

SKANSKA

Q1 2018

Press release, May 9, 2018, 7:30 a.m. CET



We build for a better society.
Studio, Malmö, Sweden

Three month report, January–March 2018

Highlights according to segment reporting

- Revenue increased 8 percent and amounted to SEK 37.0 billion (34.2); adjusted for currency effects revenue increased 11 percent.
- Operating income decreased 65 percent and amounted to SEK 0.7 billion (1.8); adjusted for currency effects operating income decreased 60 percent. As previously announced, restructuring charges were taken during the quarter and totaled SEK 670 M.
- Earnings per share decreased 68 percent to SEK 1.25 (3.90).
- Operating cash flow from operations amounted to SEK –0.6 billion (1.6), according to IFRS.
- Operating net financial assets totaled SEK 9.3 billion (Dec. 31, 2017: 9.7), according to IFRS.
- Order bookings in Construction decreased 14 percent and amounted to SEK 32.9 billion (38.2); adjusted for currency effects order bookings decreased 12 percent. The order backlog amounted to SEK 190.9 billion (Dec. 31, 2017: 188.4).
- Operating income in Construction amounted to SEK –41 M (392) and includes SEK 430 M of the previously announced restructuring charges. Additional project write-downs in the Polish operations of about SEK 600 M are also included. Claims resolutions in the US civil operations and effects from pension curtailments in the UK operations had a positive impact of about SEK 500 M in total.
- Operating income in Project Development (Residential, Commercial Property and Infrastructure) decreased 42 percent and amounted to SEK 1.0 billion (1.7); adjusted for currency effects operating income decreased 43 percent. Comparison period included the SEK 0.9 billion divestment gain from the A1 PPP-project.
- Return on capital employed in Project Development was 14.7 percent (15.9).
- Net investments in Project Development amounted to SEK –1.7 billion (0.7), according to IFRS.

Performance analysis

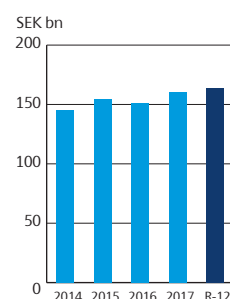
Tables referring to segment reporting are in shaded background. For more information see page 15.

For definitions of non-IFRS financial measures see pages 16-18.

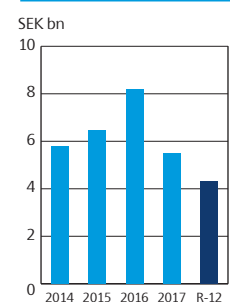
SEK M	Jan-Mar 2018	Jan-Mar 2017	Change, %
Revenue			
Construction	34,631	32,087	8
Residential Development	1,884	3,352	-44
Commercial Property Development	3,780	1,562	142
Infrastructure Development	16	21	-24
Central and eliminations	-3,361	-2,840	18
Total	36,950	34,182	8
Operating income			
Construction	-41	392	-
Residential Development	220	438	-50
Commercial Property Development	860	279	208
Infrastructure Development	-116	939	-
Central	-299	-182	64
Eliminations	28	-17	-
Operating income	652	1,849	-65
Net financial items	-13	7	-
Income after financial items	639	1,856	-66
Taxes	-129	-260	-50
Profit for the period	510	1,596	-68
Earnings for the period per share, SEK	1.25	3.90	-68
Revenue for the period according to IFRSs	34,666	33,613	3
Operating income for the period according to IFRSs	283	1,601	-82
Earnings for the period per share according to IFRSs, SEK	0.53	3.38	-84
Operating cash flow from operations	-647	1,630	-
Interest-bearing net receivables(+)/net debt(-)	-1,645	2,917	-
Return on capital employed in Project Development, % ¹	14.7	15.9	
Operating net financial assets(+)/liabilities(-)	9,269	12,618	-27
Return on equity, % ¹	14.6	27.4	

¹ Rolling 12 months.

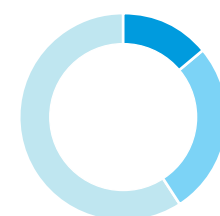
Revenue



Operating income

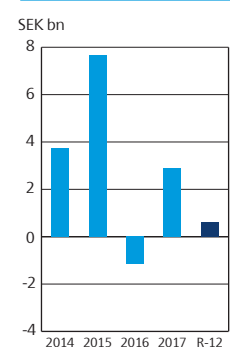


Operating income per segment, R-12m, Mar 31, 2018



- Construction, 14%
- Residential Development, 27%
- Commercial Property Development, 59%
- Infrastructure Development, 0%

Operating cash flow from operations



Comments from Skanska's President and CEO Anders Danielsson



During this first quarter of 2018 we worked intensely on implementing the strategic initiatives that we embarked on earlier in the year, most of which are aimed at restoring profitability in Skanska's Construction stream outside the Nordic region. Under a new leadership team, our direction is clear and we have accomplished a great deal in a short period of time. However, we still have more to do before the initiatives reach full effect.

We remain focused on extensively restructuring Skanska's construction operations in Poland, as well as on reducing the scope of our activities in the UK to a core, profitable business. We continue to adapt to more competitive conditions in the Czech Republic's construction market and we are working toward exiting the US power sector. To further improve the Group's profitability we are focusing the Infrastructure Development business on the US market and continue to grow our Residential and Commercial Property Development operations. We also aim to further strengthen our profitability and ability to manage risk by decentralizing and streamlining our organization under a new Group management structure that will bring management closer to our operations and customers.

In the Construction stream, the restructuring measures are significant and the associated costs are slightly above what was previously communicated. Disappointingly, the weak performance of our Polish operations continued during the quarter. After a deeper review by the new management in Poland, additional project delays and cost increases were identified. For the remainder of the year we expect the operations to stabilize, but at limited profit levels. This is in stark contrast with the performance of our construction business in the Nordic region, which remains strong and stable. In our civil operations

in the US we have, during the quarter, been able to settle some of the more significant claims related to design changes by clients. Order bookings are slightly lower compared to last year's quarter, mainly due to more selective bidding. The overall market conditions remain good.

In the Residential Development stream the Finnish and Central European markets are good, while volumes in the Swedish and Norwegian markets have come down after an extended period of very high buying activity. This has led to a decrease in sold homes and revenue in the first quarter compared to last year, but we were able to maintain a good level of profitability and return on capital. The main reasons for the slower markets are home buyers' uncertainty about the direction of housing prices and an oversupply of new homes in certain submarkets within Sweden and Norway. But a growing urbanization driving the need for new housing, combined with Skanska's geographical diversification and focus on core and affordable products located in the right locations, makes us confident in this business stream's long-term potential. We will, backed by a strong financial position, assess and pursue opportunities arising from the current market environment.

The Commercial Property Development stream had a strong start to the year. We both divested and started a number of significant projects in the Nordics and Central Europe during the first quarter, when transaction volumes are typically low. We continue to see strong interest from investors and tenants in almost all of our markets. We are building up surplus values in the portfolio to be realized over the coming years, and our ambition to grow our activities remains.

In our Infrastructure Development stream, the strategy to focus operations mainly on the US market is being executed. At the same time we are working hard to achieve maximum asset values within the existing infrastructure portfolio. We are also selectively pursuing opportunities in Skanska's other home markets, such as winning Norway's Rv 3 road PPP-project, the financial close of which is expected during the second quarter.



Skanska has sold the office building STUDIO in Malmö, Sweden for about SEK 1.0 billion to Kungsleden. The office building is certified LEED Platinum (Leadership in Energy & Environmental design). In addition to offices, the building comprises Story Hotel as well as retailers and restaurants.

Market outlook, next 12 months

Unchanged market outlook since last quarter.

- 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 and civil markets in Sweden are very strong, although the landscape is competitive. The residential building market has slowed down from a high activity level. In Norway, the outlook for the civil market remains positive, but with significant competition in new bids. The non-residential market also benefits from increased public investments, while investments in the residential building market are lower. The overall market situation in Finland continues to gradually improve.

In the UK there is still some uncertainty related to Brexit limiting investments in the non-residential building market. The civil market is stable. In Central Europe there is a high activity level in general even though the Czech Republic civil market is experiencing significant competition. In both Poland and Czech Republic, construction related inflation is increasing rapidly.

In the US the overall market is strong. The civil construction market remains good, although competition is intense, and the building construction market is strong in sectors such as aviation, education, data centers, life-science and healthcare.

	Building, non-residential	Building, residential	Civil
⬇️ Nordics			
Sweden	⬆️	➡️	⬆️
Norway	➡️	➡️	⬇️
Finland	➡️	➡️	➡️
➡️ Europe			
Poland	➡️	➡️	➡️
Czech Republic ¹	➡️	➡️	⬇️
United Kingdom	⬇️	-	➡️
⬇️ USA			
USA	⬇️	-	⬇️

¹ Including Slovakia.

Residential Development

In the residential market segments that Skanska's product range is targeting, the Swedish and Norwegian markets have slowed down after a period of strong growth. Uncertainty about the direction of home prices is impacting the markets negatively. The underlying housing needs should however be supportive long-term. The Finnish market is solid and the Central European market is good and slightly improving. Common to all home markets is the challenge to acquire and develop land due to high prices and long permitting processes.

➡️ Nordics	
Sweden	➡️
Norway	➡️
Finland	➡️
⬇️ Europe	



Botanica K, Prague, Czech Republic.

Commercial Property Development

Vacancy rates for office space in most of the Nordic and Central European cities where Skanska has operations are stable. In Sweden vacancy rates are low and rents are increasing. Demand for office space is strong in Poland and continues to improve in other parts of Central Europe. In the US, demand from tenants remains strong in Boston and Seattle, good in Washington D.C., while somewhat weaker in Houston's energy corridor.

Modern properties with high quality tenants are in demand from property investors, resulting in attractive valuations for these properties. Investor appetite remains strong in the Nordics, especially Sweden, the US and Central Europe.

In all home markets there is a challenge to acquire and develop land due to high prices and long permitting processes.

⬇️ Nordics	
Sweden	⬆️
Norway	➡️
Finland	➡️
Denmark	⬇️
⬇️ Europe	
Poland	⬇️
Czech Republic	⬇️
Hungary	⬇️
Romania	➡️
⬇️ USA	

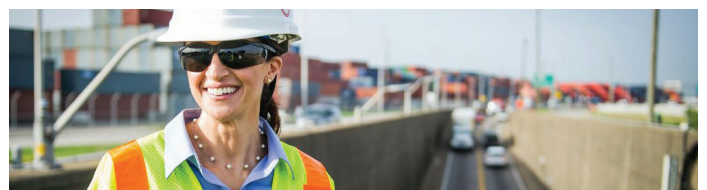


The Urban Environment House, Helsinki, Finland.

Infrastructure Development

The public-private partnership (PPP) market in the US is good, albeit with considerable competition. In the other markets the pipeline is thin, with opportunities being seen in the Norwegian market.

