITY

SEK M	Jan-Jun 2007	Jan-Jun 2006	Apr-Jun 2007	Apr-Jun 2006	Jul 2006- Jun 2007	Jan-Dec 2006
Opening balance	19,337	18,587	20,419	16,540	17,459	18,587
Attributable to equity holders						
Dividend	-3,453	-2,721	-3,453	0	-3,453	-2,721
Translation differences	283	-423	-116	-437	27	-679
Effects of actuarial gains and losses on pensions	512	116	423	-91	897	501
Effects of equity-settled share-based payments	24	4	7	1	38	18
Effects of hedge accounting	-19	-99	9	-53	62	-18
Change, minority interest	27	-11	27	-13	32	-6
Profit for the period attributable to						
Equity holders	1,622	1,998	1,022	1,504	3,259	3,635
Minority	12	8	7	8	24	20
Closing balance	18,345	17,459	18,345	17,459	18,345	19,337

Group net investments

SEK M	Jan-Jun 2007	Jan-Jun 2006	Apr-Jun 2007	Apr-Jun 2006	Jul 2006- Jun 2007	Jan-Dec 2006
OPERATIONS - INVESTMENTS						
Intangible assets	-12	-22	-4	-4	-28	-38
Property, plant and equipment	-959	-707	-569	-418	-1,980	-1,728
Assets in Infrastructure Development	-19	-147	-11	-115	-158	-286
Shares and participations	-20	0	-5	0	-23	-3
Current-asset properties	-3,937	-3,036	-1,930	-1,933	-7,965	-7,064
<i>of which Residential Development</i>	-2,798	-2,235	-1,316	-1,498	-5,716	-5,153
<i>of which Commercial Development</i>	-1,078	-690	-589	-323	-2,027	-1,639
<i>of which other commercial properties</i>	-61	-111	-25	-112	-222	-272
Investments	-4,947	-3,912	-2,519	-2,470	-10,154	-9,119
OPERATIONS - DIVESTMENTS						
Intangible assets	0	5	0	0	-3	2
Property, plant and equipment	188	118	96	54	566	496
Assets in Infrastructure Development	22	79	22	69	135	192
Shares and participations	57	3	57	0	58	4
Current-asset properties	3,718	4,963	2,394	3,121	6,566	7,811
<i>of which Residential Development</i>	2,222	2,247	1,145	1,119	4,430	4,455
<i>of which Commercial Development</i>	1,218	2,543	1,032	1,937	1,641	2,966
<i>of which other commercial properties</i>	278	173	217	65	495	390
Divestments	3,985	5,168	2,569	3,244	7,322	8,505
Net investments in operations	-962	1,256	50	774	-2,832	-614
STRATEGIC INVESTMENTS						
Businesses	-61	-5	-11	0	-739	-683
Shares and participations	0	0	0	0	0	0
Strategic investments	-61	-5	-11	0	-739	-683
STRATEGIC DIVESTMENTS						
Businesses	1	0	-1	0	141	140
Shares and participations	0	11	0	4	0	11
Strategic divestments	1	11	-1	4	141	151
Net strategic investments	-60	6	-12	4	-598	-532
TOTAL NET INVESTMENTS	-1,022	1,262	38	778	-3,430	-1,146
Depreciation, non-current assets	-588	-554	-292	-269	-1,181	-1,147

