



# This is Skanska

Skanska is one of the world's largest construction companies, with a leading position in a number of home markets in Europe, the United States and Latin America. Skanska also carries out project development in selected geographic markets in the residential and commercial property fields, as well as in infrastructure by means of public-private partnerships. Skanska focuses on finding innovative solutions through close collaboration with its customers and by combining the Group's international expertise with a local presence. The Skanska Group has 56,000 employees, and in 2006 its revenue totaled SEK 126 billion.

## Skanska in 2006

- Construction showed an improved operating margin overall, with good earnings and margins in Sweden, Norway, Poland, the United Kingdom and Latin America as well as improved earnings and margins in the United States
- Residential Development showed profitable growth in a strong Nordic housing market
- Commercial Development benefited from continued healthy demand for completed projects from financial investors, while the demand for new premises by the business sector and public agencies increased
- The Infrastructure Development project portfolio gained a major addition due to a large new hospital project in the United Kingdom and had good overall value growth during the year



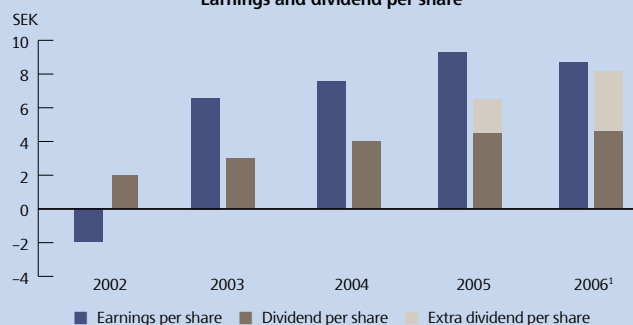
Greater industrialization is a key factor in improving quality, safety and profitability. Here the Clarion Hotel is being built at Norra Bantorget in downtown Stockholm.

### Highlights

|                               | SEK M   | EUR M  |
|-------------------------------|---------|--------|
| Revenue                       | 125,603 | 13,574 |
| Operating income              | 4,762   | 515    |
| Income after financial items  | 4,985   | 539    |
| Earnings per share SEK/EUR    | 8.68    | 0.94   |
| Return on equity, %           | 19.3    | 19.3   |
| Return on capital employed, % | 22.5    | 22.5   |
| Order bookings <sup>1</sup>   | 134,125 | 14,495 |
| Order backlog <sup>1</sup>    | 135,106 | 14,942 |

<sup>1</sup> Refers to Construction operations

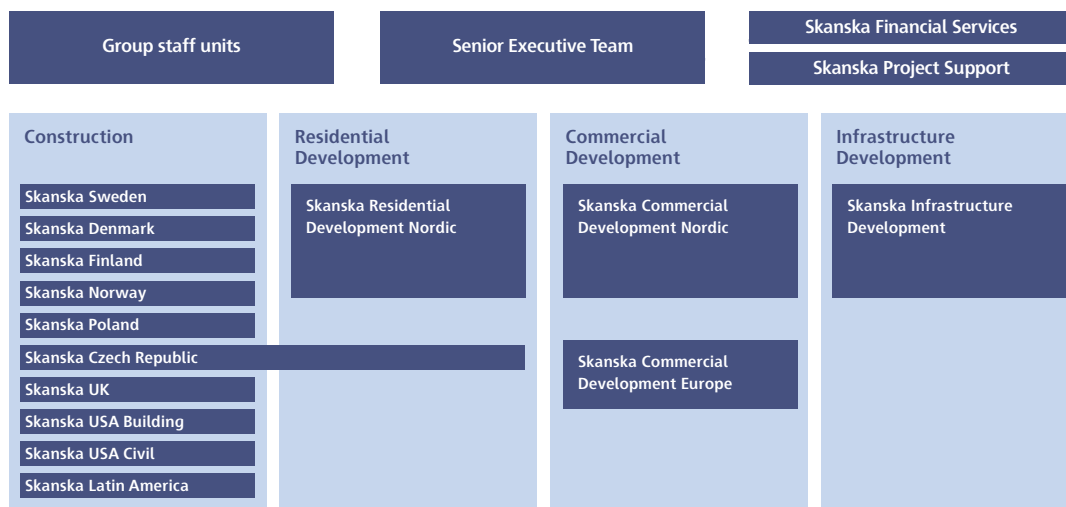
### Earnings and dividend per share



<sup>1</sup> Proposed by the Board of Directors



# Business streams and organization



Construction refers to building construction (both non-residential and residential) and civil construction. It is Skanska's largest business stream.

The Construction business stream operates through ten business units in selected home markets – Sweden, Norway, Denmark, Finland and Estonia, Poland, the Czech Republic and Slovakia, the United Kingdom, the United States and Latin America.

Revenue, SEK M 118,710  
Share of Group 92%



Operating income, SEK M 3,336  
Share of Group 62%



The Residential Development business stream initiates and develops residential projects for sale. Housing units are tailored for selected customer categories.