➡️ All countries	
-------------------------	--

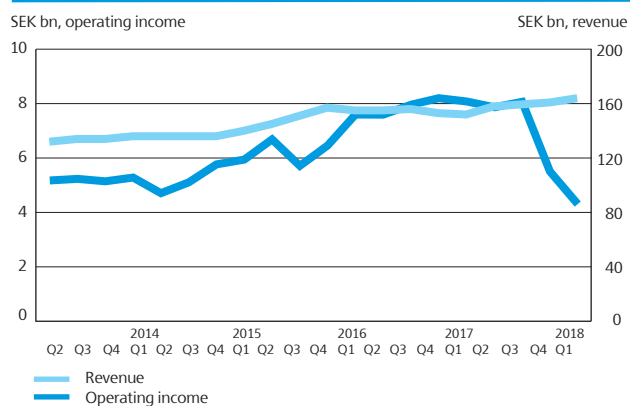


Elizabeth River Tunnels, Virginia, USA.

Performance analysis

Group

Revenue and operating income, rolling 12 months



Revenue and earnings

SEK M	Jan-Mar 2018	Jan-Mar 2017	Change, %
Revenue	36,950	34,182	8
Operating income ^{1,2}	652	1,849	-65
Net financial items	-13	7	
Income after financial items	639	1,856	-66
Taxes	-129	-260	
Profit for the period	510	1,596	-68
Earnings for the period per share, SEK ³	1.25	3.90	-68
Earnings for the period per share according to IFRSs, SEK ³	0.53	3.38	-84

1 Central, SEK -299 M (-182).

2 Eliminations, SEK 28 M (-17).

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

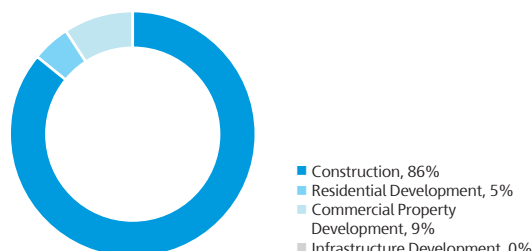
Changes and currency rate effects

	Jan-Mar 2018 / Jan-Mar 2017		
	Change in SEK	Change in local currency	Currency effect
Revenue	8%	11%	-3%
Operating income	-65%	-60%	-5%

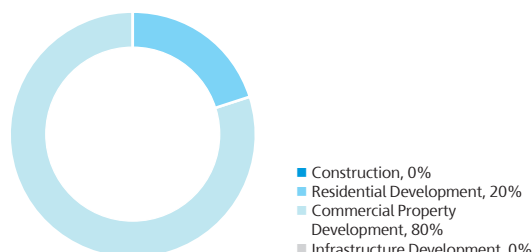
Revenue increased 8 percent and amounted to SEK 37.0 billion (34.2); adjusted for currency effects revenue increased 11 percent.

Operating income decreased 65 percent and amounted to SEK 652 M (1,849); adjusted for currency effects operating income decreased 60 percent. Operating income was, during the quarter, negatively

Revenue per segment, January–March 2018



Operating income per segment, January–March 2018



affected by previously announced restructuring charges. The charges amounted to SEK 670 M, of which SEK 430 M in the Construction stream, SEK 120 M in the Infrastructure Development stream and SEK 120 M in Central; cash flow will be impacted by these charges throughout the remainder of the year. Also impacting first quarter operating income were additional project write-downs in the Polish operations of about SEK 600 M. Claims resolutions in the US civil operations and effects from pension curtailments had a positive impact of about SEK 500 M. The divestment of the investment in the A1 motorway in Poland contributed significantly to operating income in the comparable period.

Central expenses totaled SEK -299 M (-182) and include restructuring charges of SEK 120 M. The elimination of gains in Intra-Group projects amounted to SEK 28 M (-17).

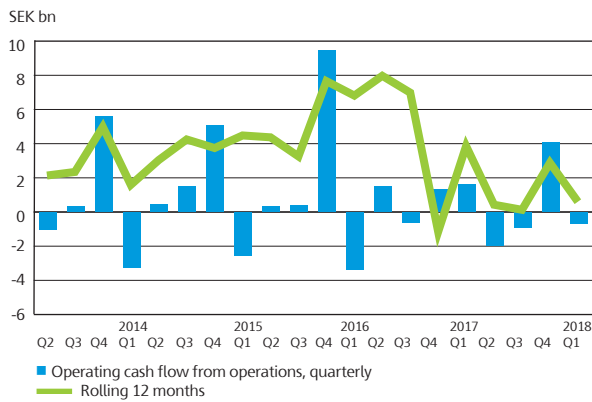
Net financial items amounted to SEK -13 M (7).

Taxes for the period amounted to SEK -129 M (-260), corresponding to an effective tax rate of about 20 (14) percent. The lower tax rate in the comparable period is related to a higher proportion of income sources with a lower tax rate.

Cash flow

Group

Operating cash flow from operations



Operating cash flow

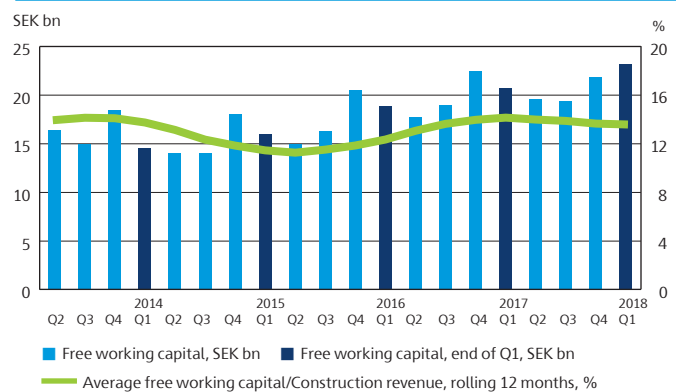
SEK M	Jan-Mar 2018	Jan-Mar 2017	Change, %
Cash flow from business operations	-90	186	-
Change in working capital	1,598	1,356	18
Net divestments(+)/investments(-)	-2,041	217	-
Cash flow adjustment	12	-14	-
Cash flow from business operations before taxes paid	-521	1,745	-
Taxes paid in business operations	-192	-218	-12
Cash flow from financing operations	66	103	-36
Operating cash flow from operations	-647	1,630	-
Net strategic divestments(+)/investments(-)	-10	0	-
Dividend etc	-63	-13	385
Cash flow before change in interest-bearing receivables and liabilities	-720	1,617	-
Change in interest-bearing receivables and liabilities	-791	-73	984
Cash flow for the period	-1,511	1,544	-

Operating cash flow from operations amounted to SEK -647 M (1,630). Increased net investments in Commercial Property Development during the first quarter and inflow from divestments in Infrastructure Development during the comparable period largely account for the change in cash flow.

Taxes paid in business operations amounted to SEK -192 M (-218).

Commercial Property Development assets sold but not yet transferred will have a positive effect on cash flow of about SEK 6.2 billion, of which SEK 2.9 billion will be received in the second quarter of 2018.

Free working capital in Construction



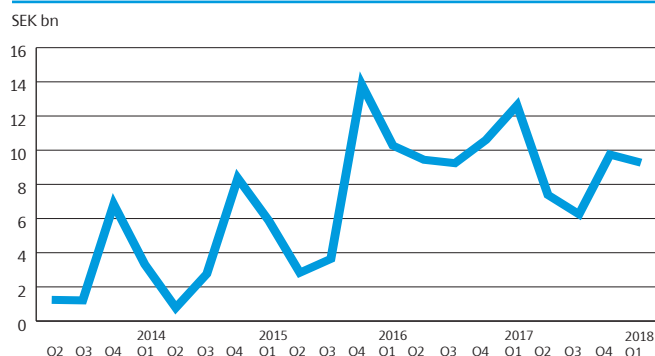
Free working capital in Construction amounted to SEK 23.2 billion (20.7), with average free working capital in relation to Construction revenue in the past 12 months at 13.6 percent. Free working capital in Construction remained at a good level due to favorable cash flow profiles in a number of projects and continued focus on cash generation in the Construction stream. Cash flow due to changes in working capital in Construction amounted to SEK 957 M (-1,611). Settlements and increased provisions largely account for the change in cash flow.



Fifth + Broadway, Nashville, USA.

Financial position

Operating net financial assets/liabilities



Balance sheet – Summary

SEK bn	Mar 31, 2018	Mar 31, 2017	Dec 31, 2017
Total assets	110.5	105.0	109.4
Total equity	28.1	29.0	27.2
Interest-bearing net receivables (+)/net debt (-)	-1.6	2.9	-1.1
Operating net financial assets(+)/liabilities(-)	9.3	12.6	9.7
Capital employed, closing balance	44.2	42.8	44.1
Equity/assets ratio, %	25.5	27.6	24.8

Change in interest-bearing receivables and liabilities

SEK M	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Opening balance interest-bearing net receivables(+)/net debt(-)	-1,126	1,219	1,219
Change in accounting principle ¹	-30	-	-
Adjusted opening balance, January 1, 2018	-1,156	1,219	1,219
Cash flow for the period	-1,511	1,544	1,619
Less change in interest-bearing receivables and liabilities	791	73	-2,619
Cash flow before change in interest-bearing receivables and liabilities	-720	1,617	-1,000
Translation differences, net receivables/net debt	-90	-105	-941
Remeasurements of pension liabilities	77	160	-334
Interest-bearing liabilities acquired/divested	-7	0	0
Other changes, interest-bearing net receivables/net debt	251	26	-70
Change in interest-bearing net receivables/net debt	-489	1,698	-2,345
Closing balance interest-bearing net receivables(+)/net debt(-)	-1,645	2,917	-1,126
Pension liability, net	4,493	4,414	4,910
Loans to housing co-ops	6,421	5,287	5,961
Closing balance operating net financial assets(+)/liabilities(-)	9,269	12,618	9,745

¹ Change in accounting principle is attributable to the implementation of IFRS 9. For further information on IFRS 9, see the Annual Report 2017, Note 1.

Operating net financial assets amounted to SEK 9.3 billion (Dec. 31, 2017: 9.7). Interest-bearing net debt amounted to SEK -1.6 billion (Dec. 31, 2017: -1.1).

At the end of the quarter, cash, cash equivalents and committed

unutilized credit facilities amounted to about SEK 14.2 billion (Dec. 31, 2017: 15.3), of which SEK 12.5 billion (Dec. 31, 2017: 12.4) is available within one week. The Group central loan portfolio amounted to SEK 3.6 billion (Dec. 31, 2017: 4.6) and had an average maturity of 3.5 years (Dec. 31, 2017: 3.5), including committed unutilized credit facilities. Loans to housing co-ops totaled SEK 6.4 billion (Dec. 31, 2017: 6.0) and net pension liabilities totaled SEK 4.5 billion (Dec. 31, 2017: 4.9). At the end of the first quarter, capital employed amounted to SEK 44.2 billion (Dec. 31, 2017: 44.1).