Consolidated operating cash flow

SEK M	Jan-Jun 2007	Jan-Jun 2006	Apr-Jun 2007	Apr-Jun 2006	Jul 2006- Jun 2007	Jan-Dec 2006
Cash flow from business operations before change in working capital						
capital	1,705	1,508	1,215	897	3,679	3,482
Change in working capital	-787	-1,211	-1,437	117	514	90
Net investments in business operations	-962	1,256	50	774	-2,832	-614
Cash flow adjustment, net investments	432	16	464	-60	824	408
Taxes paid in business operations	-379	-789	-180	-336	-630	-1,040
Cash flow from business operations	9	780	112	1,392	1,555	2,326
Net interest items and other net financial items						
Taxes paid in financing operations	74	193	-17	165	-29	90
Cash flow from financing operations	52	135	-12	115	-20	63
CASH FLOW FROM OPERATIONS	61	915	100	1,507	1,535	2,389
Net strategic investments						
Taxes paid on strategic divestments	-60	6	-12	4	-598	-532
Cash flow from strategic investments	-77	6	-12	4	-615	-532
Dividend etc.	-3,459	-2,731	-3,455	-2,732	-3,440	-2,712
CASH FLOW BEFORE CHANGE IN INTEREST-BEARING RECEIVABLES AND LIABILITIES	-3,475	-1,810	-3,367	-1,221	-2,520	-855
Change in interest-bearing receivables and liabilities	-626	-1,494	-801	-747	-620	-1,488
CASH FLOW FOR THE PERIOD	-4,101	-3,304	-4,168	-1,968	-3,140	-2,343
Cash and cash equivalents at the beginning of the period	10,970	13,678	11,106	12,273	10,152	13,678
Reclassification in cash and cash equivalents	0	0	0	0	0	0
Exchange rate differences in cash and cash equivalents	13	-222	-56	-153	-130	-365
Cash and cash equivalents at the end of the period	6,882	10,152	6,882	10,152	6,882	10,970
Change in interest-bearing net receivables/net debt	-2,790	-1,979	-2,971	-1,536	-1,545	-734

Balance sheet

SEK M	Jun 30 2007	Jun 30 2006	Dec 31 2006
ASSETS			
Non-current assets			
Property, plant and equipment	5,792	5,156	5,457
Goodwill	4,650	4,074	4,490
Intangible assets	716	570	740
Investments in joint ventures and associated companies	2,004	1,744	1,894
Financial non-current assets ^{1,3}	1,188	2,086	1,500
Deferred tax assets	1,402	1,438	1,976
Total non-current assets	15,752	15,068	16,057
Current assets			
Current-asset properties ²	13,223	10,397	11,827
Inventories	554	472	484
Financial current assets ³	3,977	2,396	3,154
Tax assets	524	920	330
Gross amount due from customers for contract work	6,830	6,140	5,222
Trade and other receivables	25,836	22,784	23,263
Cash equivalents	1,207	3,643	2,131
Cash	5,675	6,509	8,839
Total current assets	57,826	53,261	55,250
TOTAL ASSETS	73,578	68,329	71,307
<i>of which interest-bearing non-current assets</i>	<i>1,070</i>	<i>1,976</i>	<i>1,433</i>
<i>of which other interest-bearing current assets</i>	<i>10,717</i>	<i>12,427</i>	<i>14,008</i>
<i>Total interest-bearing assets</i>	<i>11,787</i>	<i>14,403</i>	<i>15,441</i>
EQUITY			
Equity attributable to equity holders	18,159	17,329	19,190
Minority interest	186	130	147
Total equity	18,345	17,459	19,337
LIABILITIES			
Non-current liabilities			
Financial non-current liabilities ³	2,178	2,285	2,039
Pensions	886	2,281	1,556
Deferred tax liabilities	2,709	2,393	2,892
Non-current provisions	107	148	119
Total non-current liabilities	5,880	7,107	6,606
Current liabilities			
Financial current liabilities ³	1,117	656	1,396
Tax liabilities	925	657	728
Current provisions	3,412	2,808	3,476
Gross amount due to customers for contract work	13,407	12,745	11,357
Trade and other payables	30,492	26,897	28,407
Total current liabilities	49,353	43,763	45,364
TOTAL EQUITY AND LIABILITIES	73,578	68,329	71,307
<i>of which interest-bearing financial liabilities</i>	<i>3,187</i>	<i>2,842</i>	<i>3,369</i>
<i>of which interest-bearing pensions and provisions</i>	<i>1,013</i>	<i>2,429</i>	<i>1,695</i>
<i>Total interest-bearing liabilities</i>	<i>4,200</i>	<i>5,271</i>	<i>5,064</i>
Key financial figures			
Capital employed, closing balance	22,545	22,730	24,401
Capital employed, average	24,006	22,934	23,132
Equity/assets ratio, %	24.9	25.6	27.1
Interest-bearing net receivables (+)/net debt (-), SEK m	7,587	9,132	10,377
Debt/equity ratio	-0.4	-0.5	-0.5
1 of which shares	94	93	59
of which pensions	239	0	0
2 Current-asset properties			
Commercial Development	5,947	5,161	5,583
Other commercial properties	918	1,093	956
Residential Development	6,358	4,143	5,288
	13,223	10,397	11,827
3 Items regarding non-interest-bearing unrealized changes in derivatives/financial instruments are included in the following amounts:			
Financial non-current assets	24	17	8
Financial current assets	142	121	116
Financial non-current liabilities	1	3	6
Financial current liabilities	107	96	61

