

SKANSKA

Q2 2016

Press release, July 22, 2016, 7:30 a.m. CET



We build for a better society.
LaGuardia Airport, New York, U.S.

Six month report, January–June 2016

Highlights

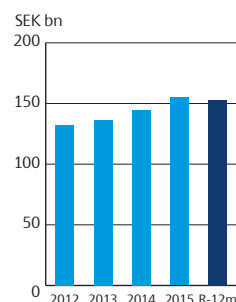
- Revenue amounted to SEK 72.5 billion (74.4); adjusted for currency effects, revenue was unchanged.
- Operating income amounted to SEK 3.6 billion (2.5); adjusted for currency effects, operating income increased by 46 percent.
- Earnings per share increased by 63 percent to SEK 6.89 (4.22).
- Operating cash flow from operations amounted to SEK –1.9 billion (–2.2).
- Operating net financial assets totaled SEK 9.4 billion (Mar. 31, 2016: 10.3).
- Order bookings in Construction amounted to SEK 84.2 billion (58.3); adjusted for currency effects, order bookings increased by 47 percent. The order backlog amounted to SEK 177.9 billion (Mar. 31, 2016: 154.6).
- Operating income in Construction amounted to SEK 1.3 billion (1.7), corresponding to an operating margin of 2.1 percent (2.5); adjusted for currency effects, operating income decreased by 19 percent.
- Operating income in Project Development amounted to SEK 2.7 billion (1.5); adjusted for currency effects, operating income increased by 81 percent.
- Return on capital employed in Project Development was 15.9 percent (15.3).
- Net divestments in Project Development amounted to SEK 1.4 billion (0.9).

Performance analysis

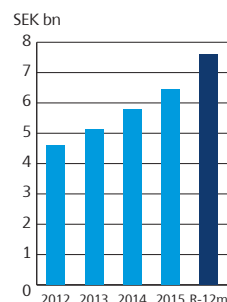
SEK M	Jan-Jun 2016	Jan-Jun 2015	Change, %	Apr-Jun 2016	Apr-Jun 2015	Change, %
Revenue						
Construction	64,205	66,905	-4	33,767	36,204	-7
Residential Development	6,139	6,642	-8	3,479	3,657	-5
Commercial Property Development	6,214	2,659	134	1,794	1,494	20
Infrastructure Development	174	54	222	155	22	605
Central and eliminations	-4,183	-1,841	127	-1,943	-1,023	90
Skanska Group	72,549	74,419	-3	37,252	40,354	-8
Operating income						
Construction	1,340	1,687	-21	898	1,065	-16
Residential Development	675	631	7	378	401	-6
Commercial Property Development	1,812	567	220	451	385	17
Infrastructure Development	217	252	-14	131	99	32
Central	-483	-603	-20	-234	-285	-18
Eliminations	72	-34	-	40	3	1,233
Operating income	3,633	2,500	45	1,664	1,668	0
Net financial items	-41	-244	-83	15	-95	-
Income after financial items	3,592	2,256	59	1,679	1,573	7
Taxes	-755	-519	45	-361	-355	2
Profit for the period	2,837	1,737	63	1,318	1,218	8
Earnings for the period per share, SEK	6.89	4.22	63	3.20	2.96	8
Earnings for the period per share according to IFRSs, SEK	6.32	4.02	57	5.83	2.84	105
Operating cash flow from operations	-1,886	-2,196	-14	1,498	341	339
Interest-bearing net receivables(+)/net debt(-)	-463	-3,909	-88	-463	-3,909	-88
Return on capital employed in Project Development, % ¹	15.9	15.3				
Operating net financial assets(+)/liabilities(-)	9,435	2,829	234			
Return on equity, % ¹	26.7	22.6				

¹ Rolling 12 months.

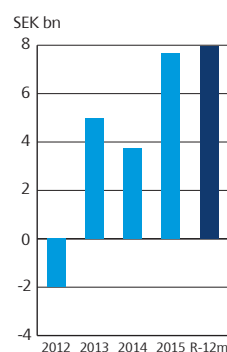
Revenue



Operating income



Operating cash flow from operations



Comments from Skanska’s President and CEO Johan Karlström:



In the first six months of 2016 our revenue was flat in local currency, while operating income increased significantly compared to the same period last year as a result of a strong performance within Project Development. Our strong financial position enables us to continue to invest in our Project Development business.

The uncertainty before and after Brexit has not yet had any direct impact on our UK construction operations. However, we continue to have a very close dialogue with our clients, especially in the non-residential building sector, which will most likely experience adverse effects. Looking at our Development business globally, the turbulence in the UK could potentially result in investors turning to our other markets. In the short term the uncertainty may have a negative impact on growth and thereby keeping interest rates low, which will support the valuation of our development streams with increased value of its high quality cash flows.

In our **Construction** business stream we continue to see a strong performance in Sweden, Finland and Norway, as well as in USA Building. The profitability in the business stream was negatively impacted by weak performance in certain projects in Poland, where we also see a shift in the market from small and medium sized projects to large projects. This is partly driven by delays in the allocation of designated EU funds, and we will adjust accordingly. The profitability in USA Civil is still affected by the previous design changes as we have not yet reached any material agreements with the clients. Our intense discussions continue and progress is being made in some projects, although with no major impact on profit. The profitability was further impacted by lower revenues and increased S&A costs as communicated previously.

Order bookings were especially strong in the U.S. with the financial close of LaGuardia, the largest ever construction contract for Skanska, SEK 23 billion. Order bookings for the first six months were low in the UK, but as always, order bookings are lumpy and, due to good pipeline visibility, we can maintain a positive outlook for the remainder of the year.

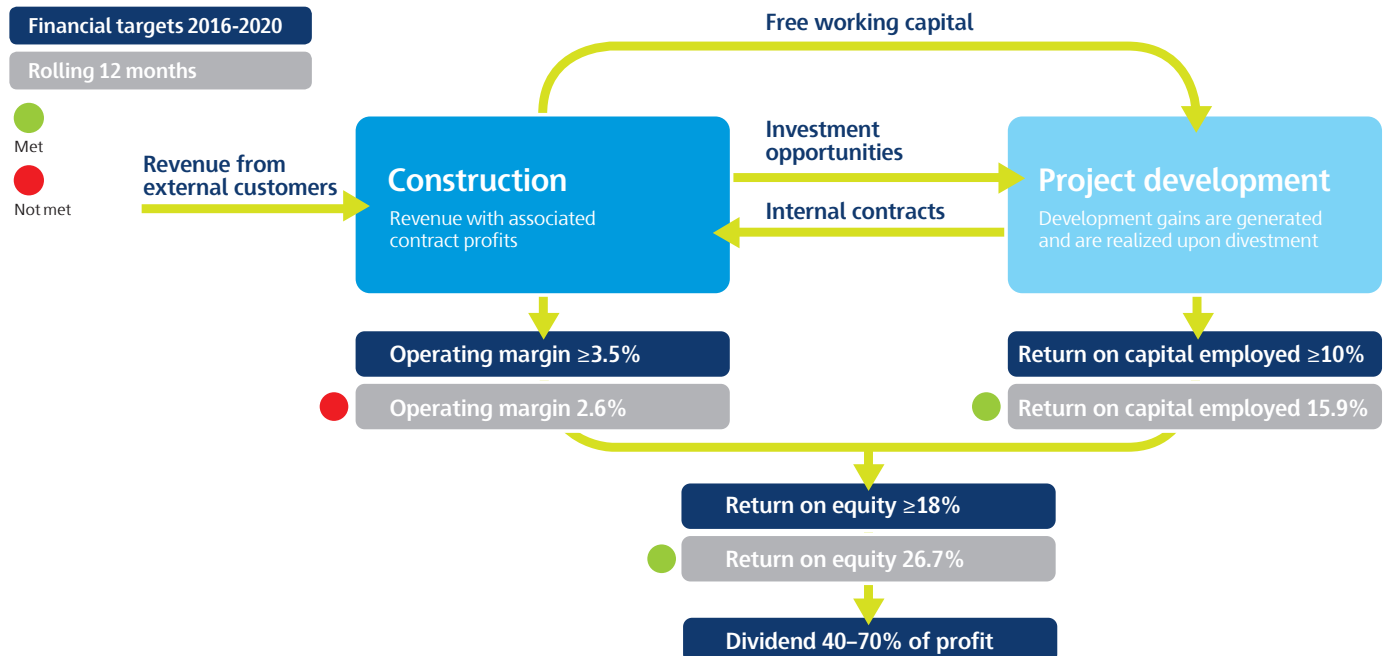
Profitability remains good for our **Residential Development** stream where the Swedish market is still very strong. Demand in Sweden is still stronger than supply and the new amortization regulations seems to make the market more sound and balanced as it dampens the activity of the speculative buyers.

The geographical diversification of our **Commercial Property Development** stream is apparent during the first six months of the year as our large divestment in the U.S. in the first quarter was followed by two very profitable divestments in the Nordics in the second quarter. We now have 47 projects under development and we intend to maintain our high level of commercial property development activity going forward.

In the **Infrastructure Development** stream we reached another milestone with the financial close of LaGuardia Airport in New York. This is a clear example of the strength of the Skanska Group, as one of the key factors in securing this project was effective collaboration between Skanska ID, USA Civil and USA Building. As our third PPP project in the U.S., it is a clear example of the potential of the PPP market there, and we intend to continue bidding for new projects.

In an ever-changing world, I am convinced that the diversification in our business streams and geographies will continue to serve us well. We will continue to monitor developments in our markets in close dialogue with our clients in order to ensure that we, as an organization, can act fast and offer our clients the products they request.

Skanska’s business model



Market outlook, next 12 months

Increased uncertainty impacts the market outlook

- Weaker outlook compared to previous quarter. ● Unchanged outlook compared to previous quarter. ● Improved outlook compared to previous quarter.
- ⬆️ Very strong market coming 12m ⬇️ Strong market coming 12m ➡️ Stable market coming 12m ⬇️ Weak market coming 12m ⬇️ Very weak market coming 12m

Construction

The overall construction market outlook continues to be positive. The non-residential, residential building and civil markets in Sweden are strong although the landscape is competitive. In Norway, the outlook for the infrastructure market remains positive but with significant and increasing competition in new bids. The non-residential market is improving due to increased public investments, while the residential building market is stable, with the exception of certain regions that are dependent on the energy sector. The overall market situation in Finland remains weak, with signs of the residential building market improving. The civil market remains strong in the UK, whilst the non-residential building market is impacted by increased uncertainty after the EU referendum. The civil and non-residential building markets in Poland are affected by delays in the allocation of designated EU funds. The markets in the Czech Republic and Slovakia are solid. In the U.S. the market for large and complex civil construction projects remains good, although competition is intense. The building construction market is experiencing a positive development in the aviation, education and life science and healthcare sectors.

	Building, non-residential	Building, residential	Civil
⬇️ Nordic countries			
Sweden	⬇️	⬇️	⬇️
Norway	➡️	➡️	⬇️
Finland	⬇️	●	⬇️
➡️ Other European countries			
Poland	●	➡️	●
Czech Republic ¹	➡️	⬇️	⬇️
United Kingdom	●	-	⬇️
⬇️ North America			
USA	⬇️	-	⬇️

¹ Including Slovakia.

Residential Development

The Swedish residential market is still strong, but with new amortization requirements a more balanced market can be expected going forward. The Norwegian market is stable but is being negatively affected by low oil prices in certain regions that are dependent on the energy sector. There are signs of improvement in the Finnish market. In Central Europe the market is improving, with high transaction volumes and slightly higher sales prices. Common to all home markets, except for Finland, is the challenge to acquire and develop land due to increasing prices and long permitting processes.

⬇️ Nordic countries	
Sweden	⬆️
Norway	➡️
Finland	●
⬇️ Central Europe	



BoKlok Lingonriset, Huddinge, Sweden.

Commercial Property Development

Vacancy rates for office space in most of the Nordic and Central European cities where Skanska has operations are stable. Vacancy rates are low in Sweden in particular. Demand for office space is strong in Poland and continues to improve in other parts of Central Europe. In the U.S., demand from tenants continues to improve in Washington D.C. and remains strong in Boston and Seattle, while demand in Houston is weaker due to low oil prices. Modern properties with high quality tenants are in demand from property investors, resulting in attractive valuations for these properties. In Sweden there is very strong demand from investors in newly developed properties. Investor appetite remains strong in the other Nordic countries and in Central Europe as well, especially in the major cities. Investor appetite is also strong in the U.S. In all home markets, except for Finland, there is a challenge to acquire and develop land due to increasing prices and long permitting processes.

⬇️ Nordic countries	
Sweden	⬆️
Norway	➡️
Finland	⬇️
Denmark	⬇️
⬇️ Central Europe	
Poland	⬆️
Czech Republic	⬇️
Hungary	⬇️
Romania	➡️
⬇️ North America	
USA	⬇️



Ørestad City, Copenhagen, Denmark.

Infrastructure Development

The Public Private Partnerships (PPPs) market in the U.S. is strong, albeit with considerable competition. The market in Norway is showing signs of improvement. In the other markets the outlook for new PPP projects remains weak.

