

## Press Release

January 25, 2001

### **SKANSKA PRELIMINARY YEAR-END REPORT, 2000**

#### **Strong growth in core business**

- **Order bookings rose by 31 percent**
- **Order backlog rose by 72 percent to SEK 160.7 bn**
- **Net sales rose by 37 percent till SEK 108.0 bn**
- **Operating income in the Group's core business rose by 65 percent to SEK 4.4 bn**
- **Operating income totaled SEK 7.2 bn**  
In the income statement, the item called "Items affecting comparability," which is part of operating income, was lower than last year, amounting to SEK 2.4 bn (3.3)
- **Income after financial items totaled SEK 8.5 bn**
- **Net profit per share rose by 43 percent to SEK 53.60**

Claes Björk, President and CEO of Skanska, commented on the Preliminary Year-End Report: "We had good growth in our core business during 2000. Because of strong order bookings, especially from the United States and Sweden, and new input from acquired businesses, we are optimistic about developments in 2001."

Stockholm, January 25, 2001  
Skanska AB

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## SKANSKA'S PRELIMINARY YEAR-END REPORT, 2000

### Skanska Group highlights, 2000

| Billions of Swedish kronor (SEK bn)                                 | 2000  | 1999  | Changes |
|---|-------|-------|---------|
| Net sales   | 108.0 | 79.1  | 37%     |
| Operating income in core business                                   | 4.4   | 2.7   | 65%     |
| Operating income  | 7.2   | 6.9   | 4%      |
| Income after financial items  | 8.5   | 6.9   | 24%     |
| Operating margin in construction operations                         | 2.3%  | 2.7%  |         |
| Net profit per share, SEK*  | 53.60 | 37.60 | 43%     |
| Return on capital employed, excluding items affecting comparability | 18.2% | 17.3% |         |
| Order bookings  | 127.0 | 97.3  | 31%     |
| Order backlog   | 160.7 | 93.7  | 72%     |

\* The average number of shares outstanding in 2000 was 111.2 (113.9) million.

### THE FOURTH QUARTER IN BRIEF

During the fourth quarter, Skanska continued to grow and to strengthen its position in its selected main markets. The British-based company Kvaerner Construction (which has changed its name to Skanska Construction Ltd) and U.S.-based Baugh Enterprises became part of Skanska effective in November 2000.

During the fourth quarter, as a step in the Group's increased focus on its core business, additional shareholdings were sold. Skanska divested its shares in the Stockholm-based construction and real estate company JM and in the Swedish commercial real estate company Norrporten. The total capital gain of these divestments amounts to SEK1 bn. Its shareholding in the British construction company Costain Group PLC was sold as a consequence of its acquisition of Kvaerner Construction.

Orange Sverige AB was awarded one of the four UMTS licenses for expansion of the third-generation mobile telecommunications networks in Sweden. Skanska has a 10 percent stake in Orange Sverige.

### ORDER BOOKINGS AND BACKLOG

The Group's order bookings for 2000 were SEK 127.0 bn (97.3), representing a 31 percent increase on 1999. Order bookings in its core business – construction-related services and project development – increased by 37 percent.

Year-end order backlog was SEK 160.7 bn (93.7), representing a 72 percent increase. Order backlog is equivalent to 1.5 years of construction work.

Adjusted for acquired and divested businesses as well as currency rate effects, the increase in order bookings amounted to 6 percent and order backlog rose by 9 percent.

## Growth factors – changes from full-year 1999 to full-year 2000

|                       | Order bookings | Order backlog | Net sales  |
|-----------------------|----------------|---------------|------------|
| Organic growth        | 6%             | 9%            | 16%        |
| Acquisitions          | 19%            | 52%           | 15%        |
| Currency rate effects | 6%             | 11%           | 6%         |
| <b>Total</b>          | <b>31%</b>     | <b>72%</b>    | <b>37%</b> |

## NET SALES AND EARNINGS

Net sales rose by 37 percent to SEK 108.0 bn (79.1). For comparable units and adjusted for currency rate effects, the increase was 16 percent.

