

PRESS RELEASE

Year-end Report, January–December 2005

Group highlights

SEK M	Jan-Dec 2005	Jan-Dec 2004	Oct-Dec 2005	Oct-Dec 2004
Revenue	124,667	121,263	36,068	30,616
<i>of which revenue from divestments of properties in Commercial Project Development</i>	4,430	4,645	1,003	547
Operating income	5,000	4,361	1,455	210
<i>of which gains from divestments of properties in Commercial Project Development</i>	1,626	1,494	284	182
<i>of which income from discontinued operations</i>	202	987	-24	-123
Income after financial items	5,120	4,327	1,425	253
Profit for the period	3,890	3,186	1,082	206
Earnings per share for the period, SEK	9.27	7.58	2.58	0.49
Capital employed, SEK bn	24.5	21.6		
Equity, SEK bn	18.6	16.4		
Interest-bearing net receivables (+)/net debt (-), SEK bn	11.1	7.2		
Return on capital employed, % ¹	23.3	19.9		
Return on equity, % ¹	22.4	20.6		
Operating cash flow before change in interest-bearing assets and liabilities	4,122	6,866	4,841	2,758
Order bookings, SEK bn ²	116.6	116.0	29.1	29.2
Order backlog, SEK bn ²	128.6	113.5		

¹ Rolling 12 months
² Refers to Construction

January-December 2005 compared to January-December 2004

- Revenue amounted to SEK 124.7 billion (121.3). Adjusted for discontinued operations, revenue rose by 7 percent. In Construction, revenue rose by 5 percent adjusted for currency rate effects.
- Operating income in continuing operations rose to SEK 4,798 M (3,374). In Construction, most units showed better operating margins. Operating income for the Group amounted to SEK 5,000 M (4,361). Included in operating income in the comparative period was a capital gain of about SEK 1 billion from the divestment of Skanska Services.
- During the year, commercial properties with a value of SEK 4,430 M (4,645) were divested, with gains amounting to SEK 1,626 M (1,494). The divestments were made at, on average, 11 percent above the market values estimated by year-end 2004.
- Income after financial items amounted to SEK 5,120 M (4,327).
- Profit for the year amounted to SEK 3,890 M (3,186) and earnings per share for the year amounted to SEK 9.27 (7.58).
- Interest-bearing net receivables increased to SEK 11,111 M (7,229).
- Operating cash flow before change in interest-bearing assets and liabilities amounted to SEK 4,122 M (6,866).
- Order bookings amounted to SEK 116.6 billion (116.0). Adjusted for currency rate effects, order bookings declined by 2 percent.
- The appraisals made at year-end indicates surplus values of SEK 1.9 billion in Commercial project development and SEK 2.7 billion in Infrastructure development.
- The Board of Directors proposes a regular dividend of SEK 4.50 (4.00) per share and an extra dividend of SEK 2.00 per share for the 2005 financial year.

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Comments for Skanska's President and CEO Stuart Graham:

- In 2005 we made good progress on our outperform targets. The construction business stream improved to 2.5 percent despite the setbacks earlier in the year in our Californian unit Yeager. We still see great opportunity to increase earnings in construction through higher margins more than in revenue growth.
- Our Residential Project Development operations showed significant improvement in 2005. The target relating to operating margin was met and the target for return on capital employed was surpassed. We also had a good year in Commercial Project Development, with strong earnings driven by gains on the sale of completed properties as well as some ongoing projects.
- The business stream Infrastructure Development is growing and the value of our assets show significant appreciation even during the development phase. This business is of increasing importance to the future of Skanska as it enables us to employ both our skill and financial strength in developing, constructing and financing infrastructure assets.
- The market outlook in all of our business streams is stable to good. Civil construction is increasing in most markets. The residential market while still strong may have peaked in 2005. Vacancy levels have fallen somewhat in our largest commercial market, which is a positive trend for new development opportunities.

Market outlook

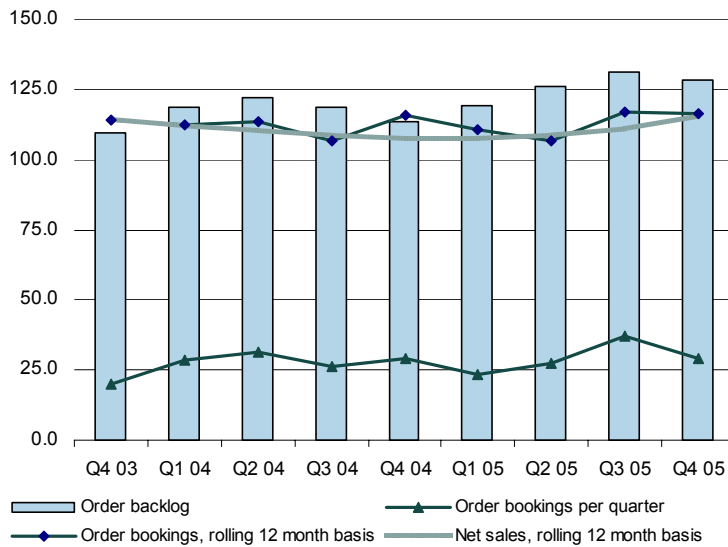
The outlook for commercial building construction in the Nordic countries remains cautiously positive where the retail sector is among the strongest. Also the Polish market has a cautiously optimistic outlook although lead times are long between the tendering process and the start of a project. Construction investments in the Czech Republic are increasing again after a first half without growth. In the United Kingdom, the volume of public-private partnership (PPP) projects remains large. In other segments of importance to Skanska, the construction volume in the U.K. is low. In the American commercial building market, the healthcare and educational sectors remain good.

The market for civil construction in the U.S. has picked up momentum. The new federal program for infrastructure as well as a general improvement in the economy will have a positive impact during 2006. Rising costs of fuel as well as for certain types of materials add a degree of volatility to the market, since it both affects the ability of customers to finance projects as well as the project risk to contractors. In Sweden, civil construction is expected to increase during 2006, among other things due to a number of railroad projects that are coming into the market. The trend of the Norwegian civil construction market remains positive, partly driven by public-private partnership projects as well as road and railroad projects. In Finland, civil construction is expected to slow somewhat. The Czech Republic and Poland are showing continued growth, among other things due to EU membership. In Latin America, there is a good continued outlook for projects in the oil and gas industries, which are important sectors for Skanska's operations in this region.

Residential construction remains at a high level in Finland, Norway and Denmark. In Sweden, residential construction is increasing. In the Czech Republic, which will increase the value-added tax on residential units at the beginning of 2008, the housing market remains strong but is showing certain early signs of oversupply.

Skanska has experienced a continued increase in leasing activity. Vacancy rates, especially in modern properties in the Scandinavian and Central European office markets, have declined. In Scandinavia as well as in Central Europe, there is continued good demand from the investment market for properties with efficient space in the right locations and with high occupancy rates.

