

PRESS RELEASE

February 10, 2011

8:00 a.m. CET

Year-end Report, January–December 2010 Group highlights according to segment reporting

SEK M	Jan-Dec 2010	Jan-Dec 2009	Oct-Dec 2010	Oct-Dec 2009
Revenue	121,663	135,820	32,665	35,236
<i>of which revenue from divestments of properties in Commercial Property Development</i>	3,942	3,559	320	2,289
Operating income	5,339	5,172	1,269	1,548
<i>of which gains from divestments of properties in Commercial Property Development</i>	871	842	84	418
Income after financial items	5,304	4,939	1,250	1,496
Profit for the period	3,940	3,595	980	1,049
Earnings for the period per share, SEK ¹	9.54	8.65	2.37	2.54
Earnings for the period per share according to IFRS, SEK ¹	9.76	10.16	3.06	2.08
Return on equity according to segment reporting, %	21.1	19.7		
Operating cash flow before taxes, financing operations and dividends	6,270	7,225	4,567	2,492
Order bookings, SEK bn ²	131.4	128.8	30.1	34.2
Order backlog, SEK bn ²	147.1	136.5		

¹ Earnings for the period attributable to equity holders divided by the average number of shares outstanding after repurchases and conversion
² Refers to Construction

January–December 2010 compared to January–December 2009

Accounting principles, segment and IFRS reporting, see page 4

- Revenue amounted to SEK 121.7 (135.8) billion.
- Revenue in Construction decreased by 13 percent in Swedish kronor, and by 9 percent adjusted for currency rate effects.
- Operating income for the Group amounted to SEK 5,339 M (5,172), an improvement of 3 percent.
- Operating income in Construction decreased by 10 percent and totaled SEK 4,338 M (4,870). Operating margin improved and amounted to 3.9 (3.7) percent.
- Income after financial items amounted to SEK 5,304 M (4,939), an improvement of 7 percent.
- Profit for the year totaled SEK 3,940 M (3,595).
- Earnings per share totaled SEK 9.54 (8.65) according to segment reporting and SEK 9.76 (10.16) according to IFRSs.
- Operating cash flow before taxes, financing activities and dividends amounted to SEK 6,269 M (7,225).
- Interest-bearing net cash position was SEK 9.9 (8.1) billion.
- Order bookings increased by 2 percent and totaled SEK 131.4 (128.8) billion. Adjusted for currency rate effects, order bookings increased by 6 percent.
- Order backlog totaled SEK 147.1 (136.5) billion, equivalent to 16 (13) months of construction.
- Agreement regarding the sale of the Autopista Central signed as previously announced.
- The Board of Directors proposes a regular dividend of SEK 5.75 (5.25) per share and an extra dividend of SEK 6.25 (1.00) per share. The extra dividend is conditioned upon the sale of the Autopista Central concession having been completed and the full sale price having been paid.

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This report will also be presented at a press and telephone conference at 2:00 p.m. (14:00) CET on February 10 at the Scandic Anglais Hotel, Humlegårdsgatan 23, Stockholm, Sweden. The press conference will be webcast live at www.skanska.com/investors, where a video of the conference will be available later as well. To participate in the telephone conference, please dial +46 8 505 598 53, +44 203 043 2436 or +1 866 458 4087. This and previous releases can also be found at www.skanska.com/investors.

Skanska AB may be required to disclose the information provided herein pursuant to the Securities Market Act.

Comments from Skanska's President and CEO Johan Karlström:

- During the fourth quarter, Skanska's operations as a whole continued to deliver strong earnings. The margins in several of our Construction operations showed record levels, while large positive cash flows were generated. In our Residential Development operations, we increased the pace of housing starts and homes sold.
- Construction revenue in local currencies increased by two percent during the fourth quarter of 2010 compared to the fourth quarter of 2009, and the revenue downturn in local currencies during 2010 was limited to nine percent. This was the first time since the recession we had a positive revenue trend in local currencies compared to the corresponding quarter of the preceding year. Order bookings in Swedish kronor were also 16 percent higher than revenue during the year.
- During 2010 we initiated 14 new commercial property development projects and started 4,113 new homes, as well as winning and reaching financial close on three new PPP-projects. This represents a total investment commitment of about SEK 14 billion which, aside from generating a good return on invested capital, will also generate a construction volume of about SEK 24 billion for our Construction operations. Continuing this trend will be an important element of growing our operations in accordance with the targets in our business plan for 2011 – 2015.
- During the final days of 2010 we signed a sales agreement related to the concession for the Autopista Central highway in Chile. This was Skanska's most successful investment ever for such a long term investment, and we expect to be able to complete the transaction latest by the end of the third quarter this year. Assuming that the transaction will be completed according to the schedule, our assessment is that the financial position of Skanska is such, that there is room for an extra dividend of SEK 6.25 per share this year.

Market outlook

Construction

The market for building construction is gradually improving, where the Nordic markets in particular, especially Sweden, are showing a stable trend while the outlook for the Czech market is weak. In the United States, the demand within certain building construction segments such as healthcare and computer centers is relatively good.

Civil construction markets are continuing to show a stable trend in most of our markets. The number of bidders is still large, however, which means tight bidding margins. This is especially clear in the U.S. market.

In the United Kingdom and the Czech Republic, the market is affected by public sector austerity programs, which results in reduced public construction investment in these markets. The Polish market is stable but the competition is fierce.

Residential Development

The housing market is performing well in all of our Nordic markets, with good demand and a stable price trend, and is expected to remain stable. In the Czech Republic the market is weak but has slowly improved.

Commercial Property Development

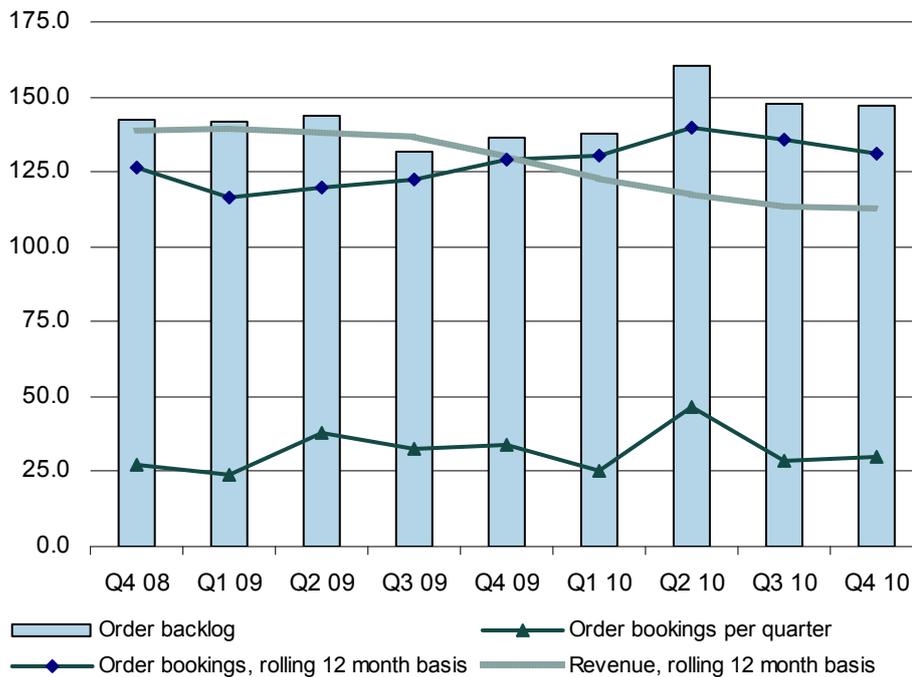
Strong interest and increased activity by property investors are resulting in higher transaction volume, with falling yield requirements. Vacancy rates are stable in the office markets in our Nordic and Central European cities. In the United States there is good potential, because of lack of financing resources among other market players, to develop new office projects in our metropolitan regions (Washington, D.C., Boston, Houston and Seattle).

