

Press Release

2000-08-23

SKANSKA'S SIX-MONTH REPORT January - June 2000

Skanska showed a strong improvement in earnings. Growth in the operating income of the Group's core business was 165 percent

- ☐ **Order bookings rose by 16 percent**
- ☐ **Order backlog totaled SEK 111,644 M (86,383)**
- ☐ **Net sales rose by 12 percent**
- ☐ **Operating income of the Group's core business was SEK 2,697 M (1,018)**
- ☐ **Operating income was SEK 3,856 M (4,872)**
In the income statement, "Items affecting comparability" were lower than last year, amounting to SEK 960 M (3,280)
- ☐ **Income after financial items was SEK 5,509 M (4,934)**

Claes Björk, President and CEO of Skanska, commented on the Six-Month Report: "Our report shows continued growth and improvement in earnings. Our focus on value-adding activities in construction and project development and a higher turnover rate for completed projects, coupled with global expansion, are yielding results. The acquisitions we have completed during the year will further strengthen our market position.

"I am therefore optimistic about the year as a whole, since the steps we have taken and good market growth will provide us with support for our projection that this year's earnings in our core business will be significantly better than in 1999. We also believe that our full-year income after financial items will be better than in 1999."

Stockholm, August 23, 2000

Skanska AB
Group Communications

Invitation

In conjunction with the release on Wednesday, August 23, of the six month report, you are invited to participate in a

Telephone conference, August 23

The telephone conference begins at CET 3.00pm (UK 2.00pm, US Eastern 9.00am). Skanska's President and CEO Claes Björk, Anders Nyrén, Chief Financial Officer and Peter Wallin, Head of Investor Relations, will at this time briefly present the interim report and thereafter respond to questions.

To participate in the conference, please dial +44(0) 20 8240 8242 not later than five minutes prior to the start of the conference. If you are unable to participate, there will be a replay facility available for five days immediately following the teleconference. The number to dial is +44(0) 20 8288 4459, access code: 611492.

Looking forward to your participation

Peter Wallin
Head of Investor Relations

For further information, please contact:

Anders Nyrén, Executive Vice President and CFO, +46 (0) 8 753 88 00
Peter Wallin, Head of Investor Relations, +46 (0) 709 53 88 86

Enclosed: Skanska's interim report for January-June, 2000

This and previous releases are also available at www.skanska.com

Six month highlights

	Jan - June	
	2000	1999
SEK M		
Net sales	41 821	37 244
Operating income	3 856	4 872
Income after financial items	5 509	4 934
Operating margin in construction, %	2,4	2,3
Return on capital employed, %	27,6	29,1
Net profit per share, SEK ¹	45,4	34,9
Investments, gross	7 035	5 229
Order bookings	54 765	47 184
Order backlog	111 644	86 383

¹⁾ Calculated on a 12-month rolling basis

SKANSKA SIX MONTH REPORT, JANUARY – JUNE 2000

During the first half of 2000, the Group saw continued strong growth in both sales and earnings. By means of acquisitions, Skanska has established new “domestic markets” in Poland, the Czech Republic and Norway. These markets are expected to show very good growth in the coming years.

The important American market developed favorably. Net sales and earnings rose at Skanska USA. After the close of the report period, Skanska USA landed a number of large contracts, worth a total of about SEK 4 billion, representing a sharp growth in order bookings during the third quarter. Because of the rapid growth of Skanska USA, Skanska is now the fourth largest construction-related services company in the United States. The American construction market is expected to show continued growth, but at a slower pace than in previous years.

The strong Swedish economy also resulted in a better construction market in Sweden. The most vigorous growth is in commercial and residential space. In light of good rental markets, the earnings potential for project development in both the Skanska Sweden and the Skanska Project Development and Real estate business areas is believed to be substantial.

Late in June, Skanska announced its participation and co-ownership – together with three other globally leading construction companies, Amec, Bovis Lend Lease and Hochtief – in a global business-to-business (B2B) electronic marketplace for construction-related goods and services, known as AECVenture. Its purpose is to make the entire construction process more efficient. This marketplace will be open to all players in the construction market. Regional B2B exchanges will gradually be

launched. The marketplace will create opportunities for cost-cutting and is also expected to offer attractive business opportunities.