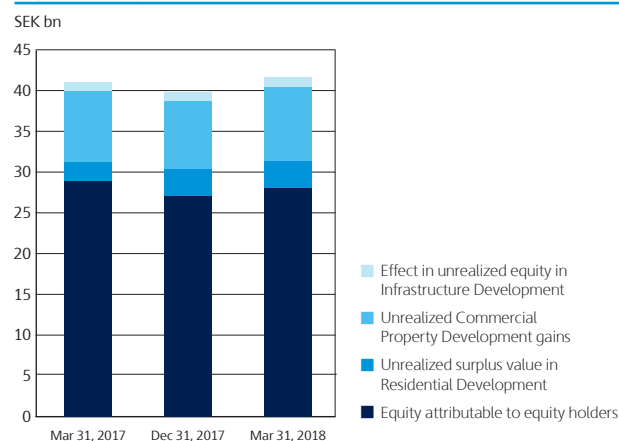
Equity

Changes in equity

SEK M	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Opening balance	27,185	27,506	27,506
Change in accounting principle ¹	-140	-	-
Adjusted opening balance, January 1, 2018	27,045	27,506	27,506
Dividend to shareholders	0	0	-3,380
Other changes in equity not included in total comprehensive income for the year	23	63	-202
Profit for the period	216	1,383	4,111
Other comprehensive income			
Translation differences	775	-163	-716
Effects of remeasurements of pensions	65	142	-330
Effects of cash flow hedges	16	90	196
Closing balance	28,140	29,021	27,185

¹ Change in accounting principle is attributable to the implementation of IFRS 9. For further information on IFRS 9, see the Annual Report 2017, Note 1.

Adjusted equity, less standard tax of 10 percent



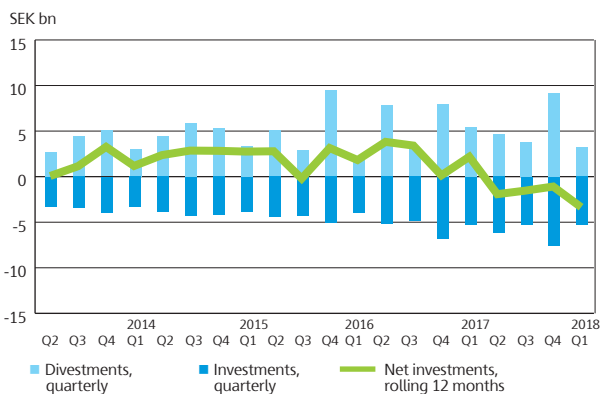
The Group's equity amounted to SEK 28.1 billion (29.0), resulting in an equity/assets ratio of 25.5 percent (27.6) and a net debt/equity ratio of 0.1 (-0.1).

The effects of remeasurements of pensions amounted to SEK 65 M (142). The effects of cash flow hedges, SEK 16 M (90), are mainly related to changes in interest-rate swaps attributable to Infrastructure Development projects. Translation differences amounted to SEK 775 M (-163), mainly attributable to a weaker Swedish krona.

Unrealized surplus values less standard tax in Project Development amounted to SEK 13.6 billion (Dec. 31, 2017: 12.7), of which SEK 1.5 billion was realized according to segment reporting.

Investments and divestments

Investments and divestments



The Group's investments amounted to SEK –5,283 M (–5,237), while divestments amounted to SEK 3,232 M (5,454), resulting in net investments of SEK –2,051 M (217).

In Construction, investments totaled SEK –479 M (–486). These investments were mainly related to property, plant and equipment for the Group's own operations. Net investments in Construction amounted to SEK –389 M (–449). Depreciation of property, plant and equipment amounted to SEK –348 M (–303).

In Residential Development, investments totaled SEK –2,269 M (–2,747), of which about SEK –94 M (–816) relates to land acquisitions, corresponding to 503 building rights. Divestments by this business stream amounted to SEK 2,478 M (2,589). Net divestments in Residential Development amounted to SEK 209 M (–158).

In Commercial Property Development, investments totaled SEK –2,469 M (–2,022), of which SEK –48 M (–449) was related to investments in new land, while divestments amounted to SEK 665 M (1,514). Net investments in Commercial Property Development amounted to SEK –1,804 M (–508).

Investments in Infrastructure Development amounted to SEK –65 M (–11), while divestments amounted to SEK 0 M (1,362). Net investments in Infrastructure Development amounted to SEK –65 M (1,351).



Investment in office project Parallell, Oslo, Norway.

Investments, divestments and net divestments/investments

SEK M	Jan-Mar 2018	Jan-Mar 2017	Change, %
Investments			
Construction	–479	–486	–1
Residential Development	–2,269	–2,747	–17
Commercial Property Development	–2,469	–2,022	22
Infrastructure Development	–65	–11	491
Other	–1	29	
Total	–5,283	–5,237	1
Divestments			
Construction	90	37	143
Residential Development	2,478	2,589	–4
Commercial Property Development	665	1,514	–56
Infrastructure Development	0	1,362	–
Other	–1	–48	
Total	3,232	5,454	–41
Net divestments(+)/investments(–)			
Construction	–389	–449	–13
Residential Development	209	–158	–
Commercial Property Development	–1,804	–508	255
Infrastructure Development	–65	1,351	–
Other	–2	–19	
Total	–2,051	217	–
Of which strategic	–10	0	

Capital employed in Project Development

SEK M	Mar 31, 2018	Mar 31, 2017	Dec 31, 2017
Residential Development	13,907	12,018	12,652
Commercial Property Development	26,021	20,657	24,481
Infrastructure Development	1,770	2,147	1,809
Total in Project Development	41,698	34,822	38,942

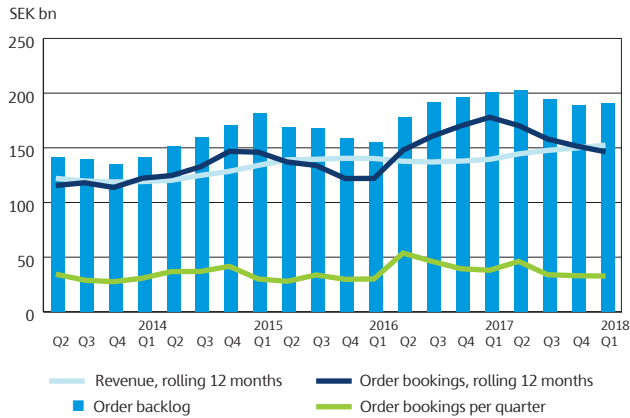


Divestment, Tändstickan II and III, Gothenburg, Sweden.

Performance analysis, business streams

Construction – Order situation

Order backlog, revenue and order bookings



Order bookings and order backlog in Construction

SEK bn	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Order bookings	32.9	38.2	151.8
Order backlog ¹	190.9	200.8	188.4

¹ Refers to the end of each period.

Order bookings decreased 14 percent and amounted to SEK 32.9 billion (38.2); adjusted for currency effects order bookings decreased 12 percent. On a rolling 12-month basis the book-to-build ratio was 96 percent (Dec. 31, 2017: 101). The lower order bookings are mainly a result of more selective bidding.

At the end of the quarter, the order backlog amounted to SEK 190.9 billion compared to 188.4 billion at the end of the previous quarter. The order backlog corresponds to about 15 months of production (Dec. 31, 2017: 15).

Changes and currency rate effects

	Change in SEK	Change in local currency	Currency effect
Jan-Mar 2018 / Jan-Mar 2017			
Order bookings	-14%	-12%	-2%
Mar 31, 2018 / Dec 31, 2017			
Order backlog	1%	-1%	2%

Major orders in the quarter

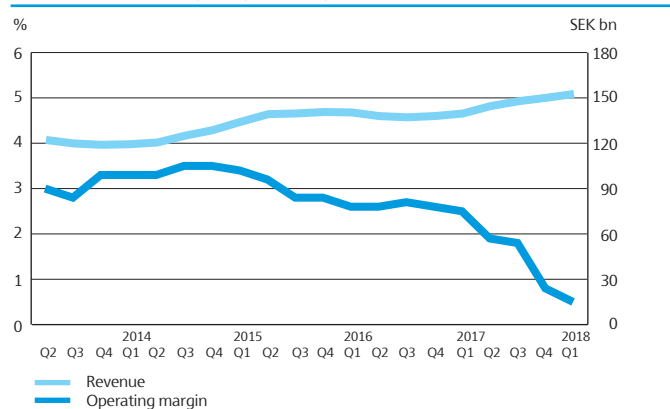
Geography	Contract	Amount SEK M	Client
Europe	Mixed-use development	1,600	Confidential
Nordic	National Emergency Response Center	1,500	Norwegian Ministry of Justice and Emergency Planning
USA	Mixed-use development	1,300	OM-SE
USA	Engineering school facility	860	North Carolina State University
Nordic	Office project	860	Skanska CDN
Nordic	The Urban Environment House	800	City of Helsinki



Powerhouse Dröbak near Oslo, Norway.

Construction

Revenue and operating margin, rolling 12 months



Revenue and earnings

SEK M	Jan-Mar 2018	Jan-Mar 2017	Change, %
Revenue	34,631	32,087	8
Gross income	1,641	2,076	-21
Selling and administrative expenses	-1,678	-1,681	0
Income from joint ventures and associated companies	-4	-3	
Operating income	-41	392	-
Gross margin, %	4.7	6.5	
Selling and administrative expenses, %	-4.8	-5.2	
Operating margin, %	neg	1.2	
Employees	37,862	38,393	

Changes and currency rate effects

	Jan-Mar 2018 / Jan-Mar 2017		
	Change in SEK	Change in local currency	Currency effect
Revenue	8%	12%	-4%
Operating income	-111%	-81%	-30%

Revenue in the Construction business stream increased 8 percent and amounted to SEK 34.6 billion (32.1); adjusted for currency effects revenue increased 12 percent. Operating income amounted to SEK -41 M (392).

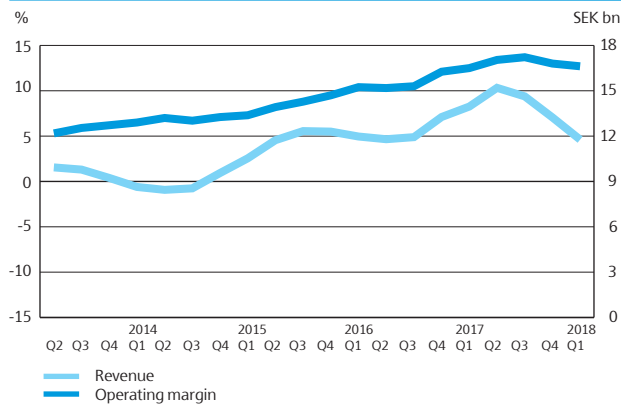
The performance in the Nordics was stable and strong, mainly driven by Sweden. Operating income in Europe was negatively impacted by earlier communicated restructuring charges and totaled SEK 430 M. Project write-downs of about SEK 600 M in the Polish operations also had a negative impact. The main reasons for the write-downs are delays and cost increases in projects. In the UK, effects from pension curtailments had a positive impact of about SEK 300 M. In the civil operations in the US, settlement of claims relating to design changes by clients had a positive impact of about SEK 200 M.



Regional Connector, Los Angeles, USA.