Infrastructure Development

Due to fiscal tightening in the British public sector, a general cutback in public construction investments occurs in the U.K. These cutbacks will also affect new public-private partnership (PPP) projects, but to what extent remains uncertain.

In other European markets, the supply of projects is more limited, although interest in PPP solutions is improving. As the financing market becomes more stable, the conditions for new PPP projects have also improved. There is potential for new projects in the United States and Latin America, but the lead times for these are difficult to predict.

Order bookings and backlog, Construction, SEK bn



Order bookings

Order bookings increased by 2 percent compared to 2009, totaling SEK 131.4 (128.8) billion. Adjusted for currency rate effects, order bookings increased by 6 percent. Order bookings in SEK were also 16 (-1) percent higher than revenue during 2010. During the fourth quarter, order bookings were reduced by about SEK 765 M when two previous assignments were cancelled.

Presented below are some of the fourth quarter's major projects that were included in order bookings. During the comparative period of 2009, order bookings included two large construction contracts for Skanska USA Building and Skanska USA Civil, equivalent to about SEK 5.1 billion.

Skanska USA Building was awarded two major healthcare projects in California. The first construction assignment pertains to a healthcare facility in San Carlos, and the second contract pertains to the renovation and expansion of a medical center in the San Francisco Bay Area. The total contract amount for these two projects is about SEK 1.9 billion.

Skanska USA Building also secured an assignment to construct two laboratory buildings at the City University of New York in Harlem. The contract amounts to about SEK 626 M, and the customer is the Dormitory Authority of the State of New York.

Skanska USA Building was also awarded two construction contracts with a total amount equivalent to about SEK 575 M. These contracts are for a university building in Connecticut for the University of Connecticut and an office building including a parking garage in Oregon.

Skanska UK secured an assignment to build tunnels in the London area for power transmission, with a contract amount totaling about SEK 970 M.

Skanska UK also received a contract to build a new civil centre for Brent Council in London. The contract is valued at about SEK 930 M.

Skanska started the first phase of the Lustgården office project on the isle of Kungsholmen in Stockholm. The property will be the largest green office project in the Swedish capital and is being developed by Skanska Commercial Development Nordic, which will invest about SEK 1.4 billion, while the construction contract for Skanska Sweden is valued at about SEK 1 billion.

Order backlog

Order backlog increased by 8 percent and totaled SEK 147.1 (136.5) billion at the end of the fourth quarter. Adjusted for currency rate effects, order backlog increased by 14 percent. Order backlog was equivalent to about 16 (13) months of construction. The portion of order backlog that is planned for execution during 2011 was equivalent to 69 (59) percent of 2010 revenue.

New accounting principles

For the Group, this Year-end Report has been prepared in compliance with IAS 34, “Interim Financial Reporting,” the Annual Accounts Act and the Securities Market Act. For the Parent Company, the Year-end Report has been prepared in compliance with the Annual Accounts Act and the Securities Market Act, which is pursuant to the Swedish Financial Reporting Board’s Recommendation RFR 2.3.

As stated in Skanska’s Annual Report for 2009, IFRIC 12, “Service Concession Arrangements,” IFRIC 15, “Agreements for the Construction of Real Estate,” IFRIC 16, “Hedges of a Net Investment in a Foreign Operation,” the revised IFRS 3, “Business Combinations,” and the amended IAS 27, “Consolidated and Separate Financial Statements” shall begin to be applied effective from 2010. Due to the introduction of IFRIC 15, segment reporting of Residential Development and Commercial Development has been prepared using a principle that diverges from the principle applied when preparing the consolidated income statement. IFRIC 12 and IFRIC 15, as well as this segment reporting principle, have led to changes in comparative figures.

The press release “New segment reporting and new accounting principles for the Skanska Group,” published on April 19, 2010 (available at www.skanska.com) provides an account of the implications of IFRIC 12 and IFRIC 15 for Skanska, and it presents restated comparative figures.

Segment and IFRS reporting

Segment reporting

Effective from January 1, 2010, the Group is reporting its Residential Development and Commercial Property Development segments according to a new segment reporting method. The new segment reporting method recognizes revenue and gains on the divestment of properties, residential as well as commercial, when binding sales contracts are signed. When reporting in compliance with IFRIC 15, revenue and gains on divestment of properties are recognized when the purchaser takes possession of the property or residential unit, which may occur up to two years after the sales contract is signed. Revenue and capital gains on the divestment of properties were previously recognized successively after the signing of the sales contract and according to the percentage of completion.

The new segment reporting method reflects Skanska’s operations better than IFRIC 15. The Senior Executive Team and the Board of Directors monitor operations based on segment reporting, and this will also serve as the primary basis for dividend decisions. The design of the Group’s incentive programs also mainly follows operating segment reporting.

Skanska’s business streams – Construction, Residential Development, Commercial Property Development and Infrastructure – are reported as operating segments.

Tables in this report that refer to segment reporting are shown with a shaded background.

Construction includes both building construction and civil construction. Revenue and earnings are reported successively as a project accrues, in compliance with IFRSs and consistent with previous reporting.

Residential Development develops residential projects for immediate sale. Homes are adapted to selected customer categories. The units are responsible for planning and selling their projects. The construction assignments are performed by construction units in the Construction business stream in each respective market. Revenue and earnings are recognized when binding contracts are signed for the sale of homes.

Commercial Property Development initiates, develops, leases and divests commercial property projects. Property development focuses on office buildings, shopping malls and logistics properties. In most markets, construction assignments are performed by Skanska’s Construction segment. Commercial Property Development revenue and earnings are recognized when binding contracts are signed for the sale of properties.

Infrastructure Development specializes in identifying, developing and investing in privately financed infrastructure projects, such as highways, hospitals and power generating plants. The business stream focuses on creating new potential projects mainly in the markets where the Group has operations. Construction assignments are performed in most markets by Skanska’s construction units. Revenue and earnings in Infrastructure Development are recognized in compliance with IFRSs.

Intra-Group pricing between operating segments occurs on market terms.

Reporting in compliance with IFRSs

Revenue and earnings reporting for Construction and Infrastructure Development are the same for segments and IFRSs.

The statements of financial position and cash flow are presented in accordance with IFRSs.

Revenue and earnings

Performance analysis, segment reporting

SEK M	Jan-Dec 2010	Jan-Dec 2009	Oct-Dec 2010	Oct-Dec 2009
Revenue				
Construction	113,213	130,388	30,944	31,662
Residential Development	7,581	6,544	2,431	1,965
Commercial Property Development	4,648	4,546	496	2,475
Infrastructure Development	319	151	84	37
Central and eliminations	-4,098	-5,809	-1,290	-903
Skanska Group	121,663	135,820	32,665	35,236
Operating income				
Construction	4,388	4,870	1,288	1,192
Residential Development	559	-16	122	86
Commercial Property Development ¹	920	780	123	392
Infrastructure Development	297	187	16	86
Central	-792	-680	-257	-239
Eliminations ¹	-33	31	-23	31
Operating income	5,339	5,172	1,269	1,548
Net financial items	-35	-233	-19	-52
Income after financial items	5,304	4,939	1,250	1,496
Taxes	-1,364	-1,344	-270	-447
Profit for the period	3,940	3,595	980	1,049
Earnings for the period per share, SEK ²	9.54	8.65	2.37	2.54
Earnings for the period per share according to IFRS, SEK ²	9.76	10.16	3.06	2.08
1 Of which gains from divestments of commercial properties reported in:				
Commercial Property Development	791	754	93	370
Eliminations	80	88	-9	48
2 Earnings for the period attributable to equity holders divided by the average number of shares outstanding after repurchases and conversion				

The Group

Revenue declined by 10 percent to SEK 121.7 (135.8) billion, primarily due to decreased revenue in Construction. In local currencies, the revenue decline was 8 percent.