Order bookings and backlog in Construction, SEK bn



Order bookings

Order bookings amounted to SEK 116.6 billion (116.0). Adjusted for currency rate effects, order bookings declined by 2 percent.

During the fourth quarter, two public-private partnership projects reached financial close. One was a portion of the E18 European highway in southern Finland, and the other was a project encompassing King's Mill Hospital, Mansfield Community Hospital and Newark General Hospital in Nottinghamshire, United Kingdom. This meant that construction contracts worth SEK 1.5 billion in Finland and SEK 4 billion in the U.K., respectively, were included in order bookings for the quarter. Skanska USA Building signed two major contracts in the fourth quarter. One is an assignment to manage construction of a new hospital in Ohio, where Skanska's portion of the contract is worth SEK 450 M. In the second assignment, Skanska will serve as general contractor for building services in the construction of the Battery Wharf hotel and residential complex in Boston, Massachusetts. The contract amount is approximately SEK 1 billion. Skanska USA Civil received an assignment to redevelop a facility for the service and maintenance of trains in Morrisville, New Jersey. The contract is worth about SEK 725 M. During the quarter, Skanska Sweden was contracted to build Stockholm's largest hotel – the Clarion Hotel at the Norra Bantorget square in central Stockholm – an assignment worth about SEK 500 M.

The English PFI hospital project Bart's and the Royal London that was anticipated to be reach Financial Close before year-end has been temporarily stalled. Consequently, the construction contract has not yet been included in order bookings.

Order backlog

Order backlog rose by 13 percent, amounting to SEK 128.6 billion (113.5) at the end of the year. Adjusted for currency rate effects, order backlog rose by 1 percent. Order backlog was equivalent to about 13 (13) months of construction.

Revenue and earnings

Performance analysis

SEK M	Jan-Dec 2005	Jan-Dec 2004	Oct-Dec 2005	Oct-Dec 2004
Revenue				
Construction	115,955	107,977	33,680	29,082
Residential Project Development	6,113	5,814	1,739	1,721
Commercial Project Development	5,075	5,584	1,108	800
Infrastructure Development	53	33	42	10
Central and eliminations	-3,090	-3,151	-507	-1,336
Discontinued operations	561	5,006	6	339
Skanska Group	124,667	121,263	36,068	30,616
Operating income				
Construction	2,871	1,512	1,155	63
Residential Project Development	611	528	160	171
Commercial Project Development ¹	1,740	1,617	211	121
Infrastructure Development	-9	31	67	36
Central	-342	-360	-89	-83
Eliminations ¹	-73	46	-25	25
Discontinued operations				
-earnings before interest and taxes	18	-600	-28	-504
-gains from divestments	184	1,587	4	381
Operating income	5,000	4,361	1,455	210
Net interest	171	-48	39	-4
Change in fair value	19	-	0	-
Other net financial items	-70	14	-69	47
Net financial items	120	-34	-30	43
Income after financial items	5,120	4,327	1,425	253
Taxes	-1,230	-1,141	-343	-47
Profit for the period	3,890	3,186	1,082	206
Attributable to				
Equity holders	3,879	3,173	1,080	204
Minority interest	11	13	2	2
Earnings per share for the period	9.27	7.58	2.58	0.49
¹ Of which gains from divestments of commercial properties reported in Commercial Project Development	1,551	1,422	238	182
Eliminations	75	72	46	0

Revenue totaled SEK 124.7 billion (121.3). Adjusted for currency rate effects, revenue remained unchanged. In continuing operations, revenue rose by 7 percent. Revenue of the Construction business stream rose by 5 percent in local currencies.

Operating income rose by 15 percent, amounting to SEK 5,000 M (4,361). Operating income included SEK 184 M (1,587) in gains from the divestment of businesses. Currency rate effects contributed positively to operating income in the amount of SEK 113 M. In the Construction business stream, operating income amounted to SEK 2,871 M (1,512). The operating margin rose to 2.5 (1.4) percent. Operating income during the year included nonrecurring expenses of SEK 360 M in the California portion of Skanska USA Civil (Yeager Skanska), which were reported during the second quarter of 2005. Operating income in 2004 included SEK 150 M in restructuring expenses at Skanska USA Building, as well as impairment losses on U.K. and U.S. projects totaling SEK 685 M and SEK 410 M, respectively. Operating margins rose in most markets.

Residential Project Development increased its operating income by 16 percent to SEK 611 M (528). The operating margin in the business stream meanwhile rose to 10.0 (9.1) percent. Operating margins improved in most markets. Operating income in the Commercial Project Development business stream rose to SEK 1,740 M (1,617). Gains from property divestments amounted to SEK 1,626 M (1,494). Of gains from divestments, SEK 75 M (72) was recognized under the item "Eliminations" as a reversal of previously eliminated intra-Group gains. For ongoing projects that were divested, Skanska applies the percentage of completion principle of accounting. Included in gains for property divestments was SEK 279 M pertaining to these projects. Operating income in Commercial Project Development also included SEK 145 M related to payments for leases that were terminated early. The operating income of Infrastructure Development (formerly Skanska BOT) totaled SEK -9 M (31).

The item "Discontinued operations" included operating income and capital gains from those Swedish businesses that Skanska divested during 2005. This applied to Skanska Prefab Mark, which was sold during the second quarter, and Flexator and Temporent, which were sold during the fourth quarter. The comparative period included a capital gain of about SEK 1 billion from the divestment of Skanska Services.

Net interest items amounted to SEK 171 M (-48). The positive net interest items were a consequence of the Group having net interest-bearing receivables. Capitalization of interest expenses in ongoing projects totaled SEK 28 M (39). The net change in the market value of financial instruments amounted to SEK 19 M (-). Other financial items totaled SEK -70 M (14) and partly consisted of currency rate differences mainly in Latin America as a consequence of the strengthened USD.

Income after financial items amounted to SEK 5,120 M (4,327). Taxes for the year amounted to SEK -1,230 M (-1,141), equivalent to a tax rate of about 24 (26) percent. The comparatively low tax rate is mainly explained by a, from a tax point of

view, beneficial country mix as well as the positive tax effect from the discontinuation of foreign subsidiaries. Profit for the year amounted to SEK 3,890 M (3,186). Earnings per share for the year rose to SEK 9.27 (7.58).

Investments and divestments

SEK M	Jan-Dec 2005	Jan-Dec 2004	Oct-Dec 2005	Oct-Dec 2004
Investments	-6,986	-6,765	-1,944	-2,107
Divestments	10,631	12,534	2,988	2,960
Net investments ¹	3,645	5,769	1,044	853

¹ Of which strategic investments/divestments

In the Construction business stream, investments rose to SEK -2,129 M (-1,330). 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 -687 M (-252). In Residential Project Development, investments declined to SEK -3,195 M (-3,676). Net divestments in this business stream were SEK 956 M (409). Investments in Commercial Project Development fell to SEK -1,138 M (-1,336). Divestments in the form of sale of completed properties and ongoing projects decreased to SEK 4,430 M (4,715). Net divestments in Commercial Project Development totaled SEK 3,292 M (3,379). Net investments in the Infrastructure Development business stream (formerly Skanska BOT) totaled SEK -441 M (-182).