Residential Development

Revenue and operating margin, rolling 12 months



Revenue and earnings

SEK M	Jan-Mar 2018	Jan-Mar 2017	Change, %
Revenue	1,884	3,352	-44
Gross income	396	601	-34
Selling and administrative expenses	-176	-163	8
Income from joint ventures and associated companies	0	0	
Operating income	220	438	-50
Gross margin, %	21.0	17.9	
Selling and administrative expenses, %	-9.3	-4.9	
Operating margin, %	11.7	13.1	
Return on capital employed, % ¹	13.0	17.6	

1 Rolling 12 months.

Revenue in the Residential Development business stream amounted to SEK 1,884 M (3,352). The number of homes sold totaled 615 (1,045). Operating income amounted to SEK 220 M (438). The operating margin amounted to 11.7 percent (13.1). The drop in revenue is related to a slower market in Sweden and Norway. This also had a negative impact on the operating margin, due to a higher proportion of selling and administrative expenses in relation to revenue.

Return on capital employed decreased to 13.0 percent (17.6) as a result of lower profit and higher capital employed.

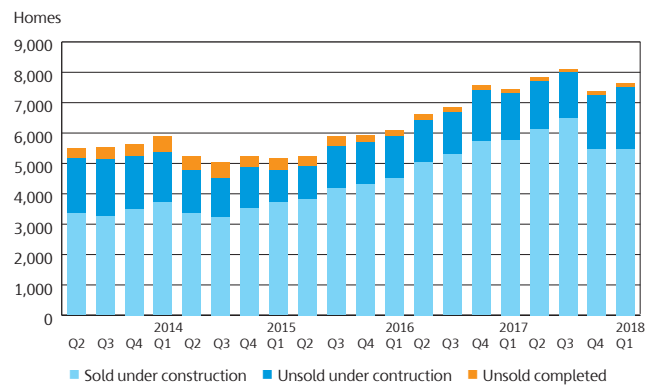
Homes sold and started, rolling 12 months



Homes sold and started

	Jan-Mar 2018	Jan-Mar 2017
Homes sold	615	1,045
Homes started	888	858

Homes under construction and unsold



Homes under construction and unsold

	Mar 31, 2018	Mar 31, 2017	Dec 31, 2017
Homes under construction	7,511	7,290	7,243
of which sold, %	73	79	76
Completed unsold, number of homes	135	152	122

At the end of the quarter, 7,511 homes (Dec. 31, 2017: 7,243) were under construction. Of these, 73 percent (December 31, 2017: 76) were sold. The number of completed unsold homes totaled 135 (Dec. 31, 2017: 122), with the majority located in Finland. In Sweden the number decreased. In the first three months of 2018, construction started on 888 homes (858).

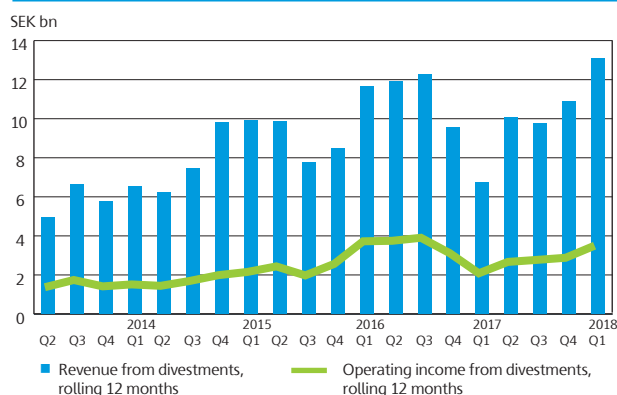
Breakdown of carrying amounts

SEK M	Mar 31, 2018	Mar 31, 2017	Dec 31, 2017
Completed projects	492	693	655
Ongoing projects	8,619	7,300	7,750
Undeveloped land and development properties	7,133	6,483	6,990
Total	16,244	14,476	15,395

A breakdown of the carrying amounts for Residential Development is presented in the table above. Ongoing projects amounted to SEK 8.6 billion (Dec. 31, 2017: 7.8) and undeveloped land and development properties amounted to SEK 7.1 billion (Dec. 31, 2017: 7.0). The estimated unrealized surplus value, which is equal to the market value minus the carrying amount, in unsold homes in construction and undeveloped land and development properties amounted to about SEK 3.7 billion. The undeveloped land and development properties correspond to Skanska-owned building rights for 26,900 homes and 1,300 building rights held by joint ventures. In addition, subject to certain conditions, the business stream has the right to purchase 12,300 building rights.

Commercial Property Development

Revenue and operating income from property divestments



Revenue and earnings

SEK M	Jan-Mar 2018	Jan-Mar 2017	Change, %
Revenue	3,780	1,562	142
of which from divestment of properties	3,638	1,405	159
Gross income	1,083	464	133
Selling and administrative expenses	-216	-192	13
Income from joint ventures and associated companies	-7	7	
Operating income	860	279	208
of which from divestment of properties	1,050	431	144
Return on capital employed, % ¹	16.5	10.5	

1 Rolling 12 months. For definition see page 17.

In the Commercial Property Development business stream, divestments worth SEK 3,638 M (1,405) were made in the first quarter of 2018. Operating income amounted to SEK 860 M (279) and included gains from property divestments totaling SEK 1,050 M (431).

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	15,012	30,835	38,920	46	50
Completed projects ³	4,720	4,720	6,157	84	100
Undeveloped land and development properties	7,522	7,522	8,078		
Total	27,254	43,077	53,155		
of which carrying amount ⁴	26,958	42,781			
of which completed projects sold according to segment reporting	1,153	1,153	1,692		
of which ongoing projects sold according to segment reporting	2,529	4,267	5,446		

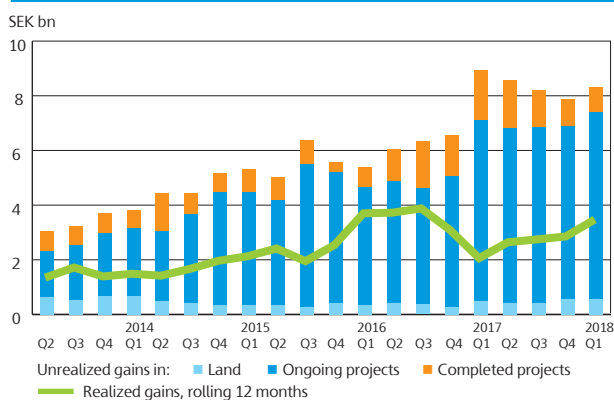
1 Market value according to appraisal on December 31, 2017. Estimated market value at completion fully leased.

2 Skanska's share of total production cost in JVs is SEK 0 M (end of period) and SEK 0 M (upon completion).

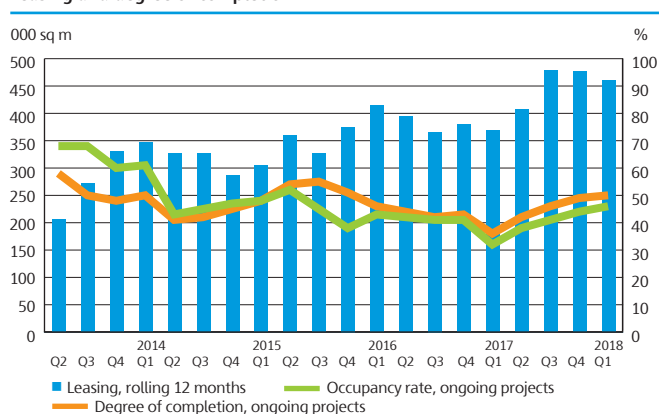
3 Skanska's share of total production cost in JVs is SEK 632 M end of period and upon completion.

4 Includes Skanska's total equity investment in JV of SEK 336 M (end of period) and SEK 336 M (upon completion) and tenant improvement and leasing commissions in CDUS of SEK 216 M (Completed projects) and SEK 265 M (Ongoing projects).

Unrealized and realized gains, segment reporting



Leasing and degree of completion



Return on capital employed increased, despite higher capital employed, to 16.5 percent (10.5), due to higher profit.

At the end of the quarter, Commercial Property Development had 50 ongoing projects. During the quarter, seven new projects were started and three were completed. The 50 ongoing projects represent leasable space of about 1,094,000 sq m with an occupancy rate of 46 percent, measured in rent. The projects' degree of completion is 50 percent. Their investment value upon completion is expected to total SEK 30.8 billion, with an estimated market value of SEK 38.9 billion.

Of the ongoing projects, 12 have been divested according to segment reporting. These projects represent an investment value upon completion of SEK 4.3 billion, with a sales value of SEK 5.4 billion.

The market value of completed projects, excluding properties divested according to segment reporting, was SEK 4.5 billion. The occupancy rate, measured in rent, totaled 84 percent (Dec. 31, 2017: 83).

At the end of the quarter, unrealized gains, excluding properties divested according to segment reporting, totaled SEK 8.4 billion. These gains related to SEK 6.9 billion in ongoing projects, SEK 0.9 billion in completed projects and SEK 0.6 billion in undeveloped land and development properties. Realized gains amounted to SEK 1.1 billion (0.4).

Accumulated eliminations of intra-Group project gains amounted to SEK 478 M. These eliminations are released at the Group level as each project is divested.

During the first quarter new leases were signed for 62,000 sq m (79,000).

Infrastructure Development

Revenue and earnings

SEK M	Jan-Mar 2018	Jan-Mar 2017	Change, %
Revenue	16	21	-24
Gross income	-32	-28	14
Selling and administrative expenses	-119	-35	240
Income from joint ventures and associated companies	35	1,002	-97
Operating income	-116	939	-
of which gains from divestments of shares in projects	0	913	-
Return on capital employed, % ¹	6.9	38.2	

¹ Rolling 12 months. For definition see page 17.

Operating income in the Infrastructure Development business stream totaled SEK -116 M (939) and includes earlier communicated restructuring charges of SEK 120 M. The comparable period contains the gain of about SEK 0.9 billion from the divestment of the investment in the A1 motorway project in the Poland. Return on capital employed decreased to 6.9 percent (38.2) as a result of lower profit.

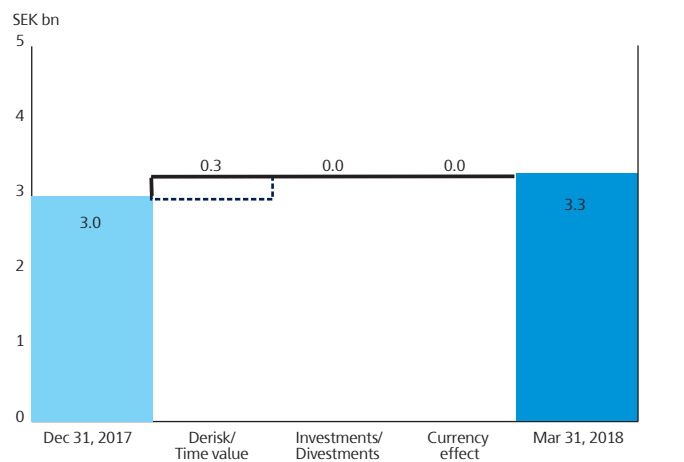
The net present value of projects at the end of the period increased to SEK 3.3 billion (Dec 31, 2017: 3.0). Remaining investment obligations relating to ongoing Infrastructure Development projects amounted to about SEK -0.8 billion (Dec 31, 2017: -0.8).

