

Press Release

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Skanska reduces overhead costs

During the year, Skanska has continuously reviewed the Group's selling and administrative expenses, with the aim of adapting these costs to current market conditions. The costs of the cutbacks in 2003 have been continuously charged to the earnings of the business units where the actions have been taken.

It is expected that the measures undertaken in 2003 will result in a 5 to 7 percent reduction of the Group's overhead costs for comparable units for full-year 2004. This corresponds to a cost reduction in the range of SEK 500 M.

For the fourth quarter of 2003, the review will result in a reduction in headcount corresponding to about 300 employees and restructuring costs of about SEK 225 M. These costs will be charged to the earnings for the fourth quarter and the employees will leave the company during 2004.

The business units affected by the measures in the fourth quarter are Skanska Norway (formerly Selmer Skanska), Skanska Sweden and Skanska UK. In addition, the support unit Skanska Teknik and Skanska Russia (formerly a part of business unit Skanska OY) will also be affected.

"By implementing these measures, we have adjusted our selling and administrative expenses to current operations and volume in the markets throughout the world where we are active. This is an important step for us in achieving our goal of a 2.5 percent operating margin in construction operations," says Hans Biörck, CFO, Skanska AB.

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