Note Contingent liabilities

Contingent liabilities amounted to SEK 5.6 billion on June 30, 2007 (Dec 31, 2006: 6.3). During the period the liabilities decreased by SEK 0.7 billion.

Regarding tax cases, court and arbitration proceedings, major ongoing legal proceedings were described in Note 33 in the Annual Report of 2006.

Parent Company income statement

SEK M	Jan-Jun 2007	Jan-Jun 2006	Jul 2006- Jun 2007	Jan-Dec 2006
Net sales	0	0	26	26
Cost of sales and selling and administrative expenses	-222	-217	-400	-395
Operating income	-222	-217	-374	-369
Net financial items	2,933	2,467	2,920	2,454
Income after financial items	2,711	2,250	2,546	2,085
Taxes	80	69	133	122
Profit for the period	2,791	2,319	2,679	2,207

Parent Company balance sheet

SEK M	Jun 30 2007	Jun 30 2006	Dec 31 2006
ASSETS			
Intangible non-current assets	21	15	22
Property, plant and equipment	2	2	3
Financial non-current assets ¹	21,359	20,257	18,388
Total non-current assets	21,382	20,274	18,413
Current receivables	216	150	123
Total current assets	216	150	123
TOTAL ASSETS	21,598	20,424	18,536
EQUITY AND LIABILITIES			
Equity	7,718	8,173	8,380
Provisions	175	185	173
Non-current interest-bearing liabilities ¹	13,604	12,031	9,920
Current liabilities	101	35	63
TOTAL EQUITY AND LIABILITIES	21,598	20,424	18,536
Average number of employees	74	65	69

1 of these amounts, SEK 10 664 M (Dec 31 2006: 7 693) were intra-Group receivables and SEK 13 604 M (Dec 31, 2006: 9 920) intra-Group liabilities.

Additional information

Business streams

Construction

SEK M	Jan-Jun 2007	Jan-Jun 2006	Apr-Jun 2007	Apr-Jun 2006	Jul 2006- Jun 2007	Jan-Dec 2006
Revenue	61,044	54,343	33,522	29,010	125,411	118,710
Gross income	4,711	4,012	2,690	2,180	9,695	8,996
Selling and administrative expenses	-2,928	-2,673	-1,560	-1,315	-5,977	-5,722
Income from joint ventures and associated companies	30	23	19	16	69	62
Operating income	1,813	1,362	1,149	881	3,787	3,336
Investments	-1,129	-844	-646	-534	-2,984	-2,699
Divestments	513	334	361	127	1,183	1,004
Net investments	-616	-510	-285	-407	-1,801	-1,695
Cash flow from operations before investments and change in working capital	2,316	1,940	1,492	1,182	4,633	4,257
Change in working capital	-463	-1,188	-871	-444	935	210
Net investments in operations	-557	-517	-274	-411	-1,152	-1,112
Cash flow adjustment, net investments	7	45	26	18	-45	-7
Operating cash flow from business operations ¹	1,303	280	373	345	4,371	3,348
Net strategic investments	-59	6	-11	4	-648	-583
Cash flow	1,244	286	362	349	3,723	2,765
Gross margin, %	7.7	7.4	8.0	7.5	7.7	7.6
Selling and administrative expenses, %	-4.8	-4.9	-4.7	-4.5	-4.8	-4.8
Operating margin %	3.0	2.5	3.4	3.0	3.0	2.8
Capital employed, SEK bn	3.2	1.8				2.5
Return on capital employed (RoCE), % ²	>100	96.2				>100
Order bookings, SEK bn	79.7	71.3	40.0	43.9	142.5	134.1
Order backlog, SEK bn	155.6	137.4				135.1
Employees	54,888	52,953				54,480

