

SKANSKA YEAR-END REPORT, 1999

STRONG GROWTH AND SHARPLY HIGHER EARNINGS

- Order bookings rose by 25 percent to SEK 96,894 M (77,383)
- Net sales rose by 27 percent to SEK 79,128 M (62,435)
- Income from operations, gross, rose by 61 percent to SEK 2,259 M (1,407)
- Earnings per share amounted to SEK 37.6 (24.4)
- Proposed regular dividend of SEK 12 per share (12)
- Proposed extra dividend of SEK 4 per share
- Proposal concerning buy-backs of shares

“On the whole, 1999 was a very good year for Skanska,” says Skanska’s President and CEO Claes Björk in a comment to the Group’s 1999 Year-End Report.

“We had strong growth in construction operations, at the same time as our margins improved significantly. Through acquisitions, we entered new geographic markets with attractive potential. We have also established ourselves as a large-scale supplier of construction-related services within telecommunications and information technology. Here, as in facilities management, I see good opportunities to further enlarge our operations over the next few years.

“Our project development operations also expanded. Altogether we invested nearly SEK 6 billion in new commercial and residential projects last year. Another important element of our strategy is to sell the projects and properties that we develop. Last year we sold nearly SEK 4 billion worth of properties, with capital gains totaling SEK 1 billion. Our remaining property portfolio and ongoing projects still have substantial surplus value that we will realize over time.

“We are continuing to focus increasingly on our core business. Having divested our shares in Scancem last year and our holding in SKF early this year, our last significant non-core shareholdings have been sold, in both cases with good capital gains.

“The capital thus freed up will be invested primarily in our core business. Meanwhile we must continuously adjust our capital structure to the needs of our operations. The Board’s proposal concerning buy-backs of Skanska shares should, among other things, be viewed in this light.”

Stockholm, Sweden, February 24, 2000

Skanska AB

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Enclosed: Skanska Group, Year-End Report, 1999 Results

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SKANSKA GROUP

YEAR-END REPORT, 1999 RESULTS

Financial highlights of the year

	1999	1998
Net sales, SEK M	79,128	62,435
Gross income, SEK M	2,259	1,407
Operating income, SEK M	6,901	4,376
Income after financial items, SEK M	6,862	4,825
Operating margin in construction operations, %	2.7	1.9
Return on capital employed, %	31.5	27.0
Net profit per share, SEK	37.6	24.4
Regular dividend per share, SEK	12	12
Extra dividend per share, SEK	4	-
Gross investments	8,866	5,011
Order bookings	96,894	77,383
Order backlog	93,686	67,871

OVERALL COMMENTS

The pace of growth in the Group's operations remained high during 1999. Net sales rose by 27 percent, while gross income from business operations jumped 61 percent to SEK 2,259 M.

Strong growth and higher margins in construction operations

In construction operations, both earnings and margins improved, with especially good performance in the United States, Finland and Sweden. During 1999, Skanska further expanded its geographic market base, among other things through the acquisition of the leading Argentine-based company SADE and through add-on acquisitions in the United States and Central Europe.

Leading residential builder

During the year, the Group started the construction of about 8,000 residential units in the Nordic countries, making Skanska the leading residential builder in the region.

Higher investments in project development

The demand for commercial and residential space remained strong in the local markets where the Group engages in project development. Gross investments in new projects rose significantly during 1999 and the profitability of current projects is considered good. During the year, Skanska also sold completed properties and projects with good capital gains. The turnover rate in the real estate portfolio remained high, but the ambition in this area is to step up the pace further.

Infrastructure for IT and telecommunications

Strong growth in the information technology and telecom sectors is creating new business opportunities for the expertise that Skanska represents. During 1999, the Group established itself as a supplier of construction-related and other services to new, rapidly growing corporate customers in these fields. Its alliance with MasTec, a leading American supplier of distribution solutions for the data, telecom and electric power sectors, resulted in a major order late in 1999 related to the expansion of the U.S. fiber optic network. Similar projects are also underway in Sweden and Denmark. This field is expected to be increasingly important to Skanska over the next few years.

