

Press Release

September 15, 2000

Skanska expands on US west coast – leading construction company Baugh Enterprises acquired for USD 60 M, SEK 580 M

Skanska, currently the fourth largest construction services company in the US construction market, continues to expand. Seattle-based Baugh Enterprises is the leading construction company in the northwestern United States and the Pacific Northwest. The acquisition price is USD 60 M, corresponding to about SEK 580 M. The sellers are a group of private individuals. A due diligence process has been initiated and the company is expected to be consolidated within Skanska on November 1, 2000.

As a result of this acquisition, Skanska will also become one of the leading companies in the construction-services market in northwestern United States, where a number of companies in electronics, medical technology and the aerospace industries are contributing to making the region one of the most expansive in the US. At the same time, Skanska's position as the world's leading building construction company is strengthened according to the ranking list published by the American trade magazine ENR in August.

"We are very pleased to be able to expand our building construction operations to the growing markets in the Pacific Northwest. Baugh's strong local position and the company's documented know-how and capacity offer the same favorable opportunities for growth and capturing of market share as our earlier acquisitions. The forecast for this year looks highly favorable," comments Mike Healy, President, Sordoni Skanska.

Baugh Enterprises, which was formed in 1946, focuses primarily on construction management, general contracting and building services and industrial construction. In addition to Washington state, the company has established operations in Oregon, Idaho and northern California. Baugh Enterprises' management, with Board Chairman and CEO Louis E. Kapcsandy and President and COO Frank J. VanDeventer, will remain with the company.

Baugh Enterprises has many recurrent customers within the retail, office and residential building, pharmaceutical, health care, biomedical and education sectors as well as the food processing, pulp and paper, electronics, semiconductor and aerospace industries. These include

AT&T, Boeing, Safeco, Kimpton Hotel Group, Kemper Development, Specht Development Co., Legacy Health Systems, Virginia Mason Medical Center, Port of Portland, Portland Public Schools, Washington State University, University of Washington, Vulcan Northwest, Metzler and UPS.

This acquisition further strengthens Skanska's position in the US, which is the world's largest construction market. Earlier this year, Skanska acquired Philadelphia-based Barclay White, a leading construction-services company in Pennsylvania. During the first six months of the current year, Skanska USA reported sales of slightly more than SEK 19 billion, up 16 percent, compared with the corresponding period of 1999. Order backlog rose 23 percent to around SEK 74 billion.

Key data for Baugh Enterprises in 1999, USD M (M SEK)

Acquisition price:	60	(580)
Net sales:	510	(4,947)
Operating profit:	13.7	(133)
Net debt:	0	(0)
Shareholders' equity	19	(184)
Order backlog:	880	(8,500)
No. of employees:	1,400	

For further information please contact:

Mike Healy, President, Sordoni Skanska, tel + 1 973 334 53 00
Peter Wallin, Head of Investor Relations, Skanska AB, tel + 46 8 753 88 86
Tor Krusell, Vice President Group Communications, Skanska AB,
Tel + 46 8 753 87 47

This and previous releases can also be found at www.skanska.com