Skanska is one of the leading residential developers in the Nordic countries and also has a sizeable presence in the Czech Republic. The business stream operates through its own Nordic business unit and as part of Construction in the Czech Republic.

Revenue, SEK M 6,788  
Share of Group 5%



Operating income, SEK M 852  
Share of Group 16%



Commercial Development initiates, develops, leases and divests commercial property projects, with a focus on office buildings, shopping malls and logistics properties.

The business stream works through two business units: Skanska Commercial Development Nordic in Stockholm, Gothenburg, Öresund (Malmö/Copenhagen) as well as in Helsinki; Skanska Commercial Development Europe in Warsaw, Wrocław, Prague and Budapest.

Revenue, SEK M 3,425  
Share of Group 3%



Operating income, SEK M 1,210  
Share of Group 22%



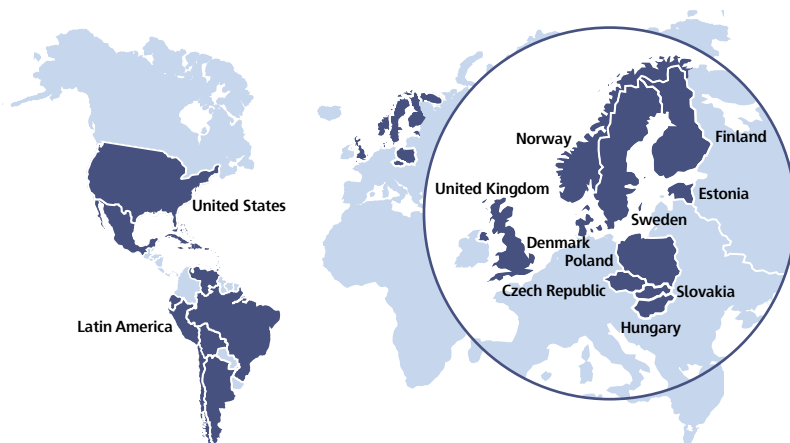
In Infrastructure Development, Skanska develops and invests in privately financed infrastructure projects such as roads, hospitals, schools and power generating plants.

The business stream focuses on creating new potential for projects in markets where Skanska has construction business units. It works through the Skanska Infrastructure Development business unit.

Revenue, SEK M 151  
Share of Group 0%



Operating income, SEK M -8  
Share of Group 0%



| Revenue by geographic area | %  |
|----------------------------|----|
| Sweden                     | 21 |
| Other Nordic countries     | 20 |
| Other European countries   | 25 |
| United States              | 30 |
| Other markets              | 4  |

## Contents

### GROUP OVERVIEW

Business streams and organization

4 Comments by the President and CEO

### 6 SUSTAINABLE DEVELOPMENT

7 The environmental challenge

50 Sustainability in action

13 More information about Skanska

This document is in all respects an extract from Skanska Annual Report which is a translation of the Swedish original Annual Report. In the event of any differences between this translation and the Swedish original, the latter shall prevail.



The new Rica Hotel rises 18 stories above Stockholm International Fairs. The building is 14,800 sq. m (159,00 sq. ft.) in all. The hotel, with 248 rooms including suites, was completed in 2006.



## Comments by the President and CEO

With nine of Skanska's fourteen business units achieving or exceeding their 2006 "Outperform" targets, and with continued favorable market conditions, we are in a good position to achieve our long-range "Outperform" targets in 2007.

In 2006 all of our four business streams performed well, with the three development streams – Residential, Commercial and Infrastructure – hitting their targets. In Construction, it was only the loss in Denmark that kept this business stream from achieving outstanding results.

### Construction

The Skanska Sweden business unit exceeded its "Outperform" target, earning SEK 1.1 billion with a margin of 4.6 percent. In addition, Skanska Sweden is leading the Company in consolidating procurement and in industrializing the construction process – all in all a very fine performance.

Norway, Poland, the U.K. and Latin America all met or exceeded their targets as well. These business units attribute their results to selectivity, risk control and strong management development. The U.S. businesses improved substantially and are positioned to outperform in 2007.

We are disappointed with the poor performance in Denmark. Measures have been taken to reduce our exposure to the very difficult conditions in portions of the construction market in Denmark. On the other hand, our residential and commercial development businesses in Denmark are prospering.

Overall, construction earnings increased by 17 percent and the business stream continued to be very capital-efficient, operating with SEK 12 billion negative working capital.

### Residential Development

A very strong market in the Nordic region provided the impetus for our residential developers to improve performance significantly

over 2005. Operation margin increased to 12.6 percent and return on capital employed to 27.5 percent. New starts also increased 23 percent to 4,715 units.

The ongoing transformation to a consumer-oriented business improved quality and contributed significantly to our success. This is a business Skanska can continue to improve and grow in the long term.

