SKANSKA

Skanska AB

Mail SE-169 83 Solna, Sweden
Street Råsundavägen 2
Phone +46 10 448 8900
Fax +46 8 755 12 56

Website www.skanska.com
Reg. office Solna
Corp. ID no. 556000-4615

Public company (publ)

PRESS RELEASE

February 8, 2012

8:00 a.m. CET

Year-end Report, January–December 2011
Group highlights according to segment reporting

SEK M	Jan-Dec 2011	Jan-Dec 2010	Oct-Dec 2011	Oct-Dec 2010
Revenue	122,534	121,663	36,559	32,665
of which revenue from divestments of properties in Commercial Property Development	*5,025*	*3,942*	*3,001*	*320*
Operating income	9,087	5,339	1,333	1,269
of which gains from divestments of properties in Commercial Property Development	*1,402*	*871*	*773*	*84*
Income after financial items	9,099	5,304	1,329	1,250
Profit for the period	8,129	3,940	1,046	980
Earnings for the period per share, SEK [1]	19.72	9.54	2.53	2.37
Earnings for the period per share according to IFRSs, SEK [1]	18.43	9.76	2.65	3.06
Return on equity according to segment reporting, %	41.5	21.1		
Operating cash flow before taxes, financing operations and dividends	2,916	6,270	1,476	4,567
Interest-bearing net receivables [2, 3]	2,929	9,914		
Order bookings, SEK bn [4]	123.6	130.3	41.0	29.0
Order backlog, SEK bn [2, 4]	155.7	145.9		
1 Earnings for the period attributable to equity holders divided by the average number of shares outstanding after repurchases and conversion				
2 Refers to the end of each period				
3 Excluding construction loans to cooperative housing associations and net interest-bearing pension liabilities and provisions amounted to SEK bn	9.5	12.2		
4 Refers to Construction				

January–December 2011 compared to January–December 2010

- Order bookings totaled SEK 123.6 (130.3) billion. Order bookings in the fourth quarter totaled SEK 41.0 (29.0) billion, an increase of 41 percent compared to the fourth quarter of 2010.
- Order bookings were 7 percent higher than revenue during the year. Order backlog increased 7 percent and amounted to SEK 155.7 (145.9) billion. This was equivalent to 16 (16) months of construction.
- Revenue amounted to SEK 122.5 (121.7) billion.
- Revenue in Construction amounted to SEK 115.0 (113,2) billion, an increase of 2 percent and an increase of 8 percent adjusted for currency rate effects.
- Operating income for the Group amounted to SEK 9,087 M (5,339). Currency rate effects reduced income by SEK 249 M.
- Operating income in Construction totaled SEK 3,467 M (4,388). Operating margin amounted to 3.0 (3.9) percent. Currency rate effects reduced income by SEK 255 M.
- Income after financial items amounted to SEK 9,099 M (5,304).
- Profit for the year totaled SEK 8,129 M (3,940).
- Earnings per share totaled SEK 19.72 (9.54) according to segment reporting and SEK 18.43 (9.76) according to IFRSs.
- Operating cash flow before taxes, financial activities and dividends amounted to SEK 2,916 M (6,270).
- Interest-bearing net cash position excluding construction loans to cooperative housing associations and interest-bearing pension liabilities totaled SEK 9.5 (12.2) billion.
- The Board of Directors proposes a regular dividend of SEK 6.00 (5.75) per share.

For further information, please contact:

Peter Wallin, Executive Vice President and CFO, Skanska AB, tel +46 10 448 1120
Pontus Winqvist, Senior Vice President, Investor Relations, Skanska AB, tel +46 10 448 8851
Katarina Grönwall, Senior Vice President, Communications, Skanska AB, tel +46 10 448 8877
Edvard Lind, Group Press Officer, Skanska AB, tel +46 10 448 8808

This report will also be presented at a press and telephone conference at 2:00 p.m. (14:00) CET on February 8 at the Scandic Anglais Hotel, Humlegårdsgatan 23, Stockholm, Sweden. The press and telephone 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.

Comments from Skanska's President and CEO Johan Karlström:

- The positive trend in order bookings continued during the fourth quarter. Both in the full year 2011 and in the fourth quarter, Construction operations reported order bookings that were higher than revenue. The 2011 order bookings were 7 percent higher than revenue during the year. Despite the economic uncertainty surrounding us, we were successful due to our focused efforts and secured new assignments for our operations. To further strengthen and expand our Construction operations, we carried out three company acquisitions during the fourth quarter: U.S.-based Industrial Contractors Inc, Soraset Yhtiöt Oy in Finland and PUDiZ Group in Poland. The acquired companies will represent a total of more than SEK 5 billion in annualized revenue.
- Construction revenue increased, and Sweden, Poland, the United States and the United Kingdom continued to deliver good earnings and margins. However, profitability was lower than in 2010, mainly because our operations in Finland and Norway were adversely affected by further project writedowns and provisions. This was the result of an in-depth analysis of our operations and the project portfolio, in order to resolve current situation and improve profitability.
- In the prevailing uncertain market climate, our Residential Development operations started up and sold homes at the same level as in the fourth quarter of 2010 and also started up our first British residential project. The decrease in the operating margin compared to 2010 was mainly due to low profitability in certain projects in the Swedish market, write-downs in the value of land in Estonia and Slovakia and costs for establishing a presence in new markets. We will continue the task of adjusting our operations in order to create profitable Residential Development operation.
- During the fourth quarter, Commercial Property Development continued to sell a number of properties, with good capital gains and at attractive yield levels. We are also continuing to develop new projects in order to generate future realizable values, and during the fourth quarter we started up seven new projects. This means that at the end of 2011 we had 32 ongoing projects, with an investment commitment of about SEK 9 billion.
- During the fourth quarter, Infrastructure Development divested a school project in Scotland. Earlier in the year, Infrastructure Development also sold the Autopista Central highway project and 50 percent of the Antofagasta highway project in Chile. These divestments, as well as our divestments in Commercial Property Development, are a good example of Skanska's business model, where capital generated in Construction is invested in profitable development projects, which in turn generate construction assignments and future development gains and also make a stable dividend possible. The capital gain on the divestment of the Autopista Central enabled us to disburse an extra dividend of SEK 6.25 per share in May 2011.

Market outlook

Construction

The market in building construction remains stable. In the U.S., there is continued good demand in certain building construction sectors such as healthcare, the pharmaceutical industry and facilities for the information technology (IT) industry. The Nordic markets are generally having a stable development but the residential construction market in Sweden and Finland is characterized by some uncertainty. The Czech and U.K. markets remain weak.

The civil construction market remains stable in most of our markets. The number of bidders is still high, and we can see a large presence of international players in several of our markets, which means tight bidding margins. In the U.S., the Czech Republic and the U.K., the market is being affected by public sector austerity programs. In the U.S., increased private construction investments in the energy sector, for example, may partly offset the decline in public sector construction investments. In Latin America, the market for energy sector facilities is good.

Residential Development

The residential market is characterized by tighter lending from banks and by considerable uncertainty, especially in the Swedish and Finnish markets. In these markets, prices have begun to fall somewhat, and the number of days that new homes are for sale have increased. In Norway, demand is good and the price trend is stable. In the Czech Republic, the market trend remains weak.