The Group's total investments amounted to SEK -6,986 M (-6,765). Divestments totaled SEK 10,631 M (12,534), and the Skanska Group's net divestments amounted to SEK 3,645 M (5,769).

Operating cash flow and change in interest-bearing net receivables/net debt

SEK M	Jan-Dec 2005	Jan-Dec 2004	Oct-Dec 2005	Oct-Dec 2004
Cash flow from business operations and net strategic investments by business stream				
Construction	3,125	3,966	4,140	2,807
Residential Project Development	1,088	304	-92	102
Commercial Project Development	3,593	3,346	752	144
Infrastructure Development	-641	-215	-248	-98
Central och eliminations	-268	-682	-61	-294
Discontinued operations	460	2,499	420	368
Cash flow before taxes, financial operations and dividends	7,357	9,218	4,911	3,029
Taxes paid	-1,440	-1,030	-20	-313
Net interest items and other financial items	-120	-34	-50	43
Dividend etc.	-1,675	-1,288	0	-1
Cash flow before change in interest-bearing receivables and liabilities	4,122	6,866	4,841	2,758
Translation differences, net receivables/net debt	120	304	19	354
IAS 19 reclassification	-1,471	-590	-1,436	-590
Other reclassification, interest-bearing net receivables/net debt	992	131	-78	96
Interest-bearing liabilities acquired/divested	219	123	77	131
Other changes, interest-bearing net receivables/net debt	-100	-42	-5	69
Change in interest-bearing net receivables/net debt	3,882	6,792	3,418	2,818

Cash flow before taxes, financing operations and dividends declined by 20 percent compared to 2004, amounting to SEK 7,357 M (9,218). To achieve uniform reporting of cash and cash equivalents, beginning with the third quarter of 2005, checks issued but not cashed are not subtracted from the item "Cash and cash equivalents" until they are cashed. Thus the equivalent amount remains as a non-interest-bearing liability until the checks are cashed. This delay affects Skanska's operations in the U.S. and the U.K. The reclassification implies an increase of SEK 764 M in net interest-bearing receivables at the beginning of the third quarter. Cash flow during the second half of 2005 included an effect of SEK 15 M.

In Construction, cash flow amounted to SEK 3,125 M (3,966). This weaker cash flow was among other things explained by negative cash flow effects 2005 related to the project loss impairments reported in the U.K. and the U.S. during the fourth quarter of 2004. In Residential Project Development, cash flow rose to SEK 1,088 M (304). Commercial Project Development reported a cash flow amounting to SEK 3,593 M (3,346). In Infrastructure Development (formerly BOT), cash flow from business operations totaled SEK -641 M (-215). The difference was explained by the expanded organization as well as investments in equity and subordinated receivables in the project portfolio.

Taxes paid amounted to SEK -1,440 M (-1,030). The increase was explained, among other things, by a supplementary tax payment amounting to SEK 600 M made during the first quarter of 2005, related to withdrawal of tax allocation reserves in 2004. Dividend and adjustments of minority interest amounted to SEK -1,675 M (-1,288). Cash flow before changes in interest-bearing receivables and liabilities amounted to SEK 4,122 M (6,866).

Financial position

The Group's interest-bearing net cash surplus rose by SEK 3,882 M during 2005 and amounted to SEK 11,111 M on December 31, 2005 (January 1, 2005: 7,229). At the end of the year, interest-bearing loans as well as interest-bearing pensions amounted to SEK 5.9 billion (January 1, 2005: 5.2). The item "Interest-bearing pensions and provisions" increased by SEK 2.1 billion because Skanska chose to apply a new method for pension accounting. At the end of the year, "Interest-bearing pensions and provisions" amounted to SEK 2.6 billion (1.1).

At the end of the period, capital employed amounted to SEK 24.5 billion (January 1, 2005: 21.5).

During the year, the equity of the Group rose by SEK 2.2 billion to SEK 18.6 billion (January 1, 2005: 16.4). Aside from profit for the period and the dividend to shareholders related to the 2004 financial year, equity was affected by translation differences amounting to SEK 1.1 billion and by the change in pension reporting, which amounted to SEK -1.2 billion. The net debt/equity ratio amounted to -0.6 (January 1, 2005: -0.4) and the equity/assets ratio was 26.1 percent (January 1, 2005: 25.7).

Total assets in the consolidated balance sheet rose to SEK 71.3 billion (January 1, 2005: 63.6). Currency rate effects increased total assets by SEK 5.0 billion.

The book value of current-asset properties amounted to SEK 10.5 billion (January 1, 2005: 11.9), of which commercial properties in development operations accounted for SEK 5.8 billion (January 1, 2005: 7.4). See the table on page 16.

Surplus values in business streams Infrastructure development and Commercial Project Development

Skanska ID conducts a yearly appraisal of its portfolio. Future cash flows are discounted at a discount rate based on country, risk model and project phase. This discount rate is applied to all future cash flows starting on the appraisal date. The most recently updated financial model is used as a base. This financial model describes all cash flows in the project and serves as the ultimate basis for financing, which is carried out with full project risk and without guarantees from Skanska. The financial model has been examined and approved by banks, so-called wrappers (companies with very high credit ratings of their own that themselves assume the project risk for the final bond holders) and rating companies. Data for the financial model is updated at least once a year. A market value is assigned only to projects that have reached financial close. The appraisal methodology as well as projects equivalent to 75 percent of the value of the portfolio have been examined and quality-assured by external specialists. The appraisal made at year-end 2005 indicated surplus values of SEK 2.7 billion (0.9).

In Commercial Project development, the yearly appraisal has indicated surplus values of SEK 1.9 billion (2.4). The market value for identical properties have increased by SEK 300 M corresponding to 7 percent. See page 16 for more details.

Exchange rates for the most important currencies

SEK	Average exchange rates		Exchange rates on the balance sheet date	
	Jan-Dec 2005	Jan-Dec 2004	Dec 31 2005	Dec 31 2004
U.S. dollar	7.46	7.35	7.94	6.62
British pound	13.57	13.45	13.67	12.70
Norwegian crown	1.16	1.09	1.17	1.09
Euro	9.28	9.13	9.39	9.00

Personnel

The average number of employees in the Group was 53,806 (53,803).

Parent Company

Net sales of the Parent Company during the year amounted to SEK 50 M (55). Operating income amounted to SEK -282 M (-88). Income after financial items totaled SEK 1,618 M (1,098). The average number of employees in the Parent Company was 59 (59).