Facilities management

The scale of outsourcing both in the business sector and the public sector is increasing. Operations outside of an organization's core activities are being purchased from outside suppliers instead of being handled using internal resources as previously. This trend is creating new business opportunities for Skanska, which can offer expertise in the operation, maintenance and renovation of properties and facilities, usually referred to as facilities management. By acquiring Ericsson Real Estate & Services, a subsidiary of the Ericsson telecommunications group, the Group will strengthen its platform for expanding this business further, both in Sweden and abroad. This acquisition is expected to be completed in the near future.

BOT

The market for privately financed infrastructure projects is growing and offer new business opportunities. The Group is currently involved in a few BOT projects. In joint venture with the British construction company Costain, a BOT-contract concerning a hospital in London was signed in December 1999.

Continued move toward focus on core business

The Group is continuing to move toward a greater focus on its core business. During 1999, Skanska sold its shareholding in the building materials group Scancem and early in 2000 it sold its shares in the bearings and steel group SKF and the commercial real estate company Piren, in all cases with good capital gains. As a first step in the divestment of the component companies that are part of Skanska Europe, late in 1999 the Essmann Group was sold.

Proposed dividend

The Board of Directors is proposing a regular dividend of SEK 12 (12) per share plus an extra dividend of SEK 4 per share.

Proposal concerning buy-backs of shares

The Board of Directors will propose that the Annual Meeting of Shareholders authorize the Board to approve buy-backs of Skanska's own shares. The proposal means that a maximum of 11,385,496 Series B shares, equivalent to 10 percent of all shares in the Company, may be bought back during the period until the next Annual Meeting. The purpose is to enable the Company to adjust its capital structure.

ORDER BOOKINGS AND ORDER BACKLOG

The Group's order bookings for 1999 were SEK 96,894 M (77,383), up 25 percent compared to 1998. Operations outside Sweden accounted for 77 percent (73) of order bookings. For comparable units, total order bookings were 12 percent higher than the preceding year. Of the total increase, approximately SEK 1,770 M was attributable to currency rate effects.

The order backlog rose by 38 percent and stood at SEK 93,686 M (67,871) at the end of 1999. Of this, 87 percent (81) was related to operations outside Sweden. For comparable units, order backlog rose by 24 percent. Of the total increase,

about SEK 2,280 M was attributable to currency rate effects.

NET SALES AND EARNINGS

The Group's net sales rose by 27 percent to SEK 79,128 M (62,435), of which 72 percent (68) consisted of net sales in markets outside Sweden. For comparable units, net sales rose 15 percent. Of the total increase, approximately SEK 1,235 M was attributable to currency rate effects.

Income from operation, gross, rose to SEK 2,259 M (1,407).

Operating income amounted to SEK 6,901 M (4,376), of which SEK 657 M (684) consisted of Skanska's share of income in associated companies and SEK 703 M (1,266) capital gains on divestments of properties. Operating income also includes items affecting comparability, relating to the sale of shares in Scancem, of SEK 3,287 M (1,033: sale of timberland assets etc.). Operations acquired during the year accounted for SEK 151 M of operating income.

Income after financial items amounted to SEK 6,862 M (4,825). Capital gains on shares sold (besides Scancem) amounted to SEK 27 M (646) and net interest items totaled SEK -338 M (-197).

Net profit per share amounted to SEK 37.60 (24.40). Return on capital employed was 31.5 percent (27.0) and return on shareholders' equity was 28.6 percent (22.0). Excluding items affecting comparability and capital gains from the divestment of shares, return on capital employed was 17.3 percent (18.3).

INVESTMENTS

During 1999, the Group's gross investments amounted to SEK 8,866 M (5,011) and consisted mainly of project development investments. Divestments totaled SEK 12,739 M (5,239), with the sale of shares in Scancem accounting for a large proportion. Investments and divestments are specified in the adjacent table.