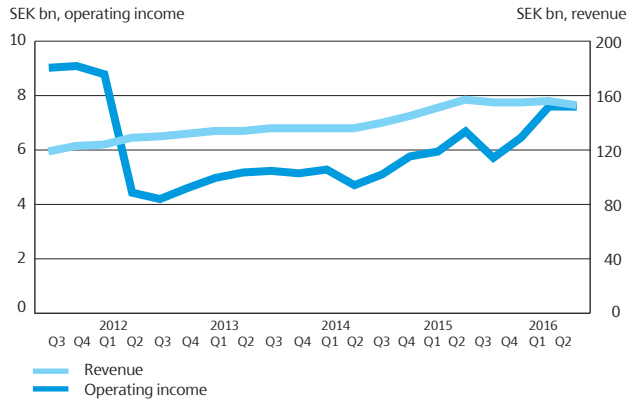


New Karolinska Solna, Stockholm, Sweden.

Performance analysis

Group

Revenue and operating income, rolling 12 months



Revenue and earnings

SEK M	Jan-Jun 2016	Jan-Jun 2015	Change, %	Apr-Jun 2016	Apr-Jun 2015	Change, %
Revenue	72,549	74,419	-3	37,252	40,354	-8
Operating income ^{1,2}	3,633	2,500	45	1,664	1,668	0
Net financial items	-41	-244		15	-95	
Income after financial items	3,592	2,256	59	1,679	1,573	7
Taxes	-755	-519		-361	-355	
Profit for the period	2,837	1,737	63	1,318	1,218	8
Earnings for the period per share, SEK ³	6.89	4.22	63	3.20	2.96	8
Earnings for the period per share according to IFRSs, SEK ³	6.32	4.02	57	5.83	2.84	105

1 Central, SEK -483 M (-603).

2 Eliminations, SEK 72 M (-34).

3 Earnings for the period attributable to equity holders divided by the average number of shares outstanding.

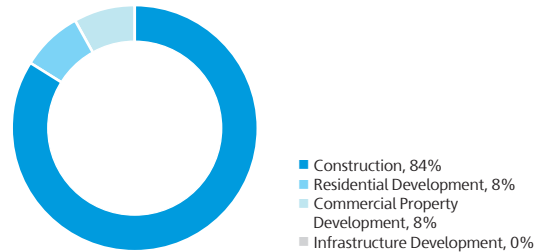
Changes and currency rate effects

	Jan-Jun 2016 / Jan-Jun 2015		
	Change in SEK	Change in local currency	Currency effect
Revenue	-3%	0%	-3%
Operating income	45%	46%	-1%

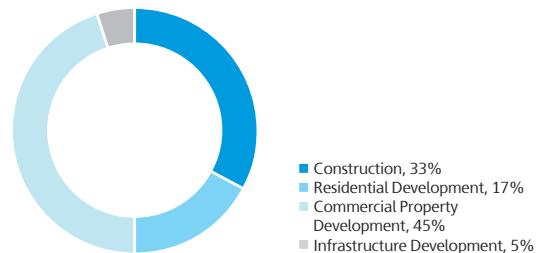
Revenue decreased by 3 percent and amounted to SEK 72.5 billion (74.4); adjusted for currency effects, revenue was unchanged.

Operating income increased by 45 percent and amounted to SEK 3.6 billion (2.5); adjusted for currency effects, operating income increased by 46 percent. The increase is mainly attributable to the Commercial Property Development stream. Currency effects had a negative impact on operating income and amounted to SEK -27 M.

Revenue per segment, January–June 2016



Operating income per segment, January–June 2016



The line chart above shows the revenue and operating income development over the past five years. The operating income from the second quarter of 2011 until the first quarter of 2012 includes a profit of SEK 4.5 billion from the sale of Autopista Central in Chile.

Central expenses totaled SEK -483 M (-603). As of January 1, 2013, the Latin American operation is included in Central. No costs incurred in connection with closing down the Latin American operations in the first six months of 2016. Costs incurred in the comparable period amounted to SEK 0.2 billion. As of March 3, 2016, Skanska has no operations remaining in Latin America. The elimination of gains in Intra-Group projects amounted to SEK 72 M (-34).

Net financial items amounted to SEK -41 M (-244). Lower interest costs and the absence of negative currency effects are the main reasons for the decrease. Non-recurring costs impacted the first quarter of 2016 by SEK -24 M, stemming from negative change in market value on interest rate swaps and in the comparable period by SEK -80 M, relating to a pre-mature closing of a currency hedge.

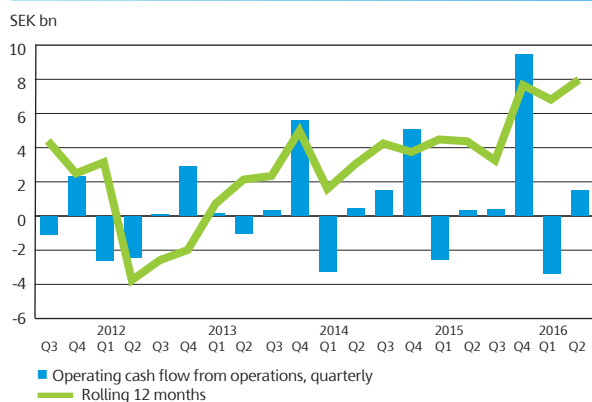
For a specification of net financial items according to IFRS, see page 21.

Taxes for the period amounted to SEK -755 M (-519), corresponding to an effective tax rate of about 21 (23) percent. The lower tax rate is due to changes in the country and business mix.

Cash flow

Group

Operating cash flow from operations



Operating cash flow

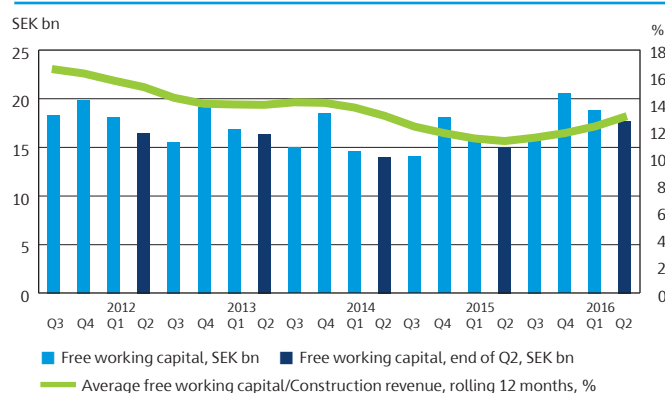
SEK M	Jan-Jun 2016	Jan-Jun 2015	Change, %	Apr-Jun 2016	Apr-Jun 2015	Change, %
Cash flow from business operations	1,111	1,589	-30	866	1,161	-25
Change in working capital	-2,789	-2,838	-2	-1,547	-991	56
Net divestments(+)/investments(-)	676	145	366	2,627	652	303
Cash flow adjustment	-61	-61	0	-41	-110	-63
Cash flow from business operations before taxes paid	-1,063	-1,165	-9	1,905	712	168
Taxes paid in business operations	-834	-584	43	-506	-171	196
Cash flow from financing operations	11	-447	-	99	-200	-
Operating cash flow from operations	-1,886	-2,196	-14	1,498	341	339
Net strategic divestments(+)/investments(-)	145	0	-	18	0	-
Dividend etc	-3,607	-2,971	21	-3,343	-2,870	16
Cash flow before change in interest-bearing receivables and liabilities	-5,348	-5,167	4	-1,827	-2,529	-28
Change in interest-bearing receivables and liabilities	-605	-585	3	147	637	-77
Cash flow for the period	-5,953	-5,752	3	-1,680	-1,892	-11

Operating cash flow from operations amounted to SEK -1,886 M (-2,196). Net divestments totaled SEK 676 M (145). Change in working capital impacted cash flow negatively in the amount of SEK -2,789 M (-2,838). The increased divestments in Development operations is the main reason for the less negative operating cash flow from operations compared to the first six months of 2015.

Taxes paid in business operations amounted to SEK -834 M (-584).

Commercial properties sold but not yet transferred will have a positive effect on cash flow of about SEK 2.1 billion, of which SEK 1.7 billion in the remaining two quarters of 2016.

Free working capital in Construction



The free working capital in Construction amounted to SEK 17.7 billion (15.0) with the average free working capital in relation to revenue in Construction in the past 12 months amounting to 12.8 percent. The free working capital in construction has increased due to improved cash flow profile in a number of projects and the maintained focus on cash generation in the Construction stream. Cash flow due to changes in working capital in Construction amounted to SEK -2,816 M (-3,627), a normal seasonal pattern.

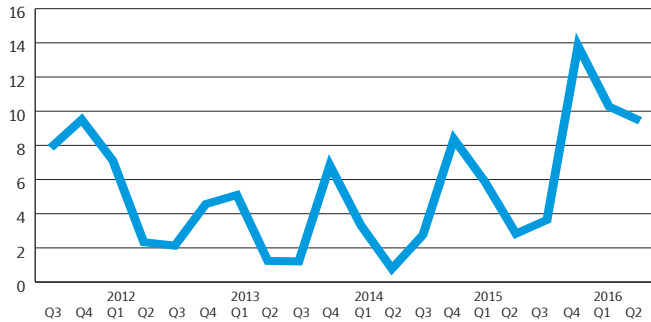


D.C. Water headquarters, Washington D.C., U.S.

Financial position

Operating net financial assets/liabilities

SEK bn



Balance sheet – Summary

SEK bn	Jun 30, 2016	Jun 30, 2015	Dec 31, 2015
Total assets	96.6	93.9	97.7
Total equity	21.9	21.1	24.2
Interest-bearing net receivables (+)/net debt (-)	-0.5	-3.9	6.3
Operating net financial assets(+)/liabilities(-)	9.4	2.8	13.8
Capital employed, closing balance	36.7	36.3	38.4
Equity/assets ratio, %	22.7	22.4	24.8

Change in interest-bearing receivables and liabilities

SEK M	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Dec 2015
Opening balance interest-bearing net receivables(+)/net debt(-)	6,317	698	2,367	-1,328	698
Cash flow for the period	-5,953	-5,752	-1,680	-1,892	2,655
Less change in interest-bearing receivables and liabilities	605	585	-147	-637	2,235
Cash flow before change in interest-bearing receivables and liabilities	-5,348	-5,167	-1,827	-2,529	4,890
Translation differences, net receivables/net debt	43	526	194	-189	266
Remeasurements of pension liabilities	-1,250	188	-1,042	187	608
Interest-bearing liabilities acquired/divested	0	0	0	0	120
Other changes, interest-bearing net receivables/net debt	-225	-154	-155	-50	-265
Change in interest-bearing net receivables/net debt	-6,780	-4,607	-2,830	-2,581	5,619
Closing balance interest-bearing net receivables(+)/net debt(-)	-463	-3,909	-463	-3,909	6,317
Pension liability, net	4,887	4,084	4,887	4,084	3,740
Loans to housing co-ops	5,011	2,654	5,011	2,654	3,761
Closing balance operating net financial assets(+)/liabilities(-)	9,435	2,829	9,435	2,829	13,818

The operating net financial assets amounted to SEK 9.4 billion (Mar. 31, 2016: 10.3). The interest-bearing net debt amounted to SEK -0.5 billion (Mar. 31, 2016: 2.4). Proceeds from properties sold but not yet transferred will have a positive effect of about SEK 2.1 billion, of which SEK 1.7 billion in the remaining two quarters of 2016.

Skanska's committed unutilized credit facilities of SEK 5.5 billion, in combination with operating net financial assets of SEK 9.4 billion, ensure a strong financial capacity for the Group. Loans to housing co-ops totaled SEK 5.0 billion (Mar. 31, 2016: 4.0) and the net pension liabilities totaled SEK 4.9 billion (Mar. 31, 2016: 3.9), an increase by SEK 1.0 billion due to lower discount rates in the UK and Sweden. At the end of the quarter, capital employed amounted to SEK 36.7 billion (Mar. 31, 2016: 36.8).

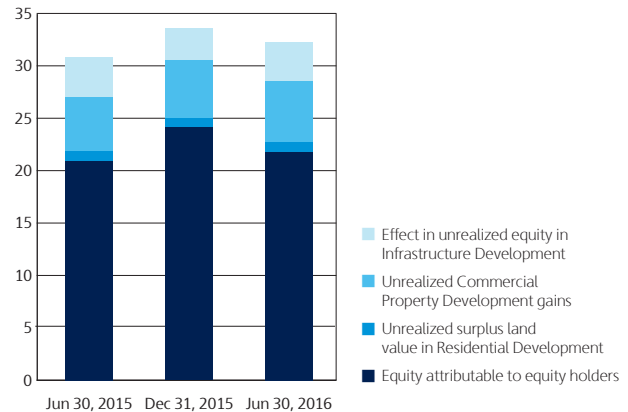
Equity

Changes in equity

SEK M	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Dec 2015
Opening balance	24,206	21,405	23,497	22,590	21,405
Dividend to shareholders	-3,075	-2,775	-3,075	-2,775	-2,775
Other changes in equity not included in total comprehensive income for the year	-385	-67	-188	-31	-192
Profit for the period	2,601	1,655	2,398	1,169	4,791
Other comprehensive income					
Translation differences	259	417	499	-540	47
Effects of remeasurements of pensions	-1,106	163	-936	200	610
Effects of cash flow hedges	-562	259	-257	444	320
Closing balance	21,938	21,057	21,938	21,057	24,206

Adjusted equity, less standard tax of 10 percent

SEK bn



The Group's equity amounted to SEK 21.9 billion (21.1), the equity/assets ratio was 22.7 percent (22.4) and the net debt/equity ratio amounted to 0.0 (0.2).

