

Press Release

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Skanska preferred bidder for the largest UK PFI hospital project – estimated value SEK 13 billion

The Skanska Innisfree consortium and Barts and the London NHS Trust have executed a preferred bidder agreement for the UK's largest privately financed hospital project. Skanska and Innisfree will redevelop St. Bartholomew's Hospital (Barts) and The Royal London Hospital in central London.

The assignment is the largest ever secured by Skanska and entails a total undertaking comprising the design, construction, operation and maintenance of the hospitals, as well as investment and participation in the consortium of owners that will operate the hospitals during the 38-year concession period.

The value of the construction project is in the order of SEK 12.75 billion (GBP 1 billion). Skanska UK will be responsible for this part of the project and will also participate in providing operation and maintenance, the value of which is not included in the construction project.

Skanska BOT along with Innisfree will lead the consortium of owners and investors. Skanska's investment amounts to approximately SEK 350 M.

It is expected that contracts and financing agreements will be signed early in 2005. Thereafter the order will be included in Skanska's order bookings.

The final design of the project is being developed in close collaboration with Barts and the London NHS Trust. Processing of all necessary permits, preparatory work on sites and other work will start immediately. The consortium's commitment to making the project a success is underlined by the substantial costs it will incur before concluding the financing of the project.

"This is Britain's biggest hospital redevelopment and I am confident that in Skanska Innisfree we have chosen the right partner to deliver leading edge facilities that will complement the skills of our staff", says Paul White, Chief Executive of Barts and The London NHS Trust. "The Trust was impressed by the consortium's cohesion, its open

management style, and commitment to developing long-term relationships with staff – all vital in a project of this scale and duration.”

“We are proud and pleased to have been selected for this prestigious project. In collaboration with the Trust, we have developed long-term service-focused solutions for these hospitals. This win confirms Skanska’s leading position in the PFI market”, says Thomas Alm, Executive Vice President, Skanska AB.

The construction assignment involves the construction of two new hospitals, Barts and The Royal London, and incorporates the modernization of the existing buildings. The project comprises a total of 250,000 square meters and will be conducted in stages.

The Royal London Hospital is the District General Hospital for Tower Hamlets, East London and a specialist services center for patients across London and beyond, including London’s leading trauma and emergency care center. Barts, located in the City of London, specializes in the care of patients with cancer and heart conditions. The hospitals have a total of 1248 beds. Both hospitals will remain operational during the entire construction process, which is expected to be completed by 2013.

Within the PFI scheme Skanska has already secured assignments valued at a total of more than GBP 2.5 billion (approximately SEK 32 billion), excluding the project at hand. This will be Skanska’s fourth PFI hospital project in which Skanska is taking part as both investor and contractor.

More information and images are available at:

www.skanska.com/bartsandthelondon

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