Accounting principles and changes in accounting practices

Beginning with 2005, the Skanska Group is applying International Financial Reporting Standards (IFRS) in its financial reporting. This interim report has been prepared in accordance with IAS 34, "Interim financial reporting" and in accordance with the IFRS principles that were applied on December 31, 2005. IFRS is subject to continuous review, and changes thus occurred during 2005. Accounting practices, differences from earlier Swedish generally accepted accounting practices (GAAP) and a detailed presentation of their financial effects as well as recalculated comparative figures are provided in "Reporting in accordance with the International Financial Reporting Standards (IFRS)," which was published via press release on April 11, 2005 and is available at www.skanska.com.

In conjunction with the transition to IFRS, acquired goodwill amounting to SEK 428 M has been transferred from the Construction business stream to Residential Project Development.

Beginning with the third quarter of 2005, changes in the market value of financial instruments recognized at fair value are reported as a separate item in the income statement. The total effect on earnings of currency derivatives attributable to financial operations is reported either as financial income or as a financial expense. The same applies to the effect on earnings of changes in the value of interest rate swaps.

In the balance sheet, Skanska reports the market value of the instruments as a non-interest-bearing asset or non-interest-bearing liability.

Effective from January 1, 2005, Skanska has also changed its principle for reporting of contingencies (formerly contingent liabilities). The amount of completion guarantees is included until the project is handed over to the customer, which normally occurs upon approval of final inspection. Contingencies are calculated as the contract value less the value of the portion carried out. The guarantee amount was previously unchanged until the guarantee formally expired. The guarantee amount is not reduced by offsetting against still unreceived payment from the customer. Likewise, guarantees received from subcontractors and material suppliers are not taken into account. In the case of the Skanska Group, this change affects recognition of the Group's liability for the portion of the commitments of construction consortia borne by consortium members outside the Group. Reciprocal guarantees that have been received concerning the share of joint and several liability borne by external consortium members are not taken into account. Tax cases, court and arbitration proceedings are no longer included in contingency amounts. Instead a separate description is provided.

The definitions of the following key financial ratios have changed due to the transition to IFRS:

Earnings per share	Profit/loss for the period attributable to equity holders of Skanska, divided by the average number of shares
Equity per share	Visible equity attributable to equity holders of Skanska, divided by the number of shares
Return on equity	Profit/loss attributable to equity holders of Skanska as a percentage of average visible equity attributable to equity holders of Skanska

For other key financial ratios, see the Annual Report for 2004.

Pension obligations

The International Accounting Standards Board (IASB) has amended IAS 19, "Employee Benefits," which has also been adopted by the EU, thereby making possible an alternative treatment of surpluses and deficits in defined-benefit pension plans. This alternative rule implies that actuarial gains and losses are recognized directly in the balance sheet and thus do not give rise to any effect on earnings. The consequence of the alternative method will be that future changes in actuarial assumptions, both positive and negative, will have an immediate effect on reported equity and interest-bearing net assets/liabilities. Skanska has decided to use this alternative method. Such an adjustment implies that interest-bearing pension liabilities increase by SEK 2.1 billion and that the Group's equity is reduced by about SEK 1.6 billion, taking deferred taxation and social insurance contributions into account.

The increase in pension liabilities is allocated between actuarial gains and losses amounting to SEK 1.5 billion in 2005 and SEK 0.6 billion in 2005 and 2004, respectively. The increase is mainly due to lower long-term interest rates and changed benchmark interest rates and is partly offset by actuarial gains on managed assets.

Changed assumptions, primarily a lower discount rate, imply that the pension commitment, calculated in terms of present value, will be higher. The cost of qualifying for benefits is allocated on a straight-line basis during employees' periods of service, resulting in an increased annual charge to earnings of about SEK 100 M, given an unchanged discount rate.

Parent Company

The interim report for the Parent Company, Skanska AB, has been prepared in accordance with the Swedish Annual Accounts Act, with derivative instruments being valued at fair value. The positive effect on equity at the beginning of 2005 amounted to SEK 12 M. In the income statement for the year, income after financial items was positively affected in the amount of SEK 85 M.

In accordance with IFRS 1, "First-time Adoption of International Financial Reporting Standards," point 36A, comparative figures have not been restated.

Other matters

Alleged collusive anti-competitive practices

According to plans, the main hearings in the Swedish Competition Authority's suit in Stockholm City Court demanding fines for alleged collusive anti-competitive practices will be held during the period September 2006 to January 2007. A judgment in the case can then be expected during the spring of 2007. During January 2006, the Competition Authority presented a reassessment of its claims in this case, whereby the amount attributable to Skanska was reduced from SEK 664 M to SEK 557 M. No new information has emerged either in the corresponding Finnish legal action or in cases where individual Swedish municipalities have sued construction companies, among them Skanska, maintaining they have suffered damage from alleged cartels.

In December 2005, the Slovakian Competition Authority issued its decision concerning an alleged price fixing arrangement in the tender process for a road project. A fine of SEK 58 million is claimed from Skanska. Skanska denies the allegations as being unfounded and has appealed the decision.

Annual meeting

The Annual Shareholders' Meeting will be held at 5:00 p.m. on March 30, 2006 at the Rival Hotel, Mariatorget, Stockholm, Sweden.

Nomination Committee and proposal for Board of Directors

In accordance with a decision by the Annual Shareholders' Meeting in 2005, the Chairman of the Board has asked five of the largest shareholders to appoint one representative each. Together with the Chairman, they will constitute a Nomination Committee. Among the tasks of the Nomination Committee is to work out a proposal for a Board of Directors and remuneration to the Board of Directors to be decided by the Annual Shareholders' Meeting in 2006. The Nomination Committee during the period leading up to the 2006 Annual Shareholders' Meeting of Skanska AB has the following composition: Carl-Olof By, Chairman of the Nomination Committee, and representing Industrivärden; Robert Vikström, representing the Svenska Handelsbanken pension funds etc.; Magnus Wärn, representing AMF Pension; Per Ludvigsson, representing Inter-IKEA Investments AB; KG Lindvall, representing Robur; and Sverker Martin-Löf, Chairman of the Board, Skanska AB.

The Nomination Committee has announced that it proposes the re-election of Roger Flanagan, Ulrika Francke, Jane Garvey, Stuart Graham, Finn Johnsson, Sverker Martin-Löf and Anders Nyrén and the election of Curt Källströmer and Lars Pettersson as members of the Board of Directors. Sören Gyll and Arne Mårtensson have declined re-election. Curt Källströmer is Senior Vice President of Svenska Handelsbanken AB and Lars Pettersson is President and CEO of Sandvik AB.

The Nomination Committee further proposes that Sverker Martin-Löf be re-elected Chairman of the Board. The proposals of the Nomination Committee are supported by shareholders representing about 45 percent of the total number of votes in Skanska.

