

Press Release

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Financing closed for one of the UK's largest privately financed hospitals – start of Skanska's largest UK hospital projects valued at SEK 5.44 billion

Skanska and Innisfree (the British PFI investment fund) have signed an agreement for the financing of the new hospital in Coventry. As a result, Skanska will begin work on the construction and FM contracts valued at a total of GBP 484 million, about SEK 6.86 billion. Of this GBP 384 million, about SEK 5.44 billion, will be included in order bookings for the fourth quarter of 2002.

The Skanska Innisfree consortium has been commissioned by the University Hospitals Coventry and Warwickshire NHS Trust and the Coventry Primary Care Trust to develop, own and operate the new acute hospital in Coventry for a total of 40 years, which includes a construction period of 5 years. The consortium will design, build, equip, maintain and operate the facilities.

Skanska is participating as an investor, contractor and FM service provider.

- Skanska UK has been awarded a construction project valued at GBP 334 million, about SEK 4.73 billion. Accordingly, this is Skanska's largest hospital construction project in the UK.
- Skanska will be responsible for the building and estates facilities management (the "hard" FM) assignment for 35 years. This additional contract is valued at GBP 4.2 million per annum, about SEK 60 million per annum. GBP 50 million, SEK 708 million, is included in order bookings for the fourth quarter of 2002.
- Skanska BOT holds a 25-percent interest in the Skanska Innisfree consortium. Skanska BOT's investment amounts to GBP 8.6 million, about SEK 122 million.

The loan financing was provided by a GBP 372 million (about SEK 5.27 billion) index-linked bond. BNP Paribas is lead manager and underwriter for the bond loan, which is guaranteed by the financial guarantor MBIA.

The assignment covers the construction of a new 1,212-bed acute hospital as well as a clinical science teaching and research facility along with a new 130-bed mental health unit in a campus-style setting. In total, the construction project involves over 120,000 square meters of construction. Work begins immediately and the various buildings are scheduled to be completed and fully operational by 2006.

The main acute hospital and the various other facilities will be completed in phases and as each building is completed Skanska will then be responsible for the hard FM. This includes operation and maintenance of all the facilities including their engineering installations and surrounding grounds for a 35-year period.

Skanska is also a preferred bidder the PFI (Private Finance Initiative) assignment for the new hospital in Derby. The financing for this project, which will be in excess of GBP 250 million, is expected to be finalized in the first half of 2003. Skanska will again act as investor, contractor and FM service provider in a similar manner to the Coventry project.

"We are very proud to have won this prestigious contract in which we have a major role involving design, construction and FM service provision. This demonstrates the width of Skanska's combined strength," says David Fison, Skanska UK's chief executive.

"Skanska's role as an investor increases the possibility of securing large construction and service assignments such as this," says Bert-Ove Johansson, President of Skanska BOT. "The Coventry hospital is our second major hospital project as an investor within the PFI scheme in the UK. We believe this strengthens the Group's market position and places us in a strong position to seek additional future possibilities for Skanska in the privately financed infrastructure market in and outside the UK."

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