

October 4, 2007
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Skanska plans to significantly increase investments in development businesses and margins in construction

Over the past three years Skanska's businesses have focused on outperforming – in financial terms as well as in qualitative terms. The operating margin in Construction has increased from 1.4 percent in 2004 to 3.0 percent for the first half of 2007. At the same time earnings in Residential Development have increased by 60 percent, Commercial Development has continued to outperform and the value of the Infrastructure Development portfolio has substantially increased.

Skanska has intensified its focus in its four core values (Zero Loss-Making Projects, Zero Accidents, Zero Environmental Incidents and Zero Ethical Breaches) and made important achievements in avoiding loss-making projects and reducing workplace accidents.

The new business plan, for 2008-2010, will continue on this path and take the outperform concept to the next level.

The main elements of the plan are:

- Continued focus on margin improvement in the Construction business stream.
- Significantly increase the investment in Skanska's Development business streams (Residential Development, Commercial Development and Infrastructure Development).
- Capitalization on urbanization trends in Skanska's home markets.
- A green initiative internally and externally.
- Addition of a fifth Zero – Zero Defects – as a core value aimed at improving the bottom line and increasing customer satisfaction.

"The achievements we have made in Skanska the past three years in terms of building our core values and enhancing profitability are substantial. We now raise our ambitions further – in areas such as quality and environmental performance as well as in profitability and investment volumes in our development business", says Stuart Graham, President and CEO of Skanska.

In accordance with the ambitions in the new business plan, Skanska has set new financial "Outperform" targets for the period through 2010 for all of its business streams.

Financial outperform targets per business stream:

	Target 2007	Target 2010
<u>Construction</u>		
Operating margin, %	3.3	4.0
<u>Residential Development</u>	<u>2007</u>	<u>2010</u>
Operating margin, %	10.0	12.0
ROCE, %	18.0	18.0

Commercial Development

Value creation per annum SEK 500-700 M

<u>Infrastructure Development</u>	<u>2007</u>	<u>2010</u>
ROCE*, %	16.0	16.0
Committed capital 2010	SEK 6 bn	

*Adjusted ROCE including unrealized development gains and change in market value

<u>Group</u>	<u>2007</u>	<u>2010</u>
Return on equity, %	18.0	20.0

Equity requirements

The equity requirement, post dividend, stated by the company in February 2007 was SEK 16 bn. The company's estimate is that the equity requirement will grow by approximately SEK 1 bn per annum, assuming a growth of the business in line with a projected macro economic scenario.

Briefing for media and the capital markets

On October 4, Stuart Graham, President and CEO, and Hans Biörck, CFO will present the new business plan in more detail as well as new financial targets.

The meeting will take place at IVA's Konferenscenter on Grev Turegatan 16 in Stockholm. Coffee will be served from 13:00 CET and the presentations will begin at 14:00 CET. It will also be possible to follow the meeting over telephone from 14:00 CET.

If you intend to participate over the phone please use the following link to register:

<https://eventreg1.conferencing.com/webportal3/reg.html?Acc=486718&Conf=149470>

Presentations for the meeting will be available on www.skanska.com from 12:00 CET (noon).

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

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

Skanska is one of the world's leading construction groups with expertise in construction, development of commercial and residential projects and public-private partnerships. The Group currently has 56,000 employees in selected home markets in Europe, in the US and Latin America. Headquartered in Stockholm, Sweden and listed on the Stockholm Stock Exchange, Skanska's sales in 2006 totaled SEK 126 billion.