



Light Corner, Budapest



Havneholmen, Copenhagen



Ångpanneföreningen, Solna

Skanska Commercial Development

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Markets and products

- Offices

Stockholm, Gothenburg, Malmö, Copenhagen, Helsinki
Warsaw, Wroclaw, Prague, Ostrava and Budapest

- Retail

Sweden and Finland

- Logistics

Sweden, Denmark and Czech Rep.

Ramping up the CD business

- Market expansion

This year we have added:

- Finland
 - Logistics in Denmark
 - Wroclaw and Ostrava
- Further expansion possible

Signed lease contracts

(Renegotiations excluded)

000 sqm



Targets 2008-2010

- Total investment of SEK 14 bn during the three year period
- Minimum annual value creation of SEK 500 M.
Outperform target of SEK 700 M

Value Creation

- Annual development profit, unrealized as well as realized, less cost of development organization
- Development profit (DP) = Market value upon completion – total investment for ongoing projects
- DP on a project basis is calculated quarterly as forecasted DP fully let \times lease ratio \times completion ratio
- Changes in market value in completed projects and land is not included in value creation

Project example

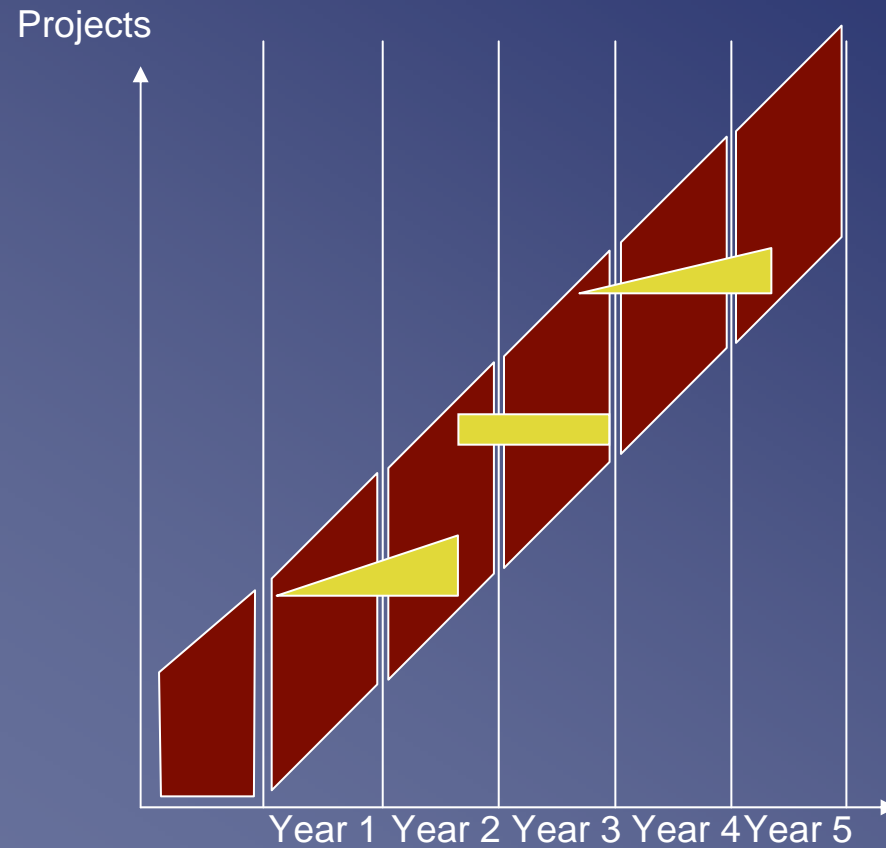
- Investment SEK 100 M
- Estimated development profit 25%
- Project start Q4
- No pre-lease
- 50% leased after 6 months
- 100% leased after 18 months
- Project sold after 21 months
- Construction period 30 months

Project example



Carrying amount	15	45	85	100
Completion rate	15%	45%	85%	100%
Occupancy rate	0%	50%	100%	100%
Development profit	0	5.6	15.6	3.8
Market value	15	50.6	106.2	125
EBIT	0	0	21.2	3.8