Skanska has signed agreements on divestment of its remaining component companies, Nybron and Poggenpohl. The process of divesting non-core businesses and assets has thus been mainly completed.

ORDER BOOKINGS AND BACKLOG

The Group's order bookings for the first half of 2000 totaled SEK 54,765 M (47,184). Excluding currency rate effects, this represented a 15 percent increase. Order bookings on a rolling twelve-month basis totaled SEK 104,475 M, equivalent to an increase of 8 percent compared to the full year 1999.

On June 30, 2000, Skanska's order backlog stood at SEK 111,644 M (86,383), representing a 29 percent increase. Currency rate effects accounted for SEK 2,130 M. Operations outside Sweden accounted for 86 (85) percent of order backlog. Compared to year-end 1999, order backlog rose by 19 percent. Building construction accounted for a larger share of order backlog during the first half of 2000. But civil construction (i.e. road and civil engineering projects) also grew in volume. Overall, the expected profitability of the order backlog is good.

Adjusted for acquired and divested businesses, the increase in order bookings amounted to 6 percent on a rolling twelve-month basis, and order backlog was 14 percent higher than at year-end 1999.

NET SALES AND EARNINGS

Net sales rose by 12 percent to SEK 41,821 M (37,244). Currency rate effects explain SEK 576 M of the increase. Operations outside Sweden accounted for 73 (72) percent of the total. For comparable units in Skanska's core business, the increase was the same: 12 percent.

Skanska Group, operating income

Core business SEK M	Jan-Jun 2000	Jan-Jun 1999	Jul 99 - Jun 00	Jan-Dec 1999
Operations, gross	1 021	796	2 165	1 940
Gain on sale of properties	1 669	206	2 166	703
Share of income in associated companies	7	16	25	34
Operating income, core business	2 697	1 018	4 356	2 677
Non-core business				
Operations, gross	83	105	297	319
Items affecting comparability / other	1 076	3 749	1 232	3 905
Operating income, non-core business	1 159	3 854	1 529	4 224
Total Group	3 856	4 872	5 885	6 901

As the above table shows, operating income in Skanska's core business – its construction and real estate operations – was SEK 2,697 M (1,018), an increase of 165 percent. An accelerated pace of project development and the positive trend of earnings in Sweden and the U.S. were among the explanations. The improvement was not only attributable to higher business volume, but also to a general increase in profitability.

Operating income amounted to SEK 3,856 M (4,872). The decrease was due to a lower level of items affecting comparability, which totaled SEK 960 M (3,280). During January-June 1999, the divestment of the Skanska's shares in the building material group Scancem affected this earnings item.

Capital gains on divestment's of shares and businesses totaled SEK 2,676 M (3,307). Of this amount, SEK 960 M was included in operating income under "items affecting comparability." The sum of SEK 960 M consisted of capital gains on the sale of wholly owned subsidiaries (component companies, which contributed SEK 314 M) and capital gains on the sale of shares in the associated commercial real estate company Piren (which contributed SEK 646 M). The remaining portion of capital gains on share divestment's, SEK 1,716 M, consisted primarily of a gain on the sale of shares in the engineering group SKF, and was reported under "Other financial items" in net financial items.

Income after financial items amounted to SEK 5,509 M (4,934). Lower indebtedness improved net interest items, but was offset by significantly lower dividends received. The latter was an effect of the divestment of SKF and Scancem shares (1999). Tax expenses are based on a full-year forecast and result in a tax burden of 29 (38) percent. Net profit amounted to SEK 3,899 M (3,031).

Skanska's share of the surplus pension-related payments that are being refunded by the retirement insurance company SPP is about SEK 320 M. This amount was not reported among earnings in the six-month accounts.

TWELVE-MONTH ROLLING EARNINGS

Net profit per share amounted to SEK 45.40 (34.90).

Return on capital employed amounted to 27.6 (29.1) percent. Adjusted for items affecting comparability and gains on the sale of shares, return on capital employed amounted to 18.4 (16.0) percent.

Return on shareholders' equity amounted to 31.7 (28.8) percent.