Commercial Property Development

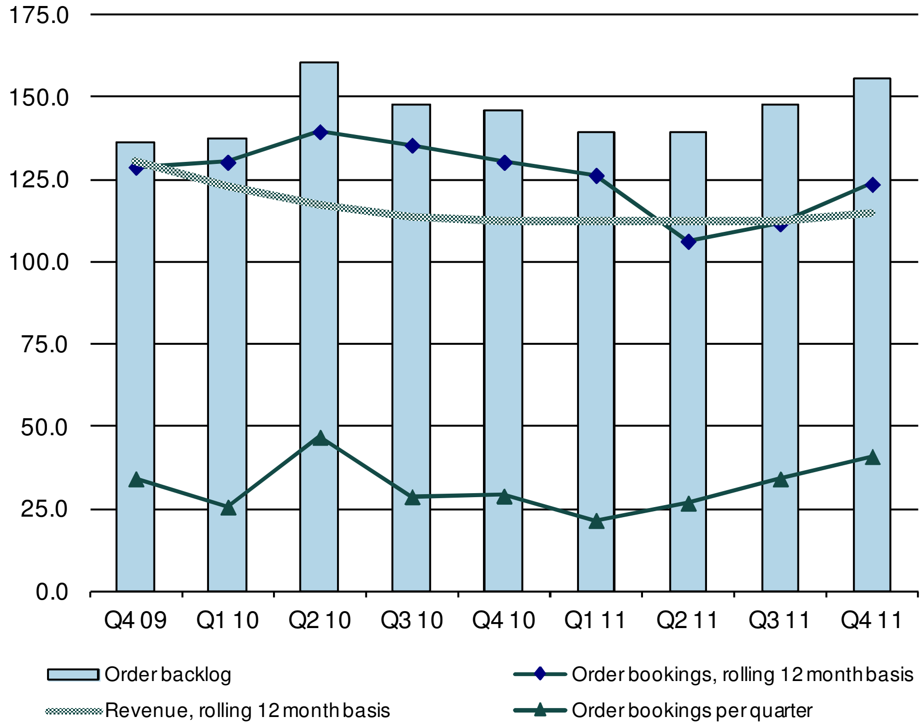
There is continued good demand for modern, efficient and green properties, resulting in attractive valuations for this property category. Vacancy rates for office space are stable in most of our U.S., Nordic and Central European cities, but due to the uncertain economic situation the mobility of potential tenants is decreasing.

In the Nordic countries, the U.S. and Central Europe, there is good potential to develop new office projects in our metropolitan regions. Our solid financial position enables us to be proactive and invest in new projects without being dependent on external financing.

Infrastructure Development

Due to the tightening of British public expenditures, there has been a general reduction in the supply of new public-private partnership (PPP) projects in the U.K, but the potential for this type of project appears likely to improve somewhat during 2012. In other European markets, the supply of projects is more limited, although interest in PPP solutions has increased in some markets. There is also good potential for new projects in the U.S. and Latin America, but the lead times for these is difficult to predict.

Order bookings and backlog, SEK bn



Order bookings

Order bookings increased in the fourth quarter by 20 percent compared to the preceding quarter. The increase was 41 percent compared to the fourth quarter of 2010. During 2011 as a whole, order bookings decreased by 5 percent compared to the preceding year and totaled SEK 123.6 (130.3) billion. Adjusted for currency rate effects, order bookings increased by 1 percent. Order bookings were 7 percent higher than revenue during the year.

Presented below are some of the major projects included in order bookings during the fourth quarter.

In Latin America Skanska was awarded a contract by Petrobras to build a natural gas power plant in Rio de Janeiro, Brazil for about SEK 3.2 billion.

In USA Skanska was awarded numerous contracts. Skanska USA Building received among others the first construction phase of a state-of-the-art hospital complex, the University Medical Center in New Orleans, Louisiana, for about SEK 3 billion. Skanska USA Building also received a construction contract in the western United States worth about SEK 1.1 billion for a confidential customer and an assignment to expand and renovate St. Francis Hospital in Columbia, Georgia for about SEK 665 M. Skanska USA Civil received a design-build contract for a 16 km (10 mi.) extension of the Bay Area Rapid Transit (BART) system in northern California, worth SEK 2.2 billion, for the Santa Clara Valley Transportation Authority (VTA).

Skanska Norway secured an assignment from the Norwegian National Rail Administration worth about SEK 1.6 billion to build a double track railroad on the Vestfold Line, plus an assignment to construct a shopping mall and apartments for Vågsgaten 16 AS in Sandnes, Rogaland totaling about SEK 640 M.

Skanska UK was awarded a design-build contract for the new HMP Grampian prison in Aberdeen for the Scottish Prison Service (SPS), worth about SEK 590 M. Skanska also received an assignment to build a green commercial property in Bevis Marks, London for Bevis Marks Development, valued at about SEK 517 M.

Order backlog

Order backlog increased by 7 percent and totaled SEK 155.7 (145.9) billion at the end of the fourth quarter. Adjusted for currency rate effects, order backlog also increased by 7 percent. Order backlog was equivalent to about 16 (16) months of construction. The portion of order backlog that is planned for execution during 2012 was equivalent to 72 (69) percent of 2011 revenue.

Accounting principles

For the Group, this interim 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 interim 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.

Effective from 2011, segment reporting of joint ventures in Residential Development with ongoing projects is applying a new principle. The proportional method is being used for joint ventures that have an ongoing project begun after 2010 or that sold residential units after 2010. The change in principle is being applied only prospectively and has not been restated historically. The equity method will continue to be applied to other joint ventures. Otherwise the accounting principles and assessment methods presented in the Annual Report for 2010 have been applied.

Segment and IFRS reporting

Segment reporting

Skanska’s business streams – Construction, Residential Development, Commercial Development and Infrastructure Development – 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 International Financial Reporting Standards (IFRSs).

Residential Development develops residential projects for immediate sale. Homes are adapted to selected customer categories. The units in this segment are responsible for planning and selling their projects. The construction assignments are performed by construction units in the Construction segment in each respective market. Residential Development revenue and earnings are recognized when binding contracts are signed for the sale of homes. According to IFRSs, revenue and earnings are recognized when the purchaser takes possession of the home.

Commercial Property Development initiates, develops, leases and divests commercial property projects. In most markets, construction assignments are performed by Skanska’s Construction segment. Commercial Development revenue and earnings are recognized when binding contracts are signed for the sale of properties. According to IFRSs, revenue and earnings are recognized when the purchaser takes possession of the property.

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 segment. Infrastructure Development revenue and earnings are recognized in compliance with IFRSs.

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

Revenue and earnings

Performance analysis, segment reporting

SEK M	Jan-Dec 2011	Jan-Dec 2010	Oct-Dec 2011	Oct-Dec 2010
Revenue				
Construction	114,972	113,213	33,299	30,944
Residential Development	8,550	7,581	2,518	2,392
Commercial Property Development	5,633	4,648	3,140	496
Infrastructure Development	286	319	29	84
Central and eliminations	-6,907	-4,098	-2,427	-1,251
Skanska Group	**122,534**	**121,663**	**36,559**	**32,665**
Operating income				
Construction	3,467	4,388	787	1,288
Residential Development	345	559	87	126
Commercial Property Development [1]	1,196	920	636	123
Infrastructure Development	4,726	297	43	16
Central	-699	-792	-234	-261
Eliminations [1]	52	-33	14	-23
Operating income	**9,087**	**5,339**	**1,333**	**1,269**
Net financial items	**12**	**-35**	**-4**	**-19**
Income after financial items	**9,099**	**5,304**	**1,329**	**1,250**
Taxes	-970	-1,364	-283	-270
Profit for the period	**8,129**	**3,940**	**1,046**	**980**
Earnings for the period per share, SEK [2]	19.72	9.54	2.53	2.37
Earnings for the period per share according to IFRSs, SEK [2]	18.43	9.76	2.65	3.06
1 Of which gains from divestments of commercial properties reported in:				
Commercial Property Development	1,266	791	712	93
Eliminations	136	80	61	-9
2 Earnings for the period attributable to equity holders divided by the average number of shares outstanding after repurchases and conversion				

The Group

Revenue increased by 1 percent to SEK 122.5 (121.7) billion, while revenue in local currencies increased by 7 percent.

Operating income amounted to SEK 9,087 M (5,339). This included SEK 4,500 M from the divestment of the Autopista Central toll highway in Chile, which was reported in the Infrastructure Development business stream. Excluding the divestment of the Autopista Central in Chile, the Group's income in local currencies declined by 9 percent. Currency rate effects amounted to SEK -249 M.

Central expenses, excluding businesses that are being closed down, totaled SEK -699 M (-792). Net financial items amounted to SEK 12 M (-35). For a specification of the items included in this figure, see page 16.

Income after financial items totaled SEK 9,099 M (5,304). Taxes for the year amounted to SEK -970 M (-1,364), equivalent to a tax rate of about 11 (26) percent. Profit for the year totaled SEK 8,129 M (3,940), and earnings per share according to segment reporting amounted to SEK 19.72 (9.54). Earnings per share for the year according to IFRSs amounted to SEK 18.43 (9.76). The main reason for the divergence in earnings was that more homes were sold during the year than the number of homes where the purchaser took possession; this was also true of commercial properties sold, but where the purchaser had not yet taken possession. For further information regarding these differences, see the reconciliation between segment reporting and IFRSs on pages 14 and 15.

Construction

Revenue increased by 2 percent to SEK 115.0 (113.2) billion. In local currencies, revenue increased by 8 percent.