Events after the close of the report period

In order to ensure the deliveries of Series B shares in accordance with Skanska's Share Award Program, in January 2006 Skanska issued 4,500,000 Series D shares at a subscription price equivalent to their par value, SEK 3 per share. The shares were subscribed by Nordinvest AB, one of the wholly owned subsidiaries of AB Industrivärden (publ). On January 13, 2006, Skanska reached an agreement with Nordinvest to repurchase all the outstanding Series D shares at a price of SEK 3.002 per share, totaling SEK 13,509,000. The purpose of the repurchase is to convert Series D shares as needed to Series B shares for delivery in accordance with the Share Award Program and to cover administrative costs, social insurance contributions and similar taxes that may arise because of the program. Following the repurchase, Skanska holds 4,500,000 of its own Series D shares.

Dividend 2005

The Board of Directors proposes a regular dividend of SEK 4.50 (4.00) per share and an extra dividend of SEK 2.00 per share for the 2005 financial year. The proposal is equivalent to a total dividend of SEK 2,721 M (1,674).

Financial reports about the 2006 financial year

Skanska has stopped printing and distributing interim reports. Only the Annual Report is printed and distributed. The interim reports as well as the Year-end Report are available for downloading on Skanska's website, www.skanska.com, and can also be ordered from Skanska AB, Investor Relations.

The Group's reports related to 2006 will be published on the following dates:

April 27, 2006	Three Month Report
July 27, 2006	Six Month Report
November 2, 2006	Nine Month Report
February 15, 2007	Year-end Report

Solna, February 16, 2006

STUART E. GRAHAM

President and CEO

The Skanska Group

Summary income statement

GROUP	Continuing operations		Discontinued operations		Total Group	
	Jan-Dec 2005	Jan-Dec 2004	Jan-Dec 2005	Jan-Dec 2004	Jan-Dec 2005	Jan-Dec 2004
SEK M						
Revenue	124,106	116,257	561	5,006	124,667	121,263
Cost of sales	-112,952	-106,696	-450	-5,010	-113,402	-111,706
Gross income	11,154	9,561	111	-4	11,265	9,557
Selling and administrative expenses	-6,593	-6,343	-93	-608	-6,686	-6,951
Income from divestments of discontinued operations	0	0	184	1,587	184	1,587
Income from joint ventures and associated companies	237	156	0	12	237	168
Operating income	4,798	3,374	202	987	5,000	4,361
Financial income ¹	323	291	7	10	330	301
Financial expenses ¹	-178	-362	-32	-30	-210	-392
Income from associated companies ¹	0	57	0	0	0	57
Net financial items	145	-14	-25	-20	120	-34
Income after financial items	4,943	3,360	177	967	5,120	4,327
Taxes	-1,240	-1,095	10	-46	-1,230	-1,141
Profit for the period	3,703	2,265	187	921	3,890	3,186
Attributable to:						
Equity holders	3,692	2,253	187	920	3,879	3,173
Minority interest	11	12	0	1	11	13
Key financial figures						
Earnings per share, SEK	8.82	5.38	0.45	2.20	9.27	7.58
Average number of shares					418,553,072	418,553,072
Depreciation, non-current assets	-1,073	-1,063	0	-186	-1,073	-1,249
Impairment loss, goodwill	-108	-34	0	-134	-108	-168
Return on capital employed, % ²					23.3	19.9
Return on equity, % ²					22.4	20.6
Average number of employees	53,655	53,074	151	729	53,806	53,803

1 of which

Interest income	307	275	1	10	308	285
Interest expenses	-105	-304	-32	-29	-137	-333
Net interest	202	-29	-31	-19	171	-48
Change in fair value	19	-	0	-	19	-
Other net financial items	-76	15	6	-1	-70	14
Net financial items	145	-14	-25	-20	120	-34

2 Rolling 12 months

GROUP	Continuing operations		Discontinued operations		Total Group	
	Oct-Dec 2005	Oct-Dec 2004	Oct-Dec 2005	Oct-Dec 2004	Oct-Dec 2005	Oct-Dec 2004
SEK M						
Revenue	36,062	30,277	6	339	36,068	30,616
Cost of sales	-32,923	-28,531	-16	-783	-32,939	-29,314
Gross income	3,139	1,746	-10	-444	3,129	1,302
Selling and administrative expenses	-1,825	-1,532	-18	-60	-1,843	-1,592
Income from divestments of discontinued operations	0	0	4	381	4	381
Income from joint ventures and associated companies	165	119	0	0	165	119
Operating income	1,479	333	-24	-123	1,455	210
Financial income ¹	73	92	1	2	74	94
Financial expenses ¹	-103	-101	-1	-7	-104	-108
Income from associated companies ¹	0	57	0	0	0	57
Net financial items	-30	48	0	-5	-30	43
Income after financial items	1,449	381	-24	-128	1,425	253
Taxes	-368	-31	25	-16	-343	-47
Profit for the period	1,081	350	1	-144	1,082	206
Attributable to:						
Equity holders	1,079	349	1	-145	1,080	204
Minority interest	2	1	0	1	2	2
Key financial figures						
Earnings per share, SEK	2.58	0.83	0.00	-0.34	2.58	0.49
Depreciation, non-current assets	-282	-279	4	-35	-278	-314
Impairment loss, goodwill	-12	0	0	-7	-12	-7
1 of which						
Interest income	71	89	1	2	72	91
Interest expenses	-31	-89	-2	-6	-33	-95
Net interest	40	0	-1	-4	39	-4
Change in fair value	0	-	0	-	0	-
Other net financial items	-70	48	1	-1	-69	47
Net financial items	-30	48	0	-5	-30	43

SUMMARY CASH FLOW STATEMENT	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
SEK M	2005	2004	2005	2004
Cash flow from operating activities	6707	6519	4793	2291
Cash flow from investing activities	-323	1206	115	1321
Cash flow from financing activities	-2746	-5804	0	-1864
Cash flow for the period	3638	1921	4908	1748
of which discontinued operations	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
SEK M	2005	2004	2005	2004
Cash flow from operating activities	-164	66	-14	-302
Cash flow from investing activities	443	2348	223	625
Cash flow from financing activities	201	-77	78	252
Cash flow for the period	480	2337	287	575
CHANGES IN EQUITY	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
SEK M	2005	2004	2005	2004
Opening balance (IFRS excl IAS 39)	16,368	14,701	18,516	16,543
Attributable to equity holders				
Change to IAS 39, opening balance 2005	-11	-	0	-
Dividend	-1,674	-1,256	0	0
Translation differences	1,135	258	88	70
Effects of actuarial gains and losses pensions	-1,190	-425	-1,156	-425
Equity-settled share-based payments	12	-	12	-
Effects of IAS 39 Hedge accounting	52	-	42	-
Change, minority interest	5	-96	3	-26
Profit for the period attributable to				
Equity holders	3,879	3,173	1,081	204
Minority	11	13	1	2
Closing balance	18,587	16,368	18,587	16,368