INVESTMENTS AND DIVESTMENTS

The Group's net divestments amounted to SEK 4,634 M (4,691), in both years they period was characterized by large divestments of both shares and businesses. Investments in current-asset properties were higher than during the same period of 1999. Acquisitions of companies explain the largest portion of the increase in investments during the first half of 2000. An accelerated pace of property and project sell-offs meanwhile led to a higher level of divestment's. The net change was therefore marginal, compared to the first six months of 1999.

During the remainder of 2000, investments are expected to be at about the same level as divestments, except for acquisitions and sale of shares and businesses. For a more detailed description of investments and divestments, see the table below.

Investments		
	Jan - Jun	
SEK M	2000	1999
Investments		
Properties in real estate operations	-1 131	-1 525
Current-asset properties	-2 015	-1 558
Acquisitions of subsidiaries	-2 236	-1 318
Other fixed assets	-1 653	-828
	-7 035	-5 229
Divestments		
Properties in real estate operations	3 331	593
Current-asset properties	1 652	922
Businesses and shares	6 487	8 300
Other divestments	199	105
	11 669	9 920
Net Divestments	4 634	4 691

The Group's investments in projects developed for its own account are continuing to increase. During the report period, gross investments in project development totaled SEK 3,146 M (3,083). The increase occurred mainly in the Skanska Sweden business area and the Finnish operations of the Skanska Europe business area.

Divestments of projects and fully developed properties are also increasing. During the first six months of 2000, projects worth SEK 4,983 M (1,515) were sold at a capital gain totaling SEK 1,842 M (370).

Holdings of commercial building rights remained at a largely unchanged level compared to year-end 1999 (about 700,000 sq. m, or 7.5 million sq. ft) in the Project Development and Real Estate business area. During the report period, Skanska acquired more building rights for residential purposes than it began to construct. The total number of building rights thus exceeds 19,000.

Acquisitions of companies

In keeping with its strategy, the Group carried out a number of acquisitions in Central Europe during the report period. The second round of the public tender for Exbud, Poland's largest construction company, was completed during the second quarter of 2000. On June 30, 2000, Skanska owned 94 percent of Exbud. In addition, Skanska made a public tender for the largest construction company in the Czech Republic, IPS, in which its shareholding amounted to 75 percent on August 4. The public tender for IPS is still open and will be completed on September 25. A third, mandatory public tender will be presented after that. Finally, Skanska acquired Proconord-Larsen, a

privately held company with operations in technology, design and project management for IT infrastructure.

In the six-month accounts, the sum of SEK 2,236 M was reported as capital expenditures. This amount included a reduction for interest-bearing assets in the acquired companies. It also included the acquisition of Ericsson Real Estate and Services (REM), which was implemented during the first half of 2000. The completed acquisitions had a marginal impact on Skanska's six-month accounts.

As part of efforts to strengthen its market position in Norway, Skanska presented an offer for the Norwegian construction company Selmer ASA in May. The offer was completed after the close of the report period. Skanska's shareholding totaled 99.6 percent thereafter and a compulsory acquisition of the remaining shares has been launched. Selmer will be consolidated in the Group accounts effective from the third quarter of 2000.

CASH FLOW AND FINANCIAL POSITION

The Group's cash flow for the period was SEK -1,977 (-413). Liquid assets and interest-bearing receivables decreased by SEK 1,979 M to SEK 5,796 M (7,775), compared to year-end 1999. Interest-bearing liabilities rose by SEK 2,137 M to SEK 10,527 M (8,390). This represented an overall increase in interest-bearing net liabilities of SEK 4,116 M to SEK 4,731 M (615).

Cash flow

SEK M	Jan - Jun	
	2000	1999
From business operations	-544	421
Taxes	-327	-221
From business operations, net	-871	200
Net investments	4 634	4 691
Of which, not yet paid	-3 414	-7 979
Changes in financial receivables	267	-9
Taxes	-655	-681
From investment operations, net	832	-3 978
From financing operations, net	-1 938	3 365
Cash flow for the year	-1 977	-413

The increase in interest-bearing net liabilities is mainly explained by repurchases of Skanska's own shares (for separate comments on this buy-back program, see below), the annual dividend and acquisitions of companies. Non-interest-bearing receivables rose by more than SEK 5 billion. One reason was that the divestment agreements for the component companies Nybron and Poggenpohl have not yet been settled. Another was that title to the properties sold to the AMF insurance company will be transferred on December 31, 2000. Settlement of the above agreements will have a corresponding

SKANSKA

impact on net liabilities during the second half. Overall, the balance sheet total will diminish as a result of the deconsolidation of the component companies – all else being equal.