In the Construction business stream, operating income totaled SEK 3,467 M (4,388). This means that income declined by 21 percent, while the decrease in local currencies amounted to 15 percent. Currency rate effects reduced operating income in Construction by SEK 255 M.

The 2011 operating margin was lower than in 2010 and amounted to 3.0 (3.9) percent. Earnings were adversely affected by project writedowns and provisions. In Norway project writedowns and provisions totaled about SEK 510 M, of which SEK 170 M in the fourth quarter while project writedowns and provisions in Finland totaled about SEK 510 M, of which SEK 350 M in the fourth quarter.

Residential Development

Revenue in the Residential Development business stream increased by 13 percent, amounting to SEK 8,550 M (7,581), and the number of homes sold increased to 3,193 (3,176). Operating income totaled SEK 345 M (559) and the operating margin amounted to 4.0 (7.4) percent. The deterioration in the operating margin was primarily due to lower profitability in certain projects in the Swedish market and a writedown of the value of land in Estonia. Earlier in the year, there were also writedowns of the value of land in Slovakia. Operating margin is also affected in the short term by investments to establish a presence in new residential development markets, such as the U.K. and Poland. During the fourth quarter, Residential Development started up the first 85 homes in its British operations, of which 39 were sold.

Commercial Property Development

Operating income in Commercial Property Development totaled SEK 1,196 M (920). During the year, the business stream carried out divestments worth SEK 5,025 M (3,942). Operating income included capital gains from property divestments totaling SEK 1,266 M (791). Divestment proceeds in the business stream exceeded carrying amounts by 34 (25) percent; the consolidated financial statements also included previously eliminated intra-Group capital gains of SEK 136 M (80).

Infrastructure Development

Operating income in Infrastructure Development totaled SEK 4,726 M (297). The divestment of the Autopista Central and 50 percent of the Antofagasta highway in Chile plus the Midlothian Schools in the U.K. accounted for SEK 4,600 M of income. During 2010, income was favorably affected in the amount of SEK 97 M by the divestment of Skanska’s stake in the E39 Orkdalsvegen highway in Norway.

Operating cash flow

In keeping with the strategic plan, which calls for growth in Skanska’s development operations, gross investments increased to SEK -15,847 M (-10,749) during the year. Net investments in operations amounted to SEK -318 M (1,854), with the Autopista Central and Antofagasta highway divestments in Chile having a positive impact of SEK 5,671 M on net investments. Beyond this, net investments were mainly affected by increased investments in current-asset properties in Residential Development and Commercial Property Development; property, plant and equipment for Construction; and decreased divestments of commercial properties that were taken into possession by the purchaser.

Taxes paid amounted to SEK -1,712 M (-1,636). Aside from tax payments for the year, they also consisted of supplementary tax payments related to 2010 for Swedish operations. Net strategic investments totaled SEK -1,444 M (-15) and were related to acquisitions of businesses. See also page 12. Dividends to shareholders, including the extra dividend as well as repurchases of shares, totaled SEK -5,096 M (-2,873). Cash flow before changes in interest-bearing receivables and liabilities amounted to SEK -4,046 M (1,699). The change in net pension liabilities in defined benefit pension plans totaled SEK -2,593 M (760), which was largely an effect of increased lifespan assumptions in the Swedish pension plan as well as lowered discount rates in Sweden and the U.K. The development of managed assets also adversely affected net pension liabilities.

Cash flow before taxes, financing operations and dividends amounted to SEK 4,360 M (6,285).

In Construction, cash flow totaled SEK 3,074 M (6,277). Positive cash flow came from business operations, while investments in property, plant and equipment had a negative effect on cash flow. The change in working capital was, as normal, positive during the fourth quarter. For the full year change in working capital was essentially unchanged. Working capital amounted to SEK -19.9 (-19.8) billion.

In Residential Development, cash flow amounted to SEK -2,564 M (-1,934), which was primarily a consequence of increased investments in ongoing projects. In Commercial Property Development, cash flow from business operations amounted to SEK 142 M (3,393), with negative cash flow being explained primarily by a property divested during the fourth quarter and not yet taken into possession by the purchaser, while the comparative period included properties sold the year before that were taken into possession. In Infrastructure Development, cash flow amounted to SEK 4,746 M (-749), with positive cash flow primarily explained by the divestment of the Autopista Central in Chile.

Consolidated operating cash flow statement

SEK M	Jan-Dec 2011	Jan-Dec 2010	Oct-Dec 2011	Oct-Dec 2010
Cash flow before change in interest-bearing receivables and liabilities	**-4,046**	**1,699**	**1,120**	**4,154**
Change in interest-bearing receivables and liabilities	2,771	-4,199	934	-1,779
Cash flow for the period	**-1,275**	**-2,500**	**2,054**	**2,375**
Cash and cash equivalents at the beginning of the period	6,654	9,409	3,234	4,248
Exchange rate differences in cash and cash equivalents	-70	-255	21	31
Cash and cash equivalents at the end of the period	**5,309**	**6,654**	**5,309**	**6,654**

Summary cash flow statement

SEK M	Jan-Dec 2011	Jan-Dec 2010	Oct-Dec 2011	Oct-Dec 2010
Cash flow from operating activities	245	6,238	3,319	4,848
Cash flow from investing activities	918	-3,850	-1,686	-486
Cash flow from financing activities	-2,438	-4,888	421	-1,987
Cash flow for the period	**-1,275**	**-2,500**	**2,054**	**2,375**

Operating cash flow and changes in interest-bearing net receivables

SEK M	Jan-Dec 2011	Jan-Dec 2010	Oct-Dec 2011	Oct-Dec 2010
Construction				
Cash flow from business operations	5,004	5,896	1,183	1,647
Change in working capital	-19	1,459	1,881	1,951
Net investments	-1,911	-1,079	-489	-355
Cash flow adjustment	0	1	0	1
Total Construction	**3,074**	**6,277**	**2,575**	**3,244**
Residential Development				
Cash flow from business operations	-756	-648	-198	-208
Change in working capital	-179	-826	-184	141
Net investments	-1,989	-281	-358	445
Cash flow adjustment	360	-179	-68	-188
Total Residential Development	**-2,564**	**-1,934**	**-808**	**190**
Commercial Property Development				
Cash flow from business operations	-52	121	-77	4
Change in working capital	-52	-170	-10	-149
Net investments	238	3,424	1,658	1,532
Cash flow adjustment	8	18	-44	148
Total Commercial Property Development	**142**	**3,393**	**1,527**	**1,535**
Infrastructure Development				
Cash flow from business operations	-177	-80	-44	-20
Change in working capital	103	-380	0	20
Net investments	4,820	-289	-268	-169
Cash flow adjustment	0	0	0	0
Total Infrastructure Development	**4,746**	**-749**	**-312**	**-169**
Central and eliminations				
Cash flow from business operations	-710	-761	-231	-205
Change in working capital	-296	-35	-85	-57
Net investments	-32	94	-15	44
Cash flow adjustment	0	0	0	0
Total central and eliminations	**-1,038**	**-702**	**-331**	**-218**
Total cash flow from business operations	3,309	4,528	633	1,218
Total change in working capital	-443	48	1,602	1,906
Total net investments	1,126	1,869	528	1,497
Total cash flow adjustment	368	-160	-112	-39
Total	**4,360**	**6,285**	**2,651**	**4,582**
Taxes paid in business operations	-1,758	-1,655	-245	-331
Cash flow from business operations	**2,602**	**4,630**	**2,406**	**4,251**
Net interest items and other net financial items	-154	-62	-116	-35
Taxes paid in financing operations	46	19	35	11
Cash flow from financing operations	**-108**	**-43**	**-81**	**-24**
CASH FLOW FROM OPERATIONS	**2,494**	**4,587**	**2,325**	**4,227**
Net strategic investments	-1,444	-15	-1,175	-15
Taxes paid on strategic divestments	0	0	0	0
Cash flow from strategic investments	**-1,444**	**-15**	**-1,175**	**-15**
Dividend etc.[1]	-5,096	-2,873	-30	-58
CASH FLOW BEFORE CHANGE IN INTEREST-BEARING RECEIVABLES AND LIABILITIES	**-4,046**	**1,699**	**1,120**	**4,154**
Translation differences, net receivables/net debt	-353	-726	30	-60
Change in pension liability	-2,593	760	-254	1,420
Reclassification, interest-bearing net receivables/net debt	0	0	0	0
Interest-bearing liabilites acquired/divested	37	-4	-45	-4
Other changes, interest-bearing net receivables/net debt	-30	94	13	19
CHANGE IN INTEREST-BEARING NET RECEIVABLES	**-6,985**	**1,823**	**864**	**5,529**
1 of which repurchases of shares	-184	-252	-63	-19