Operating income amounted to SEK 5,339 M (5,172), with Residential Development accounting for the largest improvement compared to the preceding year. Earnings in Commercial Property Development and Infrastructure Development also improved compared to the preceding year. Earnings in Construction decreased somewhat less than the pace of the downturn in revenue. Currency rate effects lowered the Group's operating income by SEK 178 M.

Central expenses, including businesses that are being closed down, totaled SEK -792 M (-680). Units that are being closed down affected earnings in the amount of SEK -130 M (-18). Of this, SEK 104 M of which SEK 72 M in the fourth quarter was related to Skanska's former residential operations in Denmark, mainly writedowns on land. Net financial items totaled SEK -35 M (-233). For a specification of the items included in this figure, see page 14.

Income after financial items amounted to SEK 5,304 M (4,939). Taxes for the year amounted to SEK -1,364 M (-1,344), equivalent to a tax rate of about 26 (27) percent. Profit for the year totaled SEK 3,940 M (3,595). Earnings per share for the year according to segment reporting amounted to SEK 9.54 (8.65). Earnings per share for the year according to IFRSs amounted to SEK 9.76 (10.16). The main reason for the discrepancy between earnings according to segment reporting and IFRSs is that the number of homes sold during the year was significantly larger than the number of homes where the purchaser took possession, and that previously sold commercial properties were taken in possession by the purchaser during the year. For further information regarding these differences, see the reconciliation between segment reporting and IFRSs on pages 12 and 13.

Construction

Revenue declined by 13 percent to SEK 113.2 (130.4) billion. In local currencies, the decline was 9 percent.

In the Construction business stream, operating income decreased by 10 percent and amounted to SEK 4,388 M (4,870). Currency rate effects lowered the operating income in Construction by SEK 169 M.

Operating margin improved compared to the preceding year and amounted to 3.9 (3.7) percent. The margin was positively affected because there was a relatively larger share of projects at the end of the project cycle than at the beginning. Net project writeups occurred primarily in Skanska Sweden, Skanska USA Civil, Skanska USA Building, Skanska UK and Skanska Poland, while net project writedowns occurred primarily in Skanska Finland and Skanska Norway. Earlier in the

year, earnings in Construction were positively affected by recovered bidding costs of SEK 56 M in conjunction with the financial close of New Karolinska Solna in Sweden and by a positive nonrecurring effect of SEK 102 M due to changes in the Norwegian pension system. In Finland, a goodwill writedown of SEK 109 M in civil construction operations in Finland was also charged to earnings earlier in the year.

Residential Development

In Residential Development, operating income totaled SEK 559 M (-16). The operating margin amounted to 7.4 (neg) percent. The number of project start-ups developed favorably while sales also developed well, though at a somewhat slower pace than project start-ups. Operating income included SEK 53 M (-4) in income from joint ventures and associated companies.

Commercial Property Development

Operating income in Commercial Property Development totaled SEK 920 M (780). During the year, the business stream carried out divestments worth SEK 3,942 M (3,559). Its operating income included capital gains from property divestments amounting to SEK 791 M (754).

Infrastructure Development

Operating income in Infrastructure Development totaled SEK 297 M (187). Income was favorably affected in the amount of SEK 97 M by the business stream's divestment of its stake in the Orkdalsvegen E39 road in Norway. The financial close of New Karolinska Solna had an impact on earnings, in the form of recovered bidding costs totaling SEK 12 M. Additional earnings from previous divestments totaled SEK 86 M.

Operating cash flow and changes in interest-bearing net receivables

Cash flow before taxes, financing operations and dividends amounted to SEK 6,269 M (7,225).

In Construction, cash flow totaled SEK 6,277 M (7,223). This positive cash flow was primarily due to good cash flow from business operations and the trend of working capital.

In Residential Development, cash flow amounted to SEK -1,934 M (461). The negative cash flow was explained primarily by the change in working capital and cash flow from business operations. Net investments amounted to SEK -281 M (2,528). The change in net investments was mainly due to a smaller number of homes being handed over to purchasers, as well as increased investments in land and ongoing projects. In Commercial Property Development, cash flow before taxes totaled SEK 3,393 M (769), with this positive cash flow primarily being due to purchasers taking possession of a number of properties during the period. In Infrastructure Development, cash flow totaled SEK -749 M (-280).

Taxes paid amounted to SEK -1,636 M (-986). Cash flow before changes in interest-bearing receivables and liabilities totaled SEK 1,698 M (3,315). The change in pension liability in defined benefit pension plans totaled SEK 760 M (690). See also page 14. The change in interest-bearing net receivables totaled SEK 1,822 M (3,585), of which SEK -726 M (-528) was related to translation differences. Interest-bearing net receivables amounted to SEK 9.9 (8.1) billion.

Consolidated operating cash flow statement

SEK M	Jan-Dec 2010	Jan-Dec 2009	Oct-Dec 2010	Oct-Dec 2009
Cash flow before change in interest-bearing receivables and liabilities	1,699	3,315	4,154	2,260
Change in interest-bearing receivables and liabilities	-4,199	-1,617	-1,779	-102
Cash flow for the period	-2,500	1,698	2,375	2,158
Cash and cash equivalents at the beginning of the period	9,409	7,881	4,248	7,107
Exchange rate differences in cash and cash equivalents	-255	-170	31	144
Cash and cash equivalents at the end of the period	6,654	9,409	6,654	9,409

Summary cash flow statement

SEK M	Jan-Dec 2010	Jan-Dec 2009	Oct-Dec 2010	Oct-Dec 2009
Cash flow from operating activities	6,238	7,585	4,848	2,743
Cash flow from investing activities	-3,850	-3,131	-486	-1,434
Cash flow from financing activities	-4,888	-2,756	-1,987	849
Cash flow for the period	-2,500	1,698	2,375	2,158

Operating cash flow and changes in interest-bearing net receivables

Mkr	Jan-Dec 2010	Jan-Dec 2009	Oct-Dec 2010	Oct-Dec 2009
Construction				
Cash flow from business operations	5,896	6,608	1,647	1,751
Change in working capital	1,459	1,252	1,951	1,503
Net investments	-1,079	-893	-355	-170
Cash flow adjustment	1	256	1	275
Total Construction	6,277	7,223	3,244	3,359
Residential Development				
Cash flow from business operations	-648	-452	-208	-104
Change in working capital	-826	-1,355	141	-425
Net investments	-281	2,528	445	235
Cash flow adjustment	-179	-260	-188	-149
Total Residential Development	-1,934	461	190	-443
Commercial Property Development				
Cash flow from business operations	121	118	4	38
Change in working capital	-170	676	-149	139
Net investments	3,424	-14	1,532	-354
Cash flow adjustment	18	-11	148	179
Total Commercial Property Development	3,393	769	1,535	2
Infrastructure Development				
Cash flow from business operations	-80	-35	-20	-12
Change in working capital	-380	63	20	32
Net investments	-289	-308	-169	-71
Cash flow adjustment	0	0	0	0
Total Infrastructure Development	-749	-280	-169	-51
Central and eliminations				
Cash flow from business operations	-761	-660	-205	-218
Change in working capital	-35	-233	-57	-145
Net investments	94	6	44	-1
Cash flow adjustment	0	0	0	0
Total central and eliminations	-702	-887	-218	-364
Total cash flow from business operations	4,528	5,579	1,218	1,456
Total change in working capital	48	403	1,906	1,104
Total net investments	1,869	1,319	1,497	-361
Total cash flow adjustment	-160	-15	-39	305
Total	6,285	7,286	4,582	2,504
Taxes paid in business operations	-1,655	-1,090	-331	-30
Cash flow from business operations	4,630	6,196	4,251	2,474
Net interest items and other net financial items	-62	-379	-35	-61
Taxes paid in financing operations	19	104	11	9
Cash flow from financing operations	-43	-275	-24	-52
CASH FLOW FROM OPERATIONS	4,587	5,921	4,227	2,422
Net strategic investments	-15	-61	-15	-12
Taxes paid on strategic divestments	0	0	0	0
Cash flow from strategic investments	-15	-61	-15	-12
Dividend etc. ¹	-2,873	-2,545	-58	-150
CASH FLOW BEFORE CHANGE IN INTEREST-BEARING RECEIVABLES AND LIABILITIES	1,699	3,315	4,154	2,260
Translation differences, net receivables/net debt	-726	-528	-60	133
Change in pension liability	760	690	1,420	600
Reclassification, interest-bearing net receivables/net debt	0	227	0	218
Interest-bearing liabilities acquired/divested	-4	0	-4	0
Other changes, interest-bearing net receivables/net debt	94	-119	19	35
CHANGE IN INTEREST-BEARING NET RECEIVABLES	1,823	3,585	5,529	3,246
1 of which repurchases of shares	-252	-355	-19	-152