(SEK M)	1999	1998
Investments		
Properties in real estate operations	-2,483	-1,163
Current-asset properties	-3,389	-1,832
Acquisitions of subsidiaries	-1,376	-606
Other investments	-1,618	-1,410
	-8,866	-5,011
Divestments		
Properties in real estate operations	1,376	2,050
Current-asset properties	2,332	936
Sale of shares etc.	8,774	2,168
Other divestments	257	85
	12,739	5,239
Net	3,873	228

Project development

The Group's gross investments in project development nearly doubled to SEK 5,872 M (2,995) during the year. This included projects in Skanska's real estate operations, which take place mainly in the Project Development and Real Estate business area, as well as current-asset properties, which refers to project development carried out in other business area, with an emphasis on residential properties with relatively short throughput times.

Most investments are related to projects in Sweden and Finland, but Skanska also carries out project development in Denmark, Poland, Hungary and other markets.

During the year, real estate projects worth a total of SEK 3,708 M (2,986) were sold at a gain of SEK 1,097 M (1,499). As a result, net investments in project development amounted to

SEK 2,164 M (9).

Acquisitions

During the year, the Group acquired companies costing a total of SEK 1,376 M (606). This was mainly related to the acquisitions of the French wood flooring manufacturer Marty, the two American construction companies the Gottlieb Group and Alex J. Etkin, and the Argentine-based construction company SADE.

CASH FLOW AND FINANCIAL POSITION

The Group's net cash flow for the year totaled SEK 2,088 M (882) and is specified in the

Cash flow (SEK M)	1999	1998
From business operations	3,199	2,744
Taxes	-596	-397
From business operations, net	2,603	2,347
Net divestments	3,873	228
Of which, not affecting cash flow	-1,063	131
Change in financial receivables	114	-226
Taxes	-1,090	-2,719
From investment operations, net	1,834	-2,586
From financing operations, net	-2,349	1,121
Cash flow for the year	2,088	882

adjacent table.

Liquid assets and interest-bearing receivables increased during the year by a total of SEK 1,898 M to SEK 7,775 M (5,877). Interest-bearing loan liabilities, including pension liabilities, increased by SEK 535 M to SEK 8,390 M (7,855). The increase is explained mainly by loans in acquired companies and an increase in estimated pension liabilities. Principal payments are occurring as the loans fall due for payment. At year-end, interest-bearing net indebtedness was SEK 615 M (1,978).

At year-end, the visible equity/assets ratio of the Group was 32.5 percent (30.7).

SHARES IN LISTED COMPANIES

The market value of the Group's shareholdings in stock exchange-listed companies totaled SEK 5,047 M on December 31, 1999, with a book value amounting to SEK 2,226 M. After the divestments of its holdings in Piren and in SKF (see below), the market value of the Group's holdings of listed shares totaled SEK 1,896 M on February 22, 2000, with a corresponding book value of SEK 1,200 M.

SKANSKA SHARE DATA

The market price of a Skanska share at year-end was SEK 317 (latest paid), an increase of 41 percent from the beginning of 1999. During the year, the General Index for shares on the Stockholm Stock Exchange rose by 66 percent. At year-end, Skanska's market capitalization was about SEK 36 billion.

PERSONNEL

The average number of employees in the Group during the year was 45,063 (39,246). The increase

was mainly explained by acquisitions.

RESULTS BY BUSINESS AREA

SKANSKA USA

The U.S. construction market remained strong during 1999.

Skanska USA's order bookings rose by 31 percent to SEK 50,278 M (38,469). For comparable units, the increase was 7 percent.

Year-end order backlog totaled SEK 67,124 M (43,050), of which 75 percent (72) consisted of building construction assignments, mainly so-called directly negotiated contracts related to commercial and office space. During 1999, order backlog climbed by 56 percent.

Net sales rose by 47 percent to SEK 35,437 M (24,072). For comparable units, the increase was 21 percent. Operating income jumped to SEK 851 M (398), and operating margin improved to 2.4 percent (1.7). For comparable units, operating income more than doubled to SEK 819 M (398). The significant improvement in the operating margin of the business area was due to an improvement in the margin of civil construction and the fact that the proportion of civil work in the business area's construction mix was higher than in 1998. Operating income included SEK 50 M (17) in realized project development gains.