We expect the market in 2007 to remain at a high level, but price increases will level off and perhaps fall slightly in certain areas. This means we need to control costs and offer superior products to home buyers. A challenge we are determined to meet.

### Commercial Development

This business again contributed significant earnings, some SEK 1.2 billion, to our overall result. Investor demand for quality properties remains strong. Expanding employment means that vacancies are falling and rents stabilizing. As a result, we are now able to invest in new developments more aggressively.

Earnings in this business stream will fall in 2007 because few of our current properties will be ready for sale. But our investment in new projects will create significant value for future realization.

### Infrastructure Development

The estimated market value of our still immature project portfolio has reached SEK 5.7 billion after subtracting remaining investments. This is probably a conservative valuation; as recent market transactions have brought even higher values. In 2007 we sold three small infrastructure assets at three times our investment, resulting in a capital gain of SEK 118 M.



During 2007 we closed and began construction on our largest project ever – the Barts and London Hospital, representing SEK 14 billion in construction alone.

The market for private infrastructure development continues to expand globally and we have the expertise and capital to make this an even more important part of Skanska.

### **The Group**

At Group level we achieved a 19.3 percent return on equity, exceeding the target of 18 percent, and we continued to build for the future by investing heavily in our people. The balance sheet is strong, providing confidence to our customers, suppliers and shareholders and also importantly to our employees.

### **Management development**

As in most businesses, people define the Company. During 2006 we intensified our recruiting and development work by introducing a diversity program, increasing training and working on leadership – the Great Boss Program.

The long-term incentive program meant that senior managers who outperformed earned real Skanska shares. Increasing employee ownership of Skanska shares is important in strengthening the connection of managers to the Company.

### **The 4 zeros – qualitative targets**

The values that unite our businesses, meaning also satisfied customers – zero loss-making projects, zero job site accidents, zero environmental incidents and zero ethical breaches – are increasingly important to our brand. Customers, investors, employees all care about the kind of company we are.

In 2006 we worked hard on all four categories but have not yet achieved zero status except in environmental incidents. Our safety record improved significantly as a result of internal effort in all business units.

In 2007 we plan for a more proactive approach to our environmental strategy. The construction industry, with Skanska as a leading company, can do more to reduce carbon dioxide emissions and conserve energy.

### **Outlook for 2007 and beyond**

Skanska has three primary assets – and they are very strong. Our financial strength, our brand and our people. As a result of our work over the past several years, all three have been enhanced.

The synergies among our business streams are compelling. Cash generated in construction supports our residential, commercial and infrastructure development businesses. The expertise from construction reduces risk in development and the transfer of knowledge and people among the businesses enhances the performance in each business stream.

We are a project-based company that depends on our three core assets. Each project is a business in itself, but is able to benefit from the collective resources of the Group. Few companies can bring the resources to a project that we can.

The market outlook for 2007 is favorable. More importantly, the large need for urban infrastructure, housing and more energy-efficient buildings means that our long-term prospects are bright indeed.

Solna, March 2007

STUART E. GRAHAM  
President and CEO

# Sustainable development

World class vision and world class performance from a company that leads rather than follows the sustainability challenge.

## Sustainability at Skanska

In every project undertaken, Skanska strives to be socially responsible and have due consideration for the environment, while maintaining good economic performance. Examples of sustainable development in action can be found in every one of Skanska's business units and all of the home markets in which the company operates. The following pages illustrate a small number of them.

## Our biggest challenge?

These are challenging times for everyone. Climate change is now recognized by many as the biggest single threat to the continued prosperity of mankind. A rapidly expanding population, coupled with dwindling natural resources, is placing tremendous pressure on society and its wealth creators. Because of the impact it has on the use of energy and natural resources, as well as the important part it plays in providing a better quality of life for our and future generations, the construction industry has a vital contribution to make in creating a more sustainable future.

Sustainability is at the very heart of Skanska's actions and aspirations. Skanska is focusing attention on a number of areas of improvement in the firm belief that long-term visions become reality if day to day issues are properly managed. Health and safety has been a particular priority across all business units, and business ethics also feature high on the agenda. Work has begun on improving supply chain partnering; as purchasing becomes more centralized, and therefore global, with the ethical, social and environmental challenges that accompany this. Elsewhere at Skanska, some of the largest construction projects are being delivered with careful regard for the protection of the landscape and biodiversity and impact on local communities.

## Sustainability challenges for the construction industry

The construction industry is improving its performance, both locally and globally, in terms of sustainability. However, there is

still a long way to travel and Skanska is determined to play a leading role in the journey to true sustainable development. Skanska is proud to be a leader in the construction sector both in terms of the company's stated philosophy, the 4 zeros and the Skanska Code of Conduct, and most importantly in terms of actions.

## Safety

The safety of Skanska's workforce, its subcontractors, suppliers and the general public around our projects is of paramount importance. Accidents are always avoidable, and preventive training plays an important part in helping Skanska to achieve its goal of zero workplace accidents. In addition to training, major company-wide initiatives have been undertaken. This year's Skanska Safety Week saw over 50,000 employees and thousands of subcontractors taking part.