Group net investments

SEK M	Jan-Dec 2005	Jan-Dec 2004	Oct-Dec 2005	Oct-Dec 2004
OPERATIONS - INVESTMENTS				
Intangible assets	-46	-38	-29	3
Property, plant and equipment	-1,455	-1,131	-272	-337
Assets in Infrastructure Development operations	-476	-188	-144	-134
Holdings	-3	-6	-3	-5
Current-asset properties	-4,956	-5,266	-1,494	-1,621
<i>of which Residential Project Development</i>	-3,181	-3,665	-986	-1,183
<i>of which Commercial Project Development</i>	-1,135	-1,331	-367	-276
<i>of which other commercial properties</i>	-640	-270	-141	-162
Investments	-6,936	-6,629	-1,942	-2,094
OPERATIONS - DIVESTMENTS				
Intangible assets	4	2	0	-6
Property, plant and equipment	613	635	237	237
Assets in Infrastructure Development operations	35	7	27	0
Holdings	1	12	0	2
Current-asset properties	9,400	9,321	2,438	2,030
<i>of which Residential Project Development</i>	4,150	4,143	1,075	1,185
<i>of which Commercial Project Development</i>	4,430	4,645	1,003	547
<i>of which other commercial properties</i>	820	533	360	298
Divestments	10,053	9,977	2,702	2,263
Net investments in operations	3,117	3,348	760	169
STRATEGIC INVESTMENTS				
Businesses	-50	-135	-2	-13
Holdings	0	-1	0	0
Strategic investments	-50	-136	-2	-13
STRATEGIC DIVESTMENTS				
Businesses	537	2,078	276	680
Holdings	41	479	10	17
Strategic divestments	578	2,557	286	697
Net strategic investments	528	2,421	284	684
TOTAL NET INVESTMENTS	3,645	5,769	1,044	853
Depreciation, non-current assets	-1,073	-1,249	-278	-314

Consolidated operating cash flow statement

SEK M	Jan-Dec 2005	Jan-Dec 2004	Oct-Dec 2005	Oct-Dec 2004
Cash flow from business operations before change in working capital	3,313	1,983	1,014	-284
Change in working capital	456	1,519	2,864	2,399
Net investments in business operations	3,117	3,348	760	169
Cash flow adjustment, net investments	-57	-53	-11	61
Taxes paid in business operations	-1,475	-1,011	-35	-300
Cash flow from business operations	5,354	5,786	4,592	2,045
Net interest items and other financial items	-120	-34	-50	43
Taxes paid in financing operations	36	10	15	-13
Cash flow from financing operations	-84	-24	-35	30
CASH FLOW FROM OPERATIONS	5,270	5,762	4,557	2,075
Net strategic investments	528	2,421	284	684
Taxes paid on net strategic investments	-1	-29	0	0
Cash flow from net strategic investments	527	2,392	284	684
Dividend etc.	-1,675	-1,288	0	-1
CASH FLOW BEFORE CHANGE IN INTEREST-BEARING RECEIVABLES AND LIABILITIES				
RECEIVABLES AND LIABILITIES	4,122	6,866	4,841	2,758
Change in interest-bearing assets and liabilities	-484	-4,945	67	-1,010
CASH FLOW FOR THE PERIOD	3,638	1,921	4,908	1,748
Cash and cash equivalents at the beginning of the period	8,868	7,037	8,668	7,266
Reclassification in cash and cash equivalents	751	0	-13	0
Exchange rate differences in cash and cash equivalents	421	-90	115	-146
Cash and cash equivalents at the end of the period	13,678	8,868	13,678	8,868
Change in interest-bearing net receivables/net debt	3,882	6,792	3,418	2,818

Balance sheet

SEK M	Dec 31 2005	Jan 1 2005	Dec 31 2004
ASSETS			
Non-current assets			
Property, plant and equipment	5,243	4,978	5,507
Goodwill	4,154	3,899	3,899
Intangible assets	644	535	535
Investments in joint ventures and associated companies	1,834	862	862
Financial non-current assets ^{1 3}	1,236	1,253	1,137
Deferred tax assets	2,282	1,620	1,633
Total non-current assets	15,393	13,147	13,573
Current assets			
Current-asset properties ²	10,482	11,935	11,948
Inventories	501	483	610
Financial current assets ³	2,260	2,771	2,490
Tax assets	330	269	269
Gross amount due from customers for contract work	5,610	3,653	3,579
Trade and other receivables	22,985	21,579	21,744
Cash equivalents	3,095	3,053	3,053
Cash	10,583	5,794	5,815
Assets classified as held for sale	72	869	-
Total current assets	55,918	50,406	49,508
TOTAL ASSETS	71,311	63,553	63,081
<i>of which interest-bearing non-current assets</i>	<i>1,070</i>	<i>1,063</i>	<i>1,063</i>
<i>of which interest-bearing assets held for sale</i>	<i>2</i>	<i>21</i>	<i>-</i>
<i>of which other interest-bearing current assets</i>	<i>15,903</i>	<i>11,337</i>	<i>11,358</i>
	16,975	12,421	12,421
EQUITY			
Equity attributable to equity holders	18,454	16,240	16,251
Minority interest	133	117	117
Total equity	18,587	16,357	16,368
LIABILITIES			
Non-current liabilities			
Financial non-current liabilities ³	2,424	3,300	3,046
Pensions	2,407	1,108	1,112
Deferred tax liabilities	2,831	2,708	2,743
Non-current provisions	143	135	135
Total non-current liabilities	7,805	7,251	7,036
Current liabilities			
Financial current liabilities ³	1,080	1,197	1,006
Tax liabilities	595	994	999
Current provisions	3,200	2,735	2,740
Gross amount due to customers for contract work	11,782	10,471	10,428
Trade and other payables	28,220	24,224	24,504
Liabilities classified as held for sale	42	324	-
Total current liabilities	44,919	39,945	39,677
TOTAL EQUITY AND LIABILITIES	71,311	63,553	63,081
<i>of which interest-bearing financial liabilities</i>	<i>3,286</i>	<i>4,050</i>	<i>4,052</i>
<i>of which interest-bearing pensions and provisions</i>	<i>2,570</i>	<i>1,136</i>	<i>1,140</i>
<i>of which interest-bearing liabilities held for sale</i>	<i>8</i>	<i>6</i>	<i>-</i>
	5,864	5,192	5,192
Key financial figures			
Capital employed, closing balance	24,451	21,549	21,560
Capital employed, average	22,850	23,411	23,412
Equity/assets ratio, %	26.1	25.7	25.9
Interest-bearing net receivables (+)/net debt (-), SEK m	11,111	7,229	7,229
Debt/equity ratio	-0.6	-0.4	-0.4
1 of which shares	59	74	74
2 Current-asset properties			
Commercial Project Development	5,804	7,395	7,408
Other commercial properties	1,396	1,272	1,272
Residential Project Development	3,282	3,268	3,268
	10,482	11,935	11,948
3 Amounts regarding non-interest-bearing unrealised changes in derivatives/financial instruments are included in the following with:			
Financial non-current assets	107	116	-
Financial current assets	35	281	-
Financial non-current liabilities	22	254	-
Financial current liabilities	196	193	-

Note Contingent liabilities

Contingent liabilities amounted to SEK 9.1 billion on December 31, 2005 (Dec 31, 2004: 7.4). During the quarter the liabilities increased by SEK 2.7 billion.