SKANSKA SWEDEN

Construction investments in Sweden rose by 5 percent during 1999. The increase was related to housing as well as office buildings and other types of commercial space. Civil construction was at a lower level compared to 1998.

Skanska Sweden's order bookings rose by 10 percent to SEK 23,430 M (21,358). The increase was attributable both to Swedish operations and project exports. Order backlog at the end of the

year amounted to SEK 13,553 M (13,696).

Net sales rose by 12 percent to SEK 23,561 M (21,118) and operating income increased to SEK 737 M (496). Operating margin thus improved to 3.1 percent (2.3). The main reason behind the improvement in earnings was lower overhead due to structural efficiency measures. Operating income included realized project development gains of SEK 151 M (164).

SKANSKA EUROPE

Construction operations

The Finnish construction market remained strong during 1999. The Danish construction market slowed but remains strong in Copenhagen and certain other growth regions. In Warsaw, Poland; Prague, Czech Republic; and Budapest, Hungary, the demand for modern office space remained good. In Russia, political and economic uncertainty adversely affected the market situation.

Order bookings in Skanska Europe's construction operations rose by 41 percent to SEK 16,544 M (11,703). The increase occurred in most major markets. Year-end order backlog amounted to SEK 12,412 M (10,356).

Net sales in construction operations rose by 22 percent to SEK 14,241 M (11,681), while operating income rose to SEK 355 M (177). Operating margin thus climbed to 2.5 percent (1.5). In the business area's project development work, a build-up of the portfolio is currently underway, with an expected favorable impact on earnings as projects are completed and sold. Operating income included SEK 193 M (52) in realized project development gains.

Components and services

Increased building construction in Sweden and other Nordic countries is helping strengthen the demand for the business area's flooring and window products.

The order bookings of Skanska Europe's

component operations rose by 13 percent to SEK 6,642 M (5,853). Year-end order backlog was SEK 597 M (769).

Net sales in component operations rose by 16 percent to SEK 6,718 M (5,779). Operating income rose to SEK 319 M (193). Operating margin thus improved to 4.7 percent (3.3). Operating income included SEK 108 M in income from units acquired during the year.

A process aimed at selling Skanska Europe's component companies began during the year. As part of this process, late in 1999 the Essmann Group was sold to Alpinvest Holding NV, a private equity company based in the Netherlands. The divestment yielded a small capital gain.

SKANSKA PROJECT DEVELOPMENT AND REAL ESTATE

The demand for office and commercial space in the metropolitan regions where Skanska's properties are located was strong during 1999. This contributed to higher market rent levels and high occupancy rates.

Operating income in the business area's property management improved to SEK 634 M (555). Aside from higher rent levels, lower costs for adapting premises to tenant requirements contributed to the improvement.

The prospects for developing new real estate projects are good. During 1999, ten projects were completed, which in principal were fully leased at year-end. The book value of these projects, which are reported as investment properties effective from January 1, 2000, was about SEK 1.3 billion at year-end, and their estimated yield was about 11 percent.

The business area currently has ten major projects

underway. Of these, seven are in Sweden and three in markets abroad. About half of total project volume is in the Stockholm region. About 60 percent of the approximately 160,000 m² (1.72 million sq ft) of space included in these projects has been pre-leased. Most of the projects are in an early stage. Their book value after completion is estimated at about SEK 2.4 billion. The expected yield on book value is about 11 percent. Given current interest rates and return requirements in the real estate market, this indicates substantial surplus value.

During 1999, the business area's sales of projects and fully developed properties totaled SEK 1,438 M, with a capital gain totaling SEK 803 M (1,167). In the consolidated financial statements, SEK 113 M of this gain related to the sale of real estate to the associated company Piren has been eliminated.

The book value of the investment properties in the business area on December 31, 1999 totaled SEK 6,919 M (6,359), with a yield of 11.2 percent (10.9). The market value of these properties is estimated at about SEK 13.2 billion (11.6).

EVENTS AFTER THE END OF 1999

Divestment of shares in Piren

Late in January 2000, the Group sold all its shares, comprising 49 percent of voting power and capital, in the real estate company Piren AB to Rodamco Continental Europe N.V for about SEK 1,400 M. In the consolidated financial statements, the divestment yielded a capital gain to Skanska of about SEK 648 M. This marked the completion of Skanska's sale of a number of shopping centers which, in a first step, were sold to Piren in 1996 in exchange for a cash payment plus shares in Piren.