## Ethics

Skanska's efforts to improve ethical performance in the construction industry are well documented. Skanska was influential in developing the first set of industry principles for combating bribery and corruption for the World Economic Forum (WEF). These principles have subsequently been widely applied as the WEF's Partnering Against Corruption Initiative (PACI).

## Environment

The built environment is responsible for 40 percent of the world's CO<sub>2</sub> generation, although only six percent arises from actual construction. Reducing these emissions is a major focus for Skanska. Eco-efficient design, new construction techniques and life-cycle analysis help Skanska's customers and their stakeholders to mitigate their contribution to climate change and adapt to the inevitable consequences it will bring if actions are not meaningful and immediate. The intelligent selection and use of raw materials has initiated important improvements in Skanska's supply chain – from the way the company cooperates with NGOs to avoid the use of illegally logged timber and potentially dangerous chemicals, to maximizing recycling targets through more efficient design, logistics, waste segregation and management.

## The Skanska Code of Conduct

combines the concepts and recommendations of two of the world's most important sustainability initiatives: the UN Global Compact and the Global Reporting Initiative.

## 4 zero visions

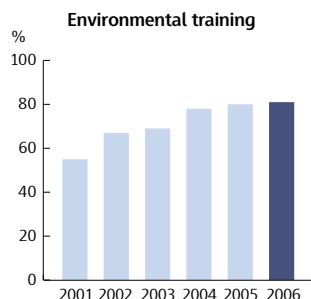
Skanska's qualitative targets, the 4 zero visions – zero loss-making projects, zero environmental incidents, zero work site accidents and zero ethical breaches – are closely aligned with the concept of sustainable development.

## Triple bottom line

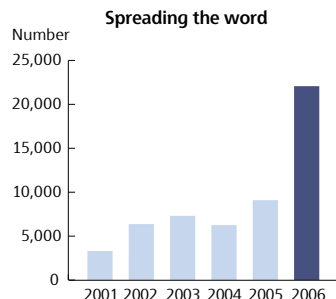
Sustainable Development – a concept defined as "development which meets the needs of the present without compromising the ability of future generations to meet their own needs" – is often referred to as the "triple bottom line" where environmental, social and economic performance must be balanced in order to achieve positive long-term results.







The percentage of Skanska staff who have participated in basic environmental training has risen for the sixth consecutive year.



Throughout 2006, suppliers and subcontractors were informed about the Skanska Code of Conduct using a variety of communication methods. Over 22,000 were contacted in 2006.