The balance sheet total increased as a consequence of acquisitions, seasonal variations and higher business volume.

The visible equity/assets ratio amounted to 31.7 percent, compared to 32.5 percent at year-end 1999.

Buy-backs of Skanska's own shares

On June 30, Skanska had repurchased 3.3 million of its own shares at a total price of SEK 1,109 M. In all, 3.4 million shares have been purchased at a price of SEK 1,141 M. The net effect is thus manifested as a change in interest-bearing net liabilities and visible shareholders' equity. The weighted number of shares outstanding was 113,513,006, calculated on a weekly basis as the average number of shares outstanding. At the close of the report period, there were 110,544,668 shares outstanding.

Shares in listed companies

The market value of the Group's shareholdings in listed companies totaled SEK 1,753 M at the close of the report period, with a book value amounting to SEK 1,207 M.

SKANSKA SHARE DATA

The market price of a Skanska share at the end of the report period was SEK 313. This represented a decrease of 1 percent since year-end 1999. During the same period, the Stockholm Stock Exchange index rose by 10 percent. During the report period, the highest quotation for a Skanska share was SEK 352 and the lowest was SEK 279. On August 21, the final price paid for a share was SEK 329, which represented an increase of 4 percent since year-end 1999, compared to a 6 percent increase in the Stockholm Stock Exchange index. During the same period, the Dow Jones Heavy Construction Industry Group Index rose by 3 percent.

PERSONNEL

The number of employees in the Group was 48,201 (46,194), measured as the average number of employees during the report period. This included 16,195 (15,502) employees in Sweden. The net increase was primarily due to the company acquisitions that had been completed. After the acquisition of Selmer, Exbud and IPS, the number of employees will reach about 70,000.

COMMENTS BY BUSINESS AREA

Skanska USA

Order bookings at Skanska USA totaled SEK 23,419 M (24,983), which represented a decrease of 6 percent. The downturn occurred in building construction, while civil construction bookings were at a somewhat higher level. Order backlog at the end of the report period amounted to SEK 73,715 M (59,861), an increase of 23 percent compared to the same date in 1999. Net sales continued to rise sharply, amounting to SEK 19,079 M (16,449), an increase of 16 percent. Building construction continued to

SKANSKA

grow as a relative share of the total, compared to civil construction. During the report period, the business area received a contract related to the construction of co-location centers – an order with an initial value of about SEK 2.5 billion – plus an order of about SEK 1.5 billion (Skanska's share) related to a football stadium in Massachusetts.

Operating income rose compared to last year. Operating margin amounted to 2.3 (2.4) percent. Operating income included SEK 15 (17) M in realized project development gains. Profitability improved substantially in building construction, while the margin in civil construction shrank somewhat. The relatively higher profitability of design-build contracts in IT was among the reasons for the improvement in building construction, while the deterioration in civil construction was explained among other things by weak earnings in the Argentine subsidiary SADE. On a rolling twelve-month basis, operating margin was 2.3 percent, compared to 2.4 percent in the full year 1999.

The Argentine economy showed a negative trend, which affected order bookings and business volume at SADE. Excluding SADE, the operating margin in Skanska USA was 2.4 (2.3) percent.

Skanska USA was able to land contracts with new biotechnology companies and also obtained further IT infrastructure assignments during the first half of 2000. After the close of the report period, Skanska USA landed a number of large contracts totaling about SEK 4 billion. One example worth mentioning is a contract to renovate and seismically retrofit the Richmond-San Rafael Bridge over San Francisco Bay, California. Skanska's share (50 percent) is worth about SEK 2.2 billion (USD 242 M) and will be carried out in a consortium with the California-based Tutor-Saliba.

Skanska Sweden

The Swedish construction market continued to improve and is expected to grow by about 6 percent during 2000 as a whole. As earlier, this growth is especially apparent in Sweden's three largest metropolitan regions. The Öresund region is also growing vigorously. But the northern portions of Sweden are also beginning to show improvement. The business area is believed to have the right market position to take advantage of these developments.