¹ Before taxes, financing operations and dividends

² Rolling 12 months

Residential Development

SEK M	Jan-Jun 2007	Jan-Jun 2006	Apr-Jun 2007	Apr-Jun 2006	Jul 2006- Jun 2007	Jan-Dec 2006
Revenue	3,860	3,310	1,818	1,749	7,338	6,788
Gross income	582	531	261	297	1,282	1,231
Selling and administrative expenses	-294	-209	-154	-115	-517	-432
Income from joint ventures and associated companies	98	28	33	19	123	53
Operating income	386	350	140	201	888	852
Investments	-2,810	-2,115	-1,315	-1,415	-5,740	-5,045
Divestments	2,267	2,053	1,190	1,026	4,381	4,167
Net investments	-543	-62	-125	-389	-1,359	-878
Cash flow from operations before investments and change in working capital	-110	-81	-18	-66	-226	-197
Change in working capital	-246	387	-538	793	-349	284
Net investments in operations	-543	-62	-125	-389	-1,359	-878
Cash flow adjustment, net investments	200	-32	301	-87	557	325
Operating cash flow from business operations ¹	-699	212	-380	251	-1,377	-466
Net strategic investments	0	0	0	0	0	0
Cash flow	-699	212	-380	251	-1,377	-466
Operating margin, %	10.0	10.6	7.7	11.5	12.1	12.6
Capital employed, SEK bn	5.3	2.8				3.7
Return on capital employed (RoCE), % ²	22.1	28.1				27.5
Employees	541	539				467.0

¹ Before taxes, financing operations and dividends

² Rolling 12 months

Commercial Development

SEK M	Jan-Jun 2007	Jan-Jun 2006	Apr-Jun 2007	Apr-Jun 2006	Jul 2006- Jun 2007	Jan-Dec 2006
Revenue	1,383	2,729	1,118	2,027	2,079	3,425
Gross income	556	1,254	424	994	724	1,422
Selling and administrative expenses	-127	-115	-70	-60	-247	-235
Income from joint ventures and associated companies	0	0	-1	0	23	23
Operating income	429	1,139	353	934	500	1,210
of which gain from divestments of properties ¹	479	1,165	382	956	574	1,260
of which operating net, completed properties ²	64	68	34	25	98	102
of which write-downs/reversal of write-downs	0	0	0	0	0	0
Investments	-1,080	-690	-591	-323	-2,061	-1,671
Divestments	1,218	2,543	1,032	1,937	1,759	3,084
Net investments	138	1,853	441	1,614	-302	1,413
Cash flow from operations before investments and change in working capital	-50	-24	-30	-16	-98	-72
Change in working capital	-96	-85	-97	-127	-204	-193
Net investments in operations	138	1,853	441	1,614	-302	1,413
Cash flow adjustment, net investments	224	3	136	8	311	90
Operating cash flow from business operations ³	216	1,747	450	1,479	-293	1,238
Net strategic investments	0	0	0	0	0	0
Cash flow	216	1,747	450	1,479	-293	1,238
Capital employed, SEK bn	6.7	5.9				5.8
Return on capital employed (RoCE), % ⁴	8.6	24.0				21.1
Employees	136	130				135