Operating income in Skanska's core business rose by 65 percent to SEK 4.4 bn (2.7). Behind the good earnings trend was favorable growth in most main markets. Adjusted for Skanska's gain on the sale of properties, operating income in its core business rose by 27 percent.

## Highlights of 2000, in SEK bn

| Business area   | Order bookings |             | Order backlog |             | Net sales    |             | Operating income |            |
|---|----------------|-------------|---------------|-------------|--------------|-------------|------------------|------------|
|   | 2000           | 1999        | 2000          | 1999        | 2000         | 1999        | 2000             | 1999       |
| USA   | 60.2           | 50.7        | 93.6          | 67.1        | 49.4         | 35.4        | 1.0              | 0.9        |
| Sweden  | 30.1           | 23.4        | 19.6          | 13.6        | 24.6         | 23.6        | 1.0              | 0.7        |
| Europe, core business   | 31.6           | 16.6        | 47.3          | 12.4        | 30.2         | 14.2        | 0.4              | 0.4        |
| Project Development and Real Estate                                       |                |             |               |             | 1.4          | 1.3         | 2.4              | 1.4        |
| Services  | 2.0            | -           | 0.2           | -           | 1.9          | -           | 0.1              | -          |
| Other and eliminations  |                |             |               |             | -2.5         | -2.1        | -0.5             | -0.7       |
| <b>Total core business</b>  | <b>123.9</b>   | <b>90.7</b> | <b>160.7</b>  | <b>93.1</b> | <b>105.0</b> | <b>72.4</b> | <b>4.4</b>       | <b>2.7</b> |
| Non-core business   | 3.1            | 6.6         | 0.0           | 0.6         | 3.0          | 6.7         | 0.1              | 0.3        |
| Items affecting comparability and share of income in associated companies |                |             |               |             |              |             | 2.7              | 3.9        |
| <b>Skanska Group total</b>  | <b>127.0</b>   | <b>97.3</b> | <b>160.7</b>  | <b>93.7</b> | <b>108.0</b> | <b>79.1</b> | <b>7.2</b>       | <b>6.9</b> |

Operating income, including items affecting comparability, totaled SEK 7.2 bn (6.9). During the fourth quarter, about SEK 1 bn in capital gains on shares plus SEK 0.4 bn in Skanska's share of refunded surplus pension-related payments from the retirement insurance company SPP were reported as items affecting comparability. Items affecting comparability totaled SEK 2.4 bn (3.3).

Income after financial items totaled SEK 8.5 bn (6.9). Net profit amounted to SEK 6.0 bn (4.3). Net profit per share rose by 43 percent to SEK 53.60 (37.60).

## INVESTMENTS AND DIVESTMENTS

The Group's net divestments amounted to SEK 0.6 bn (3.9). Acquisitions of companies and investments in current project development increased the total investment volume to SEK 16.5 bn (8.9) during the year. Meanwhile the sale of projects as well as shares and businesses resulted in a higher level of divestments, which totaled SEK 17.1 bn (12.8).

| <b>Investments</b>                   |              |             |
|--------------------------------------|--------------|-------------|
| <b>SEK bn</b>                        | <b>2000</b>  | <b>1999</b> |
| <b>Investments</b>                   |              |             |
| Properties in real estate operations | -2.4         | -2.5        |
| Current-asset properties             | -5.2         | -3.4        |
| Acquisition of subsidiaries          | -6.0         | -1.4        |
| Other fixed assets                   | -2.9         | -1.6        |
|                                      | <b>-16.5</b> | <b>-8.9</b> |
| <b>Divestments</b>                   |              |             |
| Properties in real estate operations | 3.9          | 1.4         |
| Current-asset properties             | 4.3          | 2.3         |
| Businesses and shares                | 8.5          | 8.8         |
| Other divestments                    | 0.4          | 0.3         |
|                                      | <b>17.1</b>  | <b>12.8</b> |
| <b>Net divestments</b>               | <b>0.6</b>   | <b>3.9</b>  |

## CASH FLOW AND FINANCIAL POSITION

The Group's cash flow for the year was SEK 0.9 bn (2.1).