Order bookings rose by 37 percent to SEK 15,832 M (11,593). On a rolling twelve-month basis, the increase was 18 percent. Building construction operations showed the most robust growth. Both residential and commercial construction demonstrated very rapid increases. An assignment to expand and renovate the Kista Galleria shopping center in northern Stockholm, worth about SEK 900 M, was among the large new contracts received during the report period. Order bookings in civil construction were also very good, even though public sector investments in this segment had previously been expected to decline or remain at an unchanged level. Contracts received by Skanska Sweden included the construction of the new Årsta Bridge in Stockholm, an assignment worth about SEK 400 M, but also major contracts for private clients as well as a number of broadband construction contracts.

Order backlog amounted to SEK 17,865 M (14,801), an increase of 21 percent. Net sales rose by 4 percent to SEK 11,270 M (10,848). The relatively slow growth in net

sales, compared to order bookings, was explained by the fact that the business area landed a number of large contracts late in the second quarter.

Operating income also showed a major improvement. Operating income rose to SEK 435 M (320), and operating margin increased to 3.9 (2.9) percent. On a rolling twelve-month basis, the corresponding figure was 3.6 (3.1) percent. Civil construction accounted for the sharpest increase. Realized project development gains amounted to SEK 127 M (118). The volume of short-term project development operations, as well as broadband construction, is expected to increase during the year.

Skanska Europe

Construction

The volume of business is increasing in most of Skanska Europe's main markets. During the report period, order bookings rose by 66 percent to SEK 11,909 M (7,176). This increase was related exclusively to building construction.

Order backlog amounted to SEK 19,906 M (10,756), an increase of 85 percent, of which acquisitions accounted for 48 percentage points. Building construction accounted for 92 percent of order backlog, an increase compared to last year. The strong expansion in the volume of residential development in Finnish operations and Skanska Europe's British operations explain the increase in building construction as a share of total order backlog.

Net sales amounted to SEK 8,427 M (6,909), an increase of 22 percent. Operating income decreased by 11 percent and amounted to SEK 67 M (75), of which SEK 35 M (31) consisted of realized project development gains. Finnish operations are continuing to develop favorably. The weak trend of earnings in the Skanska Europe business area is mainly attributable to two projects in Denmark.

Component companies

The divestment of component companies was completed. ElitFönster (windows) was sold. Divestment agreements were signed for Nybron (wooden flooring) and Poggenpohl (kitchens and bathrooms). The latter two transactions are still contingent on obtaining approvals from regulatory authorities.

Net sales amounted to SEK 2,882 M (3,305). ElitFönster was included in the accounts for the first four months, while Nybron and Poggenpohl's respective results were included for the entire first half of 2000. During the corresponding period of last year the roofing company Essmann, which was sold late in 1999, was also included in the accounts. Operating income amounted to SEK 397 M (105), of which capital gains on the divestment of shares in component companies accounted for SEK 314 M.

Skanska Project Development and Real Estate

In light of the strong rental markets in Sweden, Denmark and Central Europe, the number of project start-ups in the business area was expanded during the second quarter. There are now 18 projects underway, 14 of them in Sweden and Copenhagen (Denmark) and the rest in Central Europe. The projected book value of these projects upon completion is SEK 3.6 billion.

SKANSKA

These current projects encompass leasable space of 245,000 sq. m (2.64 million sq. ft). At the end of the report period, about 45 percent of the space in the projects had been pre-leased. Lease negotiations are currently underway for a large proportion of the remaining space. The expected yield on the book value of current projects is nearly 11 percent fully leased. Taking into account the existing return requirements in each respective real estate market, this indicates substantial surplus value in the business area's current projects. So far during this year, recently developed projects have been sold at capital gains equivalent to about 40 percent of the investment.

During the report period, the Project Development and Real Estate business area showed an operating income of SEK 1,936 M (577), including SEK 1,647 M (317) in capital gains on the sale of properties. The overall value of the divestments that were completed exceeded external appraisals of their market values on December 31, 1999. The largest transaction consisted of three properties sold to the AMF insurance company. The total sale price of divested properties was SEK 3.3 billion. Of this, SEK 2.4 billion was for investment properties and the remainder for current projects.