Summary statement of financial position

SEK M	Dec 31 2010	Dec 31 2009
ASSETS		
Non-current assets		
Property, plant and equipment	5,906	6,303
Goodwill	3,917	4,363
Intangible assets	354	208
Investments in joint ventures and associated companies	1,775	2,541
Financial non-current assets ¹	2,122	1,042
Deferred tax assets	1,472	1,555
Total non-current assets	15,546	16,012
Current assets		
Current-asset properties ³	20,406	22,970
Inventories	926	835
Financial current assets ²	6,321	5,594
Tax assets	506	533
Gross amount due from customers for contract work	4,941	4,617
Trade and other receivables	21,304	23,795
Cash	6,654	9,409
Assets held for sale	1,108	0
Total current assets	62,166	67,753
TOTAL ASSETS	77,712	83,765
<i>of which interest-bearing non-current assets</i>	<i>2,072</i>	<i>987</i>
<i>of which interest-bearing current assets</i>	<i>12,773</i>	<i>14,783</i>
<i>Total interest-bearing assets</i>	<i>14,845</i>	<i>15,770</i>
EQUITY		
Equity attributable to equity holders	20,670	19,997
Non-controlling interests	122	170
Total equity	20,792	20,167
LIABILITIES		
Non-current liabilities		
Financial non-current liabilities	1,107	1,913
Pensions	1,216	2,218
Deferred tax liabilities	1,637	1,535
Non-current provisions	28	53
Total non-current liabilities	3,988	5,719
Current liabilities		
Financial current liabilities ²	2,786	3,706
Tax liabilities	1,003	1,064
Current provisions	5,037	5,012
Gross amount due to customers for contract work	16,937	16,899
Trade and other payables	27,169	31,198
Total current liabilities	52,932	57,879
TOTAL EQUITY AND LIABILITIES	77,712	83,765
<i>of which interest-bearing financial liabilities</i>	<i>3,666</i>	<i>5,387</i>
<i>of which interest-bearing pensions and provisions</i>	<i>1,265</i>	<i>2,292</i>
<i>Total interest-bearing liabilities</i>	<i>4,931</i>	<i>7,679</i>
¹ of which shares	41	55
² Items regarding non-interest-bearing unrealized changes in derivatives/financial instruments are included in the following amounts:		
Financial non current assets	8	0
Financial current assets	202	220
Financial current liabilities	227	232
³ Current-asset properties		
Commercial Property Development	10,000	12,842
Residential Development	10,406	10,128
	20,406	22,970

Note, contingent liabilities

Contingent liabilities amounted to SEK 15.2 bn on December 31, 2010 (Dec 31, 2009: 20.9). During the year, contingent liabilities decreased by SEK 5.7 bn. This was mainly because joint and several liability for projects carried out in consortium form decreased due to a higher degree of completion. Currency exchange rates also reduced contingent liabilities by SEK 0.9 bn.

Financial position

Reported in compliance with IFRSs

Skanska has a solid financial position, with interest-bearing net receivables of SEK 9.9 (8.1) billion and an unutilized long-term credit facility of SEK 6.8 billion that runs through June 2014. Interest-bearing loans plus interest-bearing pension liabilities and provisions totaled SEK 4.9 (7.7) billion. Of this amount, construction loans to cooperative housing associations amounted to SEK 1.1 billion, and interest-bearing pension liabilities and provisions amounted to SEK 1.3 (2.3) billion.

At year-end 2010, capital employed amounted to SEK 25.7 (27.8) billion. Return on capital employed amounted to 21.6 (22.3) percent.

The equity of the Group totaled SEK 20.8 (20.2) billion. The net debt/equity ratio amounted to -0.5 (-0.4), and the equity/assets ratio was 26.8 (24.1) percent.

Total assets in the consolidated statement of financial position amounted to SEK 77.7 (83.8) billion. Due to currency rate effects, total assets decreased by SEK 4.5 billion.

The carrying amount of current-asset properties totaled SEK 20.4 billion, of which Commercial Property Development current-asset properties accounted for SEK 10.0 billion.

Residential Development

Reported in compliance with IFRSs

SEK M	Residential Development
Completed projects	469
Ongoing projects	3,554
Undeveloped land and development properties	6,383
Total	10,406

At the end of the fourth quarter, there were 4,534 (2,429) homes under construction. Of these, 59 (75) percent were sold. The number of completed unsold homes 177 (480), of which 100 (190) in the Czech Republic. During the year, construction started on 4,133 (810) homes. In the Nordic countries, the number of homes started was 3,698 (689), while in the Czech Republic they totaled 415 (121). The number of homes sold during the year was 3,176 (2,392). In the Nordic countries, the number of homes sold totaled 2,761 (2,123), while sales in the Czech Republic totaled 415 (269) homes.

The carrying amount of current-asset properties in Residential Development totaled SEK 10.4 billion. A breakdown of the carrying amount can be seen in the table above. The carrying amount of undeveloped land and development properties was SEK 6.4 billion, with an estimated market value of about SEK 7.4 billion according to the appraisal carried out in conjunction with the annual financial statements as of December 31, 2010. This was equivalent to Skanska-owned building rights for about 21,200 homes and about 2,200 building rights in associated companies. In addition, the business stream was entitled to purchase about 10,000 more building rights under certain conditions.

Commercial Property Development

Reported in compliance with IFRSs

Breakdown of carrying amounts and market values, current-asset properties, December 31, 2010

SEK M	Carrying amount, end of period	Carrying amount upon completion	Market value ¹	Occupancy rate, %	Degree of completion, %
Completed projects	4,843	4,843	6,388	89	100
Completed projects 2010	163	163	207	100	100
Total completed projects	5,006	5,006	6,595		
Undeveloped land and development properties	2,995	2,995	3,490		
Subtotal	8,001	8,001	10,085		
Ongoing projects	1,999	5,640	7,046 ²	32	36
Total	10,000	13,641	17,131		
<i>of which ongoing projects sold according to segment reporting</i>	<i>53</i>	<i>73</i>	<i>90</i>		

¹ Market value according to appraisal on December 31, 2010

² Estimated market value at completion

Commercial Property Development has 20 projects underway, 14 of them in the Nordic countries. During the year, it started 14 new projects, with an estimated investment volume of SEK 4.7 billion. Ongoing projects represented leasable space of about 298,000 sq. m (3.21 million sq. ft.) and had a pre-leasing rate of 32 percent, measured in rent. At the end of the year, the carrying amount for ongoing projects was SEK 2.0 billion. Their carrying amount upon completion is expected to total SEK 5.6 billion, with an estimated market value of SEK 7.0 billion. The degree of completion in ongoing projects was about 36 percent. Of these ongoing projects, one was sold according to segment reporting. This project was equivalent to a carrying amount upon completion of SEK 73 M, with a market value of SEK 90 M.

The market value of completed projects was SEK 6.6 billion, which represented a surplus value of SEK 1.6 billion. The occupancy level measured in rent totaled 89 percent.