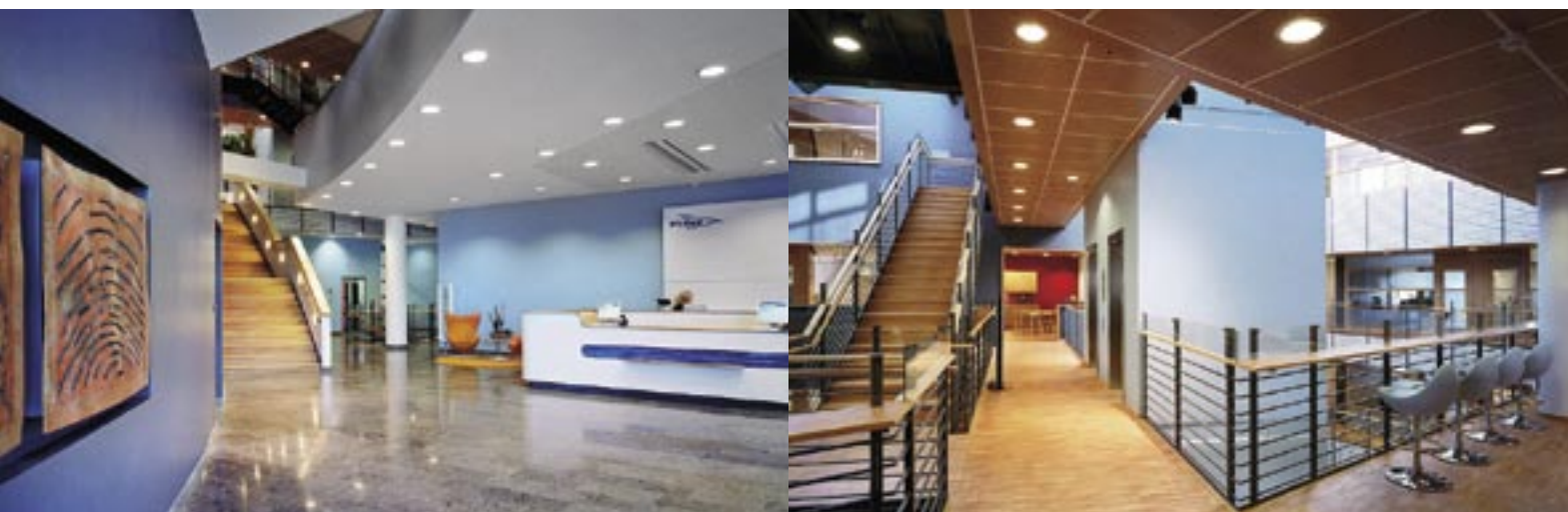
## The environmental challenge

### Tackling future responsibilities

Energy is consumed at every stage of any construction project: from the manufacture of the cement used for foundations through to the heating and ventilation of a finished apartment or office building. Skanska has developed its own model by which office developments can be undertaken, resulting in lower operating and maintenance costs. The basic strategy is one of low environmental impact, careful examination of life-cycle costs, flexible office design and simplicity. This has resulted in radical new thinking about the way in which air handling systems are designed, installed and operated. Not only do offices built to this concept cost the tenant less to run and provide a better financial return to the owners, they also have a smaller total carbon footprint.

### Local action leads to global progress

Skanska's commitment to minimizing the environmental impact of its operations has led to a number of local, national and international initiatives being implemented. A revised environmental strategy has been developed this year to build on previous work. Particular emphasis has been placed on business unit performance with regard to adaptation and mitigation related to climate change.



## SUSTAINABLE DEVELOPMENT ENERGY-EFFICIENT CONSTRUCTION

By designing in low fan speed ventilation systems using a common duct size throughout ITT Flygt's world headquarters building in suburban Stockholm, Skanska has delivered a more energy-efficient working environment with reduced power demand and higher heat recovery. Heating is provided primarily from a mix of wastewater heat pumps and biofuel boilers, with only 5 percent of the energy requirement coming from oil and electricity. Summer cooling is provided via chilled wastewater and free cooling of the Baltic Sea. Future changes to the office layout and infrastructure can be implemented without any redesign or retrofitting of ventilator ducting. What began as a pilot project has now been adopted by Skanska as a standard for the design and development of energy-efficient buildings.

During 2006, Skanska was recognized for several environmental achievements. Skanska CZ received the Via Bona award for cooperative work undertaken with Partnerstvi Foundation's Tree of Life campaign in the Czech Republic, while in the U.K. the Green Apple Award was presented to Coventry New Hospitals PFI (Private Finance Initiative), a joint project between Skanska UK and Skanska Infrastructure Development. All Skanska business units are certified to the ISO 14001 international standard for environmental management. During the year, 167 external environmental audits were carried out, backed up by 1,126 internal audits.

Recognized assessment tools and green building rating systems are used whenever possible, for example BREEAM in the U.K. and LEED in the U.S. During 2006, BREEAM and LEED tools were used in over 120 Skanska projects. The Providence Newberg Medical Center became the first U.S. hospital to achieve Gold LEED certification.

At a business unit level, Skanska employees are contributing to the reduction of the company's total carbon footprint, through a range of mitigation measures. Skanska Sweden is encouraging all employees to become carbon dioxide neutral and has launched a website to help them calculate their impact. Emission credits can be purchased or trees planted as a form of offset. Many have taken the challenge and Skanska Sweden's President became the first carbon dioxide neutral employee during 2006. As part of general awareness raising, 12,000 movie tickets were purchased, giving employees the opportunity to see Al Gore's movie *An Inconvenient Truth*.

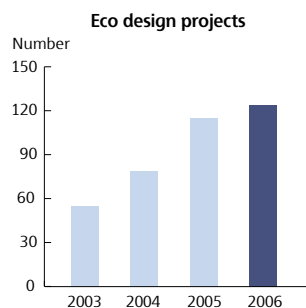
Eco-cars, including hybrids and biofuel powered vehicles, are now being introduced to the company fleet in Sweden. Many staff have been trained in eco-driving, a technique that focuses on reducing fuel consumption in conventional vehicles through proper use of throttle, gearbox and brakes as well as better anticipation of road conditions. The project is delivering some interesting results, with lower fuel consumption as well as reduced journey times and higher average speeds.

Large amounts of waste material are generated in most building processes. By carefully segregating different waste streams, Skanska-managed projects regularly recycle more than 70 percent of waste and often deliver in excess of 90 percent. The Coventry

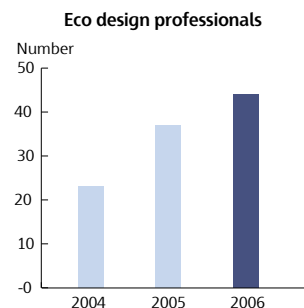
Hospital project in England recycled 100 percent of earthworks waste, 98 percent of demolition waste and 84 percent of overall waste. In Bodø, north of the Arctic Circle, Skanska Norway is reporting up to 90 percent recycling on new building construction across the five sites it is currently operating. Working closely with recycling contractors, Skanska is not only able to reduce the environmental impact and landfill burden of construction projects but also to recoup significant value from the recycled materials, thereby reducing overall project costs.