Summary statement of financial position

SEK M	Dec 31 2011	Dec 31 2010
ASSETS		
Non-current assets		
Property, plant and equipment	7,018	5,906
Goodwill	5,012	3,917
Intangible assets	158	354
Investments in joint ventures and associated companies	2,526	1,775
Financial non-current assets [1]	2,108	2,122
Deferred tax assets	1,671	1,472
Total non-current assets	**18,493**	**15,546**
Current assets		
Current-asset properties [3]	23,411	20,406
Inventories	1,014	926
Financial current assets [2]	6,361	6,321
Tax assets	436	506
Gross amount due from customers for contract work	5,108	4,941
Trade and other receivables	22,638	21,304
Cash	5,309	6,654
Assets held for sale	0	1,108
Total current assets	**64,277**	**62,166**
TOTAL ASSETS	**82,770**	**77,712**
of which interest-bearing non-current assets	*2,070*	*2,072*
of which interest-bearing current assets	*11,440*	*12,773*
Total interest-bearing assets	*13,510*	*14,845*
EQUITY		
Equity attributable to equity holders	19,413	20,670
Non-controlling interests	170	122
Total equity	**19,583**	**20,792**
LIABILITIES		
Non-current liabilities		
Financial non-current liabilities	1,335	1,107
Pensions	3,757	1,216
Deferred tax liabilities	927	1,637
Non-current provisions	17	28
Total non-current liabilities	**6,036**	**3,988**
Current liabilities		
Financial current liabilities [2]	5,563	2,786
Tax liabilities	263	1,003
Current provisions	5,930	5,037
Gross amount due to customers for contract work	16,827	16,937
Trade and other payables	28,568	27,169
Total current liabilities	**57,151**	**52,932**
TOTAL EQUITY AND LIABILITIES	**82,770**	**77,712**
of which interest-bearing financial liabilities	*6,759*	*3,666*
of which interest-bearing pensions and provisions	*3,822*	*1,265*
Total interest-bearing liabilities	*10,581*	*4,931*

1 of which shares	38	41

2 Items regarding non-interest-bearing unrealized changes in derivatives/financial instruments are included in the following amounts:

Financial non-current assets	0	9
Financial current assets	230	202
Financial non-current liabilities	2	0
Financial current liabilities	137	227

3 Current-asset properties

Commercial Property Development	11,066	10,000
Residential Development	12,345	10,406
	23,411	20,406

Note, contingent liabilities

Contingent liabilities amounted to SEK 18.9 bn on December 31, 2011 (Dec 31, 2010: 15.2). During the period, contingent liabilities increased by SEK 3.7 bn.

Financial position

Reported in compliance with IFRSs

Skanska has a continued solid financial position, with interest-bearing net receivables of SEK 2.9 (9.9) billion, which excluding construction loans to cooperative housing associations and net interest-bearing pension liabilities amounted to SEK 9.5 (12.2) billion. Interest-bearing loans plus net interest-bearing pension liabilities and provisions totaled SEK 10.6 (4.9) billion.

Skanska's unutilized long-term credit facility of SEK 6.7 billion that runs through June 2014, in combination with adjusted interest-bearing net receivables of SEK 9.5 (12.2) billion, gives a satisfactory level of capacity to support the Group and the business plan.

Construction loans to cooperative housing associations amounted to SEK 3.0 (1.1) billion, and net interest-bearing pension liabilities and provisions amounted to SEK 3.8 (1.3) billion.

At the end of the year, capital employed amounted to SEK 30.2 (25.7) billion. Return on capital employed amounted to 30.6 (21.6) percent.

The equity of the Group totaled SEK 19.6 (20.8) billion. The net debt/equity ratio amounted to -0.1 (-0.5), and the equity/assets ratio was 23.7 (26.8) percent.

Total assets in the consolidated statement of financial position amounted to SEK 82.8 (77.7) billion. Total assets rose due to increased net investments, and currency rate effects reduced total assets by SEK 0.6 billion.

The carrying amount of current-asset properties totaled SEK 23.4 billion, of which Residential Development current-asset properties accounted for SEK 12.3 billion and Commercial Property Development current-asset properties accounted for SEK 11.1 billion.

Residential Development

Reported in compliance with IFRSs

SEK M	Residential Development
Completed projects	358
Ongoing projects	5,418
Undeveloped land and development properties	6,569
Total	**12,345**

Effective from January 1, 2011, holdings in joint ventures and associated companies are directly recognized in the Residential Development segment using the proportional method, which affects the number of homes. See also accounting principles, page 4.

At the end of the fourth quarter, there were 5,445 (4,534) homes under construction. Of these, 58 (59) percent were sold. The number of completed unsold homes totaled 184 (177), of which 95 (100) in the Czech Republic. During the year, construction started on 3,630 (4,113) homes. In the Nordic countries, the number of homes started was 3,131 (3,698), while in the Czech Republic and the U.K. they totaled 499 (415). The number of homes sold during the period was 3,193 (3,176). In the Nordic countries, the number of homes sold totaled 2,747 (2,761), while homes sold in the Czech Republic and the U.K. totaled 446 (415).

The carrying amount of current-asset properties in Residential Development totaled SEK 12.3 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 6.6 billion, with an estimated market value of about SEK 7.6 billion according to the appraisal carried out in conjunction with the annual financial statements as of December 31, 2011. This was equivalent to Skanska-owned building rights for about 23,100 homes and about 2,300 building rights in associated companies. In addition, the business stream was entitled to purchase about 11,000 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, 2011

SEK M	Carrying amount, end of period	Carrying amount upon completion	Market value [1]	Occupancy rate, %	Degree of completion, %
Completed projects	2,913	2,913	4,072	85	100
Completed projects 2011	468	468	604	100	100
Total completed projects	**3,381**	**3,381**	**4,676**	**86**	
Undeveloped land and development properties	3,871	3,871	4,430		
Subtotal	**7,252**	**7,252**	**9,106**		
Ongoing projects	3,814	9,104	11,602 [2]	44	43
Total	**11,066**	**16,356**	**20,708**		
of which completed projects sold according to segment reporting	*1,001*	*1,001*	*1,247*		
of which ongoing projects sold according to segment reporting	*57*	*101*	*117*		

1 Market value according to appraisal on December 31, 2011

2 Estimated market value at completion

Commercial Property Development had 32 ongoing projects, 16 of them in the Nordic countries. During the year, 16 new projects were started, with an estimated investment volume of SEK 4.2 billion. Ongoing projects represented leasable space of about 471,000 sq. m (5.07 million sq. ft.) and had a pre-leasing rate of 44 percent, measured in rent. At year-end, the carrying amount for ongoing projects was SEK 3.8 billion. Their carrying amount upon completion is expected to total SEK 9.1 billion, with an estimated market value of SEK 11.6 billion upon completion. The degree of completion in ongoing projects was about 43 percent. Of these ongoing projects, two were sold according to segment reporting. These projects were equivalent to a carrying amount upon completion of SEK 101 M, with a market value of SEK 117 M.

The market value of completed projects was SEK 4.7 billion, which represented a surplus value of SEK 1.3 billion. The occupancy level measured in rent totaled 86 percent. Of these completed projects, the carrying amount of projects that were recognized as sold according to segment reporting amounted to SEK 1,001 M, with a market value of SEK 1,247 M.

The carrying amount of undeveloped land and development properties (building rights) totaled about SEK 3.9 billion, with an estimated market value of about SEK 4.4 billion.

