

Press Release

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Skanska to build SEK 3 billion power station in Uganda, Skanska's portion is slightly more than SEK 1 billion

Skanska, as a member of an international consortium including Veidekke, has been contracted to construct a hydropower plant in Bujagali, Uganda. The contract is valued at USD 320 M, about SEK 3.2 billion, of which Skanska's portion is 33 percent, corresponding to SEK 1 billion. The international consortium comprises Skanska, Veidekke, Alstom Power, General Electric and ABB.

The customer is the US power company AES Nile Power Limited, which will own and operate the power station.

The power station will have a capacity of 200 MW. When it begins operations, Uganda's production of electricity will increase by slightly more than 40 percent. This means that the country's population will have greater access to electricity and that today's scheduled power-cuts will be minimized. The planned production surplus will also enable income-generating power exports to neighboring Kenya.

Implementation of the project is contingent upon receipt of financial guarantees from EKN (Export Credits Guarantee Board) in Sweden, as well as from comparable export credit agencies in Norway, Finland, Germany, Switzerland, the UK and Italy.

The power plant will be built at an altitude of 1,100 meters in the Bujagali Falls, along the Nile, near the outlet from Lake Victoria. The facility is a so-called run-of-the-river power plant that utilizes the natural fall height of the Nile. An environmental impact assessment has been made to ensure that the environmental effect is minimized.

The project is scheduled to begin in summer 2001 and to be completed in 44 months.

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