Unrealized development gains

SEK bn	Mar 31, 2018	Mar 31, 2017	Dec 31, 2017
Present value of cash flow from projects	4.1	4.0	3.8
Present value of remaining investments	-0.8	-0.8	-0.8
Net present value of projects	3.3	3.2	3.0
Carrying amount before Cash flow hedge / Carrying amount	-2.5	-2.6	-2.5
Unrealized development gain	0.8	0.6	0.5
Cash flow hedge	0.5	0.6	0.6
Effect in unrealized equity¹	1.3	1.2	1.1

¹ Tax effects not included.

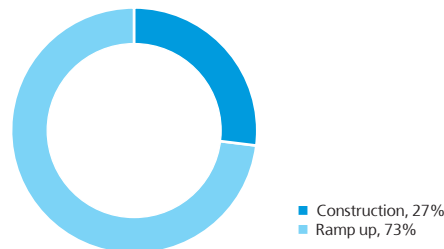
Changes in net present value



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 2.5 billion (Dec 31, 2017: 2.5), while unrealized development gains totaled about SEK 0.8 billion (Dec 31, 2017: 0.5).

Cash flow hedges, for which the change in value is recognized as other comprehensive income, reduced the carrying amount and thereby equity by SEK 0.5 billion (Dec 31, 2017: 0.6).

Estimated gross present value by phase



LaGuardia Airport, New York, USA.

Personnel

During the period, the average number of employees in the Group was 39,536 (40,123). At the end of the quarter the number of employees totaled 39,614 people (Dec. 31, 2017: 40,400).

Transactions with related parties

For the nature and extent of transactions with related parties, see the 2017 Annual Report, Note 39. There were no new significant transactions during the quarter.

Material risks and uncertainties

For information about risks and a description of key estimates and judgments, see the 2017 Annual Report, Report of the Directors and Note 2 and 6, as well as the section above on market outlook.

Other matters

Repurchase of shares

At the Board meeting on April 13, 2018, 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 2019, not more than 3,000,000 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 (2017-2019) Seop 4.

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 later than the Annual General Meeting in 2019, not more than 700,000 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 (2014-2016) Seop 3.

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 March 31, 2018, Skanska held 11,151,640 Series B shares in its own custody.

Events after the end of the report period

Annual General Meeting

At the Annual General Meeting on April 13, 2018, the dividend for 2017 was approved in accordance with the Board's proposal of SEK 8.25 per share. The record date for the dividend was April 17, 2018. The meeting re-elected Pär Boman, Nina Linander, Fredrik Lundberg, Catherine Marcus, Jayne McGivern, Charlotte Strömberg and Hans Biörck as Board members. Hans Biörck was re-elected as Chairman of the Board.

Financial reports for 2018

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

The Group's remaining interim reports in 2018 will be published on the following dates:

July 20, 2018	Six Month Report
November 8, 2018	Nine Month Report
February 8, 2019	Year-end Report

Stockholm May 9, 2018

Anders Danielsson

President and Chief Executive Officer

This interim report has not been subject to a 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. Two new standards, IFRS 15 and IFRS 9, apply from January 1, 2018. The accounting principles for these two standards are presented in Note 1 in the 2017 Annual Report. The standard IFRS 15 Revenue from contracts with customers has been implemented retrospectively, which has resulted in a reclassification from contract liabilities and from trade and other payables to provisions for onerous contracts, within the line for provisions. The reclassifications are distributed with the following numbers per quarter:

SEK M	Jan 1, 2017	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017
Contract liabilities	-151	-239	-275	-282	-370
Trade and other payables	-236	-244	-256	-244	-204
Provisions for losses	387	483	531	526	574

On March 31, 2018, provisions for losses amounted to SEK 609 M.

The implementation of the standard IFRS 9 Financial instruments has not resulted in any effects on the accounting, except for the new impairment model for expected credit losses due to possible future deficiency in customer's ability to pay. The new model applies from January 1, 2018. Comparative information is not adjusted.

The credit loss reserve for financial instruments has increased with SEK 180 M, of which SEK 30 M refers to interest-bearing financial receivables and SEK 150 M refers to accounts receivables. This has a direct effect in equity as of January 1, 2018, amounting to SEK 140 M, net of deferred tax.

The accounting principles and assessment methods presented in the 2017 Annual Report 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 2017 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 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 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.

The Parent Company in a Swedish Group prepares its accounts in compliance with the Swedish Financial Reporting Board's Recommendation RFR 2 Accounting for Legal Entities ("RFR 2"). According to RFR 2, the annual accounts of the legal entity must apply IFRS as far as this is possible within the framework of the Annual Accounts Act and taking into account the connection between accounting and taxation.

Definitions

For further definitions, see the 2017 Annual Report, Note 44.

Non-IFRS financial measures

Non-IFRS financial measures	Definition	Reason for use	
		The following measures are used as they are viewed as the best and most accurate ways to measure Skanska's operations; reflecting its business model and strategy. Thus assisting 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 homes and 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 rolling 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.	
Earnings per share, segment	Profit for the period, segment, attributable to equity holders divided by the average number of shares outstanding.	Measure earnings per share, segment.	
Book-to-build, rolling 12 months	Order bookings divided by construction revenue, rolling 12 months.	Measures to which extent new orders are replacing work put in place.	
Unrealized gains, Commercial Property Development (CD)	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	20,404 -316 -361 -29 -5,713 -78 13,907	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	29,190 -377 0 0 -2,506 -286 26,021	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)	2,502 -493 0 0 -239 1,770	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 RD segment, rolling 12 months excluding RD UK (as this is closing down) SEK M	<p>Operating income 1,498 + capitalized interest expense 96 +/- financial income and other financial items 7 – interest income from internal bank –2</p> <hr/> Adjusted profit 1,599 Capital employed average* 12,360 ROCE RD 12.9% <p>* Capital employed average Q1 2018 13,942 x 0.5 6,971 Q4 2017 12,686 12,686 Q3 2017 12,026 12,026 Q2 2017 11,728 11,728 Q1 2017 12,054 x 0.5 6,027</p> <hr/> 49,438 / 4 12,360	Measure the performance (profitability and capital efficiency) in RD.
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 and the difference between the market value and selling price for the year is reflected.</p> <p>Operating income 3,295 +/- adjustments as mentioned above 470 + capitalized interest expense 77 +/- financial income and other financial items 9 – interest income from internal bank 0</p> <hr/> Adjusted profit 3,851 Capital employed average* 23,348 ROCE CD 16.5% <p>* Capital employed average Q1 2018 26,021 x 0.5 13,011 Q4 2017 24,481 24,481 Q3 2017 23,558 23,558 Q2 2017 22,012 22,012 Q1 2017 20,657 x 0.5 10,329</p> <hr/> 93,391 / 4 23,348	Measure the performance (profitability and capital efficiency) in CD.
ROCE in ID segment, rolling 12 months SEK M	<p>For Infrastructure Development the profit is adjusted so that the change in value of projects in progress and the difference between the market value and selling price for the year is reflected.</p> <p>Operating income –130 +/- adjustments as mentioned above 293</p> <hr/> Adjusted profit 163 Capital employed average* 2,051 +/- adjustments as mentioned above 311 <hr/> Adjusted Capital Employed 2,362 ROCE ID 6.9% <p>* Capital employed average Q1 2018 1,770 x 0.5 885 Q4 2017 1,809 1,809 Q3 2017 2,211 2,211 Q2 2017 2,227 2,227 Q1 2017 2,147 x 0.5 1,074</p> <hr/> 8,206 / 4 2,051	Measure the performance (profitability and capital efficiency) in ID.

Non-IFRS financial measures	Definition	Reason for use																												
ROCE in Project Development, segment SEK M	<p>Is calculated as the summarized adjusted profit for RD, CD and ID divided by the summarized capital employed average for RD, CD and ID.</p> <p>The total ROCE from RD, CD and ID.</p> <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>1,599</td> <td>12,360</td> <td>12.9%</td> </tr> <tr> <td>CD</td> <td>3,851</td> <td>23,348</td> <td>16.5%</td> </tr> <tr> <td>ID</td> <td>163</td> <td>2,362</td> <td>6.9%</td> </tr> <tr> <td></td> <td>5,613</td> <td>38,070</td> <td>14.7%</td> </tr> </tbody> </table>		Adjusted profit	CE avg	ROCE	RD	1,599	12,360	12.9%	CD	3,851	23,348	16.5%	ID	163	2,362	6.9%		5,613	38,070	14.7%	Measure the performance (profitability and capital efficiency) in Project Development.								
	Adjusted profit	CE avg	ROCE																											
RD	1,599	12,360	12.9%																											
CD	3,851	23,348	16.5%																											
ID	163	2,362	6.9%																											
	5,613	38,070	14.7%																											
Return on equity segment, rolling 12 months SEK M	<p>Profit attributable to equity holders as a percentage of average equity attributable to equity holders.</p> <p>3 831 / 26 257 = 14.6%</p>	Measure profitability on invested equity.																												
Equity average attributable to equity holders SEK M	<p>Calculated on the basis of five measuring points.</p> <table border="1"> <tbody> <tr> <td>Q1 2018</td> <td>28,011</td> <td>x 0.5</td> <td>14,006</td> </tr> <tr> <td>Q4 2017</td> <td>27,064</td> <td></td> <td>27,064</td> </tr> <tr> <td>Q3 2017</td> <td>25,185</td> <td></td> <td>25,185</td> </tr> <tr> <td>Q2 2017</td> <td>24,342</td> <td></td> <td>24,342</td> </tr> <tr> <td>Q1 2017</td> <td>28,866</td> <td>x 0.5</td> <td>14,433</td> </tr> <tr> <td></td> <td></td> <td></td> <td>105,030 / 4</td> </tr> <tr> <td></td> <td></td> <td></td> <td>26,257</td> </tr> </tbody> </table>	Q1 2018	28,011	x 0.5	14,006	Q4 2017	27,064		27,064	Q3 2017	25,185		25,185	Q2 2017	24,342		24,342	Q1 2017	28,866	x 0.5	14,433				105,030 / 4				26,257	
Q1 2018	28,011	x 0.5	14,006																											
Q4 2017	27,064		27,064																											
Q3 2017	25,185		25,185																											
Q2 2017	24,342		24,342																											
Q1 2017	28,866	x 0.5	14,433																											
			105,030 / 4																											
			26,257																											
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	<p>Calculated on the basis of five measuring points.</p> <table border="1"> <tbody> <tr> <td>Q1 2018</td> <td>-23,151</td> <td>x 0.5</td> <td>-11,575</td> </tr> <tr> <td>Q4 2017</td> <td>-21,849</td> <td></td> <td>-21,849</td> </tr> <tr> <td>Q3 2017</td> <td>-19,414</td> <td></td> <td>-19,414</td> </tr> <tr> <td>Q2 2017</td> <td>-19,571</td> <td></td> <td>-19,571</td> </tr> <tr> <td>Q1 2017</td> <td>-20,694</td> <td>x 0.5</td> <td>-10,347</td> </tr> <tr> <td></td> <td></td> <td></td> <td>-82,756 / 4</td> </tr> <tr> <td></td> <td></td> <td></td> <td>-20,689</td> </tr> </tbody> </table>	Q1 2018	-23,151	x 0.5	-11,575	Q4 2017	-21,849		-21,849	Q3 2017	-19,414		-19,414	Q2 2017	-19,571		-19,571	Q1 2017	-20,694	x 0.5	-10,347				-82,756 / 4				-20,689	Measure the funding stemming from the negative working capital generated in Construction.
Q1 2018	-23,151	x 0.5	-11,575																											
Q4 2017	-21,849		-21,849																											
Q3 2017	-19,414		-19,414																											
Q2 2017	-19,571		-19,571																											
Q1 2017	-20,694	x 0.5	-10,347																											
			-82,756 / 4																											
			-20,689																											
Interest-bearing 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 attributable to equity holders SEK bn	<table border="1"> <tbody> <tr> <td>Equity attributable to equity holders</td> <td>28.0</td> </tr> <tr> <td>Unrealized surplus value in RD</td> <td>3.7</td> </tr> <tr> <td>Unrealized CD gains</td> <td>10.1</td> </tr> <tr> <td>Effect in unrealized equity in ID</td> <td>1.3</td> </tr> <tr> <td>Less standard corporate tax, 10%</td> <td>-1.5</td> </tr> <tr> <td>Adjusted equity</td> <td>41.6</td> </tr> </tbody> </table>	Equity attributable to equity holders	28.0	Unrealized surplus value in RD	3.7	Unrealized CD gains	10.1	Effect in unrealized equity in ID	1.3	Less standard corporate tax, 10%	-1.5	Adjusted equity	41.6	Measure financial position adjusted for surplus values in Project Development net of taxes. The standard corporate tax represents an approximation of the average corporate income tax within the Group.																
Equity attributable to equity holders	28.0																													
Unrealized surplus value in RD	3.7																													
Unrealized CD gains	10.1																													
Effect in unrealized equity in ID	1.3																													
Less standard corporate tax, 10%	-1.5																													
Adjusted equity	41.6																													