Accumulated eliminations of intra-Group project gains amounted to SEK 246 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 2011	Dec 31 [1] 2011	Sep 30 2011	Sep 30 [1] 2011	Dec 31 [2] 2010	Dec 31 [1, 2] 2010
Present value of cash flow from projects	5.0	5.0	4.8	4.8	4.6	4.6
Present value of remaining investments	-0.8	-0.8	-0.9	-0.9	-1.1	-1.1
Net present value of projects	**4.2**	**4.2**	**3.9**	**3.9**	**3.5**	**3.5**
Carrying amount before Cash flow hedge / Carrying amount	-3.0	-1.7	-2.6	-1.4	-2.2	-1.7
Unrealized development gain	**1.2**	**2.5**	**1.3**	**2.5**	**1.3**	**1.8**
Cash flow hedge	1.6	0.3	1.4	0.2	0.5	0.0
Effect in unrealized Equity [3]	**2.8**	**2.8**	**2.7**	**2.7**	**1.8**	**1.8**

1 According to previous layout

2 Autopista Central excluded

3 Tax effects not included

At the end of 2011, the carrying amount of shares, participations, subordinated receivables and concessions in Infrastructure Development before cash flow hedge was about SEK 3.0 (2.2) billion. Remaining investment obligations related to ongoing Infrastructure Investment projects amounted to a present value of about SEK 0.8 (1.1) billion. At year-end, unrealized development gains totaled about SEK 1.2 (1.3) billion. During the year, the carrying amount was positively influenced by investments in new projects and by the time value effect when assessing future cash flows. The value of cash flow hedges, whose change in value is accounted for under "Other comprehensive income," amounted to SEK 1.6 (0.5) billion.

Unrealized development gains according to the table above is described excluding the value of cash flow hedging, unlike the first and second quarters, when cash flow hedging was recognized as part of unrealized development gains. Upon divestment, the amount included in unrealized development gains will be recognized in the income statement as gains from joint ventures and associated companies, while the value of cash flow hedging will be recognized in "Other comprehensive income". The table structure is intended to differentiate more clearly between the value change in unrealized development gains and does not have any impact on the accounting principles.

The divestment of the Autopista Central has been completed, and the purchaser has provided payment. The capital gain on the investment, which was carried out as a sale of shares, totaled SEK 4,500 M after taxes.

Equity

Reported in compliance with IFRSs

Summary statement of changes in equity

SEK M	Jan-Dec 2011	Jan-Dec 2010	Oct-Dec 2011	Oct-Dec 2010
Opening balance	20,792	20,167	19,286	18,016
of which non-controlling interests	*122*	*170*	*129*	*161*
Dividend to shareholders	-4,945	-2,582	0	0
Acquired non-controlling interest	-29		0	
Change in group composition	45		120	
Dividend to non-controlling interests	-2	-39	0	-36
Effects of equity-settled share-based payments	228	208	58	55
Repurchase of shares	-184	-252	-63	-19
Other transfers of assets recognized directly in equity	0	0	0	0
Total comprehensive income attributable to				
Equity holders	3,673	3,299	186	2,779
Non-controlling interests	5	-9	-4	-3
Closing balance	**19,583**	**20,792**	**19,583**	**20,792**
of which non-controlling interests	*170*	*122*	*170*	*122*

Equity and adjusted equity

SEK bn	Dec 31 2011	Sep 30 2010	Dec 31 2010
Equity attributable to equity holders	19.4	19.2	20.7
Unrealized surplus land value in Residential Development	1.0	1.0	1.0
Unrealized Commercial Property Development gains [1]	4.4	4.1	3.5
Effect in unrealized equity in Infrastructure Development	2.8	2.7	6.8
Less standard corporate tax, 10%	-0.8	-0.8	-0.6 [2]
Adjusted equity	26.8	26.2	31.4
Equity per share, SEK [3]	47.17	46.53	50.27
Adjusted equity per share, SEK [4]	65.10	63.58	76.30

1 Markets value at completion
2 Excluding Autopista Central
3 Equity atributable to equity holders divided by the number of shares outstanding after repurchases and conversion
4 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 -3,689 M (-1,351). Of this, SEK -1,444 M (0) was related to acquisitions of businesses, which refers primarily to the acquisition of U.S.-based Industrial Contractors but also the acquisitions of Finland's Soraset Yhtiöt Oy, Poland's PUDiZ Group and companies in the Czech Republic, Norway and Sweden earlier in the year. Other investments mainly consisted of property, plant and equipment for Skanska's own construction and manufacturing. Net investments in Construction totaled SEK -3,355 M (-1,079). During the year, depreciation of property, plant and equipment amounted to SEK -1,288 M (-1,206).

In Residential Development, investments in current-asset properties amounted to SEK -7,288 M (-5,367) and total investments amounted to SEK -7,688 M (-5,562), including about SEK -1,346 M related to acquisitions of land equivalent to about 5,442 building rights. The business stream also acquired shares and participations in associated companies, such as Täby Galopp (owner of a racetrack property north of Stockholm), which represented investments of SEK 329 M and about 1,733 building rights.

In Commercial Property Development, investments in current-asset property amounted to SEK -3,485 M (-3,125), and total investments amounted to SEK -3,493 M (-3,147), including SEK -1,027 M (-806) related to investments in land. Divestments of current-asset properties totaled SEK 3,822 M (6,589). Net investments in current-asset properties in Commercial Property Development amounted to SEK 337 M (3,464).

Investments in Infrastructure Development amounted to SEK -988 M (-692), and divestments, which largely refer to the Autopista Central in Chile but also the Antofagasta highway in Chile and the Midlothian Schools in the U.K., totaled SEK 5,808 M (403). Net investments in Infrastructure Development were SEK 4,820 M (-289).

The Group's total investments amounted to SEK -15,847 M (-10,749). Divestments amounted to SEK 15,529 M (12,603), and the Group's net investments totaled SEK -318 M (1,854).

Group net investments

SEK M	Jan-Dec 2011	Jan-Dec 2010	Oct-Dec 2011	Oct-Dec 2010
OPERATIONS - INVESTMENTS				
Intangible assets	-70	-72	-20	-41
Property, plant and equipment	-2,206	-1,338	-666	-383
Assets in Infrastructure Development	-988	-692	-315	-202
Shares and participations	-366	-155	-12	-77
Current-asset properties	-10,773	-8,492	-3,549	-2,476
of which Residential Development	*-7,288*	*-5,367*	*-2,364*	*-1,194*
of which Commercial Property Development	*-3,485*	*-3,125*	*-1,185*	*-1,282*
Investments in operations	**-14,403**	**-10,749**	**-4,562**	**-3,179**
STRATEGIC INVESTMENTS				
Businesses	-1,444	0	-1,175	0
Shares	0	0	0	0
Strategic investments	**-1,444**	**0**	**-1,175**	**0**
Total Investments	**-15,847**	**-10,749**	**-5,737**	**-3,179**
OPERATIONS - DIVESTMENTS				
Intangible assets	1	4	0	-7
Property, plant and equipment	198	240	57	64
Assets in Infrastructure Development	5,808	403	47	33
Shares and participations	4	16	2	12
Current-asset properties	9,518	11,955	4,984	4,574
of which Residential Development	*5,696*	*5,366*	*2,009*	*1,785*
of which Commercial Property Development	*3,822*	*6,589*	*2,975*	*2,789*
Divestments in operation	**15,529**	**12,618**	**5,090**	**4,676**
STRATEGIC DIVESTMENTS				
Businesses	0	-15	0	-15
Strategic divestments	**0**	**-15**	**0**	**-15**
Total divestments	**15,529**	**12,603**	**5,090**	**4,661**
TOTAL NET INVESTMENTS[1]	**-318**	**1,854**	**-647**	**1,482**
Depreciation, non-current assets	-1,393	-1,301	-391	-311

1 (+) divestments, (-) investments

Reconciliation between segment reporting and IFRSs

SEK M	External revenue Jan-Dec 2011	External revenue Jan-Dec 2010	Intra-Group revenue Jan-Dec 2011	Intra-Group revenue Jan-Dec 2010	Total revenue Jan-Dec 2011	Total revenue Jan-Dec 2010	Operating income Jan-Dec 2011	Operating income Jan-Dec 2010
Construction	108,137 [1]	108,923 [1]	6,835	4,290	114,972	113,213	3,467	4,388
Residential Development	8,550	7,462	0	119	8,550	7,581	345	559
Commercial Property Development	5,556	4,648	77	0	5,633	4,648	1,196	920
Infrastructure Development	277	319	9	0	286	319	4,726	297
Total operating segments	122,520	121,352	6,921	4,409	129,441	125,761	9,734	6,164
Central	14	310	342	266	356	576	-699	-792
Eliminations	0	1	-7,263	-4,675	-7,263	-4,674	52	-33
Total Group	122,534	121,663	0	0	122,534	121,663	9,087	5,339
Reconciliation to IFRSs	-3,800	561	0	0	-3,800	561	-674	119
Total IFRSs	118,734	122,224	0	0	118,734	122,224	8,413	5,458