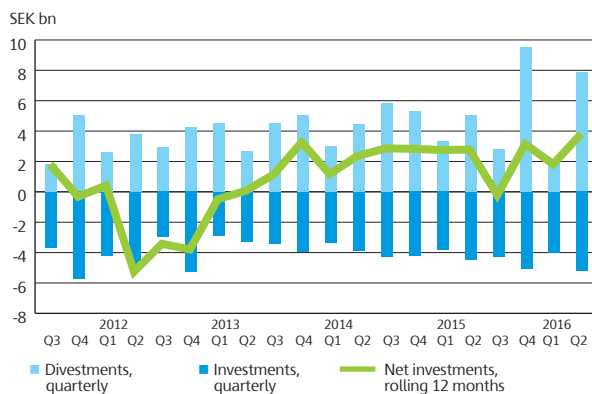
The effects of remeasurements of pensions amounted to SEK -1,106 M (163). The change is mainly related to lower discount rates in the UK and Sweden. The effects of cash flow hedges, SEK -562 M (259) are mainly related to changes in the value of interest-rate swaps attributable to Infrastructure Development projects.

Translation differences amounted to SEK 259 M (417). As of December 31, 2015, Skanska no longer currency hedges its equity in foreign subsidiaries against the Swedish krona.

The unrealized surplus values less standard tax in the development units amounted to SEK 10.5 billion (Mar. 31, 2016: 10.9), of which SEK 0.3 billion is realized according to segment reporting.

Investments and divestments

Investments and divestments



The Group's investments amounted to SEK -9,195 M (-8,273). Divestments amounted to SEK 10,016 M (8,418) and the Group's net divestments amounted to SEK 821 M (145).

In Construction, investments totaled SEK -827 M (-814). The investments were mainly related to property, plant and equipment for the Group's own production. Net investments in Construction amounted to SEK -624 M (-725). Depreciation of property, plant and equipment amounted to SEK -624 M (-692).

In Residential Development, investments totaled SEK -4,291 M (-3,402), of which about SEK -982 M (-823) relates to the acquisition of land corresponding to 2,976 building rights. Divestments amounted to SEK 3,336 M (5,502). Net investments in Residential Development amounted to SEK -955 M (2,100).

In Commercial Property Development, investments totaled SEK -3,780 M (-3,846) of which SEK -626 M (-751) related to investments in new land. Divestments amounted to SEK 6,307 M (2,763). Net divestments in Commercial Property Development amounted to SEK 2,527 M (-1,083).

Investments in Infrastructure Development amounted to SEK -218 M (-108). Divestments amounted to SEK 15 M (11).

Investments, divestments and net divestments/investments

SEK M	Jan-Jun 2016	Jan-Jun 2015	Change, %	Apr-Jun 2016	Apr-Jun 2015	Change, %
Investments						
Construction	-827	-814	2	-456	-441	3
Residential Development	-4,291	-3,402	26	-2,496	-1,721	45
Commercial Property Development	-3,780	-3,846	-2	-2,062	-2,161	-5
Infrastructure Development	-218	-108	102	-168	-34	394
Other	-79	-103		-28	-87	
Total	-9,195	-8,273	11	-5,210	-4,444	17
Divestments						
Construction	203	89	128	112	55	104
Residential Development	3,336	5,502	-39	1,806	3,118	-42
Commercial Property Development	6,307	2,763	128	5,902	1,871	215
Infrastructure Development	15	11	36	15	11	36
Other	155	53		20	41	
Total	10,016	8,418	19	7,855	5,096	54
Net divestments(+)/ investments(-)						
Construction	-624	-725	-14	-344	-386	-11
Residential Development	-955	2,100	-	-690	1,397	-
Commercial Property Development	2,527	-1,083	-	3,840	-290	-
Infrastructure Development	-203	-97	109	-153	-23	565
Other	76	-50		-8	-46	
Total	821	145	466	2,645	652	306
Of which strategic	145	0		18	0	

Capital employed in Development Streams

SEK M	Jun 30, 2016	Jun 30, 2015	Dec 31, 2015
Residential Development	10,244	8,512	9,277
Commercial Property Development	17,144	17,200	16,510
Infrastructure Development	1,420	2,075	1,843
Total in Development Streams	28,808	27,787	27,630



Spark, Warsaw, Poland.

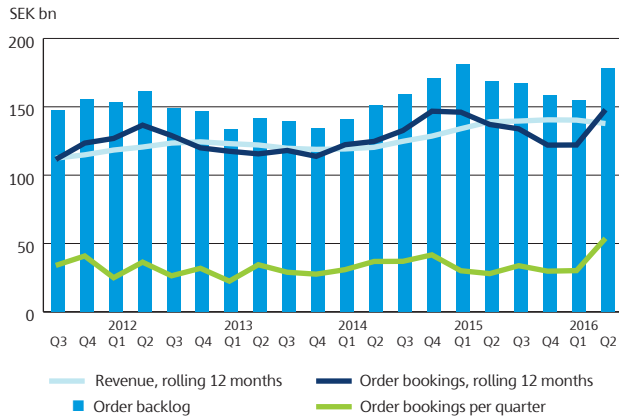


Malmö Live, Malmö, Sweden.

Performance analysis, business streams

Construction – Order situation

Order backlog, revenue and order bookings



Order bookings and order backlog in Construction

SEK bn	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015
Order bookings	84.2	58.3	53.9	28.1
Order backlog ¹	177.9	168.8	-	-

¹ Refers to the end of each period.

Order bookings amounted to SEK 84.2 billion (58.3); adjusted for currency effects, order bookings increased by 47 percent. A majority of the business units had higher order bookings than revenue in the first six months. On a rolling 12 months basis the book-to-build ratio was 107 percent (Mar. 31, 2016: 87). Order bookings in the U.S. business were especially strong, driven by the LaGuardia project. Order bookings in the UK were low in the first six month. The nature of the business makes the order bookings lumpy and they are

expected to pick up by the end of the year. Order bookings in Poland are affected by delays in the allocation of designated EU funds.

At the end of the quarter, the order backlog amounted to SEK 177.9 billion, compared to 154.6 billion at the end of the previous quarter. The order backlog corresponds to about 15 months of production (Mar. 31, 2016: 14).

Changes and currency rate effects

	Change in SEK	Change in local currency	Currency effect
Jan-Jun 2016 / Jan-Jun 2015			
Order bookings	44%	47%	-3%
Jun 30, 2016 / Mar 31, 2016			
Order backlog	15%	13%	2%

Major orders in the quarter

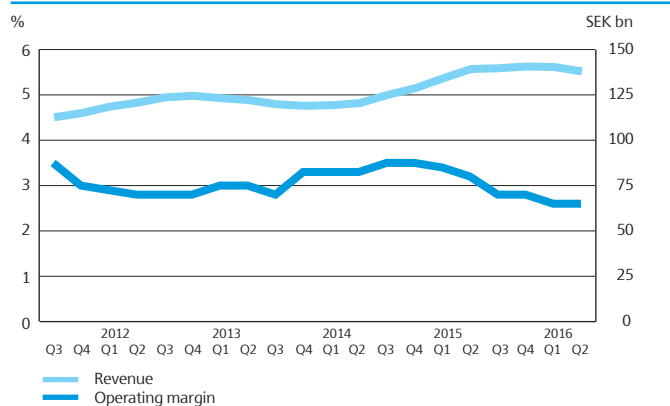
Business Unit	Contract	Amount SEK M	Client
Skanska USA Building	Airport	11,500	Skanska ID
Skanska USA Civil	Airport	11,500	Skanska ID
Skanska USA Building	Hospital	1,500	Lee Memorial Health System
Skanska USA Building	Hotel	1,300	Eighth and Demonbreun Hotel
Skanska Sweden	Office	1,000	Skanska CDN
Skanska Norway	Highway	730	Norwegian Public Roads Administration



Orkla City, Oslo, Norway.

Construction

Revenue and operating margin, rolling 12 months



Revenue and earnings

SEK M	Jan-Jun 2016	Jan-Jun 2015	Change, %	Apr-Jun 2016	Apr-Jun 2015	Change, %
Revenue	64,205	66,905	-4	33,767	36,204	-7
Gross income	4,565	4,755	-4	2,544	2,645	-4
Selling and administrative expenses	-3,232	-3,080	5	-1,654	-1,591	4
Income from joint ventures and associated companies	7	12		8	11	
Operating income	1,340	1,687	-21	898	1,065	-16
Gross margin, %	7.1	7.1		7.5	7.3	
Selling and administrative expenses, %	-5.0	-4.6		-4.9	-4.4	
Operating margin, %	2.1	2.5		2.7	2.9	
Employees	41,647	42,108				

Changes and currency rate effects

	Jan-Jun 2016 / Jan-Jun 2015		
	Change in SEK	Change in local currency	Currency effect
Revenue	-4%	-2%	-2%
Operating income	-21%	-19%	-2%

Revenue in the Construction business stream decreased by 4 percent and amounted to SEK 64.2 billion (66.9); adjusted for currency effects, the revenue decreased by 2 percent. Operating income amounted to SEK 1,340 M (1,687); adjusted for currency effects, operating income decreased by 19 percent. The operating margin was 2.1 percent (2.5), where the comparison period was positively affected by the completion of larger projects in Sweden and Poland.

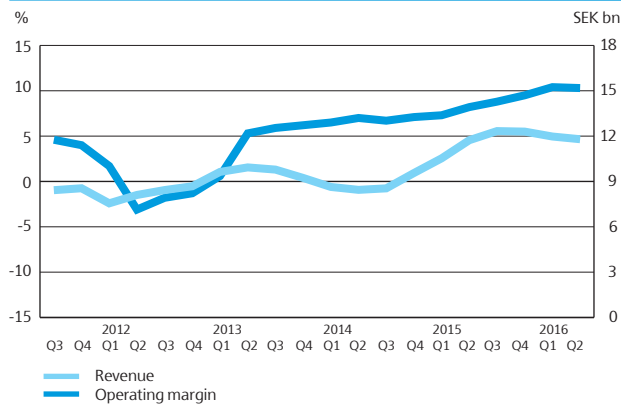
The profitability in Poland was impacted by charges in certain projects and there is also a shift in the market from small and medium sized projects to large projects, partly driven by delays in the allocation of designated EU funds. In USA Civil the profitability was negatively impacted by the previously communicated claims in the same projects where no revenue is recognized until a commercial agreement is reached. The intense work to gradually restore profitability continues and progress is being made in the claims discussions, although with no major impact on profit. The first phase of the new ERP system in USA Civil has been successfully launched, and as previously communicated this as well as higher bid costs has impacted the S&A costs, impacting the operating margin negatively.



Regiens Hus, Gothenburg, Sweden.

Residential Development

Revenue and operating margin, rolling 12 months



Revenue and earnings

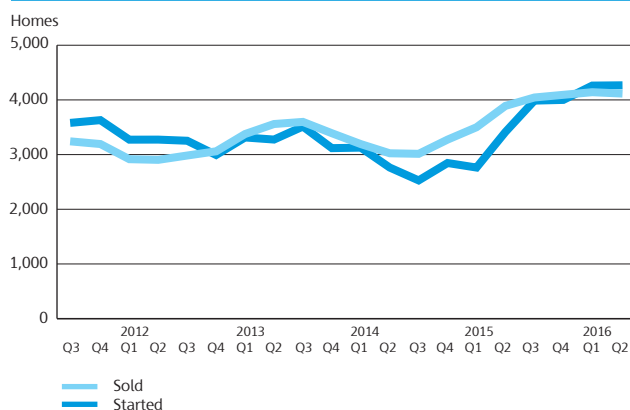
SEK M	Jan-Jun 2016	Jan-Jun 2015	Change, %	Apr-Jun 2016	Apr-Jun 2015	Change, %
Revenue	6,139	6,642	-8	3,479	3,657	-5
Gross income	974	937	4	530	562	-6
Selling and administrative expenses	-299	-306	-2	-152	-161	-6
Income from joint ventures and associated companies	0	0		0	0	
Operating income	675	631	7	378	401	-6
Gross margin, %	15.9	14.1		15.2	15.4	
Selling and administrative expenses, %	-4.9	-4.6		-4.4	-4.4	
Operating margin, %	11.0	9.5		10.9	11.0	
Return on capital employed, % ¹	14.3	10.8		-	-	

1 Rolling 12 months.

Revenue in the Residential Development business stream amounted to SEK 6,139 M (6,642). The number of homes sold totaled 2,181 (2,157) in the first six months of 2016. Operating income amounted to SEK 675 M (631). The operating margin increased to 11.0 percent (9.5) and the gross margin to 15.9 percent (14.1). In Central Europe a non-recurring cost related to adjustment of land value was taken.

The return on capital employed increased to 14.3 percent (10.8), partially due to the effects of strong volumes in a rising market where the build-up of capital employed is lagging somewhat but will catch up during 2016.