The carrying amount of undeveloped land and development properties (building rights) totaled about SEK 3.0 billion, with an estimated market value of about SEK 3.5 billion.

Accumulated eliminations of intra-Group project gains amounted to SEK 275 M at year-end. These eliminations are reversed as each respective project is divested.

Infrastructure Development

Reported in compliance with IFRSs

Unrealized development gains, Infrastructure Development

SEK bn	Dec 31 ¹ 2010	Sep 30 2010	Dec 31 2009
Present value of cash flow from projects	4.6	11.6	11.5
Present value of remaining investments	-1.1	-1.1	-1.0
Net present value of projects	3.5	10.5	10.5
Carrying amount	-1.7	-2.0	-2.1
Unrealized development gain	1.8	8.5	8.4

¹ Autopista Central excluded

At year-end 2010, the carrying amount of shares, participations, subordinated receivables and concessions in Infrastructure Development totaled about SEK -1.7 (2.1) billion. Remaining investment obligations related to ongoing Infrastructure Development projects nominally amounted to a present value of about SEK 1.1 (1.0) billion. At year-end, unrealized development gains before taxes totaled about SEK 1.8 (8.4) billion. During the year, this item was reduced mainly due to the divestment of Skanska's stake in the Autopista Central toll highway concession.

The latest (Sep 30, 2010) reported unrealized development gain, included about SEK 6.5 billion before taxes, corresponding to a value after taxes of about SEK 5 billion, for the Autopista Central. According to the signed sales agreement, the gain on sale after taxes will amount to about SEK 5 billion. See also the table on page 11 concerning adjusted equity.

Equity

Reported in compliance with IFRSs

Summary statement of changes in equity

SEK M	Jan-Dec 2010	Jan-Dec 2009	Oct-Dec 2010	Oct-Dec 2009
Opening balance	20,167	18,553 ¹	18,016	19,024 ¹
<i>of which non-controlling interests</i>	<i>170</i>	<i>178</i>	<i>161</i>	<i>176</i>
Dividend to shareholders	-2,582	-2,185	0	0
Dividend to non-controlling interests	-39	-8	-36	-1
Effects of equity-settled share-based payments	208	130	55	41
Repurchase of shares	-252	-355	-19	-152
Other transfers of assets recognized directly in equity	0	0	0	0
Total comprehensive income attributable to				
Equity holders	3,299	4,032	2,779	1,260
Non-controlling interests	-9	0	-3	-5
Closing balance	20,792	20,167	20,792	20,167
<i>of which non-controlling interests</i>	<i>122</i>	<i>170</i>	<i>122</i>	<i>170</i>

¹ Opening balance according to the Annual Report 2009; SEK 19,249 M. Effects of changes in accounting principles; SEK -696 M. Adjusted opening balance SEK 18,553 M.

Equity and adjusted equity

SEK bn	Dec 31 2010	Sep 30 2010	Dec 31 2009
Equity attributable to equity holders	20.7	17.9	20.0
Unrealized surplus land value in Residential Development	1.0	1.0	1.0
Unrealized Commercial Property Development gains ¹	2.3	2.5	2.2
Unrealized Infrastructure Development gains	6.8 ²	8.5	8.4
Less standard corporate tax ³	-0.5	-1.8	-1.7
Adjusted equity	30.3	28.1	29.9
Equity per share, SEK ⁴	50.27	43.38	48.44
Adjusted equity per share, SEK ⁵	73.41	68.22	72.33

1 Markets value refers to accrued market value

2 Autopista Central after tax included

3 Less standard tax on surplus values December 31, 2010 excluding Autopista Central 10%. Standard tax on surplus values for other periods 15%

4 Equity attributable to equity holders divided by the number of shares outstanding after repurchases and conversion

5 Adjusted equity divided by the number of shares outstanding after repurchases and conversion

Investments and divestments

Reported in compliance with IFRSs

In the Construction business stream, investments totaled SEK -1,351 M (1,443). 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 -1,079 M (-954). During 2010, depreciation of property, plant and equipment amounted to SEK -1,206 M (-1,377).

In Residential Development, investments in current-asset properties amounted to SEK -5,367 M (-3,113) and total investments amounted to SEK -5,562 M (-3,430), including about SEK -1,876 M related to acquisitions of land equivalent to about 5,347 building rights.

In Commercial Property Development, investments in current-asset property amounted to SEK -3,125 M (-4,339), and total investments amounted to SEK -3,147 M (-4,299), including SEK 806 M related to investments in land. Divestments of current-asset properties amounted to SEK 6,589 M (4,218). Net investments in Commercial Property Development amounted to SEK 3,464 M (-121).

Investments in Infrastructure Development amounted to SEK -692 M (-445), and divestments were SEK 403 M (137). Net investments in Infrastructure Development were SEK -289 M (-308).

The Group's total investments amounted to SEK -10,749 M (-9,421). Divestments amounted to SEK 12,603 M (10,679), and the Group's net investments were SEK 1,854 M (1,258).

Group net investments

SEK M	Jan-Dec 2010	Jan-Dec 2009	Oct-Dec 2010	Oct-Dec 2009
OPERATIONS - INVESTMENTS				
Intangible assets	-72	-62	-41	-16
Property, plant and equipment	-1,338	-1,273	-383	-423
Assets in Infrastructure Development	-692	-445	-202	-153
Shares and participations	-155	-128	-77	1
Current-asset properties	-8,492	-7,452	-2,476	-2,279
of which Residential Development	-5,367	-3,113	-1,194	-1,081
of which Commercial Property Development	-3,125	-4,339	-1,282	-1,198
Investments in operations	-10,749	-9,360	-3,179	-2,870
STRATEGIC INVESTMENTS				
Businesses	0	-10	0	0
Shares	0	-51	0	-12
Strategic investments	0	-61	0	-12
Total Investments	-10,749	-9,421	-3,179	-2,882
OPERATIONS - DIVESTMENTS				
Intangible assets	4	0	-7	0
Property, plant and equipment	240	401	64	242
Assets in Infrastructure Development	403	137	33	82
Shares and participations	16	2	12	1
Current-asset properties	11,955	10,139	4,574	2,184
of which Residential Development	5,366	5,921	1,785	1,302
of which Commercial Property Development	6,589	4,218	2,789	882
Divestments in operation	12,618	10,679	4,676	2,509
STRATEGIC DIVESTMENTS				
Businesses	-15	0	-15	0
Strategic divestments	-15	0	-15	0
Total divestments	12,603	10,679	4,661	2,509
TOTAL NET INVESTMENTS¹	1,854	1,258	1,482	-373
Depreciation, non-current assets	-1,301	-1,477	-311	-405

1 (+) divestments, (-) investments

Reconciliation between segment reporting and IFRSs

SEK M	External revenue		Intra-Group revenue		Total revenue		Operating income	
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	2010	2009	2010	2009	2010	2009	2010	2009
Construction	108,923 ¹	125,239 ¹	4,290	5,149	113,213	130,388	4,388	4,870
Residential Development	7,462	6,426	119	118	7,581	6,544	559	-16
Commercial Property Development	4,648	4,340	0	206	4,648	4,546	920	780
Infrastructure Development	319	151	0	0	319	151	297	187
Total operating segments	121,352	136,156	4,409	5,473	125,761	141,629	6,164	5,821
Central	310	40	266	115	576	155	-792	-680
Eliminations	1	-376	-4,675	-5,588	-4,674	-5,964	-33	31
Total Group	121,663	135,820	0	0	121,663	135,820	5,339	5,172
Reconciliation to IFRSs	561	3,304	0	0	561	3,304	119	861
Total IFRSs	122,224	139,124	0	0	122,224	139,124	5,458	6,033

1 of which external revenue from joint ventures in Infrastructure Development SEK 7,153 M (5,968)