1 of which external revenue from joint ventures in Infrastructure Development SEK 8,554 M (7,153)

SEK M	Segment Jan-Dec 2011	IFRS Jan-Dec 2011	Segment Jan-Dec 2010	IFRS Jan-Dec 2010	Segment Oct-Dec 2011	IFRS Oct-Dec 2011	Segment Oct-Dec 2010	IFRS Oct-Dec 2010
Revenue								
Construction	114,972	114,972	113,213	113,213	33,299	33,299	30,944	30,944
Residential Development	8,550	5,763	7,581	5,513	2,518	2,033	2,392	1,794
Commercial Property Development	5,633	4,339	4,648	7,277	3,140	3,018	496	2,970
Infrastructure Development	286	286	319	319	29	29	84	84
Central and eliminations	-6,907	-6,626	-4,098	-4,098	-2,427	-2,321	-1,251	-1,251
Skanska Group	**122,534**	**118,734**	**121,663**	**122,224**	**36,559**	**36,058**	**32,665**	**34,541**
Operating income								
Construction	3,467	3,467	4,388	4,388	787	787	1,288	1,288
Residential Development	345	-27	559	280	87	20	126	87
Commercial Property Development [1]	1,196	930	920	1,301	636	747	123	485
Infrastructure Development	4,726	4,726	297	297	43	43	16	16
Central	-699	-698	-792	-792	-234	-233	-261	-260
Eliminations [1]	52	15	-33	-16	14	34	-23	36
Operating income	**9,087**	**8,413**	**5,339**	**5,458**	**1,333**	**1,398**	**1,269**	**1,652**
Net financial items	**12**	**12**	**-35**	**-35**	**-4**	**-4**	**-19**	**-19**
Income after financial items	**9,099**	**8,425**	**5,304**	**5,423**	**1,329**	**1,394**	**1,250**	**1,633**
Taxes	-970	-830	-1,364	-1,395	-283	-298	-270	-372
Profit for the period	**8,129**	**7,595**	**3,940**	**4,028**	**1,046**	**1,096**	**980**	**1,261**
Earnings for the period per share, SEK [2]	19.72		9.54		2.53		2.37	
Earnings for the period per share according to IFRSs, SEK [2]		18.43		9.76		2.65		3.06
1 Of which gains from divestments of commercial properties reported in:								
Commercial Property Development	1,266	1,042	791	1,177	712	861	93	464
Eliminations	136	114	80	97	61	74	-9	30

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 2011	Jan-Dec 2010	Oct-Dec 2011	Oct-Dec 2010
Revenue according to segment reporting - binding agreement	**8,550**	**7,581**	**2,518**	**2,392**
Plus properties sold before this period	5,018	3,160	0	287
Less properties not yet occupied by the buyer	-6,813	-5,018	-253	-867
Proportional method for joint ventures	-947		-83	
Currency rate differences	-45	-210	-149	-18
Revenue according to IFRIC 15 - handover	**5,763**	**5,513**	**2,033**	**1,794**

Operating income according to segment reporting - binding agreement	**345**	**559**	**87**	**126**
Plus properties sold before this period	686	489	0	151
Less properties not yet occupied by the buyer	-890	-686	-36	-193
Adjustment income from joint ventures and associated companies	-161	-55	-11	5
Currency rate differences	-7	-27	-20	-2
Operating income according to IFRIC 15 - handover	**-27**	**280**	**20**	**87**

According to segment reporting, revenue for the period in Residential Development was SEK 8,550 M and operating income was SEK 345 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 period. Then subtract the homes that were sold during the period but where the purchaser did not yet take possession. Also subtract revenue attributable to joint ventures as well as currency rate differences. According to IFRSs, revenue in Residential Development was SEK 5,763 M. According to IFRSs, operating income in Residential Development was SEK -27 M.

Commercial Property Development

SEK M	Jan-Dec 2011	Jan-Dec 2010	Oct-Dec 2011	Oct-Dec 2010
Revenue according to segment reporting - binding agreement	**5,633**	**4,648**	**3,140**	**496**
Plus properties sold before this period	93	2,781	0	0
Less properties not yet occupied by the buyer	-1,387	-93	-122	2,483
Currency rate differences	0	-59	0	-9
Revenue according to IFRIC 15 - handover	**4,339**	**7,277**	**3,018**	**2,970**

Operating income according to segment reporting - binding agreement	**1,196**	**920**	**636**	**123**
Plus properties sold before this period	20	401	0	0
Less properties not yet occupied by the buyer	-286	-20	111	364
Currency rate differences	0	0	0	-2
Operating income according to IFRIC 15 - handover	**930**	**1,301**	**747**	**485**

According to segment reporting, revenue for the period in Commercial Property Development was SEK 5,633 M and operating income was SEK 1,196 M in 2011. To comply with IFRSs, add the revenue and earnings of the properties that were sold during prior years 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 4,339 M in Commercial Property Development. According to IFRSs, operating income in Commercial Property Development was SEK 930 M.

The Skanska Group

Summary income statement

SEK M	Jan-Dec 2011	Jan-Dec 2010	Oct-Dec 2011	Oct-Dec 2010
Revenue	118,734	122,224	36,058	34,541
Cost of sales	-107,410	-109,774	-32,512	-30,830
Gross income	**11,324**	**12,450**	**3,546**	**3,711**
Selling and administrative expenses	-7,853	-7,533	-2,274	-2,144
Income from joint ventures and associated companies	4,942	541	126	85
Operating income	**8,413**	**5,458**	**1,398**	**1,652**
Financial income	290	342	77	128
Financial expenses	-278	-377	-81	-147
Net financial items [1]	**12**	**-35**	**-4**	**-19**
Income after financial items	**8,425**	**5,423**	**1,394**	**1,633**
Taxes	-830	-1,395	-298	-372
Profit for the period	**7,595**	**4,028**	**1,096**	**1,261**
1 of which				
Interest income	178	218	55	54
Financial net pension costs	57	59	16	17
Interest expenses	-338	-261	-118	-84
Capitalized interest expenses	134	46	55	-6
Net interest	31	62	8	-19
Change in fair value	31	-36	10	3
Other net financial items	-50	-61	-22	-3
Net financial items	**12**	**-35**	**-4**	**-19**
Profit attributable to:				
Equity holders	7,589	4,022	1,093	1,259
Non-controlling interests	6	6	3	2
Earnings per share after repurchases and conversion, SEK [2]	18.43	9.76	2.65	3.06
Earnings per share after repurchases, conversion and dilution, SEK [3]	18.31	9.66	2.63	3.02

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 12 M (-35). Net interest income amounted to SEK 31 M (62). The net change in the fair value of financial instruments amounted to SEK 31 M (-36). Other financial items totaled SEK -50 M (-61) and mainly consisted of currency rate differences.

Summary statement of comprehensive income

Summary statement of comprehensive income	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
SEK M	2011	2010	2011	2010
Profit for the period	**7,595**	**4,028**	**1,096**	**1,261**
Other comprehensive income				
Translation differences attributable to equity holders	-458	-1,809	-585	-108
Translation differences attributable to non-controlling interests	-1	-15	-7	-5
Hedging of exchange rate risk in foreign operations	106	363	161	-12
Effects of actuarial gains and losses on pensions [3]	-3,106	889	-440	1,673
Effects of cash flow hedges [1]	-1,326	127	-144	433
Tax attributable to other comprehensive income [2, 3]	868	-293	101	-466
Other comprehensive income for the period	**-3,917**	**-738**	**-914**	**1,515**
Total comprehensive income for the period	**3,678**	**3,290**	**182**	**2,776**
Total comprehensive income attributable to				
Equity holders	3,673	3,299	186	2,779
Non-controlling interests	5	-9	-4	-3
1 of which transferred to income statement	-93	-63	15	-19
2 of which tax related to				
- actuarial gains and losses on pensions	811	-239	103	-450
- cash flow hedges	57	-54	-2	-16
3 Total effect on equity from actuarial gains and losses on pensions	-2,295	650	-337	1,223

Skanska currency hedges about 30 percent of its equity in foreign subsidiaries against the Swedish krona. The net translation differences as of December 31, 2011 amounted to SEK -352 M (-1,446).