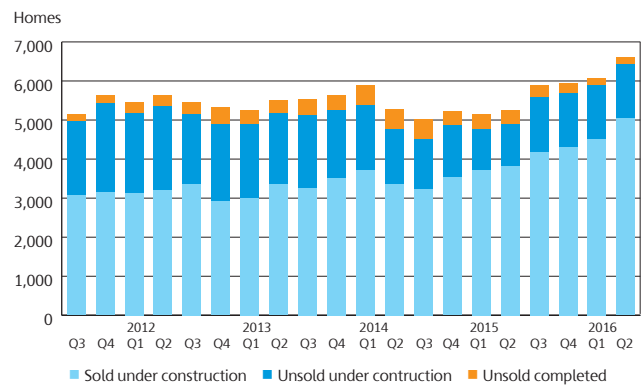
Homes sold and started, rolling 12 months



Homes sold and started

	Jan-Jun 2016	Jan-Jun 2015
Homes sold	2,181	2,157
Homes started	2,143	1,876

Homes under construction and unsold



Homes under construction and unsold

	Jun 30, 2016	Jun 30, 2015	Dec 31, 2015
Homes under construction	6,424	4,896	5,689
of which sold, %	78	78	76
Completed unsold, number of homes	190	358	237

At the end of the quarter, there were 6,424 homes (Mar. 31, 2016: 5,878) under construction. Of these, 78 percent (Mar. 31, 2016: 77) were sold. The number of completed, unsold homes totaled 190 (Mar. 31, 2016: 200) and most of these homes are in Finland and Norway. Efforts to reduce the number of unsold completed units in Finland and Norway are continuing. In the first six months of 2016, construction was started on 2,143 homes (1,876).

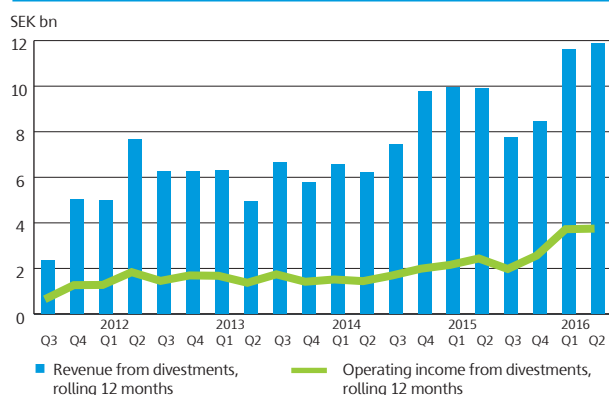
Breakdown of carrying amounts

SEK M	Jun 30, 2016	Jun 30, 2015	Dec 31, 2015
Completed projects	692	1,461	934
Ongoing projects	5,810	3,335	4,329
Undeveloped land and development properties	5,532	5,136	5,107
Total	12,034	9,932	10,370

A breakdown of the carrying amounts is presented in the table above. Undeveloped land and development properties amounted to SEK 5.5 billion (Mar. 31, 2016: 5.0), with an estimated market value of around SEK 6.5 billion (Mar. 31, 2016: 6.0). The undeveloped land and development properties correspond to Skanska-owned building rights for 25,240 homes and 400 building rights held by joint ventures. In addition, subject to certain conditions, the business stream has the right to purchase 11,160 building rights.

Commercial Property Development

Revenue and operating income from property divestments



Revenue and earnings

SEK M	Jan-Jun 2016	Jan-Jun 2015	Change, %	Apr-Jun 2016	Apr-Jun 2015	Change, %
Revenue	6,214	2,659	134	1,794	1,494	20
of which from divestment of properties	5,862	2,429	141	1,615	1,354	19
Gross income	2,167	877	147	648	535	21
Selling and administrative expenses	-358	-316	13	-199	-155	28
Income from joint ventures and associated companies	3	6		2	5	
Operating income	1,812	567	220	451	385	17
of which from divestment of properties	2,040	856	138	583	557	5
Return on capital employed, % ¹	16.6	15.5				

¹ Rolling 12 months. See definition on page 18

In the Commercial Property Development business stream, divestments worth SEK 5,862 M (2,429) were made in the first six months of 2016. Operating income amounted to SEK 1,812 M (567), and included gains from property divestments totaling SEK 2,040 M (856). The return on capital employed increased to 16.6 percent (15.5).

Breakdown of investment value and market value

SEK M	Investment value, end of period	Investment value upon completion	Market value ¹	Occupancy rate, %	Degree of completion, %
Ongoing projects ²	8,508	19,294	24,124	42	44
Completed projects ³	3,135	3,135	4,332	76	100
Undeveloped land and development properties	6,840	6,840	7,251		
Total	18,483	29,269	35,707		
of which carrying amount ⁴	17,630	28,068			
of which completed projects sold according to segment reporting	0	0	0		
of which ongoing projects sold according to segment reporting	1,240	1,743	2,124		

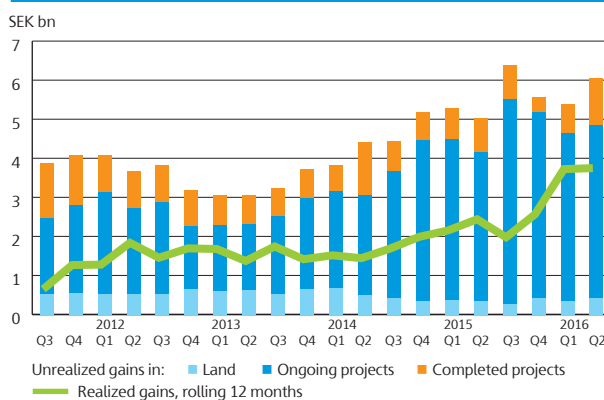
¹ Market value according to appraisal on December 31, 2015. Estimated market value at completion fully leased.

² Skanska's share of total production cost in JVs is SEK 579 M (end of period) and SEK 1,047 M (upon completion).

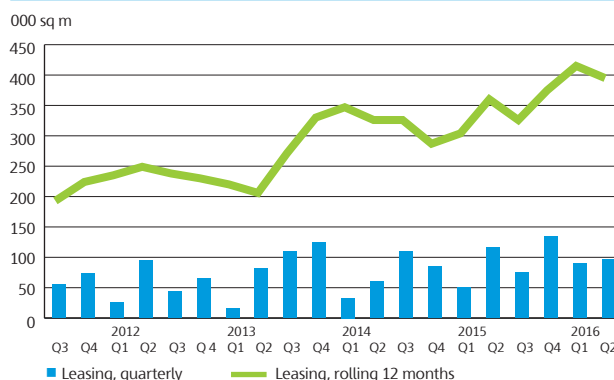
³ Skanska's share of total production cost in JVs is SEK 880 M end of period and upon completion.

⁴ Includes Skanska's total equity investment in JV of SEK 606 M (end of period) and SEK 726 M (upon completion) and tenant improvement and leasing commissions in CDUS of 85 MSEK (Completed projects) and 51 MSEK (Ongoing projects).

Unrealized and realized gains



Leasing



At the end of the quarter, Commercial Property Development had 47 ongoing projects out of which two projects are developed in joint ventures. In the second quarter, six new projects were started, four projects were completed, of which two were handed over. The 47 ongoing projects represent leasable space of about 769,000 sq m with an occupancy rate of 42 percent, measured in rent. The degree of completion is 44 percent. Their investment value upon completion is expected to total SEK 19.3 billion, with an estimated market value of SEK 24.1 billion upon completion.

Of the ongoing projects, 11 were divested according to segment reporting. These projects represent an investment value upon completion of SEK 1.7 billion, with a market value of SEK 2.1 billion.

The market value of completed projects, excluding properties divested but not yet transferred to the buyers, was SEK 4.3 billion, representing a surplus of SEK 1.2 billion. The occupancy rate measured in rent totaled 76 percent.

At the end of the quarter the unrealized gains, excluding properties divested but not yet transferred to the buyers, totaled SEK 6.1 billion divided by SEK 4.4 billion in ongoing projects, SEK 1.2 billion in completed projects and SEK 0.4 billion in undeveloped land and development properties. Realized gains accumulated to SEK 2,040 M (856) and on a rolling 12 months basis, SEK 3.7 billion.

Accumulated eliminations of intra-Group project gains amounted to SEK 263 M at the end of the period. These eliminations are released at Group level as each project is divested.

During the first six months new leases were signed for 186,000 sq m (166,000). Notable lease contracts during the quarter include the lease for 8,500 sq m with Försäkringskassan (The Swedish Social Insurance Office).

Infrastructure Development

Revenue and earnings

SEK M	Jan-Jun 2016	Jan-Jun 2015	Change, %	Apr-Jun 2016	Apr-Jun 2015	Change, %
Revenue	174	54	222	155	22	605
Gross income	84	-60	-	106	-41	-
Selling and administrative expenses	-86	-77	12	-48	-45	7
Income from joint ventures and associated companies	219	389	-44	73	185	-61
Operating income	217	252	-14	131	99	32
of which gains from divestments of shares in projects	0	0	-	0	0	-
Return on capital employed, % ¹	16.3	26.7				

¹ Rolling 12 months. See definition on page 18

The operating income for the Infrastructure Development business stream totaled SEK 217 M (252). The return on capital employed decreased to 16.3 percent (26.7). Financial close was reached on LaGuardia Airport in New York in the quarter. Skanska's equity investment will be about SEK 580 M and generates the largest construction contract in Skanska's history, SEK 23 billion, which is reported in the Construction stream.

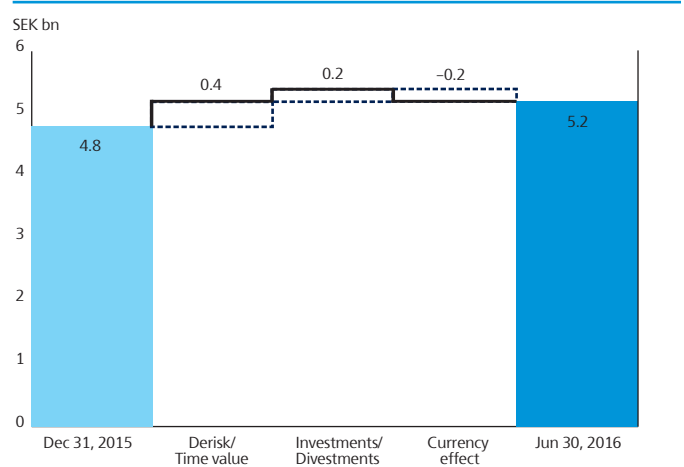
The net present value of projects at the end of the period increased to SEK 5.2 billion (Dec. 31, 2015: 4.8). The remaining investment

Unrealized development gains

SEK bn	Jun 30, 2016	Jun 30, 2015	Dec 31, 2015
Present value of cash flow from projects	6.1	7.2	6.1
Present value of remaining investments	-0.9	-1.3	-1.3
Net present value of projects	5.2	5.9	4.8
Carrying amount before Cash flow hedge / Carrying amount	-3.3	-3.6	-3.1
Unrealized development gain	1.9	2.3	1.7
Cash flow hedge	2.1	1.7	1.6
Effect in unrealized equity¹	4.0	4.0	3.3

¹ Tax effects not included.

Changes in net present value

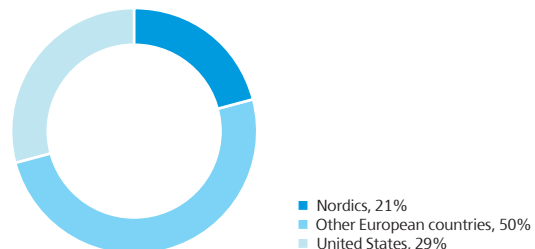


obligations relating to ongoing Infrastructure Development projects amounted to about SEK -0.9 billion (Dec. 31, 2015: -1.3).

At the end of the period, the carrying amount of shares, participations, subordinated receivables and concessions in Infrastructure Development before cash-flow hedges was SEK 3.3 billion (Dec. 31, 2015: 3.1). At the end of the quarter, unrealized development gains totaled about SEK 1.9 billion (Dec. 31, 2015: 1.7).

The value of cash flow hedges, for which the change is recognized as other comprehensive income, reduced the carrying amount and thereby also equity, by an amount of SEK 2.1 billion (Dec. 31, 2015: 1.6).

Estimated present value of cash flow from projects per geographic area



Interstate 4, Orlando, Florida, U.S.

Personnel

During the period, the average number of employees in the Group was 43,514 (53,571). The decrease is mainly attributable to the closing down of the operations in Latin America. At the end of the quarter the number of employees amounted to 43,342 (Mar. 31, 2016: 43,107).

Transactions with related parties

For the nature and extent of transactions with related parties, see the 2015 Annual Report.

Material risks and uncertainties

The Construction and Project Development business involves a considerable amount of risk management. Almost every project is unique. Size, shape, the environment – everything is different for each new assignment. The Construction and Project Development business differs in this way from typical manufacturing, which operates in permanent facilities with long production runs.

In Skanska's operations, there are many different types of risks. Identifying, managing and pricing these risks is of fundamental importance to the Group's profitability. Risks are normally of a technical, legal and financial nature, but political, ethical, social and environmental considerations are also part of assessing potential risks.

To ensure a systematic and uniform assessment of risks and opportunities, the entire Skanska Group uses a shared procedure for identifying and managing risks. With the aid of this model, Skanska evaluates projects continuously – from preparation of tenders to completion of assignments.

From time to time, disputes arise with customers about contractual terms related to both ongoing and completed projects. Their outcomes are often difficult to predict.

