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Information prior to the six month report for 1999

Impact on Skanska's financial statements of divestment of shares in Scancem

Early in the second quarter of 1999, Skanska signed a binding agreement concerning the sale of all of the Group's shares in the international building materials group Scancem to the German-based Heidelberger Zement. In keeping with the accounting principles that Skanska applies, Scancem is treated in the financial statements as an associated company until the divestment date, that is, until the date when a binding sales agreement existed.

In Skanska's six month report for January – June 1999, the net effect on earnings connected to its holding in Scancem and to the share divestment, respectively, totaled SEK 2,640 M, as follows (SEK M):

	Jan-Jun 1999	Jan-Jun 1998
Operating income		
Share of income in associated companies	341	79
Items affecting comparability	<u>3,280</u>	<u>-</u>
	3,621	79
Net financial items		
Dividend	<u>259</u>	<u>-</u>
	259	
Income after financial items	3,880	79
Taxes	- 1,245	-1
Minority interests	<u>-15</u>	<u>-19</u>
Net profit for the period	2,640	59

The operating income of Skanska for the first half of 1999 includes a share of Scancem's income after financial items up to the divestment date. This is reported under the item "Share of income in associated companies" and (net after taxes) correspondingly increased the book value of the Scancem shares in the Group's consolidated financial statements.

The capital gain from the divestment of Skanska's shares in Scancem, calculated as the difference between sales proceeds (after subtracting transaction costs) and book value in the consolidated financial statements, is reported under the heading "Items affecting comparability."

Scancem paid its dividend to shareholders after the divestment date and this dividend is thus included in the Skanska Group's income for the period.

Skanska received the sale proceeds on July 26, 1999, that is, after the close of the accounting period. This is reported in the consolidated balance sheet on June 30, 1999 as a receivable of about SEK 8.5 billion.

Consolidation of acquired companies

In keeping with the changed application of accounting principles concerning consolidation of acquired companies and deconsolidation of divested companies (see press release dated June 15, 1999), companies acquired by Skanska during the first half of 1999 are consolidated effective from the beginning of the period specified below:

SADE	1 st quarter
Parquets Marty S.A.	1 st quarter
Gottlieb Group	2 nd quarter
Alex J. Etkin Inc.	2 nd quarter

Comparative figures concerning companies and operations acquired during 1998 will be adjusted to reflect this change. This adjustment reduces the net sales for the period but does not have any impact on the earnings reported.

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