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New President in Skanska Latin America following a breach of Code of Conduct in Argentina

Skanska has found a breach of the Company's Code of Conduct in a local operation in Argentina. Improper costs have been charged to two projects resulting in erroneous VAT reporting.

The subsequent correction will have a negative impact on Skanska Latin America's operating income amounting to USD 1.7 M, SEK 13 M, which will be reported in the second quarter 2006.

Seven employees involved in the two projects have lost their employment with the company.

"It is very serious when we suffer violations of our Code of Conduct. The Code is one of the cornerstones of the Group's values and a platform for how we want our business to be conducted," says Stuart Graham, CEO and President, Skanska AB.

Following this event the Business Unit President Gustavo Vago has decided to resign his position.

The Chief Operating Officer Hernán Morano has been appointed new Business Unit President. Between 2002 and 2005, Hernán acted as the Project Director within Skanska for the Autopista Central project in Santiago de Chile, the largest infrastructure development investment in Skanska.

Skanska Latin America is one of the continent's leading construction companies. Operations focus primarily on services for the oil and gas industry as well as construction. In 2005, the company had about 10,000 employees and revenues of about SEK 3.6 billion.

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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 54,000 employees in selected home markets in Europe, in the US and Latin America. Sales in 2004 totaled SEK 121 billion, USD 17 billion.