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 2015 Annual Report, as well as the section above on market outlook.

Other matters

Repurchase of shares

At the Board meeting on April 6, 2016, the Board resolved to exercise the Annual General Meeting's authorization concerning the repurchase of shares on the following terms: on one or several occasions,

but no later than the Annual General Meeting in 2017, not more than 4,000,000 Series B shares in Skanska may be acquired, the aim of which is to secure delivery of shares to participants in Skanska's Employee Ownership Program, Seop (2014 – 2016).

The Board resolved also to exercise the Annual General Meeting's authorization concerning the repurchase of shares on the following terms: on one or several occasions, but no later than the Annual General Meeting in 2017, not more than 1,500,000 Series B shares in Skanska may be acquired, the aim of which is to secure delivery of shares to participants in Skanska's Employee Ownership Program, Seop (2017 – 2019).

Further the Board resolved to exercise the Annual General Meeting's authorization concerning transfer of shares on the following terms: on one or several occasions, but no longer than the Annual General Meeting in 2017, not more than 763,000 Series B shares in Skanska may be transferred, the aim of which is to cover mainly social security costs that may occur in relation to Skanska's Employee Ownership Program, Seop (2011 – 2013) and Seop (2014 – 2016).

Acquisition, or transfer, may only be made on Nasdaq Stockholm within the price interval prevailing at any given time, meaning the interval between the highest purchase price and the lowest selling price. On June 30, Skanska held 10,523,327 Series B shares in its own custody.

Events after the end of the report period

There were no events after the end of the period.

Financial reports for 2016

Skanska's interim reports and year-end reports are available for download on Skanska's website, www.skanska.com/investors.

The Group's reports for 2016 will be published on the following dates:

October 28, 2016	Nine Month Report
February 3, 2017	Year-end report

Certification

The Board of Directors and the President and CEO certify that this Six month report provides a true and fair overview of the performance of the business, position and earnings of the Parent Company and the Group and describes the principal risks and uncertainties faced by the Parent Company and the companies in the Skanska Group.

Stockholm, July 22, 2016

Hans Biörck
Chairman

Pär Boman
Board member

John Carrig
Board member

Richard Hörstedt
Board member

Lennart Karlsson
Board member

Gunnar Larsson
Board member

Nina Linander
Board member

Fredrik Lundberg
Board member

Jayne McGivern
Board member

Charlotte Strömberg
Board member

Johan Karlström
President and Chief Executive Officer
Board member

This report has not been subject to review by the Company's auditors.

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. Otherwise, the accounting principles and assessment methods presented in the Annual Report for 2015 have been applied.

Relation between consolidated operating cash flow statement and consolidated cash flow statement

The difference between the operating cash flow statement and the summary cash flow statement in compliance with IAS 7, “Cash flow Statements”, is presented in the 2015 Annual Report, Note 35.

Segment and IFRS reporting

Skanska’s business streams Construction, Residential Development, Commercial Property Development and Infrastructure Development represent the group’s operating segments. Tables in this report that refer to segment reporting are shown with a **shaded background**. In certain cases the segment reporting differs from the consolidated results presented in accordance with International Financial Reporting Standards, IFRS.

Construction includes both building construction and civil construction. Revenues and earnings are reported under the percentage of completion (“PoC”) method for both segment and IFRS reporting.

Residential Development develops residential projects for immediate sale. Homes are adapted to selected customer categories. The units are responsible for planning and selling the projects. The related construction assignments are performed by the construction units in

the Construction segment in each market. In the segment reporting Residential Development recognizes revenue and earnings when binding contracts are signed for the sale of homes. In the IFRS reporting revenues are instead recognized when the buyer takes possession of the homes.

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

Infrastructure Development specializes in identifying, developing and investing in privately financed infrastructure projects, such as highways, hospitals and power-generation plants. The business stream focuses on creating new potential projects, mainly in the markets where the Group has operations. Construction assignments are in most markets performed by Skanska’s Construction segment. Revenues and earnings are reported under the percentage of completion (“PoC”) method for both segment and IFRS reporting.

Joint ventures are reported under the proportional method in the segment reporting of Residential Development, whereas all other streams/operating segments apply the equity method.

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

In 2014, Skanska decided to wind down the E&C part and divest the O&M part of the Latin American operation. As a consequence, starting in the third quarter of 2014, Skanska Latin America is moved from the Construction stream to Central in the segment reporting. For comparison reasons, historical reported numbers were adjusted accordingly from January 1, 2013.

Definitions

For further definitions, see Note 44 in the 2015 Annual Report.

Non-IFRS financial measures

	Definition		Reason for use
			The following measures are used as it is viewed as the best and most accurate way to measure Skanska's operations reflecting our business model and strategy and thus assist investors and management in analyzing trends and performance in Skanska.
Revenue Segment	Revenue segment is the same as revenue IFRS in all streams except for the Residential Development stream and the Commercial Property Development stream, where revenue is recognised for when signing binding agreement for sale of properties. As segment reporting of joint ventures in Residential Development applies the proportional method, revenue segment is affected by this.		Measure revenue generated in current market environment.
Gross income	Revenue minus cost of sales.		Measure profit generated from projects.
Gross margin	Gross income as a percentage of revenue.		Measure profitability in projects.
Selling and admin expenses %	Selling and administrative expenses as a percentage of revenue.		Measure cost efficiency in selling and administrative expenses.
Operating income	Revenue minus cost of sales, selling and administrative expenses and income from joint ventures and associated companies.		Measure profit generated from operations.
Operating income segment	Revenue minus cost of sales, selling and administrative expenses and income from joint ventures and associated companies, according to segment reporting, and where Residential Development applies the proportional method for reporting of joint ventures.		Measure profit generated from operations in current market environment.
Operating income 12 months	Revenue minus cost of sales, selling and administrative expenses and income from joint ventures and associated companies, rolling 12 months.		Measure profit generated from operations.
Operating margin	Operating income as a percentage of revenue.		Measure profitability in operations.
Net financial items	The net of interest income, financial net pension cost, interest expense, capitalized expense, change in fair value and other net financial items.		Measure total net for financial activities.
Income after financial items	Operating income minus net financial items.		Measure profit generated before taxes.
Unrealized gains	Market value minus investment value upon completion for ongoing projects, completed projects and land. Excluding projects sold according to segment reporting.		Measure potential realization of future gains in Commercial Property Development.
Capital employed, Group	Total assets minus non-interest-bearing liabilities.		Measure capital usage and efficiency.
Capital employed, Stream	Total assets less tax assets, deposits in Skanska's treasury unit and pension receivable minus non-interest-bearing liabilities excluding tax liabilities. Capitalized interest expense is removed from total assets for the Residential Development and Commercial Property Development segments.		Measure capital usage and efficiency in a Stream.
Capital employed Residential Development (RD) SEK M	Total assets - tax assets - deposits in internal bank - pension receivable - non-interest-bearing liabilities (excluding tax liabilities) - capitalized interest expense	14,495 -335 -80 -16 -3,760 -60 <u>10,244</u>	Measure capital usage and efficiency in Residential Development.
Capital employed Commercial Property Development (CD) SEK M	Total assets - tax assets - deposits in internal bank - pension receivable - non-interest-bearing liabilities (excluding tax liabilities) - capitalized interest expense	19,703 -315 - - -2,115 -129 <u>17,144</u>	Measure capital usage and efficiency in Commercial Property Development.
Capital employed Infrastructure Development (ID) SEK M	Total assets - tax assets - deposits in internal bank - pension receivable - non-interest-bearing liabilities (excluding tax liabilities)	1,875 -56 - - -399 <u>1,420</u>	Measure capital usage and efficiency in Infrastructure Development.

Non-IFRS financial measures	Definition	Reason for use																																																																											
Capital employed average	Calculated on the basis of five measuring points; see below.																																																																												
ROCE in Project Development, segment	Adjusted profit (operating income, financial income minus interest income from Skanska's treasury unit (internal bank and other financial items. For the Residential Development and Commercial Property Development segments, capitalized interest expense is removed from operating income so that the return reflects the unleveraged return) as a percentage of average capital employed. When calculating ROCE for ID, the average capital employed is adjusted for IAS39 and for tax in our US projects, that are set up as Limited liability companies, non-taxable legal entities.	Measure the performance (profitability and capital efficiency) in Project Development.																																																																											
ROCE in RD segment, rolling 12 months excluding RD UK (as this is closing down) SEK M	<table border="0"> <tr> <td>Operating income</td> <td></td> <td></td> <td>1,172</td> <td></td> </tr> <tr> <td>+ capitalized interest expense</td> <td></td> <td></td> <td>111</td> <td></td> </tr> <tr> <td>+ financial income</td> <td></td> <td></td> <td>5</td> <td></td> </tr> <tr> <td>– interest income from internal bank</td> <td></td> <td></td> <td>-</td> <td></td> </tr> <tr> <td>Adjusted profit</td> <td></td> <td></td> <td>1,288</td> <td></td> </tr> <tr> <td>Capital employed average*</td> <td></td> <td></td> <td>8,998</td> <td></td> </tr> <tr> <td>ROCE RD</td> <td></td> <td></td> <td>14.3%</td> <td></td> </tr> <tr> <td colspan="5">* Capital employed average</td> </tr> <tr> <td>Q2 2016</td> <td>10,280</td> <td>0.5</td> <td>5,140</td> <td></td> </tr> <tr> <td>Q1 2016</td> <td>9,171</td> <td></td> <td>9,171</td> <td></td> </tr> <tr> <td>Q4 2015</td> <td>9,082</td> <td></td> <td>9,082</td> <td></td> </tr> <tr> <td>Q3 2015</td> <td>8,489</td> <td></td> <td>8,489</td> <td></td> </tr> <tr> <td>Q2 2015</td> <td>8,218</td> <td>0.5</td> <td>4,109</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>35,991 / 4</td> <td>8,998</td> </tr> </table>	Operating income			1,172		+ capitalized interest expense			111		+ financial income			5		– interest income from internal bank			-		Adjusted profit			1,288		Capital employed average*			8,998		ROCE RD			14.3%		* Capital employed average					Q2 2016	10,280	0.5	5,140		Q1 2016	9,171		9,171		Q4 2015	9,082		9,082		Q3 2015	8,489		8,489		Q2 2015	8,218	0.5	4,109					35,991 / 4	8,998	Measure the performance (profitability and capital efficiency) in RD.					
Operating income			1,172																																																																										
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ROCE in CD segment, rolling 12 months SEK M	<p>For the Commercial Property Development the profit is adjusted so that the change in value of projects in progress is added and the difference between the market value and selling price for the year is added.</p> <table border="0"> <tr> <td>Operating income</td> <td></td> <td></td> <td>3,193</td> <td></td> </tr> <tr> <td>+/- adjustments as mentioned above</td> <td></td> <td></td> <td>-466</td> <td></td> </tr> <tr> <td>+ capitalized interest expense</td> <td></td> <td></td> <td>208</td> <td></td> </tr> <tr> <td>+/- financial income and other financial items</td> <td></td> <td></td> <td>-11</td> <td></td> </tr> <tr> <td>- interest income from internal bank</td> <td></td> <td></td> <td>-</td> <td></td> </tr> <tr> <td>Adjusted profit</td> <td></td> <td></td> <td>2,924</td> <td></td> </tr> <tr> <td>Capital employed average*</td> <td></td> <td></td> <td>17,568</td> <td></td> </tr> <tr> <td>ROCE CD</td> <td></td> <td></td> <td>16.6%</td> <td></td> </tr> <tr> <td colspan="5">* Capital employed average</td> </tr> <tr> <td>Q2 2016</td> <td>17,144</td> <td>0.5</td> <td>8,572</td> <td></td> </tr> <tr> <td>Q1 2016</td> <td>18,086</td> <td></td> <td>18,086</td> <td></td> </tr> <tr> <td>Q4 2015</td> <td>16,510</td> <td></td> <td>16,510</td> <td></td> </tr> <tr> <td>Q3 2015</td> <td>18,504</td> <td></td> <td>18,504</td> <td></td> </tr> <tr> <td>Q2 2015</td> <td>17,200</td> <td>0.5</td> <td>8,600</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>70,272 / 4</td> <td>17,568</td> </tr> </table>	Operating income			3,193		+/- adjustments as mentioned above			-466		+ capitalized interest expense			208		+/- financial income and other financial items			-11		- interest income from internal bank			-		Adjusted profit			2,924		Capital employed average*			17,568		ROCE CD			16.6%		* Capital employed average					Q2 2016	17,144	0.5	8,572		Q1 2016	18,086		18,086		Q4 2015	16,510		16,510		Q3 2015	18,504		18,504		Q2 2015	17,200	0.5	8,600					70,272 / 4	17,568	Measure the performance (profitability and capital efficiency) in CD.
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Non-IFRS financial measures	Definition	Reason for use																												
ROCE in PD Segment SEK M	The total average ROCE from RD, CD and ID. <table border="1"> <thead> <tr> <th></th> <th>Adjusted profit</th> <th>CE avg</th> <th>ROCE</th> </tr> </thead> <tbody> <tr> <td>RD</td> <td>1,288</td> <td>8,998</td> <td>14.3%</td> </tr> <tr> <td>CD</td> <td>2,924</td> <td>17,568</td> <td>16.6%</td> </tr> <tr> <td>ID</td> <td>538</td> <td>3,298</td> <td>16.3%</td> </tr> <tr> <td></td> <td>4,750</td> <td>29,864</td> <td>15.9%</td> </tr> </tbody> </table>		Adjusted profit	CE avg	ROCE	RD	1,288	8,998	14.3%	CD	2,924	17,568	16.6%	ID	538	3,298	16.3%		4,750	29,864	15.9%	Measure profitability and capital efficiency.								
	Adjusted profit	CE avg	ROCE																											
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	4,750	29,864	15.9%																											
Return on equity segment, rolling 12 months SEK M	Profit attributable to equity holders as a percentage of average equity attributable to equity holders. 6,016 / 22,527 = 26.7%	Measure profitability on equity invested.																												
Equity average SEK M	Calculated on the basis of five measuring points. <table border="1"> <tbody> <tr> <td>Q2 2016</td> <td>21,794</td> <td>0.5</td> <td>10,897</td> </tr> <tr> <td>Q1 2016</td> <td>23,368</td> <td></td> <td>23,368</td> </tr> <tr> <td>Q4 2015</td> <td>24,078</td> <td></td> <td>24,078</td> </tr> <tr> <td>Q3 2015</td> <td>21,315</td> <td></td> <td>21,315</td> </tr> <tr> <td>Q2 2015</td> <td>20,902</td> <td>0.5</td> <td>10,451</td> </tr> <tr> <td></td> <td></td> <td></td> <td>90,109 / 4</td> </tr> <tr> <td></td> <td></td> <td></td> <td>22,527</td> </tr> </tbody> </table>	Q2 2016	21,794	0.5	10,897	Q1 2016	23,368		23,368	Q4 2015	24,078		24,078	Q3 2015	21,315		21,315	Q2 2015	20,902	0.5	10,451				90,109 / 4				22,527	
Q2 2016	21,794	0.5	10,897																											
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			22,527																											
Operating cash flow from operations	Cash flow from business operations including taxes paid and cash flow from financing operations.	Measure total cash flow generated from operations.																												
Net divestments/investment	Total investments minus total divestments.	Measure the balance between investments and divestments.																												
Free working capital in Construction	Non-interest-bearing receivables less non-interest-bearing liabilities excluding taxes.	Measure the funding stemming from the negative working capital generated in Construction.																												
Average free working capital in Construction SEK M	Calculated on the basis of five measuring points. <table border="1"> <tbody> <tr> <td>Q2 2016</td> <td>-17,708</td> <td>0.5</td> <td>-8,854</td> </tr> <tr> <td>Q1 2016</td> <td>-18,819</td> <td></td> <td>-18,819</td> </tr> <tr> <td>Q4 2015</td> <td>-20,542</td> <td></td> <td>-20,542</td> </tr> <tr> <td>Q3 2015</td> <td>-16,274</td> <td></td> <td>-16,274</td> </tr> <tr> <td>Q2 2015</td> <td>-14,962</td> <td>0.5</td> <td>-7,481</td> </tr> <tr> <td></td> <td></td> <td></td> <td>-71,970 / 4</td> </tr> <tr> <td></td> <td></td> <td></td> <td>-17,993</td> </tr> </tbody> </table>	Q2 2016	-17,708	0.5	-8,854	Q1 2016	-18,819		-18,819	Q4 2015	-20,542		-20,542	Q3 2015	-16,274		-16,274	Q2 2015	-14,962	0.5	-7,481				-71,970 / 4				-17,993	Measure negative working capital in relation to revenue in Construction.
Q2 2016	-17,708	0.5	-8,854																											
Q1 2016	-18,819		-18,819																											
Q4 2015	-20,542		-20,542																											
Q3 2015	-16,274		-16,274																											
Q2 2015	-14,962	0.5	-7,481																											
			-71,970 / 4																											
			-17,993																											
Interestbearing net receivables/ net debt	Interest-bearing assets minus interest-bearing liabilities.	Measure financial position.																												
Operating net financial assets/ liabilities (ONFAL)	Interest-bearing net receivables/liabilities excluding construction loans to cooperative housing associations and interest-bearing pension liabilities.	Measure financial position and investment capacity. The latter is derived by comparing ONFAL to limits set by the Board of Directors.																												
Equity/assets ratio	Equity including non-controlling interest as a percentage of total assets.	Measure financial position.																												
Net debt/equity ratio	Interest-bearing net liabilities divided by equity including non-controlling interest.	Measure leverage of financial position.																												
Adjusted equity SEK bn	Equity attributable to equity holders Unrealized surplus land value in Residential Development Unrealized Commercial Property Development gains Effect in unrealized equity in Infrastructure Development Less standard corporate tax, 10% Adjusted equity	21.8 1.0 6.4 4.0 -0.9 32.3	Measure financial position adjusted for surplus values in Project Development net taxes.																											

