

# Press Release

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## **Skanska acquires interest in new power company in the expansive Brazilian electricity market – generates building contract worth SEK 400 million**

Skanska BOT AB has acquired 29 percent of the shares in a newly established company that will build, own and operate the Ponte de Pedra hydropower project in Brazil. The investment, which amounts to USD 15 million (approx. SEK 150 million), will yield returns from a profitable power plant with low production costs per MW, in addition to generating a major contract for Skanska's Argentinean subsidiary, Sade Skanska.

The total contract value amounts to USD 140 million, of which Sade Skanska's share is 29 percent, or USD 40 million (SEK 400 million). The project will be completed by Sade Skanska in a consortium with the other owners, Impreglio of Italy and the Brazilian companies Servix and Inepar.

The project will be financed by loans from Brazil's development bank, BNDES.

The Ponte de Pedra Hydroelectric Station will be built in the Mato Grosso region and have a capacity of 180 MW. The consortium has received a concession from the Brazilian National Agency of Electric Energy, Aneel, to operate the power plant for 35 years.

An environmental impact evaluation has been conducted to ensure that environmental impact will be minimized. The project has also received approval from the Brazilian Ministry of the Environment. Construction will begin during the spring of 2001 and electricity production is expected to be under way in 2004.

"This investment will yield favorable returns, while it is, in our view, an ideal opportunity to enter the Brazilian power market, both as investors and as builders," says Bert-Ove Johansson, President of Skanska BOT AB. "There is great potential for us here. The demand for electrical power is sharply increasing and the country is planning for an expansion of approximately 3,000 MW annually over the next ten years."

"This new contract will enable Sade Skanska to expand its presence in Brazil to include the growing market for hydroelectric power plant

construction. We have mainly carried out power line construction projects until now,” comments Mario Piantoni, President of Sade Skanska.

Since earlier this year, Skanska BOT AB is a partner in the Cahua hydroelectric power project in Peru, where an expansion is now planned, and the new toll highway in Santiago de Chile. This project will generate Sade Skanska’s largest construction contract worth about USD 190 million.

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