Reconciliation between segment reporting and IFRSs

SEK M	External revenue		Intra-Group revenue		Total revenue		Operating income	
	Jan-Mar 2018	Jan-Mar 2017	Jan-Mar 2018	Jan-Mar 2017	Jan-Mar 2018	Jan-Mar 2017	Jan-Mar 2018	Jan-Mar 2017
Construction	31,227 ¹	29,225 ¹	3,404	2,862	34,631	32,087	-41	392
Residential Development	1,884	3,352	0	0	1,884	3,352	220	438
Commercial Property Development	3,777	1,487	3	75	3,780	1,562	860	279
Infrastructure Development	16	21	0	0	16	21	-116	939
Total operating segments	36,904	34,085	3,407	2,937	40,311	37,022	923	2,048
Central	46	97	100	281	146	378	-299	-182
Eliminations	0	0	-3,507	-3,218	-3,507	-3,218	28	-17
Total Group	36,950	34,182	0	0	36,950	34,182	652	1,849
Reconciliation to IFRSs²	-2,284	-569	0	0	-2,284	-569	-369	-248
Total IFRSs	34,666	33,613	0	0	34,666	33,613	283	1,601

1 Of which external revenue from joint ventures in Infrastructure Development, SEK 2,188 M (2,261).

2 Of which effect from joint ventures in Residential Development proportionally	34	-275					29	-73
Of which effect of different revenue recognitions	-2,318	-294					-398	-175

SEK M	Segment Jan-Mar 2018	IFRS Jan-Mar 2018	Segment Jan-Mar 2017	IFRS Jan-Mar 2017
Revenue				
Construction	34,631	34,631	32,087	32,087
Residential Development	1,884	2,492	3,352	2,601
Commercial Property Development	3,780	806	1,562	1,671
Infrastructure Development	16	16	21	21
Central and eliminations	-3,361	-3,279	-2,840	-2,767
Skanska Group	36,950	34,666	34,182	33,613
Operating income				
Construction	-41	-41	392	392
Residential Development	220	370	438	307
Commercial Property Development ¹	860	398	279	183
Infrastructure Development	-116	-116	939	939
Central	-299	-298	-182	-182
Eliminations ¹	28	-30	-17	-38
Operating income	652	283	1,849	1,601
Net financial items	-13	-12	7	7
Income after financial items	639	271	1,856	1,608
Taxes	-129	-55	-260	-225
Profit for the period	510	216	1,596	1,383
Earnings for the period per share, SEK ²	1.25		3.90	
Earnings for the period per share according to IFRSs, SEK ²		0.53		3.38
1 Of which gains from divestments of commercial properties reported in:				
Commercial Property Development	1,050	266	431	334
Eliminations	80	16	34	15

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-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Revenue	34,666	33,613	157,877
Cost of sales	-32,277	-30,780	-145,103
Gross income	2,389	2,833	12,774
Selling and administrative expenses	-2,505	-2,273	-9,851
Income from joint ventures and associated companies	399	1,041	1,655
Operating income	283	1,601	4,578
Financial income	24	43	170
Financial expenses	-36	-36	-125
Net financial items¹	-12	7	45
Income after financial items	271	1,608	4,623
Taxes	-55	-225	-512
Profit for the period	216	1,383	4,111
1 Of which			
Interest income	20	18	89
Financial net pension costs	-27	-25	-102
Interest expenses	-71	-59	-266
Capitalized interest expenses	69	48	257
Net interest items	-9	-18	-22
Change in fair value	4	9	24
Other net financial items	-7	16	43
Net financial items	-12	7	45
Profit attributable to:			
Equity holders	215	1,383	4,095
Non-controlling interests	1	0	16
Earnings per share, SEK ²	0.53	3.38	10.00
Earnings per share after dilution, SEK ³	0.52	3.35	9.94

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-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Profit for the period	216	1,383	4,111
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurements of defined benefit plans	84	180	-399
Tax related to items that will not be reclassified to profit and loss	-19	-38	69
	65	142	-330
Items that have been or will be reclassified to profit and loss			
Translation differences attributable to equity holders	955	-165	-599
Translation differences attributable to non-controlling interests	7	-1	8
Hedging of exchange rate risk in foreign operations	-187	3	-125
Effects of cash flow hedges ¹	-6	85	138
Share of other comprehensive income of joint ventures and associated companies ²	19	18	83
Tax related to items that have been or will be reclassified to profit and loss	3	-13	-25
	791	-73	-520
Other comprehensive income after tax	856	69	-850
Total comprehensive income	1,072	1,452	3,261
Total comprehensive income attributable to			
Equity holders	1,064	1,453	3,237
Non-controlling interests	8	-1	24
1 Of which transferred to income statement	0	0	0
2 Of which transferred to income statement	62	62	226

Summary statement of financial position (IFRS)

SEK M	Mar 31, 2018	Mar 31, 2017	Dec 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	7,074	6,826	6,874
Goodwill	4,786	5,226	4,554
Intangible assets	996	1,055	962
Investments in joint ventures and associated companies	3,162	3,854	3,314
Financial non-current assets ¹	2,483	1,058	2,276
Deferred tax assets	1,990	1,575	1,757
Total non-current assets	20,491	19,594	19,737
Current assets			
Current-asset properties ²	42,385	34,982	39,010
Inventories	1,216	1,138	1,058
Financial current assets ³	6,539	8,728	6,671
Tax assets	1,182	1,018	1,188
Contract assets	7,750	8,167	6,997
Trade and other receivables	25,433	24,389	27,778
Cash	5,528	6,965	6,998
Total current assets	90,033	85,387	89,700
TOTAL ASSETS	110,524	104,981	109,437
of which interest-bearing financial non-current assets	2,432	1,013	2,228
of which interest-bearing current assets	12,030	15,656	13,572
Total interest-bearing assets	14,462	16,669	15,800
EQUITY			
Equity attributable to equity holders	28,011	28,866	27,064
Non-controlling interests	129	155	121
Total equity	28,140	29,021	27,185
LIABILITIES			
Non-current liabilities			
Financial non-current liabilities	3,887	2,613	3,857
Pensions	5,297	4,801	5,603
Deferred tax liabilities	1,278	1,715	1,235
Non-current provisions	0	1	0
Total non-current liabilities	10,462	9,130	10,695
Current liabilities			
Financial current liabilities ³	7,078	6,442	7,624
Tax liabilities	263	402	312
Current provisions	9,451	7,631	9,131
Contract liabilities	17,615	18,230	16,266
Trade and other payables	37,515	34,125	38,224
Total current liabilities	71,922	66,830	71,557
TOTAL EQUITY AND LIABILITIES	110,524	104,981	109,437
of which interest-bearing financial liabilities	10,810	8,925	11,323
of which interest-bearing pensions and provisions	5,297	4,827	5,603
Total interest-bearing liabilities	16,107	13,752	16,926
1 Of which shares	43	44	42
2 Current-asset properties			
Commercial Property Development	26,141	20,506	23,615
Residential Development	16,244	14,476	15,395
3 Items regarding non-interest-bearing unrealized changes in derivatives/ financial instruments are included in the following amounts:			
Financial non-current assets	8	1	6
Financial current assets	37	37	97
Financial non-current liabilities	21	86	21
Financial current liabilities	134	44	137

Note: Contingent liabilities amounted to SEK 52.4 bn on March 31, 2018 (Dec 31, 2017: 48.9) and relates to joint operations in Construction and joint ventures in Project Development. For more information see 2017 Annual Report, Note 20B, 20C and 33. During the period, contingent liabilities increased by SEK 3.5 bn.

Summary statement of changes in equity (IFRS)

SEK M	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Opening balance	27,185	27,506	27,506
of which non-controlling interests	121	156	156
Change in accounting principle ¹	-140	-	-
Adjusted opening balance January 1, 2018	27,045	27,506	27,506
of which non-controlling interests	121	156	156
Dividend to shareholders	0	0	-3,380
Change in group composition	0	0	0
Dividend to non-controlling interests	0	0	-59
Effects of equity-settled share-based payments	86	76	297
Repurchase of shares	-63	-13	-440
Total comprehensive income attributable to			
Equity holders	1,064	1,453	3,237
Non-controlling interests	8	-1	24
Closing balance	28,140	29,021	27,185
of which non-controlling interests	129	155	121

1 Change in accounting principle is attributable to the implementation of IFRS 9. For further information on IFRS 9, see the Annual Report 2017, Note 1.