Reconciliation between segment reporting and IFRSs

SEK M	External revenue		Intra-Group revenue		Total revenue		Operating income	
	Jan-Jun 2016	Jan-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Jan-Jun 2016	Jan-Jun 2015
Construction	59,492 ¹	62,099 ¹	4,713	4,806	64,205	66,905	1,340	1,687
Residential Development	6,139	6,642	0	0	6,139	6,642	675	631
Commercial Property Development	6,203	2,649	11	10	6,214	2,659	1,812	567
Infrastructure Development	174	54	0	0	174	54	217	252
Total operating segments	72,008	71,444	4,724	4,816	76,732	76,260	4,044	3,137
Central	541	2,975	169	535	710	3,510	-483	-603
Eliminations	0	0	-4,893	-5,351	-4,893	-5,351	72	-34
Total Group	72,549	74,419	0	0	72,549	74,419	3,633	2,500
Reconciliation to IFRSs	-2,221	-687	0	0	-2,221	-687	-297	-105
Total IFRSs	70,328	73,732	0	0	70,328	73,732	3,336	2,395

1 Of which external revenue from joint ventures in Infrastructure Development, SEK 2,673 M (2,478).

SEK M	Segment Jan-Jun 2016	IFRS Jan-Jun 2016	Segment Jan-Jun 2015	IFRS Jan-Jun 2015	Segment Apr-Jun 2016	IFRS Apr-Jun 2016	Segment Apr-Jun 2015	IFRS Apr-Jun 2015
Revenue								
Construction	64,205	64,205	66,905	66,905	33,767	33,767	36,204	36,204
Residential Development	6,139	3,355	6,642	5,507	3,479	1,815	3,657	3,132
Commercial Property Development	6,214	6,659	2,659	2,993	1,794	6,082	1,494	2,011
Infrastructure Development	174	174	54	54	155	155	22	22
Central and eliminations	-4,183	-4,065	-1,841	-1,727	-1,943	-1,893	-1,023	-972
Skanska Group	72,549	70,328	74,419	73,732	37,252	39,926	40,354	40,397
Operating income								
Construction	1,340	1,340	1,687	1,687	898	898	1,065	1,065
Residential Development	675	228	631	589	378	140	401	372
Commercial Property Development ¹	1,812	1,959	567	487	451	1,968	385	359
Infrastructure Development	217	217	252	252	131	131	99	99
Central	-483	-484	-603	-602	-234	-234	-285	-284
Eliminations ¹	72	76	-34	-18	40	122	3	-5
Operating income	3,633	3,336	2,500	2,395	1,664	3,025	1,668	1,606
Net financial items	-41	-43	-244	-245	15	13	-95	-96
Income after financial items	3,592	3,293	2,256	2,150	1,679	3,038	1,573	1,510
Taxes	-755	-692	-519	-495	-361	-640	-355	-341
Profit for the period	2,837	2,601	1,737	1,655	1,318	2,398	1,218	1,169
Earnings for the period per share, SEK ²	6.89		4.22		3.20		2.96	
Earnings for the period per share according to IFRSs, SEK ²		6.32		4.02		5.83		2.84
1 Of which gains from divestments of commercial properties reported in:								
Commercial Property Development	2,040	2,187	856	777	583	2,100	557	513
Eliminations	127	127	48	67	47	124	47	41

2 Earnings for the period attributable to equity holders divided by the average number of shares outstanding.

The Skanska Group

Summary income statement (IFRS)

SEK M	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Dec 2015
Revenue	70,328	73,732	39,926	40,397	153,049
Cost of sales	-62,845	-67,327	-34,732	-36,689	-139,160
Gross income	7,483	6,405	5,194	3,708	13,889
Selling and administrative expenses	-4,435	-4,472	-2,298	-2,326	-8,869
Income from joint ventures and associated companies	288	462	129	224	1,270
Operating income	3,336	2,395	3,025	1,606	6,290
Financial income	90	45	50	18	127
Financial expenses	-133	-290	-37	-114	-441
Net financial items¹	-43	-245	13	-96	-314
Income after financial items	3,293	2,150	3,038	1,510	5,976
Taxes	-692	-495	-640	-341	-1,185
Profit for the period	2,601	1,655	2,398	1,169	4,791
1 Of which					
Interest income	39	45	9	18	88
Financial net pension costs	-52	-48	-26	-24	-93
Interest expenses	-119	-217	-53	-121	-327
Capitalized interest expenses	86	105	45	46	194
Net interest items	-46	-115	-25	-81	-138
Change in fair value	-21	-16	2	-5	-25
Other net financial items	24	-114	36	-10	-151
Net financial items	-43	-245	13	-96	-314
Profit attributable to:					
Equity holders	2,596	1,652	2,394	1,167	4,780
Non-controlling interests	5	3	4	2	11
Earnings per share, SEK ²	6.32	4.02	5.83	2.84	11.63
Earnings per share after dilution, SEK ³	6.27	3.98	5.79	2.82	11.53

2 Earnings for the period attributable to equity holders divided by the average number of shares outstanding.

3 Earnings for the period attributable to equity holders divided by the average number of shares outstanding after dilution.

Statement of profit or loss and other comprehensive income (IFRS)

SEK M	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Dec 2015
Profit for the period	2,601	1,655	2,398	1,169	4,791
Other comprehensive income					
Items that will not be reclassified to profit and loss					
Remeasurements of defined benefit plans	-1,415	211	-1,190	260	785
Tax related to items that will not be reclassified to profit and loss	309	-48	254	-60	-175
	-1,106	163	-936	200	610
Items that have been or will be reclassified to profit and loss					
Translation differences attributable to equity holders	258	411	495	-612	71
Translation differences attributable to non-controlling interests	4	-1	3	0	-3
Hedging of exchange rate risk in foreign operations	-3	7	1	72	-21
Effects of cash flow hedges ¹	-2	26	-56	16	54
Share of other comprehensive income of joint ventures and associated companies ²	-558	244	-209	428	281
Tax related to items that have been or will be reclassified to profit and loss	-2	-11	8	0	-15
	-303	676	242	-96	367
Other comprehensive income after tax	-1,409	839	-694	104	977
Total comprehensive income	1,192	2,494	1,704	1,273	5,768
Total comprehensive income attributable to					
Equity holders	1,183	2,492	1,697	1,271	5,760
Non-controlling interests	9	2	7	2	8
1 Of which transferred to income statement	0	0	-22	0	0
2 Of which transferred to income statement	274	252	64	48	516

Summary statement of financial position (IFRS)

SEK M	Jun 30, 2016	Jun 30, 2015	Dec 31, 2015
ASSETS			
Non-current assets			
Property, plant and equipment	6,547	7,216	6,504
Goodwill	5,216	5,433	5,256
Intangible assets	858	530	754
Investments in joint ventures and associated companies	2,867	3,037	2,852
Financial non-current assets ¹	932	1,327	1,357
Deferred tax assets	1,518	1,237	1,384
Total non-current assets	17,938	18,780	18,107
Current assets			
Current-asset properties ²	28,922	26,811	27,020
Inventories	1,219	1,118	944
Financial current assets ³	7,637	6,725	7,496
Tax assets	765	1,041	691
Gross amount due from customers for contract work	6,700	7,311	5,692
Trade and other receivables	27,471	28,574	25,877
Cash	5,913	3,494	11,840
Total current assets	78,627	75,074	79,560
TOTAL ASSETS	96,565	93,854	97,667
of which interest-bearing financial non-current assets	887	1,266	1,295
of which interest-bearing current assets	13,446	10,106	19,216
Total interest-bearing assets	14,333	11,372	20,511
EQUITY			
Equity attributable to equity holders	21,793	20,902	24,079
Non-controlling interests	145	155	127
Total equity	21,938	21,057	24,206
LIABILITIES			
Non-current liabilities			
Financial non-current liabilities	4,059	6,259	3,874
Pensions	4,948	4,355	3,969
Deferred tax liabilities	941	1,257	1,286
Non-current provisions	1	0	0
Total non-current liabilities	9,949	11,871	9,129
Current liabilities			
Financial current liabilities ³	6,018	4,904	6,555
Tax liabilities	620	287	560
Current provisions	6,636	5,681	6,432
Gross amount due to customers for contract work	18,259	16,078	15,821
Trade and other payables	33,145	33,976	34,964
Total current liabilities	64,678	60,926	64,332
TOTAL EQUITY AND LIABILITIES	96,565	93,854	97,667
of which interest-bearing financial liabilities	9,825	10,890	10,184
of which interest-bearing pensions and provisions	4,971	4,391	4,010
Total interest-bearing liabilities	14,796	15,281	14,194
1 Of which shares	44	60	61
2 Current-asset properties			
Commercial Property Development	16,888	16,879	16,650
Residential Development	12,034	9,932	10,370
3 Items regarding non-interest-bearing unrealized changes in derivatives/ financial instruments are included in the following amounts:			
Financial non-current assets	1	1	1
Financial current assets	104	113	120
Financial non-current liabilities	159	191	173
Financial current liabilities	93	82	72

Note: Contingent liabilities amounted to SEK 48.9 bn on June 30, 2016 (Dec 31, 2015: 46.2). During the period, contingent liabilities increased by SEK 2.7 bn.