Liquid assets and interest-bearing receivables increased by SEK 2.3 bn to SEK 10.1 bn (7.8). Interest-bearing liabilities rose by SEK 5.4 bn to SEK 13.8 bn (8.4). This represents an overall increase in net interest-bearing liabilities by SEK 3.1 bn to SEK 3.7 bn (0.6).

The visible equity/assets ratio of the Group was 24.5 percent (32.5). The debt/equity ratio was 0.2 (0.0).

| <b>Cash flow</b>                       |             |             |
|--|-------------|-------------|
| <b>SEK bn</b>                          | <b>2000</b> | <b>1999</b> |
| From business operations               | 1.7         | 3.2         |
| Taxes                                  | -0.7        | -0.6        |
| <b>From business operations, net</b>   | <b>1.0</b>  | <b>2.6</b>  |
| Net investments                        | 0.6         | 3.9         |
| Of which, not affecting cash flow      | 0.5         | -1.1        |
| Change in financial receivables        | -0.8        | 0.1         |
| Taxes                                  | -0.7        | -1.1        |
| <b>From investment operations, net</b> | <b>-0.4</b> | <b>1.8</b>  |
| <b>From financing operations, net</b>  | <b>0.3</b>  | <b>-2.3</b> |
| <b>Cash flow for the year</b>          | <b>0.9</b>  | <b>2.1</b>  |

**Buy-backs of Skanska's own shares**

On December 31, Skanska had repurchased 7.3 million shares (6.4 percent of the number of shares outstanding) at a total price of SEK 2.6 bn. The average price of the repurchased shares was SEK 356 or 10 percent lower than the January 24 closing price of SEK 396. The weighted number of shares outstanding was 111.2 million (113.9) for the year 2000 as a whole. On December 31, the number of shares outstanding was 106.5 million.

**IMPORTANT DATES**

The Group will publish its Year-End Report on February 21. The official Swedish version of the Annual Report is expected to appear early in April and the English translation shortly thereafter. The Annual Meeting of Shareholders will be held on April 26 in Gothenburg, Sweden.

Stockholm, January 25, 2001

Claes Björk  
*President and CEO*

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

## CONSOLIDATED FINANCIAL STATEMENTS

### SKANSKA GROUP

#### INCOME STATEMENT

| SEK bn                                     | Oct-Dec<br>2000 | Oct-Dec<br>1999 | Jan-Dec<br>2000 | Jan-Dec<br>1999 |
|--|-----------------|-----------------|-----------------|-----------------|
| Net sales                                  | 37,5            | 22,3            | 108,0           | 79,1            |
| Operating expenses <sup>1</sup>            | -36,7           | -21,6           | -105,4          | -76,8           |
| <b>Operating income, gross<sup>2</sup></b> | <b>0,8</b>      | <b>0,7</b>      | <b>2,6</b>      | <b>2,3</b>      |
| Gain on sale of properties                 | 0,1             | 0,5             | 1,9             | 0,7             |
| Writedowns/reversals of writedowns         | 0,0             | 0,0             | 0,0             | 0,0             |
| Share of income in associated companies    | 0,0             | 0,1             | 0,3             | 0,6             |
| Items affecting comparability <sup>3</sup> | 1,4             | 0,0             | 2,4             | 3,3             |
| <b>Operating income</b>                    | <b>2,3</b>      | <b>1,3</b>      | <b>7,2</b>      | <b>6,9</b>      |
| Dividends                                  | 0,0             | 0,0             | 0,0             | 0,3             |
| Net interest items                         | -0,2            | -0,1            | -0,4            | -0,3            |
| Gain on sale of shares & participations    | 0,0             | 0,0             | 1,7             | 0,0             |
| Other financial items                      | 0,0             | 0,0             | 0,0             | 0,0             |
|  | <b>-0,2</b>     | <b>-0,1</b>     | <b>1,3</b>      | <b>0,0</b>      |
| <b>Income after financial items</b>        | <b>2,1</b>      | <b>1,2</b>      | <b>8,5</b>      | <b>6,9</b>      |
| Taxes                                      | -0,7            | -0,3            | -2,5            | -2,5            |
| Minority interests                         | 0,0             | 0,0             | 0,0             | -0,1            |
| <b>Net profit for the period</b>           | <b>1,4</b>      | <b>0,9</b>      | <b>6,0</b>      | <b>4,3</b>      |

