

April 15, 2008

09:00 am CET

Skanska will take a SEK 335 M charge in the UK. Preliminary consolidated operating income for the first quarter 2008 amounts to SEK 1,080 M

Skanska will take a SEK 335 M (GBP 27 M) charge in the UK in the first quarter 2008, mainly related to three projects with fixed price contracts.

The projects, of which two have been described in earlier interim reports, are delivered on a PPP (Public Private Partnership) basis where Skanska is responsible for financing, design, construction and operations during a defined period. The projects have a combined construction value of approximately SEK 14 bn and production spans over several years.

During the production period, the project scope has changed which has led to substantial increases in the cost to complete the projects on schedule. This is to be settled in negotiations with clients and subcontractors. Recent negotiations have proven it difficult to reach reasonable compensation for increased cost and this has led to a more pessimistic view on the financial outcome of the projects.

“This type of fixed price contracts with long durations has traditionally resulted in higher than average margins at the same time as risks are greater in this type of projects. These events highlight the importance of that we continue to further improve our risk management for this type of projects”, says Skanska’s President and CEO, Johan Karlström.

Preliminary results for the first quarter 2008

The preliminary consolidated operating income for the first quarter of 2008 amounts to SEK 1,080 M (779).

Order bookings during the first quarter amounted to SEK 34.8 bn (38.5). In the comparative period the New Meadowlands Stadium project was included in order bookings to the amount of SEK 7 bn.

In Construction revenues rose by 14 percent and amounted to SEK 30,475 M (26,754). Adjusted for currency rate effects revenues rose by 17 percent. Operating income amounted to SEK 488 M (663).

Beginning with the first quarter of 2008, the Danish construction unit, which is being wound down, is reported under "Central". Revenue and operating income for construction in the comparative period have been adjusted to reflect this.

In Residential Development, the number of sold units decreased by 29 percent while the number of started units remained stable.

In Commercial Development leases were signed for 81,000 sq.m. of space. No projects were sold during the period.

Operating income in Infrastructure Development includes a gain of SEK 550 M from the divestment of the Brazilian power project Ponte de Pedra.

Preliminary result SEK M	Jan-Mar 2008	Jan-Mar 2007
Revenue		
Construction	30,475	26,754
Residential Development	1,965	2,042
Commercial Development	343	265
Infrastructure Development	15	8
Operating income		
Construction	488	663
Residential Development	151	246
Commercial Development	39	76
Infrastructure Development	587	-96
Central	-152	-123
Eliminations	-33	12
Operating income	1,080	778
	Jan-Mar 2008	Jan-Mar 2007
Units sold in Residential Development		
Nordics	521	1,148
Czech Republic	317	31
Total	838	1,179
Started units in Residential Development		
Nordics	539	985
Czech Republic	440	0
Total	979	985

The complete interim report will be published on May 7.

There will be a telephone conference on April 15 at 10.00 am CET where Skanska's President and CEO, Johan Karlström and the CFO, Hans Biörck, will answer questions. To participate in the telephone conference please dial +46 8 505 201 10 at least five minutes prior to the start of the conference. If you are unable to participate, there will be a replay facility available for seven days immediately following the teleconference. The number to dial is +46 8 505 203 33, code 792586.

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

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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 60,000 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 2007 totaled SEK 139 billion.