SEK M	Segment	IFRS	Segment	IFRS	Segment	IFRS	Segment	IFRS
	Jan-Dec 2010	Jan-Dec 2010	Jan-Dec 2009	Jan-Dec 2009	Oct-Dec 2010	Oct-Dec 2010	Oct-Dec 2009	Oct-Dec 2009
Revenue								
Construction	113,213	113,213	130,388	130,388	30,944	30,944	31,662	31,662
Residential Development	7,581	5,513	6,544	9,439	2,431	1,794	1,965	2,382
Commercial Property Development	4,648	7,277	4,546	4,955	496	2,970	2,475	968
Infrastructure Development	319	319	151	151	84	84	37	37
Central and eliminations	-4,098	-4,098	-5,809	-5,809	-1,290	-1,251	-903	-903
Skanska Group	121,663	122,224	135,820	139,124	32,665	34,541	35,236	34,146
Operating income								
Construction	4,388	4,388	4,870	4,870	1,288	1,288	1,192	1,192
Residential Development	559	280	-16	427	122	80	86	147
Commercial Property Development ¹	920	1,301	780	1,198	123	485	392	79
Infrastructure Development	297	297	187	187	16	16	86	86
Central	-792	-792	-680	-680	-257	-253	-239	-239
Eliminations ¹	-33	-16	31	31	-23	36	31	31
Operating income	5,339	5,458	5,172	6,033	1,269	1,652	1,548	1,296
Net financial items	-35	-35	-233	-233	-19	-19	-52	-52
Income after financial items	5,304	5,423	4,939	5,800	1,250	1,633	1,496	1,244
Taxes	-1,364	-1,395	-1,344	-1,579	-270	-372	-447	-392
Profit for the period	3,940	4,028	3,595	4,221	980	1,261	1,049	852
Earnings for the period per share, SEK ²	9.54		8.65		2.37		2.54	
Earnings for the period per share according to IFRS, SEK ²		9.76		10.16		3.06		2.08
1 of which gains from divestments of commercial properties reported in:								
Commercial Property Development	791	1,177	754	1,174	93	464	370	102
Eliminations	80	97	88	88	-9	30	48	37

² Earnings for the period attributable to equity holders divided by the average number of shares outstanding after repurchases and conversion

Residential Development

SEK M	Jan-Dec 2010	Jan-Dec 2009	Oct-Dec 2010	Oct-Dec 2009
Revenue according to segment reporting - binding agreement	7,581	6,544	2,431	1,965
Plus properties sold before this period	3,160	6,136	287	0
Less properties not yet occupied by the buyer	-5,018	-3,160	-906	438
Currency rate differences	-210	-81	-18	-21
Revenue according to IFRIC 15 - handover	5,513	9,439	1,794	2,382

Operating income according to segment reporting - binding agreement	559	-16	122	86
Plus properties sold before this period	489	945	151	0
Less properties not yet occupied by the buyer	-686	-489	-193	66
Adjustment income from JV and associated companies	-55	0	1	0
Currency rate differences	-27	-13	-1	-5
Operating income according to IFRIC 15 - handover	280	427	80	147

According to segment reporting, revenue for the year in Residential Development was SEK 7,581 M and operating income was SEK 559 M. To comply with IFRSs, add the revenue and earnings of the homes that were sold during prior periods but were handed over during the year. Then subtract the homes that were sold during the year but where the purchaser did not yet take possession, plus exchange rate differences. According to IFRSs, revenue in Residential Development was SEK 5,513 M. According to IFRSs, operating income in Residential Development was SEK 280 M.

Commercial Property Development

SEK M	Jan-Dec 2010	Jan-Dec 2009	Oct-Dec 2010	Oct-Dec 2009
Revenue according to segment reporting - binding agreement	4,648	4,546	496	2,475
Plus properties sold before this period	2,781	3,022	0	0
Less properties not yet occupied by the buyer	-93	-2,781	2,483	-1,445
Currency rate differences	-59	168	-9	-62
Revenue according to IFRIC 15 - handover	7,277	4,955	2,970	968
Operating income according to segment reporting - binding agreement	920	780	123	392
Plus properties sold before this period	401	766	0	0
Less properties not yet occupied by the buyer	-20	-401	364	-295
Currency rate differences	0	53	-2	-18
Operating income according to IFRIC 15 - handover	1,301	1,198	485	79

According to segment reporting, revenue for the year in Commercial Property Development was SEK 4,648 M and operating income was SEK 920 M. To comply with IFRSs, add the revenue and earnings of the properties that were sold during prior periods but were handed over during the year. Then subtract the properties that were sold during the year but where the purchaser did not yet take possession, plus exchange rate differences. According to IFRSs, revenue in Commercial Property Development was SEK 7,277 M. According to IFRSs, operating income in Commercial Property Development was SEK 1,301 M.

The Skanska Group

Summary income statement

SEK M	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
	2010	2009	2010	2009
Revenue	122,224	139,124	34,541	34,146
Cost of sales	-109,774	-125,417	-30,830	-30,843
Gross income	12,450	13,707	3,711	3,303
Selling and administrative expenses	-7,533	-8,078	-2,144	-2,174
Income from joint ventures and associated companies	541	404	85	167
Operating income	5,458	6,033	1,652	1,296
Financial income	342	262	128	117
Financial expenses	-377	-495	-147	-169
Net financial items¹	-35	-233	-19	-52
Income after financial items	5,423	5,800	1,633	1,244
Taxes	-1,395	-1,579	-372	-392
Profit for the period	4,028	4,221	1,261	852
1 of which				
Interest income	218	252	54	107
Financial net pension costs	59	-36	17	-7
Interest expenses	-261	-417	-84	-167
Capitalized interest expenses	46	188	-6	60
<i>Net interest</i>	62	-13	-19	-7
Change in fair value	-36	-90	3	-9
Other net financial items	-61	-130	-3	-36
Net financial items	-35	-233	-19	-52
Profit attributable to:				
Equity holders	4,022	4,216	1,259	856
Non-controlling interests	6	5	2	-4
Earnings per share after repurchases and conversion, SEK ²				
	9.76	10.16	3.06	2.08
Earnings per share after repurchases, conversion and dilution, SEK ³				
	9.66	10.12	3.02	2.06

² Earnings for the period attributable to equity holders divided by the average number of shares outstanding after repurchases and conversion

³ Earnings for the period attributable to equity holders divided by the average number of shares outstanding after repurchases, conversion and dilution

Net financial items

Net financial items amounted to SEK -35 M (-233). Net interest income amounted to SEK 62 M (-13). Capitalization of interest expenses in ongoing projects for Skanska's own account declined because a relatively large proportion of projects were in their early stages, amounting to SEK 46 M (188). The net change in the fair value of financial instruments amounted to SEK -36 M (-90). Other financial items totaled SEK -61 M (-130) and mainly consisted of currency rate differences.

Summary statement of comprehensive income

SEK M	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
	2010	2009	2010	2009
Profit for the period	4,028	4,221	1,261	852
Other comprehensive income				
Translation differences attributable to equity holders	-1,809	-324	-108	322
Translation differences attributable to non-controlling interests	-15	-5	-5	-1
Hedging of exchange rate risk in foreign operations	363	8	-12	-130
Effects of actuarial gains and losses on pensions ³	889	764	1,673	646
Effects of cash flow hedges ¹	127	-399	433	-225
Tax attributable to other comprehensive income ^{2,3}	-293	-233	-466	-209
Other comprehensive income for the period	-738	-189	1,515	403
Total comprehensive income for the period	3,290	4,032	2,776	1,255
Total comprehensive income attributable to				
Equity holders	3,299	4,032	2,779	1,260
Non-controlling interests	-9	0	-3	-5
1 of which transferred to income statement				
	-63	32	-19	-2
2 of which tax related to				
- actuarial gains and losses on pensions	-239	-215	-450	-182
- cash flow hedges	-54	-18	-16	-27
3 Total effect on equity from actuarial gains and losses on pensions				
	650	549	1,223	464

The strengthening of the Swedish krona, especially against the USD, led to translation differences in equity. Skanska hedges about 30 percent of its equity in foreign subsidiaries against the Swedish krona. The net translation differences as of December 31, 2010 amounted to SEK -1,446 M (-316).

