

# Press Release

August 23, 2000

**Skanska joins one of South America's largest BOT projects as part-owner, builder and operator of toll expressway in Chile - Skanska has 48-percent share of the total project value of approximately USD 800 M**

Skanska is joining a major privately financed infrastructure project – a toll expressway with a length of slightly more than 60 kilometers in Chile's capital, Santiago.

In collaboration with the Spanish company Dragados, Skanska has submitted the most advantageous offer for the concession to build and operate the north-south throughways, which is being constructed to solve the difficult traffic situation in the capital city. Skanska and Dragados each own a 48-percent share of the project company that is being formed. The remaining share is owned by the Chilean construction companies Belfi and Brotec.

Skanska will contribute approximately SEK 1 billion in risk capital. Skanska BOT is responsible for the investment. The financial total solution has not yet been completed in detail. This project will provide Skanska with a stable flow of revenue through dividends from the project company, which will charge tolls during the concession's 30-year period. The revenues in the project company are estimated to amount to about USD 75 M in 2005, when the toll expressway will be opened, and will subsequently rise at the same rate as traffic and inflation. Revenues are expected to increase to approximately USD 1.4 billion by 2030.

At the same time, the subsidiary Sade Skanska has secured its largest construction contract to date, valued at approximately USD 190 M, or about SEK 1.7 billion, which is included in the total project value.

Chile's Ministry for Public Works selected the Skanska consortium to carry out the assignment and a final contract is expected to come into force in January 2001.

"This is a major and important assignment for Skanska," says Claes Björk, Skanska's President and CEO. "The new BOT project is substantially larger in terms of size and future cash flow. At the same time, it indicates extensive prospects for us. The need for privately financed infrastructure will grow in future. Globally, increasing numbers of major infrastructure

issues are being remedied by private finance. We have the capacity to contribute to all phases, from design, construction and service to arranging financial solutions. Skanska's strategic approach also includes selling fully developed projects to long-term investors. It is not our ambition to build up a large portfolio of BOT projects.

"I would also like to point out that it is the acquisition of the Argentinean company Sade that has given Skanska its solid local presence in the South American market, which has provided the base for our current success," Claes Björk adds.

The 41-kilometer north-south thoroughway and a 20-kilometer parallel route through the center of Santiago are to be expanded to become a six-lane expressway, with accompanying service lanes. It is estimated that approximately 140,000 vehicles per day will use the enlarged traffic route. The construction work will commence in 2001 and is scheduled for completion in 2005. The toll road will have an advanced free-flow system, that is, a computerized pay system that enables traffic to pass through toll stations without stopping.

"The expressway will be Sade Skanska's largest project to date. Chile is an attractive growth market, where we have major opportunities to secure more assignments. This large and complex project gives us the opportunity to show what we can do. We are a strong group in combination with Dragados, which is a world-leader in road concessions, and our local partners are among the best in Chile. Skanska previously collaborated with Belfi in the construction of the large observatory in the Andes," says Mario Piantoni, President of Sade Skanska.

Skanska has previously operated as builder, owner and operator of a number of privately financed projects, including the expressway between Lahti and Helsinki in Finland, the first toll expressway in the Nordic Region, HM Bridgend Prison Parc and the extension of Kings Hospital in the UK.

---

**For further information please contact:**

Bert-Ove Johansson, President of Skanska BOT, Tel +46 8 753 8817

Lars Wiklander, Chairman of Sade Skanska, Tel + 54 11 434 17 111

Sofia Heidenberg, Acting Information Manager, Tel +46 08 753 87 47

*This and previous releases can also be found at [www.skanska.com](http://www.skanska.com)*