Value creation - a repeat business



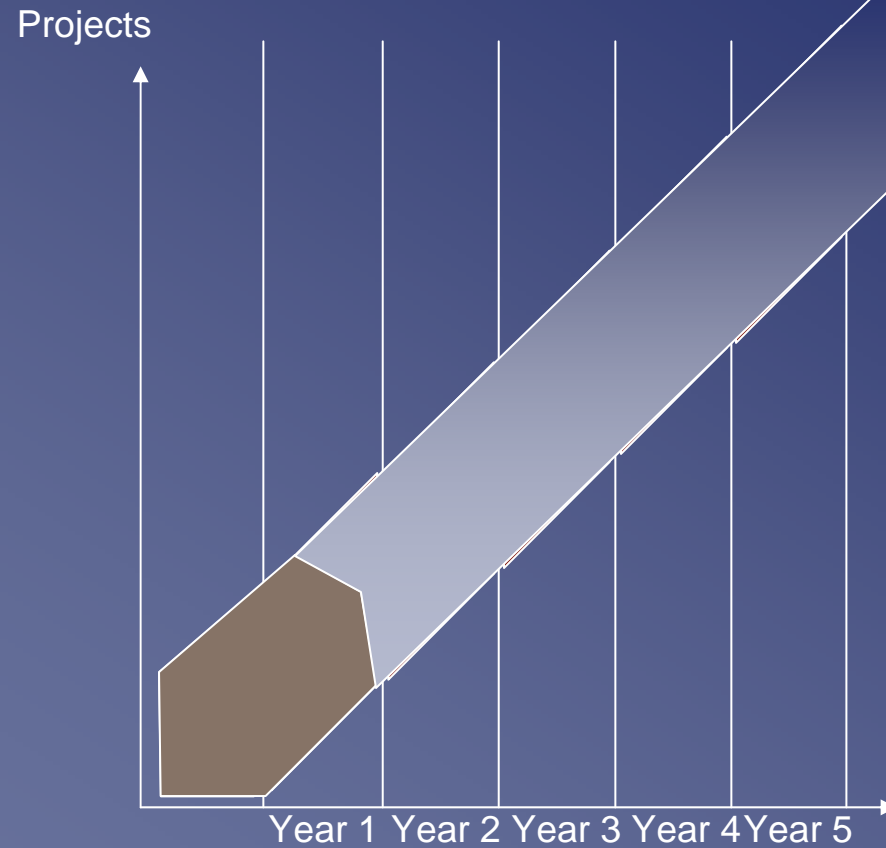
Net Asset Value in Commercial Development

SEK bn	Carrying amount, end of period	Carrying amount upon completion	Market value Dec 31, 2006		Occupancy rate, %
Completed properties	2.6	2.6	1.1	3.7	75
Ongoing projects	1.4	3.8	1.0	4.8	40
Subtotal	4.0	6.4	8.5		
Land bank	2.0	2.0			
Total	6.0	8.4			

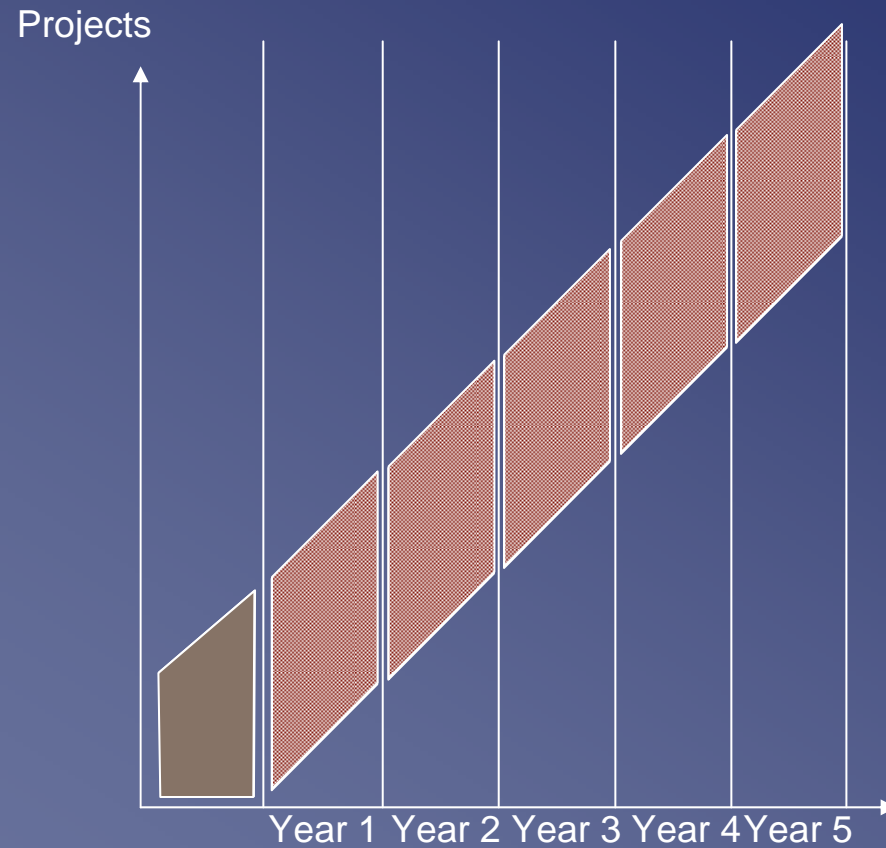
Market value

Carrying amount	6.0
Surplus value completed properties	1.1
Surplus value land bank	0.0
DP in ongoing projects	1.0
Total	8.1