The business area's goal is a continued high turnover rate in its property portfolio. It plans to carry out additional divestments during the second half of 2000.

Skanska Services

Skanska Services was established during March 2000 after the acquisition of the Real Estate and Services (REM) unit of Ericsson, the telecommunications group. The business area is responsible for the Skanska Group's Facilities Management unit as well as the strategic service companies Skanska Teknik and Skanska IT Solutions. Since the establishment of the business area, it has focused on consolidating the acquired operations and staffing its new organization. The service sector is expected to grow over the next few years, and the business area is therefore believed to have good potential.

Skanska Services reported net sales of SEK 649 M and an operating income of SEK 14 M. Costs related to the establishment and staffing of the business area pulled down its earnings.

Ericsson's Swedish operations are the business area's dominant client, but during the report period the organization also sought new assignments, and it expects these to provide sizable revenues in the future.

EVENTS AFTER THE CLOSE OF THE REPORT PERIOD

Acquisition of Barclay White

In August, Skanska acquired the American construction management company Barclay White at a purchase price equivalent to SEK 121 M. The company operates in Philadelphia, Pennsylvania, but is also active in Delaware and Puerto Rico. In 1999, Barclay White reported sales of SEK 2,637 M and an operating income of SEK 46 M. This acquisition gives Skanska access to a strong market, including new clients in the health care field, a sector with good growth potential.

Application for UMTS license

Skanska is establishing a consortium together with France Telecom, through Orange, plus the Norwegian-based publishing group Schibstedt and the Swedish-based broadband company Bredbandsbolaget, for the purpose of applying for one of the third-generation mobile telephony (UMTS) licenses in Sweden. Skanska's share of the consortium will probably be 10 percent. The investment is a part of Skanska's strategy in developing its knowledge within the IT and Telecom sectors – important areas for the Group's business in infrastructure projects.

OUTLOOK FOR 2000

Our increased focus on our core business and good market growth will provide us with support for our projection that this year's earnings in our core business will be significantly better than the corresponding earnings in 1999. We also believe that our full-year income after financial items will be better than in 1999.

Stockholm, August 23, 2000

Claes Björk
President and CEO

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

The Skanska Group's next financial report, covering the first nine month of 2000, will be published in November 2, 2000.

CONSOLIDATED FINANCIAL STATEMENTS IN BRIEF

SKANSKA GROUP

INCOME STATEMENT

SEK M	Apr-Jun 2000	Apr-Jun 1999	Jan-Jun 2000	Jan-Jun 1999	Jul 99 - Jun 00	Jan-Dec 1999
Net sales	23 226	21 756	41 821	37 244	83 705	79 128
Operating expenses ¹	-22 471	-21 004	-40 717	-36 343	-81 243	-76 869
Operations, gross ²	755	752	1 104	901	2 462	2 259
Gain on sale of properties	1 424	-4	1 669	206	2 166	703
Writedowns/reversals of writedowns	0	0	0	0	-5	-5
Share of income in associated companies	27	110	123	485	295	657
Items affecting comparability ³	314	3 280	960	3 280	967	3 287
Operating income	2 520	4 138	3 856	4 872	5 885	6 901
Dividends	40	281	41	282	41	282
Net interest items	-106	-106	-130	-184	-284	-338
Gain on sale of shares & participations	10	27	1 716	27	1 716	27
Other financial items	-2	-86	26	-63	79	-10
	-58	116	1 653	62	1 552	-39
Income after financial items	2 462	4 254	5 509	4 934	7 437	6 862
Taxes	-712	-1 625	-1 598	-1 870	-2 211	-2 483
Minority interests	1	-10	-12	-33	-77	-98
Net profit for the period	1 751	2 619	3 899	3 031	5 149	4 281

CASH FLOW

SEK M	Apr-Jun 2000	Apr-Jun 1999	Jan-Jun 2000	Jan-Jun 1999	Jul 99 - Jun 00	Jan-Dec 1999
Cash flow from continuous operations	-715	180	-871	200	1 532	2 603
Cash flow from investment operations	-1 830	-2 281	832	-3 978	6 644	1 834
Cash flow from financial operations	-140	2 302	-1 938	3 365	-7 652	-2 349
Cash flow from the period	-2 685	201	-1 977	-413	524	2 088