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

SEK M	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Cash flow from operating activities before change in working capital, according to IAS 7	-274	-31	197
Cash flow from change in working capital, according to IAS 7	25	619	2,649
Net investments in property, plant and equipment and intangible assets	-456	940	-112
Tax payments on property, plant and equipment and intangible assets divested and divestments of assets in Infrastructure Development	-8	-1	-32
Cash flow from business operations including taxes paid according to operating cash flow	-713	1,527	2,702
Less net investments in property, plant and equipment and intangible assets	456	-940	112
Less tax payments on property, plant and equipment and intangible assets divested and divestments of assets in Infrastructure Development	8	1	32
Cash flow from operating activities, according to IAS 7	-249	588	2,846
Cash flow from strategic investments according to operating cash flow	-10	0	0
Net investments in property, plant and equipment and intangible assets	-456	940	-112
Increase and decrease in interest-bearing receivables	69	1,121	1,734
Taxes paid on property, plant and equipment and intangible assets divested and divestments of assets in Infrastructure Development	-8	-1	-32
Cash flow from investing activities, according to IAS 7	-405	2,060	1,590
Cash flow from financing operations according to operating cash-flow statement	66	103	177
Change in interest-bearing receivables and liabilities	-791	-73	2,619
Increase and decrease in interest-bearing receivables	-69	-1,121	-1,734
Dividend etc. ¹	-63	-13	-3,879
Cash flow from financing activities, according to IAS 7	-857	-1,104	-2,817
Cash flow for the period	-1,511	1,544	1,619

1 Of which repurchases of shares SEK -63 M.

Operating cash flow (IFRS), supplementary information

Operating cash flow

SEK M	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Construction			
Cash flow from business operations	103	827	3,735
Change in working capital	957	-1,611	226
Net divestments(+)/investments(-)	-379	-449	-1,825
Cash flow adjustment	0	0	0
Total Construction	681	-1,233	2,136
Residential Development			
Cash flow from business operations	-225	-216	-692
Change in working capital	-644	256	1,008
Net divestments(+)/investments(-)	209	-158	680
Cash flow adjustment	0	-16	233
Total Residential Development	-660	-134	1,229
Commercial Property Development			
Cash flow from business operations	341	-184	-868
Change in working capital	958	-66	-400
Net divestments(+)/investments(-)	-1,804	-508	-1,375
Cash flow adjustment	12	1	-476
Total Commercial Property Development	-493	-757	-3,119
Infrastructure Development			
Cash flow from business operations	-27	-82	-261
Change in working capital	108	2,877	2,856
Net divestments(+)/investments(-)	-65	1,351	1,501
Cash flow adjustment	0	0	0
Total Infrastructure Development	16	4,146	4,096
Central and eliminations			
Cash flow from business operations	-282	-159	-857
Change in working capital	219	-100	176
Net divestments(+)/investments(-)	-2	-19	-67
Cash flow adjustment	0	1	0
Total central and eliminations	-65	-277	-748
Total cash flow from business operations	-90	186	1,057
Total change in working capital	1,598	1,356	3,866
Total net divestments(+)/investments(-)	-2,041	217	-1,086
Total cash flow adjustment	12	-14	-243
Cash flow from business operations before taxes paid	-521	1,745	3,594
Taxes paid in business operations	-192	-218	-892
Cash flow from business operations including taxes paid	-713	1,527	2,702
Net interest items and other net financial items	94	147	253
Taxes paid in financing operations	-28	-44	-76
Cash flow from financing operations	66	103	177
Operating cash flow from operations	-647	1,630	2,879
Net strategic divestments(+)/investments(-)	-10	0	0
Dividend etc. ¹	-63	-13	-3,879
Cash flow before change in interest-bearing receivables and liabilities	-720	1,617	-1,000
Change in interest-bearing receivables and liabilities	-791	-73	2,619
Cash flow for the period	-1,511	1,544	1,619
Cash and cash equivalents at the beginning of the period	6,998	5,430	5,430
Exchange rate differences in cash and cash equivalents	41	-9	-51
Cash and cash equivalents at the end of the period	5,528	6,965	6,998

¹ Of which repurchases of shares SEK -63 M.

Group net divestments/investments (IFRS)

SEK M	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
OPERATIONS – INVESTMENTS			
Intangible assets	-48	-55	-255
Property, plant and equipment	-432	-390	-1,876
Assets in Infrastructure Development	-65	-12	-449
Shares and participations	0	-4	-154
Current-asset properties	-4,728	-4,776	-21,451
of which Residential Development	-2,269	-2,699	-10,801
of which Commercial Property Development	-2,459	-2,077	-10,650
Investments in operations	-5,273	-5,237	-24,185
STRATEGIC INVESTMENTS			
Businesses	-10	0	0
Shares	0	0	0
Strategic investments	-10	0	0
Total Investments	-5,283	-5,237	-24,185
OPERATIONS – DIVESTMENTS			
Intangible assets	0	0	1
Property, plant and equipment	89	39	213
Assets in Infrastructure Development	0	1,362	1,950
Shares and participations	0	0	458
Current-asset properties	3,143	4,053	20,477
of which Residential Development	2,478	2,586	11,767
of which Commercial Property Development	665	1,467	8,710
Divestments in operations	3,232	5,454	23,099
STRATEGIC DIVESTMENTS			
Businesses	0	0	0
Strategic divestments	0	0	0
Total divestments	3,232	5,454	23,099
TOTAL NET DIVESTMENTS(+)/INVESTMENTS(-)	-2,051	217	-1,086
Depreciation, non-current assets	-402	-348	-1,587

Capital employed in Project Development (IFRS)

SEK M	Mar 31, 2018	Mar 31, 2017	Dec 31, 2017
Residential Development	13,907	12,018	12,652
Commercial Property Development	26,021	20,657	24,481
Infrastructure Development	1,770	2,147	1,809
Total capital employed in Project Development	41,698	34,822	38,942

Parent Company¹

The parent company's revenue consists mainly of amounts billed to Group companies. The balance sheet consists of financial instruments almost exclusively in the form of intra-Group receivables and liabilities. The parent company does not report any significant events during the period.

Summary income statement (IFRS)

SEK M	Jan-Mar 2018	Jan-Mar 2017
Revenue	0	0
Selling and administrative expenses	-146	-68
Operating income	-146	-68
Net financial items	-11	-14
Income after financial items	-157	-82
Taxes	35	19
Profit for the period	-122	-63
Total comprehensive income	-122	-63

Summary balance sheet (IFRS)

SEK M	Mar 31, 2018	Mar 31, 2017	Dec 31, 2017
ASSETS			
Intangible non-current assets	15	18	16
Property, plant and equipment	2	2	2
Financial non-current assets ²	11,692	11,422	11,639
Total non-current assets	11,709	11,442	11,657
Current receivables	93	178	163
Total current assets	93	178	163
TOTAL ASSETS	11,802	11,620	11,820
EQUITY AND LIABILITIES			
Equity	7,039	6,296	7,213
Provisions	390	306	307
Non-current interest-bearing liabilities ²	4,225	4,884	4,177
Current liabilities	148	134	123
TOTAL EQUITY AND LIABILITIES	11,802	11,620	11,820

¹ As a parent company in an IFRS-group, Skanska AB applies RFR2 in its accounting.

² Of these amounts, SEK 420 M (Dec 31, 2017: 247) were intra-Group receivables and SEK 4,225 M (Dec 31, 2017: 4,177) intra-Group liabilities.

Note: The Parent Company's contingent liabilities totaled SEK 154.6 bn on March 31, 2018 (Dec 31, 2017: 155.7), of which SEK 128.3 bn (Dec 31, 2017: 129.3) was related to obligations on behalf of Group companies. Other obligations, SEK 26.3 bn on March 31, 2018 (Dec 31 2017: 26.4), were related to commitments to outside parties.

Share data

	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Earnings per share according to segment reporting, SEK ¹	1.25	3.90	12.01
Earnings per share, SEK ¹	0.53	3.38	10.00
Earnings per share after dilution, SEK ²	0.52	3.35	9.94
Equity per share, SEK ³	68.53	70.45	66.22
Adjusted equity per share, SEK ⁴	101.76	100.08	97.23
Average number of shares outstanding	408,800,900	409,538,832	409,447,407
Average number of shares outstanding after dilution	411,207,349	412,336,410	411,905,245
Average dilution, %	0.59	0.68	0.60
Number of shares, at balance sheet date	419,903,072	419,903,072	419,903,072
Average price of total repurchased shares, SEK	137.48	132.39	137.31
Number of total Series B shares repurchased	26,834,228	24,163,228	26,453,228
of which repurchased during the year	381,000	60,000	2,350,000
Number of shares in Skanska's own custody	11,151,640	10,174,063	11,190,028
Number of shares outstanding	408,751,432	409,729,009	408,713,044

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-Mar 2018	Jan-Mar 2017	Jan-Mar 2016	Jan-Mar 2015	Jan-Mar 2014
Revenue	36,950	34,182	35,297	34,065	27,871
Operating income	652	1,849	1,969	832	656
Profit for the period	510	1,596	1,519	519	445
Earnings per share, SEK	1.25	3.90	3.69	1.26	1.08
Return on capital employed, %	10.4	20.8	20.8	16.7	15.2
Return on equity, %	14.6	27.4	26.5	20.3	17.6
Operating margin, %	1.8	5.4	5.6	2.4	2.4
Return on capital employed according to IFRSs, %	7.9	21.9	15.9	15.7	14.0
Cash flow per share according to IFRSs, SEK ¹	-1.76	3.95	-8.57	-6.42	-7.92

1 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-Mar 2018	Jan-Mar 2017	Jan-Dec 2017	Mar 31, 2018	Mar 31, 2017	Dec 31, 2017
U.S. dollar	8.11	8.93	8.55	8.30	8.93	8.20
British pound	11.29	11.06	11.00	11.74	11.12	11.08
Norwegian krone	1.04	1.06	1.03	1.07	1.04	1.00
Euro	9.97	9.51	9.64	10.28	9.54	9.83
Czech koruna	0.39	0.35	0.37	0.40	0.35	0.38
Polish zloty	2.39	2.20	2.26	2.44	2.26	2.35

Construction

Revenue and earnings

SEK M	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Revenue	34,631	32,087	150,050
Gross income	1,641	2,076	8,299
Selling and administrative expenses	-1,678	-1,681	-7,132
Income from joint ventures and associated companies	-4	-3	38
Operating income	-41	392	1,205
Investments	-479	-486	-2,062
Divestments	90	37	237
Net divestments(+)/investments(-)	-389	-449	-1,825
Gross margin, %	4.7	6.5	5.5
Selling and administrative expenses, %	-4.8	-5.2	-4.8
Operating margin, %	neg	1.2	0.8
Order bookings, SEK bn	32.9	38.2	151.8
Order backlog, SEK bn	190.9	200.8	188.4
Employees	37,862	38,393	39,002

Revenue by business/reporting unit

SEK M	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Nordics	12,315	11,794	54,596
of which Sweden	7,557	6,856	33,780
Europe	7,012	6,611	33,441
USA	15,304	13,682	62,013
Total	34,631	32,087	150,050

Operating income

SEK M	Jan-Mar 2018			Jan-Mar 2017			Jan-Dec 2017		
	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Nordics	385	358	2,298	3.1	3.0	4.2	3.1	3.0	4.2
of which Sweden	279	234	1,579	3.7	3.4	4.7	3.7	3.4	4.7
Europe	-820	-191	-1,040	neg	neg	neg	neg	neg	neg
USA	394	225	-53	2.6	1.6	neg	2.6	1.6	neg
Total	-41	392	1,205	neg	1.2	0.8	neg	1.2	0.8