#### CASH FLOW

| SEK bn                               | Oct-Dec<br>2000 | Oct-Dec<br>1999 | Jan-Dec<br>2000 | Jan-Dec<br>1999 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Cash flow from business operations   | 1,3             | 1,8             | 1,0             | 2,6             |
| Cash flow from investment operations | 1,1             | -1,9            | -0,4            | 1,8             |
| Cash flow from financial operations  | 0,3             | -0,9            | 0,3             | -2,3            |
| <b>Cash flow for the period</b>      | <b>2,7</b>      | <b>-1,0</b>     | <b>0,9</b>      | <b>2,1</b>      |

#### BALANCE

| SEK bn                               | Dec 31, 00  | Dec 31, 99  | SHAREH EQUITY & LIABILITIES                | Dec 31, 00  | Dec 31, 99  |
|--------------------------------------|-------------|-------------|--|-------------|-------------|
| <b>ASSETS</b>                        |             |             |  |             |             |
| Properties in real estate operations | 10,7        | 10,2        | Shareholders' equity                       | 18,4        | 16,4        |
| Shares and participations            | 1,3         | 2,6         | Minority interests                         | 0,6         | 0,3         |
| Other fixed assets                   | 15,7        | 7,5         | Interest-bearing liabilities & provisions  | 13,8        | 8,4         |
| Interest-bearing receivables         | 3,3         | 2,2         | Non-interest bear liabilities & provisions | 44,4        | 26,2        |
| Non-interest bearing receivables     | 32,8        | 19,2        |  |             |             |
| Current-asset properties             | 6,6         | 4,0         |  |             |             |
| Bank balances & short-t investm.     | 6,8         | 5,6         |  |             |             |
|                                      | <b>77,2</b> | <b>51,3</b> |  | <b>77,2</b> | <b>51,3</b> |

#### FINANCIAL RATIOS ETC.<sup>4</sup>

|  | Dec 31, 00 | Dec 31, 99 |
|--|------------|------------|
| Int-bearing net debt, SEK bn   | 3,7        | 0,6        |
| Net profit per share, SEK <sup>5</sup>                                   | 53,60      | 37,60      |
| Equity/assets ratio, %   | 24,5       | 32,5       |
| Debt/equity ratio  | 0,2        | 0,0        |
| Return on shareholders' equity, %  | 34,3       | 28,6       |
| Return on capital employed, %  | 32,3       | 31,5       |
| Ditto, adjusted for items affecting comparability and sales of shares, % | 18,2       | 17,3       |
| Equity per share, SEK <sup>5</sup>                                       | 172,30     | 144,00     |

1. Of which, depreciation Jan-Dec 2000: SEK -1.8 bn, Jan-Dec 1999: SEK -1.4 bn

2. Of which, income from project development in construction operations Jan-Dec 2000: SEK 0.6 bn, Jan-Dec 1999: SEK 0.4 bn

3. For 2000, refers to gain on sale of components companies, SEK 0.3 bn; gains on sale of Piren shares, SEK 0.6 bn; JM shares, SEK 0.9 bn; and Fastighetsaktiebolaget Norrporten shares, SEK 0.1 bn; and repayment of SPP surplus, SEK 0.4 bn. For 1999, refers to gain on sale of Scancem shares

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

5. Average number of shares, Jan-Dec 1999: 111,157,356; Jan-Dec 1999: 113,854,968

Total number of shares, Dec 2000: 106,536,268; Dec 1999: 113, 854,968.