Value creation - a repeat business



Value creation - a repeat business



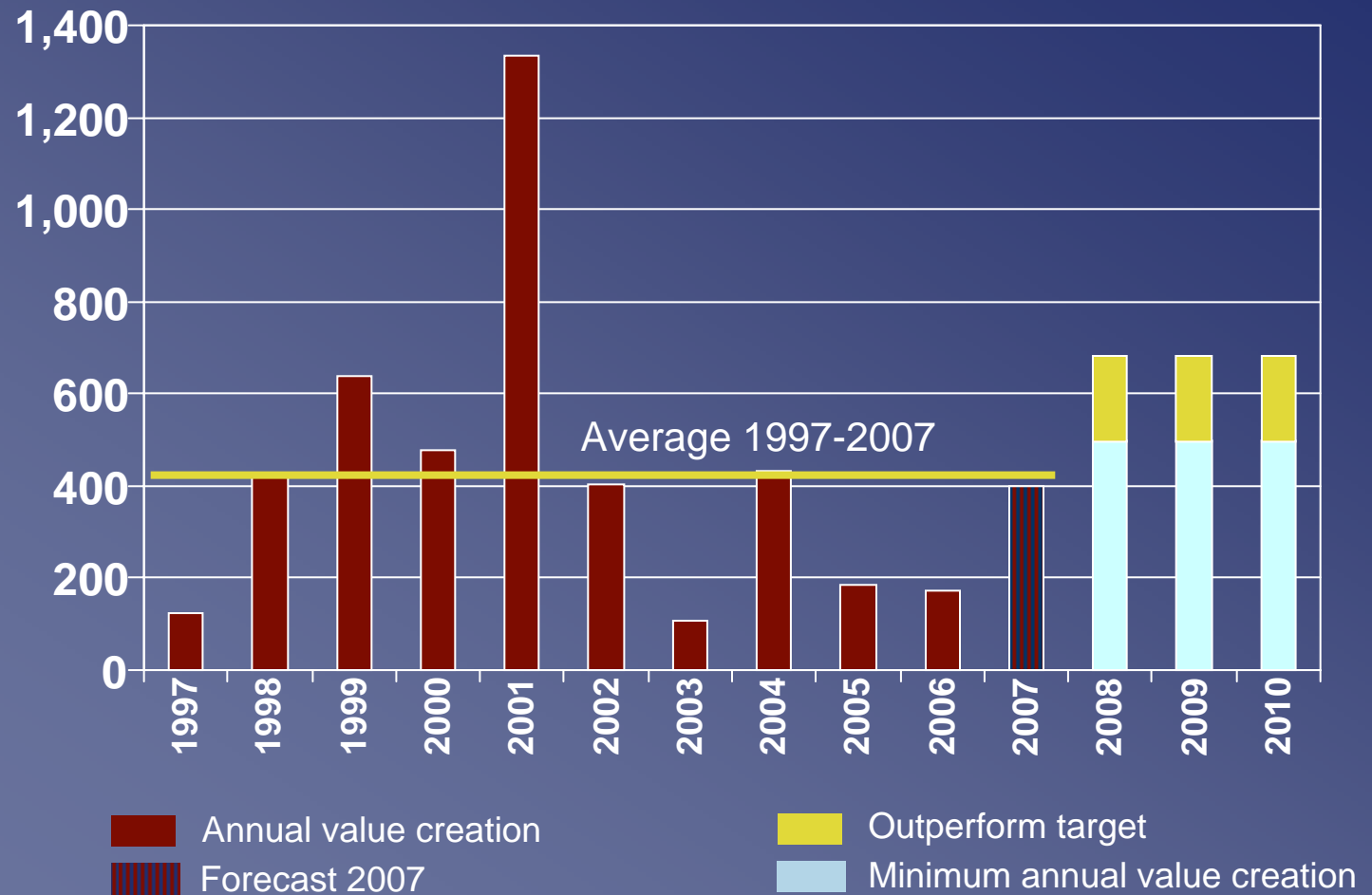
Market value + Value Creation

SEK bn	Carrying amount, end of period	Carrying amount upon completion	Market value Dec 31, 2006		Occupancy rate, %
Completed properties	2.6	2.6	1.1	3.7	75
Ongoing projects	1.4	3.8	0.2	4.8	40
Subtotal	4.0	6.4		8.5	
Land bank	2.0	2.0	0.3	2.3	
Total	6.0	8.4			

Market value

Carrying amount	(6.0)	6.0	} + value creation
Surplus value completed properties	(1.1)	1.1	
Surplus value land bank	(0.0)	0.3	
<i>Accrued</i> DP in ongoing projects	(1.0)	0.2	
Total	(8.1)	7.6	

Value Creation 1997-2010



Continuous reporting

- Market value of completed properties, projects and land
- Investments in ongoing projects, rolling 12 months
- Value creation, rolling 12 months

Risk management

- Capital at Risk concept to monitor and limit risk
- Governed by Skanska AB Board
- Cap on committed or existing investments connected to premises with vacancies

An aerial photograph of a city, likely Stockholm, Sweden, showing a large river, a highway, and various buildings. The image is used as a background for the text.

Summary

- Well performing business with proven track record
- Increased investment rate
- Focus on continuous value creation

SKANSKA