Summary statement of changes in equity (IFRS)

SEK M	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Dec 2015
Opening balance	24,206	21,405	23,497	22,590	21,405
of which non-controlling interests	127	154	129	154	154
Dividend to shareholders	-3,075	-2,775	-3,075	-2,775	-2,775
Change in group composition	14	-1	14	-1	0
Dividend to non-controlling interests	-5	0	-5	0	-35
Effects of equity-settled share-based payments	133	129	66	64	259
Repurchase of shares	-527	-195	-263	-94	-416
Total comprehensive income attributable to					
Equity holders	1,183	2,492	1,697	1,271	5,760
Non-controlling interests	9	2	7	2	8
Closing balance	21,938	21,057	21,938	21,057	24,206
of which non-controlling interests	145	155	145	155	127

Summary consolidated cash flow statement (IAS 7) (IFRS)

SEK M	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Dec 2015
Cash flow from operating activities before change in working capital, according to IAS 7	288	1,034	367	1,015	2,180
Cash flow from change in working capital, according to IAS 7	-1,090	-1,878	1,735	10	6,404
Net investments in property, plant and equipment and intangible assets	-1,084	-876	-696	-459	-475
Tax payments on property, plant and equipment and intangible assets divested and divestments of assets in Infrastructure Development	-11	-29	-7	-25	-69
Cash flow from business operations including taxes paid according to operating cash flow	-1,897	-1,749	1,399	541	8,040
Less net investments in property, plant and equipment and intangible assets	1,084	876	696	459	475
Less tax payments on property, plant and equipment and intangible assets divested and divestments of assets in Infrastructure Development	11	29	7	25	69
Cash flow from operating activities, according to IAS 7	-802	-844	2,102	1,025	8,584
Cash flow from strategic investments according to operating cash flow	145	0	18	0	456
Net investments in property, plant and equipment and intangible assets	-1,084	-876	-696	-459	-475
Increase and decrease in interest-bearing receivables	-609	-492	-655	-47	-1,297
Taxes paid on property, plant and equipment and intangible assets divested and divestments of assets in Infrastructure Development	-11	-29	-7	-25	-69
Cash flow from investing activities, according to IAS 7	-1,559	-1,397	-1,340	-531	-1,385
Cash flow from financing operations according to operating cash-flow statement	11	-447	99	-200	-380
Change in interest-bearing receivables and liabilities	-605	-585	147	637	-2,235
Increase and decrease in interest-bearing liabilities	609	492	655	47	1,297
Dividend etc. ¹	-3,607	-2,971	-3,343	-2,870	-3,226
Cash flow from financing activities, according to IAS 7	-3,592	-3,511	-2,442	-2,386	-4,544
Cash flow for the period	-5,953	-5,752	-1,680	-1,892	2,655

1 Of which repurchases of shares SEK -527 M.

Cash flow (IFRS)

Operating cash flow

SEK M	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Dec 2015
Construction					
Cash flow from business operations	2,150	2,579	1,284	1,502	5,486
Change in working capital	-2,816	-3,627	-1,378	-733	2,375
Net divestments(+)/investments(-)	-624	-725	-344	-386	-1,058
Cash flow adjustment	0	0	0	0	0
Total Construction	-1,290	-1,773	-438	383	6,803
Residential Development					
Cash flow from business operations	-397	-248	-202	-68	-536
Change in working capital	899	594	296	185	88
Net divestments(+)/investments(-)	-955	2,100	-690	1,397	1,955
Cash flow adjustment	-93	0	-48	-59	2
Total Residential Development	-546	2,446	-644	1,455	1,509
Commercial Property Development					
Cash flow from business operations	-220	-234	-133	-97	-506
Change in working capital	-943	-140	-381	-247	406
Net divestments(+)/investments(-)	2,527	-1,083	3,840	-290	1,088
Cash flow adjustment	32	-61	7	-50	-71
Total Commercial Property Development	1,396	-1,518	3,333	-684	917
Infrastructure Development					
Cash flow from business operations	203	71	201	110	3
Change in working capital	11	370	11	-70	375
Net divestments(+)/investments(-)	-203	-97	-153	-23	880
Cash flow adjustment	0	0	0	0	0
Total Infrastructure Development	11	344	59	17	1,258
Central and eliminations					
Cash flow from business operations	-625	-579	-284	-286	-1,370
Change in working capital	60	-35	-95	-126	68
Net divestments(+)/investments(-)	-69	-50	-26	-46	-180
Cash flow adjustment	0	0	0	-1	1
Total central and eliminations	-634	-664	-405	-459	-1,481
Total cash flow from business operations	1,111	1,589	866	1,161	3,077
Total change in working capital	-2,789	-2,838	-1,547	-991	3,312
Total net divestments(+)/investments(-)	676	145	2,627	652	2,685
Total cash flow adjustment	-61	-61	-41	-110	-68
Cash flow from business operations before taxes paid	-1,063	-1,165	1,905	712	9,006
Taxes paid in business operations	-834	-584	-506	-171	-966
Cash flow from business operations including taxes paid	-1,897	-1,749	1,399	541	8,040
Net interest items and other net financial items	16	-437	142	-84	-542
Taxes paid in financing operations	-5	-10	-43	-116	162
Cash flow from financing operations	11	-447	99	-200	-380
Operating cash flow from operations	-1,886	-2,196	1,498	341	7,660
Net strategic divestments(+)/investments(-)	145	0	18	0	456
Dividend etc. ¹	-3,607	-2,971	-3,343	-2,870	-3,226
Cash flow before change in interest-bearing receivables and liabilities	-5,348	-5,167	-1,827	-2,529	4,890
Change in interest-bearing receivables and liabilities	-605	-585	147	637	-2,235
Cash flow for the period	-5,953	-5,752	-1,680	-1,892	2,655
Cash and cash equivalents at the beginning of the period	11,840	9,107	7,523	5,453	9,107
Exchange rate differences in cash and cash equivalents	26	139	70	-67	78
Cash and cash equivalents at the end of the period	5,913	3,494	5,913	3,494	11,840

1 Of which repurchases of shares SEK -527 M.

Group net divestments/investments (IFRS)

SEK M	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Dec 2015
OPERATIONS – INVESTMENTS					
Intangible assets	-166	-118	-101	-81	-392
Property, plant and equipment	-776	-791	-418	-435	-1,485
Assets in Infrastructure Development	-218	-108	-168	-34	-234
Shares and participations	-151	-31	-138	-16	-136
Current-asset properties	-7,884	-7,225	-4,385	-3,878	-15,364
of which Residential Development	-4,184	-3,384	-2,388	-1,722	-6,645
of which Commercial Property Development	-3,700	-3,841	-1,997	-2,156	-8,719
Investments in operations	-9,195	-8,273	-5,210	-4,444	-17,611
STRATEGIC INVESTMENTS					
Businesses	0	0	0	0	0
Shares	0	0	0	0	0
Strategic investments	0	0	0	0	0
Total Investments	-9,195	-8,273	-5,210	-4,444	-17,611
OPERATIONS – DIVESTMENTS					
Intangible assets	1	0	1	0	0
Property, plant and equipment	195	142	109	96	636
Assets in Infrastructure Development	15	11	15	11	1,114
Shares and participations	16	19	4	0	22
Current-asset properties	9,644	8,246	7,708	4,989	18,524
of which Residential Development	3,336	5,483	1,806	3,118	8,622
of which Commercial Property Development	6,308	2,763	5,902	1,871	9,902
Divestments in operations	9,871	8,418	7,837	5,096	20,296
STRATEGIC DIVESTMENTS					
Businesses	145	0	18	0	456
Strategic divestments	145	0	18	0	456
Total divestments	10,016	8,418	7,855	5,096	20,752
TOTAL NET DIVESTMENTS(+)/INVESTMENTS(-)	821	145	2,645	652	3,141
Depreciation, non-current assets	-705	-803	-351	-394	-1,579

Capital employed in Development Streams (IFRS)

SEK M	Jun 30, 2016	Jun 30, 2015	Dec 31, 2015
Residential Development	10,244	8,512	9,277
Commercial Property Development	17,144	17,200	16,510
Infrastructure Development	1,420	2,075	1,843
Total in Development Streams	28,808	27,787	27,630

Parent Company

Summary income statement (IFRS)

SEK M	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015
Revenue	85	79	85	79
Selling and administrative expenses	-164	-147	-101	-95
Operating income	-79	-68	-16	-16
Net financial items	2,462	2,468	2,476	2,481
Income after financial items	2,383	2,400	2,460	2,465
Taxes	25	23	8	5
Profit for the period	2,408	2,423	2,468	2,470
Total comprehensive income	2,408	2,423	2,468	2,470

Summary balance sheet (IFRS)

SEK M	Jun 30, 2016	Jun 30, 2015	Dec 31, 2015
ASSETS			
Intangible non-current assets	0	1	1
Property, plant and equipment	3	3	3
Financial non-current assets ¹	13,984	13,986	11,495
Total non-current assets	13,987	13,990	11,499
Current receivables	302	178	176
Total current assets	302	178	176
TOTAL ASSETS	14,289	14,168	11,675
EQUITY AND LIABILITIES			
Equity	5,298	6,404	6,474
Provisions	231	274	310
Non-current interest-bearing liabilities ¹	8,630	7,336	4,769
Current liabilities	130	154	122
TOTAL EQUITY AND LIABILITIES	14,289	14,168	11,675

¹ Of these amounts, SEK 2,871 M (Dec 31, 2015: 216) were intra-Group receivables and SEK 7,336 M (Dec 31, 2015: 4,769) intra-Group liabilities.

Note: The Parent Company's contingent liabilities totaled SEK 146.4 bn (Dec 31, 2015: 122.5), of which SEK 115.5 bn (Dec 31, 2015: 101.7) was related to obligations on behalf of Group companies. Other obligations, SEK 30.9 bn (Dec 31 2015: 20.8), were related to commitments to outside parties.

Share data

	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Dec 2015
Earnings per share according to segment reporting, SEK ¹	6.89	4.22	3.20	2.96	11.96
Earnings per share, SEK ¹	6.32	4.02	5.83	2.84	11.63
Earnings per share after dilution, SEK ²	6.27	3.98	5.79	2.82	11.53
Equity per share, SEK ³	53.23	50.86			58.58
Adjusted equity per share, SEK ⁴	78.89	74.94			81.70
Average number of shares outstanding	410,752,482	410,975,937			411,059,056
Average number of shares outstanding after dilution	413,792,050	414,639,985			414,445,854
Average dilution, %	0.74	0.88			0.82
Number of shares, at balance sheet date	419,903,072	419,903,072			419,903,072
of which Series A and Series B shares	419,903,072	419,903,072			419,903,072
Average price of total repurchased shares, SEK	128.33	117.62			121.02
Number of total Series B shares repurchased	22,753,228	18,468,228			19,758,228
of which repurchased during the year	2,995,000	1,050,000	1,480,000	540,000	2,340,000
Number of shares in Skanska's own custody	10,523,327	8,936,584			8,866,223
Number of shares outstanding	409,379,745	410,966,488			411,036,849

1 Earnings for the period attributable to equity holders divided by the average number of shares outstanding.

2 Earnings for the period attributable to equity holders divided by the average number of shares outstanding after dilution.

3 Equity attributable to equity holders divided by the number of shares outstanding.

4 Adjusted equity divided by the number of shares outstanding.

Five-year Group financial summary

SEK M	Jan-Jun 2016	Jan-Jun 2015	Jan-Jun 2014	Jan-Jun 2013	Jan-Jun 2012
Revenue	72,549	74,419	62,446	62,773	60,577
Operating income	3,633	2,500	1,581	2,017	1,447
Profit for the period	2,837	1,737	1,093	1,401	1,007
Earnings per share, SEK	6.89	4.22	2.64	3.40	2.44
Return on capital employed, % ¹	20.7	18.5	13.6	15.4	15.5
Return on equity, % ¹	26.7	22.6	15.4	19.4	17.3
Operating margin, %	5.0	3.4	2.5	3.2	2.4
Return on capital employed according to IFRSs, % ¹	19.8	16.9	13.6	15.4	14.1
Cash flow per share according to IFRSs, SEK ²	-13.02	-12.57	-13.28	-8.45	-18.47

1 Rolling 12 months.

2 Cash flow before change in interest-bearing receivables and liabilities divided by the average number of shares outstanding.