Operating margin, %

Order backlog

SEK M	Mar 31, 2018			Mar 31, 2017			Dec 31, 2017		
	Mar 31, 2018	Mar 31, 2017	Dec 31, 2017	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017	Mar 31, 2018	Mar 31, 2017	Dec 31, 2017
Nordics	58,407	59,976	53,779	15,716	17,890	54,720	95	118	100
of which Sweden	35,315	37,543	34,954	7,895	8,986	33,317	93	116	99
Europe	40,114	38,679	38,158	6,911	6,704	32,401	96	107	97
USA	92,412	102,137	96,474	10,257	13,621	64,690	96	149	104
Total	190,933	200,792	188,411	32,884	38,215	151,811	96	128	101

Order bookings

Book-to build, R-12m

Residential Development

Revenue and earnings

SEK M	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Revenue	1,884	3,352	13,237
Gross income	396	601	2,382
Selling and administrative expenses	-176	-163	-666
Income from joint ventures and associated companies	0	0	0
Operating income	220	438	1,716
Operating margin, %	11.7	13.1	13.0
Investments	-2,269	-2,747	-11,093
Divestments	2,478	2,589	11,773
Net divestments(+)/investments(-)	209	-158	680
Capital employed, SEK bn	13.9	12.0	12.7
Return on capital employed, % ¹	13.0	17.6	15.4
Employees	548	480	482

1 Rolling 12 months.

Revenue

SEK M	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Nordics	1,672	3,139	12,214
of which Sweden	705	1,591	7,089
Europe	212	213	1,023
Total	1,884	3,352	13,237

Operating income¹

SEK M	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Nordics	202	419	1,624
of which Sweden	82	258	1,083
Europe	18	19	92
Total	220	438	1,716

Operating margin, %¹

Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
12.1	13.3	13.3
11.6	16.2	15.3
8.5	8.7	9.0
11.7	13.1	13.0

1 Development gain only. Construction margin reported under Construction.

Homes started

	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Nordics	588	704	3,864
of which Sweden	452	357	2,408
Europe	300	154	454
Total	888	858	4,318

Homes sold

Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
474	906	3,748
241	458	2,289
141	139	537
615	1,045	4,285

Homes under construction

	Mar 31, 2018	Mar 31, 2017	Dec 31, 2017
Nordics	6,432	6,412	6,464
of which Sweden	4,193	4,326	4,144
Europe	1,079	878	779
Total	7,511	7,290	7,243

Completed unsold, number of homes

Mar 31, 2018	Mar 31, 2017	Dec 31, 2017
131	147	116
25	12	29
4	5	6
135	152	122

Homes under construction of which sold, %

Mar 31, 2018	Mar 31, 2017	Dec 31, 2017
74	81	76
74	84	78
64	63	71
73	79	76

Commercial Property Development

Revenue and earnings

SEK M	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Revenue	3,780	1,562	11,440
of which from divestment of properties	3,638	1,405	10,867
Gross income	1,083	464	2,989
Selling and administrative expenses	-216	-192	-899
Income from joint ventures and associated companies	-7	7	624
Operating income	860	279	2,714
of which gain from divestment of properties ¹	1,050	431	2,879
of which write-downs/reversal of write-downs	-1	0	-6
1 Additional gains included in eliminations	80	34	197
Investments	-2,469	-2,022	-10,716
Divestments	665	1,514	9,341
Net divestments(+)/investments(-)	-1,804	-508	-1,375
Capital employed, SEK bn	26.0	20.7	24.5
Return on capital employed, % ²	16.5	10.5	14.5
Employees	407	366	389

2 Rolling 12 months.

Revenue

SEK M				of which from divestments		
	Jan-Mar 2018	Jan-Mar 2017	Jan-Mar 2017	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Nordics	2,551	905	6,677	2,464	811	6,285
Europe	1,020	628	4,660	992	594	4,582
USA	209	29	103	182	0	0
Total	3,780	1,562	11,440	3,638	1,405	10,867

Operating income

SEK M				of which from divestments		
	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Nordics	699	305	1,816	775	348	1,850
Europe	207	22	709	273	83	1,029
USA	-46	-48	189	2	0	0
Total	860	279	2,714	1,050	431	2,879

Capital employed

SEK M	Mar 31, 2018	Mar 31, 2017	Dec 31, 2017
Nordics	9,748	8,627	8,702
Europe	7,966	6,087	8,128
USA	8,307	5,943	7,651
Total	26,021	20,657	24,481

Infrastructure Development

Revenue and earnings

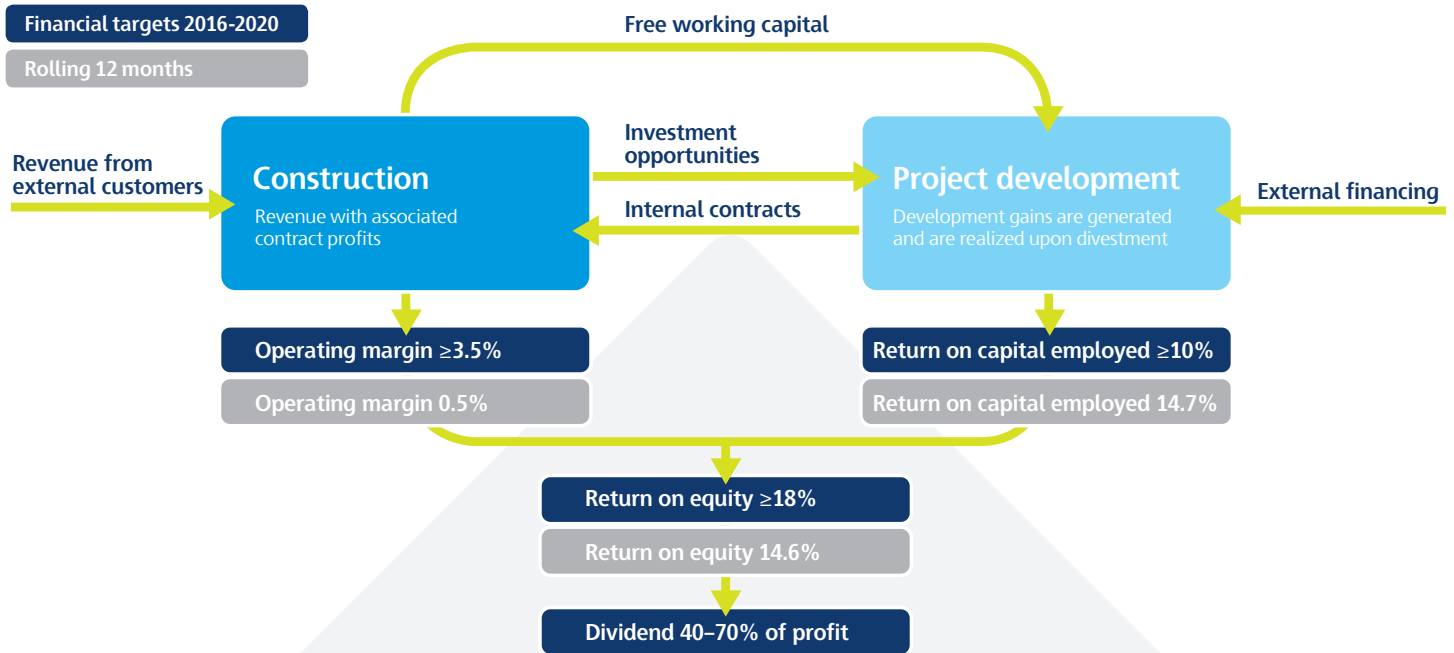
SEK M	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Revenue	16	21	81
Gross income	-32	-28	-96
Selling and administrative expenses	-119	-35	-121
Income from joint ventures and associated companies	35	1,002	1,142
Operating income	-116	939	925
of which gains from divestments of shares in projects	0	913	985
Investments	-65	-11	-449
Divestments	0	1,362	1,950
Net divestments(+)/investments(-)	-65	1,351	1,501
Capital employed, SEK bn	1.8	2.1	1.8
Return on capital employed, % ¹	6.9	38.2	3.6
Employees	66	102	94

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 Nordics, Europe and USA. 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.

Skanska’s business model



Internal contracts and cooperation

Operational and financial synergies are, amongst other things, achieved through investments in Project Development generating internal contracts for Skanska’s Construction stream, as well as through the collaboration between Business Units from different markets. Currently, SEK 29.2 billion of Skanska’s total order backlog are contracts involving more than one Business Unit and revenue from internal contracts amounted to SEK 23.6 billion on a rolling 12 month basis.

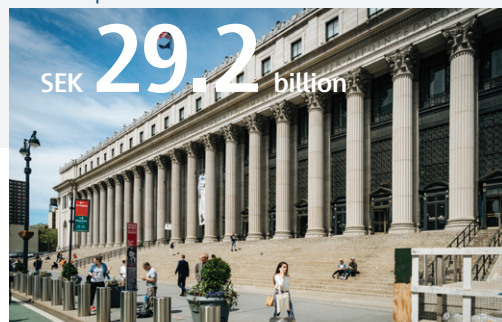
Construction revenue from internal Project Development contracts amounted to:



High Five, Krakow, Poland

Skanska has developed, constructed and sold the first two buildings of the HighFive office complex in Krakow, Poland. The project is expected to receive LEED Gold certification. It will also be certified as a “Building without barriers” for its accessible design and inclusiveness for people with disabilities.

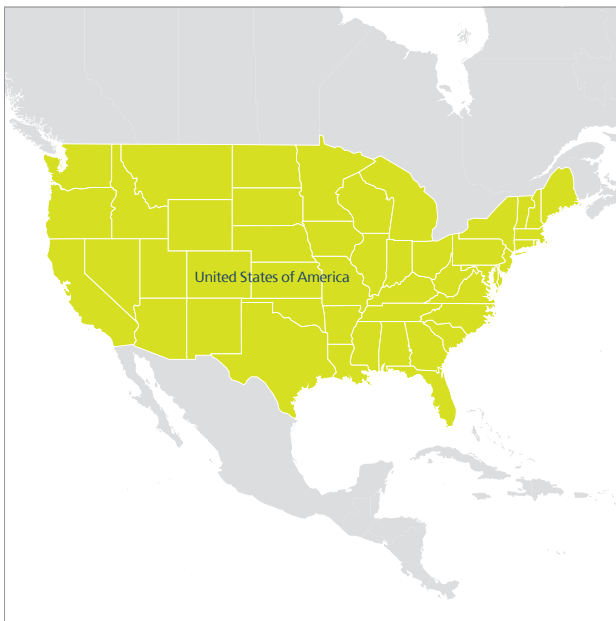
Value of orders in backlog generated in cooperation between Business Units:



Farley Post Office, New York, USA

Skanska is rehabilitating and enhancing the historic James A. Farley Post Office Building in New York City, USA. Both USA Civil and USA Building are teaming up to deliver the most attractive solution to the customer.

Skanska's home markets



For further information, please contact:

Magnus Persson, Executive Vice President and CFO, Skanska AB, tel +46 10 448 8900
André Löfgren, Senior Vice President, Investor Relations, Skanska AB, tel +46 10 448 1363
Karolina Cederhage, Senior Vice President, Communications, Skanska AB, tel +46 10 448 0880
Edvard Lind, Group Press Officer, Skanska AB, tel +46 10 448 8808

This report will also be presented via a press conference and webcast at 10:00 a.m. (CET) on May 9, 2018. The press conference will be webcasted 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, +44 203 364 5374, 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.