1 Additional gain included in eliminations was

0 40 0 40 0 40

2 After selling and administrative expenses

3 Before taxes, financing operations and dividends

4 Rolling 12 months

Infrastructure Development

SEK M	Jan-Jun 2007	Jan-Jun 2006	Apr-Jun 2007	Apr-Jun 2006	Jul 2006- Jun 2007	Jan-Dec 2006
Revenue	29	105	21	81	75	151
Gross income	-73	32	-25	40	-130	-25
Selling and administrative expenses	-92	-80	-45	-45	-198	-186
Income from joint ventures and associated companies	50	58	51	67	195	203
Operating income	-115	10	-19	62	-133	-8
of which gains from divestments of shares in projects ¹	0	38	0	36	80	118
Investments	-19	-148	-11	-117	-157	-286
Divestments	23	79	23	69	136	192
Net investments	4	-69	12	-48	-21	-94
Cash flow from operations before investments and change in working capital	-103	-3	-25	25	-238	-138
Change in working capital	-23	-33	-31	-39	158	148
Net investments in operations	4	-69	12	-48	-21	-94
Cash flow adjustment, net investments	0	0	0	0	0	0
Operating cash flow from business operations ²	-122	-105	-44	-62	-101	-84
Net strategic investments	0	0	0	0	0	0
Cash flow	-122	-105	-44	-62	-101	-84
Capital employed, SEK bn	2.5	2.4				2.4
Return on capital employed (RoCE), % ³	-5.0	2.1				0.6
Employees	118	136				103

1 Additional gain included in eliminations was

0 0 0 0 7 7

2 Before taxes, financing operations and dividends

3 Rolling 12 months

Construction, by business/reporting unit

SEK M	Revenue					
	Jan-Jun 2007	Jan-Jun 2006	Apr-Jun 2007	Apr-Jun 2006	Jul 2006-Jun 2007	Jan-Dec 2006
Sweden	13,050	11,266	6,957	5,917	25,907	24,123
Norway	6,309	5,414	3,352	2,727	11,531	10,636
Denmark	1,640	1,736	872	886	3,729	3,825
Finland	4,435	3,624	2,563	2,063	9,196	8,385
Poland	2,766	2,078	1,671	1,356	7,517	6,829
Czech Republic	4,861	4,352	3,097	2,791	11,788	11,279
UK	8,346	5,755	4,458	3,094	14,903	12,312
USA Building	12,856	14,170	6,831	7,123	26,423	27,737
USA Civil	4,918	4,190	2,757	2,235	10,555	9,827
Latin America	1,863	1,758	964	818	3,862	3,757
Total	61,044	54,343	33,522	29,010	125,411	118,710

SEK M	Operating income					
	Jan-Jun 2007	Jan-Jun 2006	Apr-Jun 2007	Apr-Jun 2006	Jul 2006-Jun 2007	Jan-Dec 2006
Sweden	529	423	306	251	1,206	1,100
Norway	245	198	154	111	492	445
Denmark	6	-13	5	-22	-299	-318
Finland	176	54	119	46	313	191
Poland	121	27	85	29	363	269
Czech Republic	163	134	154	134	361	332
UK	218	264	117	190	366	412
USA Building	119	107	70	56	289	277
USA Civil	167	114	114	79	513	460
Latin America	69	54	25	7	183	168
Total	1,813	1,362	1,149	881	3,787	3,336

SEK M	Operating margin, %					
	Jan-Jun 2007	Jan-Jun 2006	Apr-Jun 2007	Apr-Jun 2006	Jul 2006-Jun 2007	Jan-Dec 2006
Sweden	4.1	3.8	4.4	4.2	4.7	4.6
Norway	3.9	3.7	4.6	4.1	4.3	4.2
Denmark	0.4	-0.7	0.6	-2.5	-8.0	-8.3
Finland	4.0	1.5	4.6	2.2	3.4	2.3
Poland	4.4	1.3	5.1	2.1	4.8	3.9
Czech Republic	3.4	3.1	5.0	4.8	3.1	2.9
UK	2.6	4.6	2.6	6.1	2.5	3.3
USA Building	0.9	0.8	1.0	0.8	1.1	1.0
USA Civil	3.4	2.7	4.1	3.5	4.9	4.7
Latin America	3.7	3.1	2.6	0.9	4.7	4.5
Total	3.0	2.5	3.4	3.0	3.0	2.8