Divestment of shares in SKF

Late in January 2000, the Group sold all its shares in AB SKF, equivalent to 8.7 percent of the capital and 17.7 percent of the voting power in the

company. The shares were sold in a market transaction to a number of Swedish and international institutional investors. The purchase price was about SEK 2 billion. The divestment, which yielded a capital gain of about SEK 1,725 M in the consolidated financial statements, should be viewed in light of Skanska's strategy of focusing the Group's resources entirely on its core business in construction-related services and project development.

Employee stock options

Skanska's Board of Directors has decided to allot, without payment, employee stock options to 10 individuals in the Group Management of Skanska. The program encompasses a total of 294,000 synthetic options, of which 60,000 to Claes Björk, CEO. These options have an exercise price amounting to 125 percent of the average latest price paid for a Skanska Series B share during the period February 28 – March 3, 2000 and may be exercised during the period March 3, 2003 – March 31, 2005.

PROPOSED DIVIDEND

The Board of Directors proposes a regular dividend of SEK 12 per share (12) for the 1999 financial year. Beyond this, the Board proposes an extra dividend of SEK 4 per share. Altogether, this would mean a total dividend amount of SEK 1,822 M (1,366).

PROPOSAL FOR BUY-BACKS OF SHARES

The Board of Directors will propose that the Annual Meeting of Shareholders authorize the Board to approve buy-backs of Skanska's own shares. The proposal means that a maximum of 11,385,496 Series B shares, equivalent to 10 percent of all shares in the Company, may be bought back during the period until the next Annual Meeting. The purpose of the buy-backs is to enable the Company to adjust its capital structure.

THE 1999 ANNUAL REPORT

Skanska's Annual Report for the 1999 financial year will be distributed in early April and will be available to the public from that time onward at the Company's Group Headquarters in Stockholm.

ANNUAL MEETING

The Annual Meeting of shareholders in Skanska AB will be held at the Cirkus auditorium in Stockholm, Sweden at 4 p.m. on May 2, 2000.

A nomination committee has been appointed, entrusted with presenting proposals to the Annual Meeting for members to be elected to Skanska's Board of Directors. The committee consists of Bo Rydin, Chairman of Skanska AB and AB Industrivärden, Joachim Spetz, Head of Robur Kapitalförvaltning, Jan Jeppsson, member of the Board of Directors of Fastighets AB Tornet; and Thomas Halvorsen, President of the Swedish National Pension Insurance Fund, Fourth Fund Board.

OUTLOOK FOR 2000

In light of the order situation at the beginning of the year and the relatively good economic picture in most of the Skanska Group's main markets, the outlook for the Group's operations during 2000 is considered good.

Stockholm, February 24, 2000

Skanska AB

Board of Directors

This report has not been subjected to separate examination by the Company's auditors.

The Skanska Group's next financial report, covering the first quarter of 2000, will be published on May 2, 2000.

CONSOLIDATED FINANCIAL STATEMENTS

Figures for 1998 are based on pro-forma accounting.

SKANSKA GROUP

INCOME STATEMENT

SEK M	Oct-Dec 1999	Oct-Dec 1998	Jan-Dec 1999	Jan-Dec 1998
Net sales	22 289	20 039	79 128	62 435
Operating expenses ¹⁾	-19 997	-18 271	-71 305	-56 598
Selling and administrative expenses ²⁾	-1 550	-1 196	-5 564	-4 430
	742	572	2 259 ³⁾	1 407 ³⁾
Gain on sale of properties	448	27	703	1 266
Writedowns/reversals of writedowns	-5	-14	-5	-14
Share of income in associated companies	98	270	657	684
Items affecting comparability ⁴⁾	7	-2	3 287	1 033
Operating income	1 290	853	6 901	4 376
Dividends	0	0	282	57
Net interest items	-91	-41	-338	-197
Gain on sale of shares & participations	0	0	27	646
Other financial items	41	-29	-10	-57
	-50	-70	-39	449
Income after financial items	1 240	783	6 862	4 825
Taxes	-347	-409	-2 483	-1 965
Minority interests	-30	-38	-98	-78
Net profit for the year	863	336	4 281	2 782