### Safety first, safety always

During October 2006, over 50,000 employees took part in Skanska Safety Week. Only six accidents were reported, including three subcontractors, with eleven business units and six home markets having no reportable accidents. The figures are significantly lower than the accident rate of an average week. The Lost Time Incident Rate (one or more than one day lost) for 2006 fell to 5.8 (6.8) per 1 million hours worked. Although the fatality rate was the lowest for five years, one Skanska and five subcontractor employees sadly lost their lives in work-related accidents. This compares with 13 the previous year. Skanska will redouble its efforts during the coming period to achieve its ultimate objective of zero workplace accidents.



A wide range of Eco Design tools are available throughout Skanska's Home Markets and Business Units. The number of projects undertaken during 2006 has risen for the fourth consecutive year.



The number of trained or accredited professionals available within Skanska has doubled in the past three years.

Skanska is working hard to become a world leader in construction and project development through a competent and responsible approach that minimizes environmental impact.



The high recycling rates achieved at Skanska Norway's Bodø projects are matched by many other Skanska business units. Educating employees and contractors on the importance of recycling, as well as encouraging waste stream segregation, not only reduces the environmental impact of a project, but helps improve commercial viability.







FTSE4Good

### Awards and achievements

During 2006 Skanska's progress in sustainable development was recognized and rewarded by numerous independent organizations.

Throughout the year, Skanska's contribution to sustainable development and responsible construction continued to be recognized throughout the world. External verification of Skanska's contribution to environmental protection, health and safety acknowledges the contribution that employees, contractors and customers themselves make to projects. Among the many accreditations and awards received are the following:



Skanska received the Swedish Road Administration environmental prize for Quiet Asphalt, which halves road noise. Accepting were (from the left) Rolf Lindström, Roger Nilsson and Lars Halldin.



For the second consecutive year, Skanska won the Colorado Contractors Association (CCA) Traveling Safety Award. From the left, CCA President John West and Skanska's Mark Hanson.

- FTSE 4Good.
- Building Magazine – Sustainable Contractor of the Year, United Kingdom.
- The Green Apple Award – Coventry Hospital's Waste Management System.
- Royal Institute of Chartered Surveyors Regeneration Award for environmental protection and sustainable regeneration – Coventry Hospital.
- Via Bona Award – Cooperation with Partnerstvi Foundation in the Czech Republic.
- The Finnish Construction Industry's Award – Best Occupational Safety.
- Swedish Road Administration – Quiet Asphalt.
- Road Builders' Association, Virginia and Florida – for Safety Performance.
- Considerate Constructors Scheme – Gold and Silver Awards, United Kingdom.
- Colorado Contractors Association (CCA) – Best Overall Safety Performance.



## SUSTAINABLE DEVELOPMENT

### NEW HIGHWAY FOR BETTER SAFETY AND ENVIRONMENT

The Autopista Central is a 61 km (38 mi) long expressway traversing Santiago, capital of Chile.

This toll highway is a public-private partnership (PPP) project, but has no toll booths. Payment and monitoring take place electronically. The cost of a journey is equivalent to the price of public transit.

The highway shortens travel time by up to 40 minutes, which also means less air pollution.

It also improves road safety. During its first year, accident statistics dropped by 48 percent. More than 150,000 school children have received basic road safety training. Fatal accidents involving children crossing the old highway were common, but due to this training – combined with surveillance, lighting, fences and 106 bridges along the route – no children have been killed on the new highway.

PPP solutions have enabled Chile to double its infrastructure investments and to free up public funds for other high-priority investments.

## Sustainability in action

### Large projects – major commitment

One of Skanska's largest European highways projects and Poland's biggest-ever investment in its road network is the construction of the 90 km (56 mi.) A1 highway between Gdansk and Nove Marzy. A project of this size calls for careful environmental planning, particularly with regard to protecting habitats and encouraging biodiversity. 78 animal crossings were incorporated into the design. Passing beneath the roadways and separated from the road by special fencing, 21 will provide safe passage for large animals such as deer and wild boar, while the remainder are being constructed to ensure that the gene pools of smaller mammals are maintained. Green areas have been incorporated around each crossing to suit the species' natural habitat. Elsewhere, over 30,000 sq. m (323,000 sq. ft.) of waterproof membrane is being laid and oil separators are being installed to ensure that rainwater runoff does not pollute neighboring land. Green design, which will mitigate the loss of trees in the path of the highway as well as providing noise insulation, involves the planting of 10,400 deciduous trees, 3,700 conifers, 155,600 sq. m (1,675,000 sq. ft.) of shrubs, 5,000 climbing plants and over 320 ha (825 acres) of grass.