SEK M	Order backlog		
	Jun 30 2007	Jun 30 2006	Dec 31 2006
Sweden	21,676	17,887	19,705
Norway	12,122	8,408	9,713
Denmark	2,050	2,780	2,013
Finland	7,497	6,785	7,009
Poland	6,299	7,367	5,848
Czech Republic	11,380	14,139	13,093
UK	31,027	29,607	31,793
USA Building	35,270	29,965	26,125
USA Civil	24,255	16,731	17,068
Latin America	4,025	3,751	2,739
Total	155,601	137,420	135,106

SEK M	Order bookings					
	Jan-Jun 2007	Jan-Jun 2006	Apr-Jun 2007	Apr-Jun 2006	Jul 2006-Jun 2007	Jan-Dec 2006
Sweden	14,906	12,981	8,122	6,245	29,437	27,512
Norway	8,004	5,253	3,814	2,116	15,123	12,372
Denmark	1,604	2,385	382	1,091	2,964	3,745
Finland	4,652	4,570	3,053	2,472	9,708	9,626
Poland	2,942	2,715	1,446	1,318	5,890	5,663
Czech Republic	3,392	5,981	2,237	2,596	9,086	11,675
UK	6,961	18,565	3,388	16,564	12,095	23,699
USA Building	22,155	12,205	8,046	7,160	35,042	25,092
USA Civil	12,222	4,076	8,483	2,711	19,240	11,094
Latin America	2,879	2,593	1,049	1,620	3,933	3,647
Total	79,717	71,324	40,020	43,893	142,518	134,125

Residential Development, by business/reporting unit

SEK M	Revenue						Operating income ¹					
	Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun	Jul 2006-	Jan-Dec	Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun	Jul 2006-	Jan-Dec
	2007	2006	2007	2006	Jun 2007	2006	2007	2006	2007	2006	Jun 2007	2006
Sweden	1,603	1,333	766	720	2,890	2,620	159	120	78	72	337	298
Norway	951	793	470	427	1,730	1,572	92	76	41	46	179	163
Denmark	397	138	84	79	795	536	25	9	-40	4	112	96
Finland	654	841	342	390	1,387	1,574	77	112	41	58	186	221
Czech Republic	255	205	156	133	536	486	33	33	20	21	74	74
Total	3,860	3,310	1,818	1,749	7,338	6,788	386	350	140	201	888	852

SEK M	Operating margin, % ¹						Return on capital employed ²		
	Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun	Jul 2006-	Jan-Dec	Jul 2006-	Jul 2005-	Jan-Dec
	2007	2006	2007	2006	Jun 2007	2006	Jun 2007	Jun 2006	2006
Sweden	9.9	9.0	10.2	10.0	11.7	11.4	51.2	>100	>100
Norway	9.7	9.6	8.7	10.8	10.3	10.4	13.1	12.5	12.9
Denmark	6.3	6.5	-47.6	5.1	14.1	17.9	14.7	4.6	23.3
Finland	11.8	13.3	12.0	14.9	13.4	14.0	20.4	26.2	24.2
Czech Republic	12.9	16.1	12.8	15.8	13.8	15.2	25.0	21.2	26.0
Total	10.0	10.6	7.7	11.5	12.1	12.6	22.1	28.1	27.5

¹ Development gain only. Construction margin reported under Construction.