The effects of actuarial gains and losses on pensions totaled SEK 889 M (764). This positive effect was due to increased discount rates as well as a return on managed assets that exceeded actuarial assumptions. The increased discount rates were a consequence of a change in the benchmark rate for Skanska's Swedish pension liabilities as well as a general increase in yields on long-term bonds in the markets where Skanska has pension obligations.

Parent Company

Net sales of the Parent Company during January-December were SEK 285 M (319). Operating income amounted to SEK -300 M (-208). Income after financial items totaled SEK 3,933 M (2,482).

Summary income statement, Parent Company

SEK M	Jan-Dec 2010	Jan-Dec 2009	Oct-Dec 2010	Oct-Dec 2009
Net sales	285	319	285	319
Cost of sales and selling and administrative expenses	-585	-527	-316	-239
Operating income	-300	-208	-31	80
Net financial items	4,233	2,690	1,273	231
Income after financial items	3,933	2,482	1,242	311
Taxes	-230	12	-334	-73
Profit for the period	3,703	2,494	908	238
Total comprehensive income	3,703	2,494	908	238

Summary balance sheet, Parent Company

SEK M	Dec 31 2010	Dec 31 2009
ASSETS		
Intangible non-current assets	9	17
Property, plant and equipment	3	2
Financial non-current assets ¹	12,008	17,636
Total non-current assets	12,020	17,655
Current receivables	134	135
Total current assets	134	135
TOTAL ASSETS	12,154	17,790
EQUITY AND LIABILITIES		
Equity	8,216	7,330
Provisions	268	212
Non-current interest-bearing liabilities ¹	3,316	10,143
Current liabilities	354	105
TOTAL EQUITY AND LIABILITIES	12,154	17,790

¹ Of these amounts, SEK 1 287 M (Dec 31, 2009: 6,925) were intra-Group receivables and SEK 3,316 M (Dec 31, 2009: 10,143) intra-Group liabilities.

Note, contingent liabilities

The Parent Company's contingent liabilities totaled SEK 109.3 bn (Dec 31, 2009: 109.0), of which SEK 103.1 bn (Dec 31, 2009: 97.5) was related to obligations on behalf of Group companies. Other obligations, SEK 6.2 bn (Dec 31 2009: 11.5), were related to commitments to outside parties.

Share data

	Jan-Dec 2010	Jan-Dec 2009	Oct-Dec 2010	Oct-Dec 2009
Earnings per share according to segment reporting after repurchases and conversion, SEK ¹	9.54	8.65	2.37	2.55
Earnings per share after repurchases and conversion, SEK ¹	9.76	10.16	3.07	2.08
Earnings per share after repurchases, conversion and dilution, SEK ²	9.66	10.12	3.03	2.06
Average number of shares outstanding after repurchases and conversion	412,229,351	415,059,131		
Average number of shares outstanding after repurchases, conversion and dilution	416,448,523	416,743,454		
Average dilution, percent	1.01	0.40		
Number of shares, at balance sheet date	423,053,072	423,053,072		
of which Series A and Series B shares	419,413,072	419,113,072		
of which Series D shares (without right to dividend, in Skanska's own custody)	3,640,000	3,940,000		
Number of Series D shares converted to Series B shares	860,000	560,000		
Average price, repurchased shares, SEK	105.40	100.69		
Number of Series B shares repurchased	8,324,000	6,214,000		
of which repurchased during the year	2,110,000	3,419,000		
Number of shares in Skanska's own custody	8,253,247	6,331,190		
Number of shares outstanding after repurchases and conversion	411,159,825	412,781,882		

¹ Earnings for the period attributable to equity holders divided by the average number of shares outstanding after repurchases and conversion

² Earnings for the period attributable to equity holders divided by the average number of shares outstanding after repurchases, conversion and dilution

Five-year Group financial summary

	Jan-Dec 2010	Jan-Dec 2009	Jan-Dec 2008 ²	Jan-Dec 2007 ²	Jan-Dec 2006 ²
Revenue	122,224	139,124	143,674	138,781	125,603
Operating income	5,458	6,033	4,086	5,406	4,762
Profit for the period	4,028	4,221	3,157	4,121	3,655
Earnings per share after repurchases and conversion, SEK	9.76	10.16	7.44	9.78	8.68
Return on capital employed, %	21.6	22.3	18.3	25.0	22.5
Return on equity, %	21.0	22.6	15.9	21.1	20.5
Operating margin, %	4.5	4.3	2.8	3.9	3.8
Cash flow per share ¹	4.12	7.99	-9.14	10.82	-2.04

¹ Cash flow before change in interest-bearing receivables and liabilities divided by the average number of shares outstanding after repurchases and conversion

² Comparative figures for 2006-2008 have not been adjusted to the effects of IFRIC 12 och IFRIC 15

Exchange rates for the most important currencies

SEK	Average exchange rates		Exchange rates on the closing day	
	Jan-Dec 2010	Jan-Dec 2009	Dec 31 2010	Dec 31 2009
U.S. dollar	7.21	7.65	6.80	7.19
British pound	11.13	11.92	10.50	11.40
Norwegian krone	1.19	1.22	1.15	1.24
Euro	9.55	10.62	9.01	10.30
Czech koruna	0.38	0.40	0.36	0.39
Polish zloty	2.39	2.46	2.27	2.50

Personnel

The average number of employees in the Group was 51,645 (52,931).

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 with long production runs.

In Skanska's operations there are many types of contractual mechanisms. The degree of risks associated with 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 preparations to completion of the assignment, with regard to technical, legal and financial risks.

For further information about risks and a description of key estimates and judgments, see the Report of the Directors and Notes 2 and 6 in the Annual Report for 2009 as well as the above section on the market outlook.

Other matters

Repurchases of shares

At its meeting on May 6, the Board of Directors decided to exercise its authorization by the Annual Shareholders' Meeting to repurchase shares on the following conditions. On one or more occasions, however no later than the 2011 Annual Shareholders' Meeting, a maximum of 4,500,000 Series B shares in Skanska may be acquired for the purpose of securing delivery of shares to participants in the Skanska Employee Ownership Program. Acquisitions may only be made on the NASDAQ OMX Stockholm exchange at a price within the applicable range of prices at any given time, meaning the interval between the highest purchase price and lowest selling price. On December 31, Skanska held 8,253,247 Series B shares in its own custody.

Events after the end of the year

Conversion of shares

To ensure delivery of shares pursuant to Skanska's Share Award Plan related to the financial year 2007, 490,000 Series D shares were converted to Series B shares.

Annual Meeting

The Annual Shareholders' Meeting will be held at 4:00 p.m. (CET) on April 5, 2011 at the Cirkus auditorium, Djurgården, Stockholm, Sweden. The invitation to the annual meeting will be published on March 4, 2011.

Dividend

The Board of Directors proposes a regular dividend of SEK 5.75 (5.25) per share and an extra dividend of SEK 6.25 (1.00) per share for the financial year 2010. The extra dividend proposed by the Board of Directors is conditional upon Skanska's sale of its 50 percent stake in the company that owns the concession for the Autopista Central highway having been completed and the full sale price having been paid. The Board of Directors proposes April 8 as the record date for the regular dividend and proposes that The Board of Directors will be granted authorization by the Annual Shareholders' Meeting to set the record date for the conditional extra dividend. The proposal is equivalent to a regular dividend amount totaling SEK 2,364 M (2,167) and an extra dividend amount of SEK 2,570 M (413). No dividend is paid for the Parent Company's holding of its own Series B shares.

The total dividend amount may change by the record dates, depending on repurchases of shares and transfers of shares to participants in Skanska's long-term incentive programs.