CASH FLOW ⁵⁾

SEK M	Oct-Dec 1999	Oct-Dec 1998	Jan-Dec 1999	Jan-Dec 1998
Cash flow from continuing operations	1 832	1 420	2 603	2 347
Cash flow from investment operations	-1 957	-306	1 834	-2 586
Cash flow from financial operations	-879	-549	-2 349	1 121
Cash flow from the period	-1 004	565	2 088	882

BALANCE

SEK M

ASSETS	Dec 31, 99	Dec 31, 98	SHAREH EQUITY & LIABILITIES	Dec 31, 99	Dec 31, 98
Properties in real estate operations	10 236	8 597	Shareholders' equity	16 391	13 519
Shares and participations	2 602	7 157	Minority interests	292	271
Other fixed assets	7 511	6 773	Interest-bearing liabilities & provision	8 390	7 855
Interest-bearing receivables	2 192	2 372	Non-interest bear liabilities & provisic	21 340	19 251
Non-interest bearing receivables	19 236	13 876	Billings in excess of costs	4 925	3 987
Properties, current assets	3 978	2 603			
Bank balances & short-t investm.	5 583	3 505			
	51 338	44 883		51 338	44 883

FINANCIAL RATIOS ETC.

	Dec 31, 99	Dec 31, 98
Int-bearing net debt, SEK M	615	1 978
Net profit per share, SEK ⁶⁾	37,6	24,4
Equity/asset ratio, %	32,5	30,7
Debt/equity ratio	0,0	0,1
Return on shareholders' equity, %	28,6	22,0
Return on capital employed, %	31,5	27,0
D:o adjusted for items affecting comparability and sales of shares, %	17,3	18,3
Equity per share, SEK ⁶⁾	144,0	118,7

1) Of which, depreciation Jan-Dec 1999: SEK -991 M, Jan-Dec 1998: SEK -846 M.

2) Of which, depreciation Jan-Dec 1999: SEK -386 M, Jan-Dec 1998: SEK -302 M.

3) Of which income from project development in contracting operations Jan-Dec 1999: SEK 394 M, Jan-Dec 1998: SEK 233.

4) For 1999; income from sale of Scancem shares.

5) Statement of changes in financial position has been prepared in accordance with the new regulation from the Swedish Financial Accounting Standards Council, RR7.

6) Total number of shares: 113 854 968.

BUSINESS AREAS IN BRIEF

NET SALES, OPERATING INCOME AND INCOME AFTER FINANCIAL ITEMS

	Net sales		Operating income		Income after financial items	
SEK M	1999	1998	1999	1998	1 999	1 998
USA	35 437	24 072	851	398	881	448
Sweden	23 561	21 118	737	496	752	533
Europe, Construction	14 241	11 681	355	177	296	160
Europe, Comp & Services	6 718	5 779	319	193	170	78
Development	1 309	1 265	1 390	1 585	1 151	1 375
	81 266	63 915	3 652	2 849	3 250	2 594
Portfolio management					309	703
Items affecting comparability			3 287	1 033	3 287	1 033
Listed associated companies			618	661	618	661
Other and eliminations	-2 138	-1 480	-656	-167	-602	-166
Total	79 128	62 435	6 901	4 376	6 862	4 825

ORDER BOOKINGS AND ORDER BACKLOG

	Order bookings		Order backlog	
SEK M	1999	1998	1999	1998
USA	50 278	38 469	67 124	43 050
Sweden	23 430	21 358	13 553	13 696
Europe, Construction	16 544	11 703	12 412	10 356
Europe, Comp & Services	6 642	5 853	597	769
Total	96 894	77 383	93 686	67 871