The effects of actuarial gains and losses on pensions totaled SEK -3,106 M (889). This negative effect was primarily due to increased lifespan assumptions in the Swedish pension plan as well as lowered discount rates in Sweden and the U.K. The development of managed assets also adversely affected net pension liabilities. The effects of cash flow hedges, SEK -1,326 M (127), were mainly related to changes in the value of interest rate swaps attributable to Infrastructure Development projects.

Parent Company

Net sales of the Parent Company during January-December were SEK 337 M (285). Operating income totaled SEK -319 M (-300). Income after financial items amounted to SEK 2,461 M (3,933).

Summary income statement, Parent Company

	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
SEK M	2011	2010	2011	2010
Net sales	337	285	257	224
Cost of sales and selling and administrative expenses	-656	-585	-287	-255
Operating income	**-319**	**-300**	**-30**	**-31**
Net financial items	2,780	4,233	351	1,273
Income after financial items	**2,461**	**3,933**	**321**	**1,242**
Taxes	0	-230	-94	-334
Profit for the period	**2,461**	**3,703**	**227**	**908**
Total comprehensive income	**2,461**	**3,703**	**227**	**908**

Summary balance sheet, Parent Company

SEK M	Dec 31 2011	Dec 31 2010
ASSETS		
Intangible non-current assets	7	9
Property, plant and equipment	2	3
Financial non-current assets [1]	11,131	12,008
Total non-current assets	**11,140**	**12,020**
Current receivables	301	134
Total current assets	**301**	**134**
TOTAL ASSETS	**11,441**	**12,154**
EQUITY AND LIABILITIES		
Equity	5,742	8,216
Provisions	276	268
Non-current interest-bearing liabilities [1]	5,286	3,316
Current liabilities	137	354
TOTAL EQUITY AND LIABILITIES	**11,441**	**12,154**

1 Of these amounts, SEK 368 M (Dec 31, 2010: 1,287) were intra-Group receivables and SEK 5,286 M (Dec 31, 2010: 3,316) intra-Group liabilities.

Note, contingent liabilities
The Parent Company's contingent liabilities totaled SEK 99.3 bn (Dec 31, 2010: 109.3), of which SEK 92.4 bn (Dec 31, 2010: 103.1) was related to obligations on behalf of Group companies. Other obligations, SEK 6.9 bn (Dec 31 2010: 6.2), were related to commitments to outside parties.

Share data

	Jan-Dec 2011	Jan-Dec 2010	Oct-Dec 2011	Oct-Dec 2010
Earnings per share according to segment reporting after repurchases and conversion, SEK 1	19.72	9.54	2.53	2.38
Earnings per share after repurchases and conversion, SEK [1]	18.43	9.76	2.65	3.07
Earnings per share after repurchases, conversion and dilution, SEK [2]	18.31	9.66	2.63	3.03
Average number of shares outstanding after repurchases and conversion	411,824,469	412,229,351		
Average number of shares outstanding after repurchases, conversion and dilution	414,568,384	416,448,523		
Average dilution, percent	0.66	1.01		
Number of shares, at balance sheet date	419,903,072	423,053,072		
of which Series A and Series B shares	419,903,072	419,413,072		
of which Series D shares (without right to dividend, in Skanska's own custody) [3]	0	3,640,000		
Number of Series D shares converted to Series B shares	1,350,000	860,000		
Average price, repurchased shares, SEK	104.79	105.40		
Number of Series B shares repurchased	10,124,000	8,324,000		
of which repurchased during the year	1,800,000	2,110,000		
Number of shares in Skanska's own custody	8,323,103	8,253,247		
Number of shares outstanding after repurchases and conversion	411,579,969	411,159,825		

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

3 On April 5, the Annual Shareholders' Meeting approved a reduction in share capital by SEK 9,450,000 through redemption of 3,150,000 Series D shares. All Series D shares are held by the Parent Company.

Five-year Group financial summary

	Jan-Dec 2011	Jan-Dec 2010	Jan-Dec 2009	Jan-Dec 2008 [2]	Jan-Dec 2007 [2]
Revenue	118,734	122,224	139,124	143,674	138,781
Operating income	8,413	5,458	6,033	4,086	5,406
Profit for the period	7,595	4,028	4,221	3,157	4,121
Earnings per share after repurchases and conversion, SEK	18.43	9.76	10.16	7.44	9.78
Return on capital employed, %	30.6	21.6	22.3	18.3	25.0
Return on equity, %	38.0	21.0	22.6	15.9	21.1
Operating margin, %	7.1	4.5	4.3	2.8	3.9
Cash flow per share, SEK [1]	-9.82	4.12	7.99	-9.14	10.82

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

2 Comparative figures for 2007-2008 have not been adjusted to the effects of IFRIC 12 och IFRIC 15

Exchange rates for the most important currencies

SEK	Average exchange rates Jan-Dec 2011	Average exchange rates Jan-Dec 2010	Exchange rates on the closing day Dec 31 2011	Exchange rates on the closing day Dec 31 2010
U.S. dollar	6.49	7.21	6.89	6.80
British pound	10.41	11.13	10.65	10.50
Norwegian krone	1.16	1.19	1.15	1.15
Euro	9.03	9.55	8.92	9.01
Czech koruna	0.37	0.38	0.35	0.36
Polish zloty	2.20	2.39	2.00	2.27

Personnel

The average number of employees in the Group was 52,557 (51,645).

Transactions with related parties

No transactions between Skanska and related parties having an essential effect on the Company's position and earnings have taken place.

Essential risks and uncertainty factors

The construction and project development business is largely about risk management. Practically every project is unique. Size, shape, environment – everything varies for each new assignment. Construction and project development business 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 risks. Identifying, managing and pricing these risks are of fundamental importance to the Group's profitability. Risks are normally of a technical, legal and financial nature, but political, ethical, social and environmental aspects are also part of assessing potential risks.

To ensure a systematic and uniform assessment of risks and opportunities, the entire Skanska Group uses a common procedure for identifying and managing risks. With the aid of this model, Skanska evaluates projects continuously, from tender preparations to completion of the assignment.

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 2010 as well as the above section on the market outlook.

Acquisitions

Market	Company	Acquisition date	Annual revenue Mkr	No of employees
USA	Industrial Contractors Inc.	Dec 28, 2011	3 116	2 400
Finland	Soraset Yhtiöt Oy	Nov 2, 2011	1 295	270
Other	Other		876	1 450

During 2011, Skanska acquired companies with annual revenue of SEK 5.3 billion. In the 2011 revenues, SEK 0.7 billion refers to acquired companies. Additional information will be presented in the 2011 Annual report.

Other matters

Redemption of shares

On April 5, the Annual Shareholders' Meeting approved a reduction in share capital by SEK 9,450,000 through redemption of 3,150,000 Series D shares. All Series D shares are held by the Parent Company.

Repurchases of shares

At its meeting on April 5, 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 2012 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 price range at any given time. This refers to the interval between the highest purchase price and lowest selling price. On December 31, Skanska held 8,323,103 Series B shares in its own custody.

Annual Meeting

The Annual Shareholders' Meeting will be held at 11:00 a.m. CET on April 13, 2012 at Berwaldhallen in the Östermalm district of Stockholm, Sweden. The invitation to the Meeting will be published on March 12, 2012.

Dividend

The Board of Directors proposes a regular dividend of SEK 6.00 (5.75) per share. The proposal is equivalent to a regular dividend payout totaling SEK 2,469 (2,364) M. The Board of Directors proposes April 18 as the record date for the dividend. The capital gain on the divestment of the Autopista Central enabled us to disburse an extra dividend of SEK 6.25 per share in May 2011, totaling SEK 2,570 M.

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

Financial reports during 2012

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 Annual report for 2011 will be available on Skanska's website and headquarters week 11 2012.