BALANCE SHEET

SEK M	Jun 30, 00	Dec 31, 99	SHAREHOLDERS EQUITY & LIABILITIES	Jun 30, 00	Dec 31, 99
ASSETS					
Properties in real estate operations	9 542	10 236	Shareholders' equity	17 315	16 391
Shares and participations	2 299	2 602	Minority interests	878	292
Other fixed assets	7 806	7 511	Interest-bearing liabilities & provisions	10 527	8 390
Interest-bearing receivables	2 163	2 192	Non-interest bear liabilities & provisions	28 654	26 265
Non-interest bearing receivables	27 129	19 236			
Current-asset properties	4 802	3 978			
Bank balances & short-t investm.	3 633	5 583			
	57 374	51 338		57 374	51 338

FINANCIAL RATIOS ETC. ⁴

	Jun 30, 00	Jun 30, 99	Dec 31, 99
Int-bearing net debt, SEK M	4 731	8 322	615
Net profit per share, SEK ^{5 6}	45,4	34,9	37,6
Equity/asset ratio, %	31,7	27,5	32,5
Debt/equity ratio	0,3	0,5	0,0
Return on shareholders' equity, % ⁵	31,7	28,8	28,6
Return on capital employed, % ⁵	27,6	29,1	31,5
Div adjusted for items affecting comparability and sales of shares, % ⁵	18,4	16,0	17,3
Equity per share, SEK ⁶	156,6	132,9	144,0

1) Of which, depreciation Jan-Jun 2000: SEK -769 M, Jan-Jun 1999: SEK -710 M

2) Of which income from project development in contracting operations Jan-June 2000: SEK 173 M, Jan-Jun 1999: SEK 164 M

3) For the period Jan-June 2000; refers to capital gain of SEK 314 M on divestment of the Components companies and SEK 646 M gain of divestment of Piren shares. For 1999; income from sale of Scancem shares.

4) The definitions of the financial ratios can be found in the Annual Report for 1999

5) The calculation is based on the past four quarters

6) Average number of shares 2000: 113, 513, 006 (113,854,968), total number of shares Jun 2000: 110, 544, 668 (113, 854, 968), total number of shares Dec 1999: 113, 854, 968

BUSINESS AREAS IN BRIEF

NET SALES AND INCOME AFTER FINANCIAL ITEMS

	Jan - Jun 2000		Jan - Jun 1999		Jul 1999 - Jun 2000		1999	
SEK M	Net sales	Income after financial items	Net sales	Income after financial items	Net sales	Income after financial items	Net sales	Income after financial items
<u>Core business</u>								
Sweden	11 270	445	10 848	322	23 983	875	23 561	752
Europe	8 427	10	6 909	42	15 759	264	14 241	296
USA	19 079	445	16 449	411	38 067	915	35 437	881
Services	649	15	0	0	649	15	0	0
PDRE	702	1 784	623	453	1 388	2 482	1 309	1 151
Other and eliminations	-1 188	-30	-890	-339	-2 436	-293	-2 138	-602
Total core business	38 939	2 669	33 939	889	77 410	4 258	72 410	2 478
<u>Non-core business</u>								
Europe Components and Services	2 882	-15	3 305	38	6 295	117	6 718	170
Items affecting comparability								
Europe Components and Services		314				314		
Other		646		3 280		653		3 287
Portfolio management		1 779		258		1 830		309
Listed associated companies		116		469		265		618
Total non-core business	2 882	2 840	3 305	4 045	6 295	3 179	6 718	4 384
Total Skanska Group	41 821	5 509	37 244	4 934	83 705	7 437	79 128	6 862

ORDER BOOKINGS AND ORDER BACKLOG

	Jan - Jun 2000		Jan - Jun 1999		Jul 1999 - Jun 2000		1999	
SEK M	Order bookings	Order backlog	Order bookings	Order backlog	Order bookings	Order backlog	Order bookings	Order backlog
<u>Core business</u>								
Sweden	15 832	17 865	11 593	14 801	27 669	17 865	23 430	13 553
Europe	11 909	19 906	7 176	10 756	21 277	19 906	16 544	12 412
USA	23 419	73 715	24 983	59 861	48 714	73 715	50 278	67 124
Services	635	158	-	-	635	158	-	-
<u>Non-core business</u>								
Europe Components and Services	2 970	0	3 432	965	6 180	0	6 642	597
Total Skanska Group	54 765	111 644	47 184	86 383	104 475	111 644	96 894	93 686