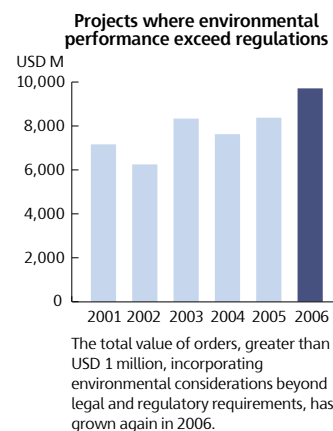
Long-term public sector contracts of up to 30 years' duration, funded by private consortia, are becoming commonplace in many of the home markets in which Skanska operates. They provide local populations with schools, hospitals, and road infrastructures that are often badly needed, without placing undue burdens on the public purse. These projects need careful planning and a long-term commitment to deliver facilities that are fit for their purpose. There is also a wider social obligation attached to this type of undertaking. In the U.K., under the Private Finance Initiative (PFI), Skanska completed the largest hospital funded mainly in this manner at Coventry. At the heart of the GBP 334 M development, funded through a bond raised by Skanska Infrastructure Development and its partner Innisfree, is an award-winning corporate sustainability program. Stringent targets were set for energy efficiency, waste minimization and recycling, pollution

prevention and local employment. Coventry Hospital has been designed to return an overall energy efficiency 28 percent better than average for existing hospitals and 11 percent ahead of the average best practice hospital development. Significant reductions in levels of waste materials were achieved by fabricating unitized panels off-site for the façade and external walls. Waste segregation, into eleven separate streams, was enhanced through the use of bar-coded bins, enabling type and amount of waste to be tracked against each contractor. Pollution due to haulage was minimized, along with local congestion, by baling compactable items, such as waste plastic, on site. In total, 60,000 cu.m of concrete was batched on site, thereby saving 8,000 truck movements.

Building for future generations takes Skanska beyond the role played by traditional construction companies. When the U.K. government announced the biggest investment in improving school buildings for half a century, Skanska was to be awarded the very first contract, for four schools in Bristol.

### Planning ahead, to protect the future

One of four schools in the region that Skanska is responsible for constructing, Speedwell will be open for pupils in September 2007. During the design phase, over 3,000 students have attended workshops organized by Skanska. By involving the local community at an early stage, getting children and teachers to have a say in the way their school will be designed, built and used, Skanska is providing a real sense of ownership to all stakeholders, however young.



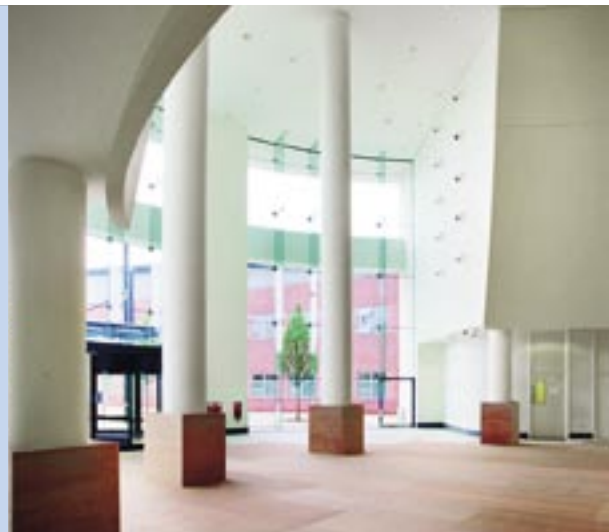
The importance Skanska places on the improved design and use of buildings is one reason why the company continues to be involved in the World Business Council for Sustainable Development's Energy Efficiency in Buildings Initiative and the United Nations Environment Program's Sustainable Building and Construction Initiative.



World Business Council for Sustainable Development



Skanska's long-term commitment to society is demonstrated by its increased involvement in the funding and management of large public sector construction projects, including hospitals (shown here is Coventry in the U.K.), schools and major highway infrastructure.



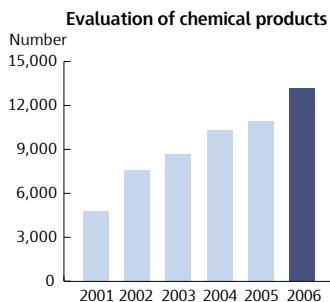


### Zero tolerance to corruption

At the World Economic Forum in Davos, Switzerland in 2003, countering bribery and corruption was identified as a priority for the engineering and construction industries. Working with the WEF, Transparency International and the Basel Institute on Governance, Skanska was one of the 10 founder members of the task force that drew up the Engineering and Construction Business Principles. These subsequently formed the basis for the WEF's Partnering Against Corruption Initiative. Skanska has a zero tolerance approach to any form of bribery and corruption. If an incident occurs, it is dealt with rapidly, without regard to cost or commercial consequences, and full disclosure is made to the appropriate authorities.