The Group's reports during 2012 will be published on the following dates:

May 10, 2012	Three Month Report
July 19, 2012	Six Month Report
November 8, 2012	Nine Month Report

Solna, February 8, 2012

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 2011	Jan-Dec 2010	Oct-Dec 2011	Oct-Dec 2010
Revenue	114,972	113,213	33,299	30,944
Gross income	**9,322**	**10,137**	**2,493**	**2,911**
Selling and administrative expenses	-5,884	-5,764	-1,713	-1,624
Income from joint ventures and associated companies	29	15	7	1
Operating income	**3,467**	**4,388**	**787**	**1,288**
Investments	-3,689	-1,351	-1,857	-431
Divestments	334	272	193	77
Net investments	**-3,355**	**-1,079**	**-1,664**	**-354**
Gross margin, %	8.1	9.0	7.5	9.4
Selling and administrative expenses, %	-5.1	-5.1	-5.1	-5.2
Operating margin %	3.0	3.9	2.4	4.2
Order bookings, SEK bn	123.6	130.3	41.0	29.0
Order backlog, SEK bn	155.7	145.9		
Employees	51,119	50,197		

Residential Development

SEK M	Jan-Dec 2011	Jan-Dec 2010	Oct-Dec 2011	Oct-Dec 2010
Revenue	8,550	7,581	2,518	2,392
Gross income	**1,030**	**1,095**	**271**	**307**
Selling and administrative expenses	-680	-589	-182	-178
Income from joint ventures and associated companies	-5	53	-2	-3
Operating income	**345**	**559**	**87**	**126**
Operating margin, %	4.0	7.4	3.5	5.3
Employees	586	649		
Investments	-7,688	-5,562	-2,371	-1,277
Divestments	5,699	5,281	2,013	1,722
Net investments	**-1,989**	**-281**	**-358**	**445**
Capital employed, SEK bn	12.7	10.2		

Commercial Property Development

SEK M	Jan-Dec 2011	Jan-Dec 2010	Oct-Dec 2011	Oct-Dec 2010
Revenue	5,633	4,648	3,140	496
Gross income	**1,603**	**1,277**	**751**	**229**
Selling and administrative expenses	-412	-355	-121	-105
Income from joint ventures and associated companies	5	-2	6	-1
Operating income	**1,196**	**920**	**636**	**123**
of which gain from divestments of properties [1]	1,266	791	712	93
of which writedowns/reversal of writedowns	-47	18	-41	22
Employees	235	199		
1 Additional gain included in eliminations was	136	80	61	-9
Investments	-3,493	-3,147	-1,221	-1,266
Divestments	3,731	6,571	2,879	2,797
Net investments	**238**	**3,424**	**1,658**	**1,531**
Capital employed, SEK bn	11.0	9.6		

Infrastructure Development

SEK M	Jan-Dec 2011	Jan-Dec 2010	Oct-Dec 2011	Oct-Dec 2010
Revenue	286	319	29	84
Gross income	**-57**	**-101**	**-39**	**-35**
Selling and administrative expenses	-132	-138	-31	-38
Income from joint ventures and associated companies	4,915	536	113	89
Operating income	**4,726**	**297**	**43**	**16**
of which gains from divestments of shares in projects	4,600	192	7	8
Investments	-988	-692	-315	-202
Divestments	5,808	403	47	33
Net investments	**4,820**	**-289**	**-268**	**-169**
Capital employed, SEK bn	1.4	2.7		
Return on capital employed (RoCE), %	100.5	14.4		
Employees	146	140		

Construction by business/reporting unit

	Revenue			
	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
SEK M	2011	2010	2011	2010
Sweden	27 014	23 232	8 058	6 902
Norway	12 521	11 228	3 903	3 039
Finland	8 166	6 892	2 506	2 143
Poland	10 350	9 022	3 241	2 665
Czech Republic	6 666	8 620	2 009	2 866
UK	12 714	14 212	3 001	3 365
USA Building	21 338	22 822	5 640	5 789
USA Civil	10 182	11 514	2 946	2 576
Latin America	6 021	5 671	1 995	1 599
Total	**114 972**	**113 213**	**33 299**	**30 944**

	Operating income				Operating margin, %			
	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
SEK M	2011	2010	2011	2010	2011	2010	2011	2010
Sweden	1 287	1 225	452	406	4,8	5,3	5,6	5,9
Norway	-333	182	-99	-18	neg	1,6	neg	neg
Finland	-349	-79	-317	50	neg	neg	neg	2,3
Poland	937	593	128	155	9,1	6,6	3,9	5,8
Czech Republic	54	397	44	160	0,8	4,6	2,2	5,6
UK	421	425	130	121	3,3	3,0	4,3	3,6
USA Building	394	418	93	121	1,8	1,8	1,6	2,1
USA Civil	939	944	234	145	9,2	8,2	7,9	5,6
Latin America	117	284	122	149	1,9	5,0	6,1	9,3
Total	**3 467**	**4 388**	**787**	**1 288**	**3,0**	**3,9**	**2,4**	**4,2**

	Order backlog		Order bookings			
	Dec 31	Dec 31	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
SEK M	2011	2010	2011	2010	2011	2010
Sweden	29 468	31 935	24 493	39 459	5 846	7 546 [5]
Norway	15 414 [1]	10 132	17 786	12 893	6 366	3 318 [6]
Finland	6 614 [2]	5 903	8 427	8 685	2 188	2 460
Poland	6 913 [3]	8 962	9 135	6 854	2 401	1 266
Czech Republic	7 497	8 399	5 988	6 786	1 706	1 038
UK	20 141	23 512	9 138	14 950	2 993	2 649
USA Building	35 936	30 649	25 928	25 576	10 354	8 689
USA Civil	24 807 [4]	20 812	13 142	7 129	3 616	547
Latin America	8 908	5 633	9 550	7 961	5 530	1 476
Total	**155 698**	**145 937**	**123 587**	**130 293**	**41 000**	**28 989**

1 Acquired orderbacklog 131
2 Acquired orderbacklog 559
3 Acquired orderbacklog 123
4 Acquired orderbacklog 573

5 Adjustment of -1,073 in 2010
6 Adjustment of -67 in 2010

Residential Development

SEK M	Revenue Jan-Dec 2011	Revenue Jan-Dec 2010	Revenue Oct-Dec 2011	Revenue Oct-Dec 2010	Operating income[1] Jan-Dec 2011	Operating income[1] Jan-Dec 2010	Operating income[1] Oct-Dec 2011	Operating income[1] Oct-Dec 2010
Sweden	3,572	3,295	988	1,173	121	293	17	82
Norway	1,762	1,401	738	432	100	51	53	-15
Finland	2,665	2,372	673	662	168	169	33	44
Nordics	**7,999**	**7,068**	**2,399**	**2,267**	**389**	**513**	**103**	**111**
Czech Republic	504	513	72	125	3	46	0	15
Other[2]	47	-	47	-	-47	0	-16	0
Total	**8,550**	**7,581**	**2,518**	**2,392**	**345**	**559**	**87**	**126**

Operating margin, %[1]	Jan-Dec 2011	Jan-Dec 2010	Oct-Dec 2011	Oct-Dec 2010
Sweden	3.4	8.9	1.7	7.0
Norway	5.7	3.6	7.2	-3.5
Finland	6.3	7.1	4.9	6.6
Nordics	**4.9**	**7.3**	**4.3**	**4.9**
Czech Republic	0.6	9.0	0.0	12.0
Other[2]	-	-	-	-
Total	**4.0**	**7.4**	**3.5**	**5.3**

1 Development gain only. Construction margin reported under Construction.
2 Start-ups in new markets

	Homes started Jan-Dec 2011	Homes started Jan-Dec 2010	Homes started Oct-Dec 2011	Homes started Oct-Dec 2010	Homes sold Jan-Dec 2011	Homes sold Jan-Dec 2010	Homes sold Oct-Dec 2011	Homes sold Oct-Dec 2010
Sweden	1,293	1,681	580	503	1,147	1,227	344	367
Norway	540	461	287	192	408	396	166	158
Finland	1,298	1,556	321	530	1,192	1,138	284	300
Nordics	**3,131**	**3,698**	**1,188**	**1,225**	**2,747**	**2,761**	**794**	**825**
Czech Republic	414	415	0	0	407	415	46	101
Other	85	0	85	0	39	0	39	0
Total	**3,630**	**4,113**	**1,273**	**1,225**	**3,193**	**3,176**	**879**	**926**

	Homes under construction Dec 31 2011	Homes under construction Dec 31 2010	Homes under construction of which sold, % Dec 31 2011	Homes under construction of which sold, % Dec 31 2010
Sweden	2,244	1,945	57	58
Norway	676	516	59	71
Finland	1,906	1,532	62	60
Nordics	**4,826**	**3,993**	**59**	**60**
Czech Republic	534	541	48	61
Other	85	0	46	0
Total	**5,445**	**4,534**	**58**	**59**

Completed unsold, number of homes	Dec 31 2011	Dec 31 2010
Sweden	49	34
Norway	11	4
Finland	29	39
Nordics	**89**	**77**
Czech Republic	95	100
Other	0	0
Total	**184**	**177**