In this Year-End Report, cash flow is reported according to the new recommendation of the Swedish Financial Accounting Standards Council. In addition, internal order bookings and net sales within a business area are eliminated at the business area level (all internal sales were previously eliminated only at the Group level, while order bookings between companies in the same business area were previously not eliminated). Comparative figures from previous periods have been adjusted to reflect these changes. Due to the reclassification of JM from subsidiary to associated company during 1998, the accounts for 1998 are shown pro forma as if the change had occurred on January 1, 1998. All historic figures are based on pro forma accounting. Following a change in the application of accounting principles, acquired companies are consolidated and divested companies deconsolidated on the date of the acquisition or divestment. Previously, acquired companies were consolidated and divested companies deconsolidated effective on January 1 of the year the acquisition/divestment occurred. Comparable figures are adjusted to reflect this change.

Skanska USA		
SEK M	1999	1998
Net sales		
Building construction	24 779	19 557
Civil construction	10 658	4 515
Total	35 437	24 072
Operating income		
Building construction	278	214
Civil construction	573	184
Total	851	398
Operating margin (%)		
Building construction	1,1	1,1
Civil construction	5,4	4,1
Total	2,4	1,7
Return on capital employed (%)		
Building construction	34,6	39,1
Civil construction	48,9	32,0
Total	42,9	35,6
Order bookings		
Building construction	39 761	29 394
Civil construction	10 517	9 075
Total	50 278	38 469
Order backlog		
Building construction	50 072	31 025
Civil construction	17 052	12 025
Total	67 124	43 050

Skanska USA includes the Group's building and civil construction operations in the United States, as well as the Argentine-based subsidiary SADE.

Skanska Sweden		
SEK M	1999	1998
Net sales		
Building construction	13 950	11 645
Civil construction	9 611	9 473
Total	23 561	21 118
Operating income		
Building construction	297	97
Civil construction	440	399
Total	737	496
Operating margin (%)		
Building construction	2,1	0,8
Civil construction	4,6	4,2
Total	3,1	2,3
Return on capital employed (%)		
Building construction	12,3	5,6
Civil construction	27,7	28,1
Total	18,6	15,3
Order bookings		
Building construction	14 412	13 492
Civil construction	9 018	7 866
Total	23 430	21 358
Order backlog		
Building construction	7 661	7 210
Civil construction	5 892	6 486
Total	13 553	13 696

Skanska Sweden includes Skanska's building and civil construction operations in Sweden, the Group's building-related industrial operations with their market mainly in Sweden as well as project exports related to civil construction.

Skanska Europe		
SEK M	1999	1998
Net sales		
Construction	14 241	11 681
Components and services	6 718	5 779
Total	20 959	17 460
Operating income		
Construction	355	177
Components and services	319	193
Total	674	370
Operating margin (%)		
Construction	2,5	1,5
Components and services	4,7	3,3
Total	3,2	2,1
Return on capital employed (%)		
Construction	15,6	12,3
Components and services	7,2	5,1
Total	10,2	7,1
Order bookings		
Construction	16 544	11 703
Components and services	6 642	5 853
Total	23 186	17 556
Order backlog		
Bygg	12 412	10 356
Komponenter och service	597	769
Total	13 009	11 125

Skanska Europe includes the Group's building and civil construction operations in Europe (except Sweden), project development and project management in building construction outside Sweden as well as the Group's building component operations (Poggenpohl, Nybron incl. Kährs, and ElitFönster), most of them with markets mainly outside Sweden.

Skanska Project Development and Real Estate		
SEK M	1999	1998
Net income (rental revenues)	1 309	1 265
<u>Operating income</u>		
Property management	634	555
Other real estate business	-45	-137
Gain on sale of properties	803	1 167
Writedowns/reversals of writedowns	<u>-2</u>	<u>-</u>
Operating income	1 390	1 585
<u>Investment properties, highlights</u>		
Operating net	778	695
Book value	6 919	6 359
Yield (%)	11,2	10,9
Occupancy rate (area, %)	92	90
Occupancy rate (rent, %)	94	93

Skanska Project Development and Real Estate includes development and management of the Group's real estate holdings, as well as development of new projects in the fields of real estate and privately financed infrastructure projects (Build-Own/Operate-Transfer=BOT) projects.