Skanska USA	Jan-Jun	Jan-Jun	Latest	Full year
SEK M	2000	1999	12 months	1999
Net sales				
Building construction	13 638	11 411	27 006	24 779
Civil construction	5 441	5 038	11 061	10 658
Total	19 079	16 449	38 067	35 437
Operating income				
Building construction	196	140	334	278
Civil construction	239	254	558	573
Total	435	394	892	851
Operating margin (%)				
Building construction	1,4	1,2	1,2	1,1
Civil construction	4,4	5,0	5,0	5,4
Total	2,3	2,4	2,3	2,4
Return on capital employed (%)				
Building construction	32,0	39,6	32,0	34,6
Civil construction	30,8	36,5	30,8	48,9
Total	31,3	37,8	31,3	42,9
Order bookings				
Building construction	18 398	20 418	37 741	39 761
Civil construction	5 021	4 565	10 973	10 517
Total	23 419	24 983	48 714	50 278
Order backlog				
Building construction	56 562	43 541	56 562	50 072
Civil construction	17 153	16 320	17 153	17 052
Total	73 715	59 861	73 715	67 124

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	Jan-Jun	Jan-Jun	Latest	Full year
SEK M	2000	1999	12 months	1999
Net sales				
Building construction	7 281	6 823	14 408	13 950
Civil construction	3 989	4 025	9 575	9 611
Total	11 270	10 848	23 983	23 561
Operating income				
Building construction	274	215	356	297
Civil construction	161	105	496	440
Total	435	320	852	737
Operating margin (%)				
Building construction	3,8	3,2	2,5	2,1
Civil construction	4,0	2,6	5,2	4,6
Total	3,9	2,9	3,6	3,1
Return on capital employed (%)				
Building construction	17,9	13,2	17,9	17,5
Civil construction	67,7	59,1	67,7	60,7
Total	31,7	27,8	31,7	30,2
Order bookings				
Building construction	10 022	6 741	17 693	14 412
Civil construction	5 810	4 852	9 976	9 018
Total	15 832	11 593	27 669	23 430
Order backlog				
Building construction	10 152	7 489	10 152	7 661
Civil construction	7 713	7 312	7 713	5 892
Total	17 865	14 801	17 865	13 553

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, core business	Jan-Jun	Jan-Jun	Latest	Full year
SEK M	2000	1999	12 months	1999
Net sales	8 427	6 909	15 759	14 241
Operating income	67	75	347	355
Operating margin (%)	0,8	1,1	2,2	2,5
Return on capital employed (%)	7,4	10,1	7,4	15,6
Order bookings	11 909	7 176	21 277	16 544
Order backlog	19 906	10 756	19 906	12 412

Skanska Europe, non-core business	Jan-Jun	Jan-Jun	Latest	Full year
SEK M	2000	1999	12 months	1999
Net sales	2 882	3 305	6 295	6 718
Operating income	397	105	611	319
Operating margin (%)	13,8	3,2	9,7	4,7
Return on capital employed (%)	11,0	6,0	11,0	7,2
Order bookings	2 970	3 432	6 180	6 642
Order backlog	0	965	0	597

Core business in 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.

Skanska Project Development and Real Estate, SEK M	Jan-Jun 2000	Jan-Jun 1999	Latest 12 months	Full year 1999
Net income (rental revenues)	702	623	1 388	1 309
<u>Operating income</u>				
Property management	333	297	670	634
Other real estate business	-44	-37	-52	-45
Gain on sale of properties	1 647	317	2 133	803
Writedowns/reversals of writedowns		-	-2	-2
Operating income	1 936	577	2 749	1 390
<u>Investment properties</u>				
Rental revenues	653	583	1 254	1 184
Operating net	413	369	822	778
Book value	6 941	7 048	6 941	6 919
Yield (%)			11,8	11,2
Occupancy rate (rent, %)	93	92		94

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.