Financial reports during 2011

Skanska's interim reports as well as the Year-end Report are available for downloading on Skanska's website, www.skanska.com/investors, and can also be ordered from Skanska AB, Investor Relations.

The Group's reports during 2011 will be published on the following dates:

May 5, 2011	Three Month Report
July 21, 2011	Six Month Report
November 3, 2011	Nine Month Report

Solna, February 10, 2011

JOHAN KARLSTRÖM

President and CEO

This Year-end Report has not been subjected to a review by the Company's auditors

Additional information, segment reporting

Revenue and earnings

Construction

SEK M	Jan-Dec 2010	Jan-Dec 2009	Oct-Dec 2010	Oct-Dec 2009
Revenue	113,213	130,388	30,944	31,662
Gross income	10,137	11,184	2,911	2,796
Selling and administrative expenses	-5,764	-6,317	-1,624	-1,607
Income from joint ventures and associated companies	15	3	1	3
Operating income	4,388	4,870	1,288	1,192
Investments	-1,351	-1,443	-431	-469
Divestments	272	489	77	287
Net investments	-1,079	-954	-354	-182
Gross margin, %	9.0	8.6	9.4	8.8
Selling and administrative expenses, %	-5.1	-4.8	-5.2	-5.1
Operating margin %	3.9	3.7	4.2	3.8
Order bookings, SEK bn	131.4	128.8	30.1	34.2
Order backlog, SEK bn	147.1	136.5		
Employees	50,197	51,660		

Residential Development

SEK M	Jan-Dec 2010	Jan-Dec 2009	Oct-Dec 2010	Oct-Dec 2009
Revenue	7,581	6,544	2,431	1,965
Gross income	1,095	578	310	267
Selling and administrative expenses	-589	-590	-185	-184
Income from joint ventures and associated companies	53	-4	-3	3
Operating income	559	-16	122	86
Operating margin, %	7.4	neg	5.0	4.4
Employees	649	669		

Commercial Property Development

SEK M	Jan-Dec 2010	Jan-Dec 2009	Oct-Dec 2010	Oct-Dec 2009
Revenue	4,648	4,546	496	2,475
Gross income	1,277	1,114	229	489
Selling and administrative expenses	-355	-334	-105	-101
Income from joint ventures and associated companies	-2	0	-1	4
Operating income	920	780	123	392
of which gain from divestments of properties ¹	791	754	93	370
of which writedowns/reversal of writedowns	18	-79	22	-57
Employees	199	187		
1 Additional gain included in eliminations was	80	88	-9	48

Infrastructure Development

SEK M	Jan-Dec 2010	Jan-Dec 2009	Oct-Dec 2010	Oct-Dec 2009
Revenue	319	151	84	37
Gross income	-101	-59	-35	-34
Selling and administrative expenses	-138	-155	-38	-33
Income from joint ventures and associated companies	536	401	89	153
Operating income	297	187	16	86
of which gains from divestments of shares in projects	192	0	8	0
Investments	-692	-445	-202	-153
Divestments	403	137	33	82
Net investments	-289	-308	-169	-71
Capital employed, SEK bn	2.7	1.9		
Return on capital employed (RoCE), %	14.4	9.3		
Employees	140	128		

Construction by business/reporting unit

SEK M	Revenue			
	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
	2010	2009	2010	2009
Sweden	23,232	24,600	6,902	6,261
Norway	11,228	11,254	3,039	2,750
Finland	6,892	7,151	2,143	1,790
Poland	9,022	7,385	2,665	2,580
Czech Republic	8,620	11,749	2,866	3,249
UK	14,212	18,383	3,365	4,163
USA Building	22,822	30,796	5,789	6,036
USA Civil	11,514	13,054	2,576	3,137
Latin America	5,671	6,016	1,599	1,696
Total	113,213	130,388	30,944	31,662

SEK M	Operating income			
	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
	2010	2009	2010	2009
Sweden	1,225	970	406	88
Norway	182	455	-18	92
Finland	-79	232	50	83
Poland	593	338	155	71
Czech Republic	397	524	160	158
UK	425	464	121	149
USA Building	418	511	121	111
USA Civil	944	1,128	145	344
Latin America	284	248	149	96
Total	4,389	4,870	1,289	1,192

	Operating margin, %			
	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
	2010	2009	2010	2009
Sweden	5.3	3.9	5.9	1.4
Norway	1.6	4.0	neg	3.3
Finland	neg	3.2	2.3	4.6
Poland	6.6	4.6	5.8	2.8
Czech Republic	4.6	4.5	5.6	4.9
UK	3.0	2.5	3.6	3.6
USA Building	1.8	1.7	2.1	1.8
USA Civil	8.2	8.6	5.6	11.0
Latin America	5.0	4.1	9.3	5.7
Total	3.9	3.7	4.2	3.8

SEK M	Order backlog	
	Dec 31	Dec 31
	2010	2009
Sweden	33,008	15,437
Norway	10,199	9,121
Finland	5,903	4,740
Poland	8,962	12,079
Czech Republic	8,399	11,104
UK	23,512	24,496
USA Building	30,649	29,639
USA Civil	20,812	26,364
Latin America	5,633	3,548
Total	147,077	136,528

	Order bookings			
	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
	2010	2009	2010	2009
Sweden	40,532	21,817	8,619	4,890
Norway	12,960	11,274	3,385	4,729
Finland	8,685	6,285	2,460	1,988
Poland	6,854	13,958	1,266	2,444
Czech Republic	6,786	8,960	1,038	1,310
UK	14,950	20,212	2,649	2,519
USA Building	25,576	29,770	8,689	9,414
USA Civil	7,129	11,854	547	5,524
Latin America	7,961	4,653	1,476	1,390
Total	131,433	128,783	30,129	34,208

Residential Development

SEK M	Revenue			
	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
	2010	2009	2010	2009
Sweden	3,295	3,143	1,212	883
Norway	1,401	788	432	309
Denmark	-	128	-	19
Finland	2,372	2,117	662	666
Nordics	7,068	6,176	2,306	1,877
Czech Republic	513	368	125	88
Total	7,581	6,544	2,431	1,965

	Operating income ¹			
	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
	2010	2009	2010	2009
	293	58	78	23
	51	-13	-15	25
	-	-38	-	-17
	169	-18	44	56
	513	-11	107	87
	46	-5	15	-1
Total	559	-16	122	86

	Operating margin, % ¹			
	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
	2010	2009	2010	2009
Sweden	8.9	1.8	6.4	2.6
Norway	3.6	neg	neg	8.1
Denmark	-	neg	-	neg
Finland	7.1	neg	6.6	8.4
Nordics	7.3	neg	4.6	4.6
Czech Republic	9.0	neg	12.0	neg
Total	7.4	neg	5.0	4.4

¹ Development gain only. Construction margin reported under Construction.

	Homes started			
	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
	2010	2009	2010	2009
Sweden	1,681	518	503	156
Norway	461	143	192	137
Finland	1,556	28	530	28
Nordics	3,698	689	1,225	321
Czech Republic	415	121	0	0
Total	4,113	810	1,225	321

	Homes sold			
	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
	2010	2009	2010	2009
	1,227	1,144	367	237
	396	209	158	71
	1,138	770	300	220
	2,761	2,123	825	528
	415	269	101	66
Total	3,176	2,392	926	594

	Homes under construction	
	Dec 31	Dec 31
	2010	2009
Sweden	1,945	1,608
Norway	516	136
Finland	1,532	263
Nordics	3,993	2,007
Czech Republic	541	422
Total	4,534	2,429

	Homes under construction of which sold, %	
	Dec 31	Dec 31
	2010	2009
	58	81
	71	42
	60	79
	60	78
	51	59
Total	59	75

	Completed unsold, number of homes	
	Dec 31	Dec 31
	2010	2009
Sweden	34	95
Norway	4	10
Finland	39	185
Nordics	77	290
Czech Republic	100	190
Total	177	480