Regarding tax cases, court and arbitration proceedings, major ongoing legal proceedings were described in Note 32 in the Annual Report of 2004. No important events occurred during the fourth quarter of 2005.

Additional information

Business streams

Construction

SEK M	Jan-Dec 2005	Jan-Dec 2004	Oct-Dec 2005	Oct-Dec 2004
Revenue	115,955	107,977	33,680	29,082
Gross income	8,271	6,680	2,627	1,335
Selling and administrative expenses	-5,447	-5,207	-1,492	-1,287
Income from joint ventures and associated companies	47	39	20	15
Operating income	2,871	1,512	1,155	63
Investments	-2,129	-1,330	-432	-483
Divestments	1,442	1,078	610	533
Net investments	-687	-252	178	50
Cash flow from operations before investments and change in working capital	3,865	2,237	1,307	68
Change in working capital	-29	1,903	2,667	2,613
Net investments in operations	-650	-266	171	32
Cash flow adjustment, net investments	-24	78	-12	76
Operating cash flow from business operations ¹	3,162	3,952	4,133	2,789
Strategic net investments	-37	14	7	18
Cash flow	3,125	3,966	4,140	2,807
Gross margin, %	7.1	6.2	7.8	4.6
Selling and administrative expenses, %	-4.7	-4.8	-4.4	-4.4
Operating margin %	2.5	1.4	3.4	0.2
Capital employed, SEK bn	4.4	3.6		
Return on capital employed (RoCE), % ²	56.1	25.6		
Order bookings, SEK bn	116.6	116.0	29.1	29.2
Order backlog, SEK bn	128.6	113.5		
Employees	52,533	51,583		

¹ Before taxes, financing operations and dividends

² Rolling 12 months

Residential Project Development

SEK M	Jan-Dec 2005	Jan-Dec 2004	Oct-Dec 2005	Oct-Dec 2004
Revenue	6,113	5,814	1,739	1,721
Gross income	928	821	224	238
Selling and administrative expenses	-334	-305	-83	-79
Income from joint ventures and associated companies	17	12	19	12
Operating income	611	528	160	171
Investments	-3,195	-3,676	-990	-1,255
Divestments	4,151	4,085	1,070	1,190
Net investments	956	409	80	-65
Cash flow from operations before investments and change in working capital	-182	-69	-42	-21
Change in working capital	288	-123	-173	86
Net investments in operations	957	408	81	-66
Cash flow adjustment, net investments	27	88	44	103
Operating cash flow from business operations ¹	1,090	304	-90	102
Strategic net investments	-2	0	-2	0
Cash flow	1,088	304	-92	102
Operating margin, %	10.0	9.1	9.2	9.9
Capital employed, SEK bn	2.5	2.8		
Return on capital employed (RoCE), % ²	23.8	18.4		
Employees	582	739		

¹ Before taxes, financing operations and dividends

² Rolling 12 months

Commercial Project Development

SEK M	Jan-Dec 2005	Jan-Dec 2004	Oct-Dec 2005	Oct-Dec 2004
Revenue	5,075	5,584	1,108	800
Gross income	1,963	1,873	279	177
Selling and administrative expenses	-228	-215	-69	-56
Income from joint ventures and associated companies	5	-41	1	0
Operating income	1,740	1,617	211	121
of which gain from divestments of properties ¹	1,551	1,422	238	182
of which operating net, completed properties ⁴	350	504	37	95
of which write-downs/reversal of write-downs	0	-98	0	-98
Investments	-1,138	-1,336	-368	-276
Divestments	4,430	4,715	1,003	613
Net investments	3,292	3,379	635	337
Cash flow from operations before investments and change in working capital	172	337	-41	40
Change in working capital	189	-151	200	-115
Net investments in operations	3,292	3,378	635	336
Cash flow adjustment, net investments	-60	-219	-42	-117
Operating cash flow from business operations ³	3,593	3,345	752	144
Strategic investments	0	1	0	0
Cash flow	3,593	3,346	752	144
Capital employed, SEK bn	6.0	7.8		
Return on capital employed (RoCE), % ⁴	25.1	17.7		
Employees	125	129		

1 Additional gain included in eliminations was 75

2 After selling and administrative expenses 72

3 Before taxes, financing operations and dividends 46

4 Rolling 12 months 0

Infrastructure Development (formerly BOT)

SEK M	Jan-Dec 2005	Jan-Dec 2004	Oct-Dec 2004	Oct-Dec 2004
Revenue	53	33	42	10
Gross income	-47	-12	-8	-8
Selling and administrative expenses	-123	-70	-49	-17
Income from joint ventures and associated companies	161	113	124	61
Operating income	-9	31	67	36
of which gains from divestments of projects	0	0	0	0
	0			
Investments	-476	-188	-144	-134
Divestments	35	6	27	-1
Net investments	-441	-182	-117	-135
Cash flow from operations before investments and change in working capital	-130	-19	-39	37
Change in working capital	-70	-15	-92	-1
Net investments in operations	-441	-181	-117	-134
Cash flow adjustment, net investments	0	0	0	0
Operating cash flow from business operations ¹	-641	-215	-248	-98
Strategic investments	0	0	0	0
Cash flow	-641	-215	-248	-98
Capital employed, SEK bn	2.5	1.5	0.0	
Return on capital employed (RoCE), % ²	-0.1	3.3	0.0	
Employees	66	40	0	

1 Before taxes, financing operations and dividends

2 Rolling 12 months

At the end of the year, the book value of shares, participations, subordinated receivables and concessions in Infrastructure Development operations totaled about SEK 2.4 billion (1.4). Remaining investment commitments related to ongoing Infrastructure Development projects totaled about SEK 0.5 billion. At the end of the year Skanska was negotiating the financial close of three additional PPP projects. If financial close is completed, these projects will add investment commitments of about SEK 0.7 billion. According to an appraisal, where external specialists have scrutinized the appraisal of projects equivalent to 75 percent of the value of the portfolio, market value on the Group level exceeds book value by approximately SEK 2.7 billion (0.9) after deduction of the present value of remaining investment commitments.

