

**Skanska and Costain sign letter of intent for London hotel project valued at GBP 46 M, about SEK 615 M**

Skanska and Costain will extend and refurbish the classic Great Western Royal Hotel at Paddington Station, the hub for the London rapid transit line to Heathrow Airport.

A binding letter of intent has been signed with the British real estate company Muirgold Ltd. The contract is expected to be signed at the end of this month.

The project is valued at GBP 46 M, about SEK 615 M, of which Skanska accounts for half. The assignment is being carried out in a 50/50 consortium between Costain and Skanska UK.

Construction has begun, with completion due in autumn 2000, when the Great Western Hotel can reopen. The four-star hotel with 355 rooms will be operated by Hilton International.

The new hotel will have 25,000 sq. m. of floor space, of which 5,000 sq. m. in the new extension. The inside of the existing building will be rebuilt and refitted entirely, including services installations. The facade, which is partially protected as an historic structure, will be renovated and complemented.

“In addition to the new contract, the consortium has executed preconstruction work for approximately GBP 1.8 M, about SEK 24 M. Winning the assignment as main contractor is recognition of our efforts. We underlined our abilities with regard to hotel construction with the successful completion of the Radison SAS hotel at the Manchester International Airport,” says Lars Johansson, Managing Director of Skanska UK.

Skanska holds 7.6 percent of the shares in Costain. Under the theme “Partners for Progress,” cooperation is being developed between the companies. The Swedish-British consortium has won more than GBP 115 million (SEK 1.5 billion) of work during the past year.

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