Exchange rates for the most important currencies

SEK	Average exchange rates			Exchange rates on the closing day		
	Jan-Jun 2016	Jan-Jun 2015	Jan-Dec 2015	Jun 30, 2016	Jun 30, 2015	Dec 31, 2015
U.S. dollar	8.33	8.38	8.43	8.46	8.24	8.40
British pound	11.96	12.76	12.89	11.41	12.95	12.43
Norwegian krone	0.99	1.08	1.05	1.01	1.05	0.96
Euro	9.30	9.34	9.36	9.42	9.22	9.17
Czech koruna	0.34	0.34	0.34	0.35	0.34	0.34
Polish zloty	2.13	2.26	2.24	2.12	2.20	2.16

Construction

Revenue and earnings

SEK M	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Dec 2015
Revenue	64,205	66,905	33,767	36,204	140,648
Gross income	4,565	4,755	2,544	2,645	10,039
Selling and administrative expenses	-3,232	-3,080	-1,654	-1,591	-6,198
Income from joint ventures and associated companies	7	12	8	11	33
Operating income	1,340	1,687	898	1,065	3,874
Investments	-827	-814	-456	-441	-1,645
Divestments	203	89	112	55	670
Net divestments(+)/investments(-)	-624	-725	-344	-386	-975
Gross margin, %	7.1	7.1	7.5	7.3	7.1
Selling and administrative expenses, %	-5.0	-4.6	-4.9	-4.4	-4.4
Operating margin, %	2.1	2.5	2.7	2.9	2.8
Order bookings, SEK bn	84.2	58.3	53.9	28.1	122.1
Order backlog, SEK bn	177.9	168.8	-	-	158.2
Employees	41,647	42,108	-	-	42,193

Revenue by business/reporting unit

SEK M	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Dec 2015
Sweden	14,559	14,448	7,596	8,042	31,303
Norway	5,707	6,506	2,989	3,194	11,909
Finland	3,300	2,900	1,797	1,586	6,343
Poland	2,500	3,143	1,562	1,873	9,915
Czech Republic	1,891	2,203	1,327	1,384	5,409
UK	9,995	8,613	5,192	4,478	18,429
USA Building	17,588	18,863	9,066	10,148	37,023
USA Civil	8,665	10,229	4,238	5,499	20,317
Total	64,205	66,905	33,767	36,204	140,648

Operating income

SEK M	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Dec 2015
Sweden	454	538	315	359	1,425
Norway	177	182	88	91	382
Finland	119	95	70	52	241
Poland	-90	94	16	106	472
Czech Republic	-18	17	60	54	121
UK	198	205	104	103	443
USA Building	233	101	126	54	309
USA Civil	267	455	119	246	481
Total	1,340	1,687	898	1,065	3,874

Operating margin, %

SEK M	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Dec 2015
Sweden	3.1	3.7	4.1	4.5	4.6
Norway	3.1	2.8	2.9	2.8	3.2
Finland	3.6	3.3	3.9	3.3	3.8
Poland	neg	3.0	1.0	5.7	4.8
Czech Republic	neg	0.8	4.5	3.9	2.2
UK	2.0	2.4	2.0	2.3	2.4
USA Building	1.3	0.5	1.4	0.5	0.8
USA Civil	3.1	4.4	2.8	4.5	2.4
Total	2.1	2.5	2.7	2.9	2.8

Order backlog

SEK M	Jun 30, 2016	Jun 30, 2015	Dec 31, 2015
Sweden	33,157	31,507	31,398
Norway	11,891	9,014	10,268
Finland	6,050	5,752	6,341
Poland	6,793	6,382	4,851
Czech Republic	4,740	5,300	4,716
UK	22,999	33,283	27,705
USA Building	49,291	37,108	36,789
USA Civil	42,981	40,491	36,180
Total	177,902	168,837	158,248

Order bookings

SEK M	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Dec 2015
Sweden	16,249	16,193	7,948	9,626	32,989
Norway	6,720	5,542	3,628	2,439	13,207
Finland	2,839	3,212	1,329	1,805	7,208
Poland	4,531	4,052	1,990	2,517	9,348
Czech Republic	1,747	3,081	998	1,997	5,685
UK	7,364	13,846	2,809	4,218	19,250
USA Building	29,645	5,533	21,688	1,346	22,592
USA Civil	15,108	6,842	13,469	4,110	11,825
Total	84,203	58,301	53,859	28,058	122,104

Book-to build Rolling 12 months

SEK M	Jun 30, 2016	Jun 30, 2015	Dec 31, 2015
Sweden	105	115	105
Norway	130	82	111
Finland	101	85	114
Poland	106	86	94
Czech Republic	85	104	105
UK	65	141	105
USA Building	131	63	61
USA Civil	107	124	58
Total	107	99	87

Residential Development

Revenue and earnings

SEK M	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Dec 2015
Revenue	6,139	6,642	3,479	3,657	12,298
Gross income	974	937	530	562	1,724
Selling and administrative expenses	-299	-306	-152	-161	-550
Income from joint ventures and associated companies	0	0	0	0	0
Operating income	675	631	378	401	1,174
Operating margin, %	11.0	9.5	10.9	11.0	9.5
Investments	-4,291	-3,402	-2,496	-1,721	-6,675
Divestments	3,336	5,502	1,806	3,118	8,630
Net divestments(+)/investments(-)	-955	2,100	-690	1,397	1,955
Capital employed, SEK bn	10.2	8.5	-	-	9.3
Return on capital employed, % ¹	14.3	10.8	-	-	14.4
Employees	374	322	-	-	389

1 Rolling 12 months.

Revenue

SEK M	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Dec 2015
Sweden	3,265	4,018	1,835	2,068	7,406
Norway	1,229	1,158	807	698	1,947
Finland	1,084	1,131	512	740	2,135
Nordics	5,578	6,307	3,154	3,506	11,488
Central Europe	561	335	325	151	810
Total	6,139	6,642	3,479	3,657	12,298

Operating income¹

SEK M	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Dec 2015
Sweden	441	441	247	266	799
Norway	124	82	89	56	143
Finland	58	70	27	61	122
Nordics	623	593	363	383	1,064
Central Europe	52	38	15	18	110
Total	675	631	378	401	1,174

Operating margin, %¹

	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Dec 2015
Sweden	13.5	11.0	13.5	12.9	10.8
Norway	10.1	7.1	11.0	8.0	7.3
Finland	5.4	6.2	5.3	8.2	5.7
Nordics	11.2	9.4	11.5	10.9	9.3
Central Europe	9.3	11.3	4.6	11.9	13.6
Total	11.0	9.5	10.9	11.0	9.5

1 Development gain only. Construction margin reported under Construction.

Homes started

	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Dec 2015
Sweden	1,417	1,082	863	619	2,257
Norway	266	217	210	105	368
Finland	316	398	82	247	830
Nordics	1,999	1,697	1,155	971	3,455
Central Europe	144	179	0	179	545
Total	2,143	1,876	1,155	1,150	4,000

Homes sold

	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Dec 2015
Sweden	1,156	1,227	632	641	2,191
Norway	302	206	194	100	390
Finland	428	415	187	276	839
Nordics	1,886	1,848	1,013	1,017	3,420
Central Europe	295	309	129	149	673
Total	2,181	2,157	1,142	1,166	4,093

Homes under construction

	Jun 30, 2016	Jun 30, 2015	Dec 31, 2015
Sweden	3,890	3,052	3,441
Norway	668	330	462
Finland	952	902	968
Nordics	5,510	4,284	4,871
Central Europe	914	612	818
Total	6,424	4,896	5,689

Completed unsold, number of homes

	Jun 30, 2016	Jun 30, 2015	Dec 31, 2015
Sweden	13	32	10
Norway	76	126	95
Finland	98	155	122
Nordics	187	313	227
Central Europe	3	45	10
Total	190	358	237

Homes under construction of which sold, %

	Jun 30, 2016	Jun 30, 2015	Dec 31, 2015
Sweden	81	92	86
Norway	84	62	73
Finland	64	57	55
Nordics	78	82	79
Central Europe	80	52	60
Total	78	78	76

Commercial Property Development

Revenue and earnings

SEK M	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Dec 2015
Revenue	6,214	2,659	1,794	1,494	9,034
of which from divestment of properties	5,862	2,429	1,615	1,354	8,457
Gross income	2,167	877	648	535	2,661
Selling and administrative expenses	-358	-316	-199	-155	-677
Income from joint ventures and associated companies	3	6	2	5	-37
Operating income	1,812	567	451	385	1,947
of which gain from divestment of properties ¹	2,040	856	583	557	2,564
of which writedowns/reversal of writedowns	0	-50	0	-50	-56
1 Additional gains included in eliminations	127	48	47	47	190
Investments	-3,780	-3,846	-2,062	-2,161	-8,826
Divestments	6,307	2,763	5,902	1,871	9,914
Net divestments(+)/investments(-)	2,527	-1,083	3,840	-290	1,088
Capital employed, SEK bn	17.1	17.2	-	-	16.5
Return on capital employed, % ¹	16.6	15.5	-	-	15.6
Employees	364	338	-	-	344

1 Rolling 12 months.

Revenue

SEK M						of which from divestments				
	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Dec 2015	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Dec 2015
Nordics	2,287	2,206	1,784	1,071	3,281	2,096	2,077	1,671	1,002	3,007
Europe	59	410	36	389	3,414	0	352	0	352	3,254
U.S.	3,868	43	-26	34	2,339	3,766	0	-56	0	2,196
Total	6,214	2,659	1,794	1,494	9,034	5,862	2,429	1,615	1,354	8,457

Operating income

SEK M						of which from divestments				
	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Dec 2015	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Dec 2015
Nordics	656	662	591	401	792	690	780	595	481	1,004
Europe	-122	-23	-71	17	505	0	76	0	76	751
U.S.	1,278	-72	-69	-33	650	1,350	0	-12	0	809
Total	1,812	567	451	385	1,947	2,040	856	583	557	2,564

Capital employed

SEK M	Jun 30, 2016	Jun 30, 2015	Dec 31, 2015
Nordics	6,960	5,979	6,582
Europe	5,625	5,475	3,897
U.S.	4,559	5,746	6,031
Total	17,144	17,200	16,510

Infrastructure Development

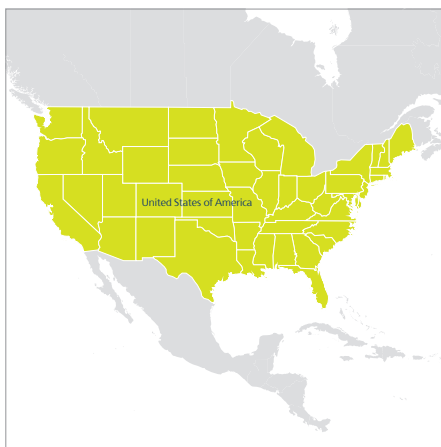
Revenue and earnings

SEK M	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Dec 2015
Revenue	174	54	155	22	106
Gross income	84	-60	106	-41	-128
Selling and administrative expenses	-86	-77	-48	-45	-156
Income from joint ventures and associated companies	219	389	73	185	1,147
Operating income	217	252	131	99	863
of which gains from divestments of shares in projects	0	0	0	0	420
Investments	-218	-108	-168	-34	-234
Divestments	15	11	15	11	1,114
Net divestments(+)/investments(-)	-203	-97	-153	-23	880
Capital employed, SEK bn	1.4	2.1	-	-	1.8
Return on capital employed, % ¹	16.3	26.7	-	-	12.7
Employees	103	118	-	-	111

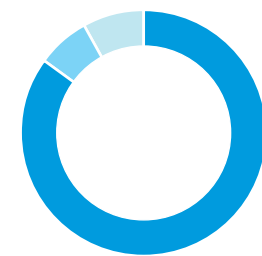
1 Rolling 12 months.

About Skanska

Skanska is one of the world's leading construction and project development companies, focused on selected home markets in the Nordic region, other European countries and North America. Supported by global trends in urbanization and demographics, and by being at the forefront in sustainability, Skanska offers competitive solutions for both simple and the most complex assignments, helping to build a sustainable future for customers and communities.



Revenue per segment, rolling 12 months, Jun 30, 2016

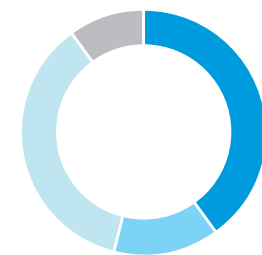


- Construction, 85%
- Residential Development, 7%
- Commercial Property Development, 8%
- Infrastructure Development, 0%

Key ratios, rolling 12 months, Jun 30, 2016

	SEK M	EUR M	USD M
Revenue	153,065	16,457	18,374
Operating income	7,594	816	912
Income after financial items	7,484	805	898
Earnings per share, SEK/EUR/USD	14.65	1.57	1.76
Return on equity, %	26.7	26.7	26.7
Order bookings	148,006	15,913	17,766
Order backlog, end of period	177,902	18,879	21,040
Employees, end of period	43,342	43,342	43,342

Operating income per segment, rolling 12 months, Jun 30, 2016



- Construction, 40%
- Residential Development, 14%
- Commercial Property Development, 36%
- Infrastructure Development, 10%

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This report will also be presented via a telephone conference and audiocast at 10:00 a.m. (CET) on July 22. The telephone conference will be audiocasted live at www.skanska.com/investors, where a recording of the conference will also be available later. To participate in the telephone conference, please dial +46 8 505 564 74, +44 2033 645 374, or +1 855 753 2230. This and previous releases can also be found at www.skanska.com/investors.

The information provided herein is such as Skanska AB is obligated to disclose pursuant to the EU market securities act (EU) no. 596/2014.

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