Construction, by business/reporting unit

SEK M	Revenue			
	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
	2005	2004	2005	2004
Sweden	22,141	20,519	6,216	6,409
Norway	10,502	8,640	2,699	2,480
Denmark	4,385	3,636	1,410	1,186
Finland	8,366	7,623	2,435	2,168
Poland	5,082	3,970	1,810	1,367
Czech Republic	10,303	7,906	3,066	2,447
UK	10,761	11,024	3,708	2,211
USA Building	29,944	27,601	8,121	6,543
USA Civil	9,415	12,406	2,706	2,837
Latin America	3,579	2,785	1,040	969
International ¹	1,477	1,867	469	465
Total	115,955	107,977	33,680	29,082

¹ International includes operations in Russia, International Projects and UK International.

SEK M	Operating income				Operating margin, %			
	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
	2005	2004	2005	2004	2005	2004	2005	2004
Sweden	887	579	350	219	4.0	2.8	5.6	3.4
Norway	422	215	99	55	4.0	2.5	3.7	2.2
Denmark	50	53	-11	10	1.1	1.5	-0.8	0.8
Finland	222	263	81	101	2.7	3.5	3.3	4.7
Poland	146	101	117	65	2.9	2.5	6.5	4.8
Czech Republic	466	368	112	102	4.5	4.7	3.7	4.2
UK	346	52	131	-198	3.2	0.5	3.5	-9.0
USA Building	239	-413	78	-421	0.8	-1.5	1.0	-6.4
USA Civil	-99	218	78	71	-1.1	1.8	2.9	2.5
Latin America	154	118	58	28	4.3	4.2	5.6	2.9
International ¹	38	-42	62	31	2.6	-2.2	13.2	6.7
Total	2,871	1,512	1,155	63	2.5	1.4	3.4	0.2

SEK M	Order backlog		Order bookings			
	Dec 31	Dec 31	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
	2005	2004	2005	2004	2005	2004
Sweden	16,004	15,485	22,087	23,039	4,738	6,006
Norway	8,631	7,371	11,353	10,195	2,742	3,170
Denmark	2,172	2,157	3,902	3,518	1,141	1,014
Finland	5,879	4,854	9,082	7,316	3,054	1,626
Poland	7,143	3,844	7,625	4,559	626	1,685
Czech Republic	12,493	13,047	8,567	12,910	2,261	3,074
UK	17,412	13,318	13,815	10,850	5,098	2,641
USA Building	36,663	36,577	23,158	29,699	7,193	3,926
USA Civil	18,381	12,116	13,179	8,242	1,471	3,579
Latin America	3,138	2,885	3,080	3,924	804	1,837
International	656	1,844	705	1,756	-67	680
Total	128,572	113,498	116,553	116,008	29,061	29,238

Residential Project Development, by business/reporting unit

SEK M	Revenue				Operating income ¹			
	Jan-Dec 2005	Jan-Dec 2004	Oct-Dec 2005	Oct-Dec 2004	Jan-Dec 2005	Jan-Dec 2004	Oct-Dec 2005	Oct-Dec 2004
Sweden	2,394	2,046	758	715	196	136	75	63
Norway	1,343	1,234	323	333	132	122	36	27
Finland	1,616	1,609	452	457	195	151	47	46
Poland	114	116	43	32	16	10	10	-1
Czech Republic	416	523	86	103	86	105	1	31
International	230	286	77	81	-14	4	-9	5
Total	6,113	5,814	1,739	1,721	611	528	160	171

SEK M	Operating margin, % ¹				Return on capital employed ²	
	Jan-Dec 2005	Jan-Dec 2004	Oct-Dec 2005	Oct-Dec 2004	Jan-Dec 2005	Jan-Dec 2004
Sweden	8.2	6.6	9.9	8.8	108.1	25.4
Norway	9.8	9.9	11.1	8.1	12.0	9.7
Finland	12.1	9.4	10.4	10.1	27.5	24.0
Poland	14.0	8.6	23.3	-3.1	21.5	7.7
Czech Republic	20.7	20.1	1.2	30.1	31.8	48.6
International	-6.1	1.4	-11.7	6.2	-15.7	8.6
Total	10.0	9.1	9.2	9.9	23.8	18.4

¹ Development profit only. Construction margin reported under Construction.

² Rolling 12 months

At the end of 2005, there were 5,525 (6,375) residential units under construction. Of these, 78 (73) percent were sold. The number of completed unsold residential units totaled 148 (233). During 2005, construction started on 3,931 (4,314) units. In the Nordic countries, the number of residential units started increased to 3,609 (3,541), while the number declined to 322 (749) in the Czech Republic and in St. Petersburg, Russia. The number of residential units sold during the year was 4,536 (4,474). In the Nordic countries, the number of units sold rose to 3,856 (3,491) while sales of residential units in other markets declined to 680 (983).

The book value of current-asset properties in Residential Project Development totaled SEK 3.3 billion (Dec. 2004: 3.3). A breakdown of book value can be seen in the table below. The book value of undeveloped land and development properties was SEK 2.4 billion. This is equivalent to building rights for about 17,500 residential units. There were also about 3,100 building rights in associated companies.

Breakdown of book value, current-asset properties, December 31, 2005

SEK M	Residential Project Development	Commercial Project Development	Other commercial properties	Total
Completed projects	261	3,157	44	3,462
Ongoing projects	601	599	444	1,644
Land bank	2,420	2,048	908	5,376
Total	3,282	5,804	1,396	10,482

Commercial Project Development

SEK M	Carrying amount, end of period	Carrying amount upon completion	Market value Dec 31, 2005	Occupancy rate, %
Completed properties	3157	3157	4577	73
Projects completed in 2005	217	217	262	99
Ongoing projects	382	1,756	2,185	48
Subtotal	3,756	5,130	7,024	
Land bank	2,048	2,048		
TOTAL	5,804	7,178		

Commercial Project Development has seven projects underway, six of them in Sweden. Ongoing projects represent leasable space of about 110,000 sq. m (1,184,400 sq. ft.) and are 48 percent pre-leased, measured in rent. In addition to these projects, during 2005, four projects with leasable space totaling 26,000 sq. m (280,000 sq. ft.) were sold before their completion, with a pre-leasing level of 100 percent on the date of sale. At the end of the year, the book value of ongoing projects amounted to SEK 0.4 billion (Dec. 2004: 0.2). Their book value upon completion is expected to total SEK 1.8 billion, with an estimated market value of SEK 2.2 billion. The degree of completion in ongoing projects is about 22 percent.

The book value of Skanska's portfolio of completed projects, including projects completed during 2005, amounted to SEK 3.4 billion (Dec. 2004: 4.6), with an estimated market value, based on an appraisal dated December 2005, of about SEK 4.8 billion (Dec. 2004: 6.9). The market value of completed properties by year-end 2005 has increased by some SEK 300 M, equivalent to 7 percent, compared to year-end 2004. The occupancy rate, measured in rent, amounted to 74 percent.

The book value of Skanska's undeveloped land and development properties (or "land bank") totaled about SEK 2.0 billion (Dec. 2004: 2.4).