² Rolling 12 months

At the end of the period, there were 6,110 (5,844) residential units under construction. Of these, 80 (82) percent were sold. The number of completed unsold residential units totaled 208 (134), most of them located in Finland. During the first half, construction started on 2,024 (2,558) units. In the Nordic countries, the number of residential units started was 1,865 (2,291), while in the Czech Republic they totaled 159 (267). The number of residential units sold during the period was 2,001 (2,342). In the Nordic countries, the number of units sold totaled 1,894 (1,909), while sales of residential units in the Czech Republic totaled 107 (433) units.

The carrying amount of current-asset properties in Residential Development totaled SEK 6.4 billion (December 31, 2006: 5.3). A breakdown of the carrying amount can be seen in the table below. The carrying amount of undeveloped land and development properties was SEK 4.7 billion. This was equivalent to building rights for about 20,600 residential units. There were also about 2,500 building rights in associated companies.

Breakdown of carrying amount, current-asset properties, June 30, 2007

SEK M	Residential		Commercial	Construction	Total
	Development	Development	Development		
Completed projects	243	2,614	98	2,955	
Ongoing projects	1,427	1,362	75	2,864	
Undeveloped land and development properties	4,688	1,971	745	7,404	
Total	6,358	5,947	918	13,223	

Commercial Development

SEK M	Carrying amount, end of period		Carrying amount upon completion		Market value, Dec 31, 2006	Occupancy rate, %
	2007	2006	2007	2006	2006	2006
Completed projects	2,614	2,614	2,614	2,614	3,663	75
Ongoing projects	1,362	1,362	1,362	1,362	3,755	40
Subtotal	3,976	3,976	3,976	3,976	8,454	
Undeveloped land and development properties	1,971	1,987	1,987	1,987		
Total	5,947	5,963	5,963	5,963		

Commercial Development has 15 projects underway, 10 of them in the Nordic countries. Ongoing projects represent leasable space of about 226,000 sq. m (2,432,000 sq. ft.) and were 40 percent pre-leased, measured in rent. In addition to these projects, the Company has 7 ongoing projects that were sold before completion. These have a total of 29,000 sq. m (312,000 sq. ft.) of leasable space and a pre-leasing level of 100 percent. At the end of the period, the carrying amount for ongoing projects was SEK 1.4 billion (December 31, 2006: 0.8). Their carrying amount upon completion is expected to total SEK 3.8 billion, with an estimated market value of SEK 4.8 billion. The degree of completion in ongoing projects was about 37 percent.

The carrying amount of Skanska's portfolio of completed projects amounted to SEK 2.6 billion (December 31, 2006: 2.9), with an estimated market value, based on an appraisal dated December 31, 2006, of about SEK 3.7 billion (December 31, 2006: 4.1). The occupancy rate, measured in rent, amounted to 75 percent (December 31, 2006: 70).

The carrying amount of Skanska's undeveloped land and development properties (building rights) totaled about SEK 2.0 billion (December 31, 2006: 1.8).

At the end of the period, accumulated eliminations of internal project gains amounted to SEK 146 M (December 31, 2006: 117). These eliminations are reversed as each respective project is divested.

Infrastructure Development

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

At the end of the period, the carrying amount of shares, participations, subordinated receivables and concessions in Infrastructure Development totaled about SEK 2.5 billion (December 31, 2006: 2.4). Remaining investment obligations related to ongoing Infrastructure Development projects nominally amounted to about SEK 0.9 billion (December 31, 2006: 0.9), with a present value of about SEK 0.7 billion (December 31, 2006: 0.6). Skanska performs an annual appraisal of the project portfolio. The appraisal carried out at year-end 2006 encompassed an update of the financial models and a review of the yield requirements applied. The assessment of market values was made in cooperation with external appraisal expertise. The Autopista Central highway in Chile, which is the largest project in terms of value, was examined in greater detail. Based on the annual appraisal, Skanska makes quarterly adjustments for new projects, divestments, currency translation effects and time value. The weighted average discount rate used in the appraisal at year-end amounted to 11.7 percent.