### Campaigning for the future

Many politicians and European companies regard the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Directive as the widest ranging piece of legislation ever proposed by the European Commission. It will have a significant impact on many industries, including construction. During the



Assessing the environmental impact of chemicals used in construction is an important aspect of health and safety activities within all Skanska business units. Since 2001, over 13,000 different products have been evaluated.

year, Skanska engaged with the Council of the European Union to encourage it to strengthen the proposed legislation. Campaigning with the European Union of National Associations of Water Suppliers and Waste Water Services (EUREAU), other consumer-focused multinationals and the International Chemical Secretariat (ChemSec), Skanska worked hard to promote the replace-

ment of hazardous chemicals wherever safer alternatives exist. The company is also campaigning for improved transparency of information throughout the supply chain. Skanska's message is simple. Across the EU, our homes, commercial buildings, hospitals and schools typically stand for many decades. Minimizing risks to the public and our workforce through exposure to potentially harmful chemicals is therefore a key priority for Skanska.



Skanska is able to use its influence with suppliers to promote the protection of natural habitats and encourage the responsible use of raw materials. In 2006, Skanska alerted business units to the problems of illegal logging of Asian hardwoods and their subsequent conversion into plywood for the construction industry. By communicating widely on social, environmental and ethical issues with employees, suppliers and NGOs, Skanska hopes to improve the overall level of sustainability of the construction industry.

Skanska is supporting the international development of ISO 26000 Guidance on Social Responsibility – a process involving experts from more than 60 countries and 30 organizations – to be completed in 2009. A Skanska employee is vice chairing the initiative.



## SUSTAINABLE DEVELOPMENT INVOLVEMENT AND EDUCATION

During National Construction Week in October 2006, future students of the new Speedwell School being built by Skanska took part in numerous workshops. They learned about the principles of design and construction. Professional career advisors talked about the opportunities in the building industry. To date, over 3,500 students have been briefed on Skanska's Bristol Schools Project.





SUSTAINABLE DEVELOPMENT  
RAPID ACTION  
TO DELIVER AID

Following the Indonesian earthquake in May 2006, Skanska committed funds to the combined relief efforts of the Disaster Resource Network and International Relief and Development. The program initially focused on the provision of temporary sanitation and water facilities for 15 schools that were damaged or destroyed. This was followed by more permanent restoration of the affected buildings. By the end of October, rehabilitation of more than half the schools was complete.

# More information



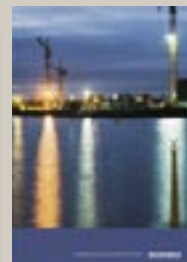
## Worldwide

The Skanska Group publishes the magazine Worldwide, containing features and news items from the Group's operations around the world. The magazine appears in English four times per year. A subscription is free of charge and can be ordered at the following address:

Skanska Worldwide  
c/o Strömberg Distribution  
SE-120 88 Stockholm, Sweden  
Telephone: +46 8 449 88 00  
Fax: +46 8 449 88 10  
E-mail: [worldwide@strd.se](mailto:worldwide@strd.se)  
by e-mail: [thehub@skanska.com](mailto:thehub@skanska.com).

## More information about Skanska's business streams

Further information about Skanska's Residential Development and Commercial Development business streams can be downloaded from Skanska's website, [www.skanska.com/investors](http://www.skanska.com/investors). The reports can also be ordered from Skanska AB, Investor Relations.



## The Hub

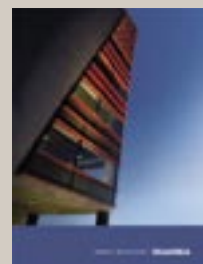
The Hub is a news service that offers personalized news about Skanska, its competitors and its industry. It provides brief, fast news items, often linked to additional information on the Internet.

You can subscribe to receive them via e-mail, mobile phone (SMS) or fax. All items are available in English and Swedish. You can subscribe: on the website: [www.skanska.com/thehub](http://www.skanska.com/thehub)



## Annual Review

Skanska has also produced an Annual Review. It contains the same information as the Annual Report but does not include the Report of the Directors or the notes. The Annual Review is available in a euro version and a U.S. dollar version and can be downloaded from Skanska's website, [www.skanska.com/investors](http://www.skanska.com/investors). The reports can also be ordered from Skanska AB, Investor Relations.



# Financial information

The Skanska Group's interim reports for 2007 will be published on the following dates:

|                    |                  |
|--------------------|------------------|
| Three Month Report | April 27, 2007   |
| Six Month Report   | July 26, 2007    |
| Nine Month Report  | November 1, 2007 |
| Year-end Report    | February 7, 2008 |

The quarterly reports will be available via Skanska's website, [www.skanska.com/investors](http://www.skanska.com/investors), and can also be ordered from Skanska AB, Investor Relations.

If you have questions, please contact:  
Skanska AB  
Investor Relations  
SE-169 83 Solna, Sweden  
Telephone: +46 8 753 88 00  
Fax: +46 8 730 41 69  
E-mail: [investor.relations@skanska.se](mailto:investor.relations@skanska.se)

More information about the Skanska Group is available at: [www.skanska.com](http://www.skanska.com)

**SKANSKA**