



“Skanska Group reports improved earnings”

Q1
SHAREHOLDER INFORMATION
Three Month Report, January–March 2002

SKANSKA

Three Month Report

January–March 2002

| SEK M | Jan–Mar 2002 | Jan–Mar 2001 |
|---|--------------|--------------|
| ■ Net sales | 33,036 | 34,818 |
| ■ Operating income, core business | 234 | –307 |
| ■ Operating income | 234 | –317 |
| ■ Income after financial items | 112 | –445 |
| ■ Return on capital employed, % ^{1, 2} | 9.5 | 13.8 |
| ■ Net profit per share, SEK ^{1, 3} | 0.90 | 7.50 |
| ■ Investments, gross | 1,957 | 3,567 |
| ■ Order bookings | 30,610 | 49,008 |
| ■ Order backlog | 153,633 | 185,560 |

¹ Calculated on a 12 month rolling basis.

² Adjusted for items affecting comparability and sales of shares.

³ Comparative figures are adjusted for Skanska's 4:1 split.

Earnings improved compared to the same quarter of last year, when large loss provisions – primarily related to Danish operations – were charged to earnings. Skanska's operations in the United States, UK and the Czech Republic substantially improved both earnings and operating margins from already good earlier levels, compared to last year. The earnings in Skanska's Swedish operations were adversely affected by project loss provisions. Income before taxes was favorably affected in the amount of SEK 81 M due to a change in accounting practices, which was publicized earlier and is also described in this report.

Normally, the first quarter is relatively weak. At the same time, it is too short a period from which to draw any far-reaching conclusions. The restructuring measures initiated last year are gradually expected to yield favorable effects, especially toward the end of this year.

The Group's first quarter order bookings were lower than in the corresponding period of 2001, when order bookings were exceptionally high due to a number of very large contracts obtained during the period. A more selective attitude toward new tenders in Poland and Denmark and a sharp cutback in these organizations also influence this comparison.

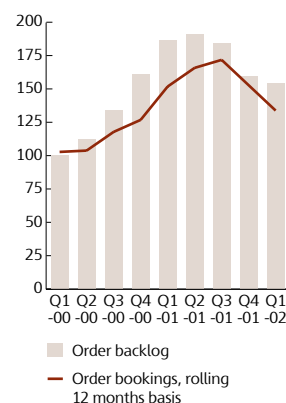
In the Swedish construction market, growth slowed more than expected during the report period.

After the dramatic downturn in Skanska's U.S. operations during October and November 2001, American order bookings have begun to recover. They totaled SEK 12.6 billion in the first quarter. However, it is still too early to foresee with any certainty when capital spending, especially in the U.S. private sector, will regain its earlier volume. U.S. contracts that were postponed during the fourth quarter will adversely affect the Group's net sales in 2002.

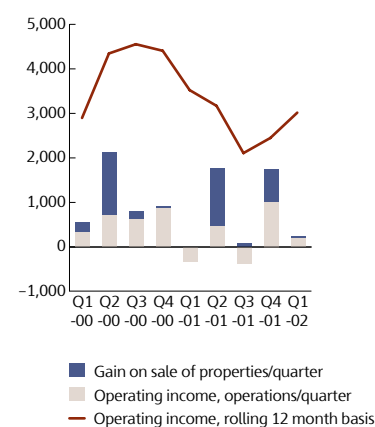
The potential for maintaining a high turnover rate in Skanska's project development operations is expected to remain good.

The Group fulfilled all targets for its financial structure. The debt/equity ratio amounted to 0.5 and the equity/assets ratio was 21 percent. Cash flow from business operations was adversely affected because payment was settled on a portion of the project loss and restructuring provisions that were charged to earnings last year. In addition, settlement of accounts receivable was very good toward the end of the fourth quarter of 2001. Consequently, settlements with suppliers and subcontractors had a negative effect on cash flow in business operations during the first quarter of 2002.

Order bookings and backlog, SEK bn



Operating income, core business, SEK M



ORDER BOOKINGS AND BACKLOG

The Group's order bookings for the first quarter totaled SEK 30,610 M (49,008), down 38 percent. On a rolling twelve month basis, order bookings declined by 12 percent.

For comparable units – adjusted for currency rate effects and any acquisition effects – the change in order bookings was –40 percent.

On March 31, 2002, order backlog totaled SEK 153,633 M (185,560), which represented a 17 percent decrease. For comparable units, the decrease was 15 percent. Operations outside Sweden accounted for 88 (91) percent of order backlog.

NET SALES AND OPERATING INCOME

Net sales decreased by 5 percent to SEK 33,036 M (34,818). Adjusted for currency rate effects, the decrease was 8 percent.

Skanska Group, operating income

| SEK M | Jan-Mar 2002 | Jan-Mar 2001 | Apr 2001-Mar 2002 | Jan-Dec 2001 |
|---|--------------|--------------|-------------------|--------------|
| Core business | | | | |
| Operations, excl. sale of properties | 194 | -309 | 871 | 368 |
| Gain on sale of properties | 40 | 2 | 2,193 | 2,155 |
| Items affecting comparability | - | - | -65 | -65 |
| of which, writedown of goodwill | - | - | -500 | -500 |
| of which, reversal of writedown | - | - | 435 | 435 |
| Total core business | 234 | -307 | 2,999 | 2,458 |
| Items affecting comparability, non-core | - | -10 | -155 | -165 |
| Total Skanska Group | 234 | -317 | 2,844 | 2,293 |

Operating income amounted to SEK 234 M (-317). Operating margin amounted to 0.7 (neg) percent. Operating income included goodwill amortization of SEK 150 M (156). Skanska's American, Czech and British businesses increased their operating income compared to last year. Earnings in Swedish operations were adversely affected by project loss provisions in civil construction. Expenses related to a cutback in the operations of Skanska Telecom Networks were charged to earnings during the report period.

Gain on sale of properties amounted to SEK 40 M (2).

The item "Central and eliminations" reported under "Markets and segments" on page 10, which mainly consisted of corporate overhead, amounted to SEK -162 M (-157).

Income after financial items

Income after financial items totaled SEK 112 M (-445). Net financial items amounted to SEK -122 (-128). Net interest items amounted to SEK -179 M (-139). Polish operations were recapitalized in two stages: by SEK 500 M during the first quarter and a further SEK 500 M in early April. During the first quarter, interest payments of about SEK 43 M (0) were capitalized as part of the construction expense of project development for Skanska's own account. This change in accounting practice is described in greater detail under "Accounting principles and changes in accounting practices" on page 4.

The item "Other financial items" amounted to SEK 57 M (11). The capital gain on the sale of shares in the hotel property company Pandox had a favorable effect of SEK 47 M on earnings. Due to a continued negative trend in the stock market, Skanska made provisions of SEK

-25 M to safeguard commitments specified by the pension plans in force in its Swedish pension fund.

Net profit totaled SEK 45 M (-295). The tax rate amounted to 43 percent. The tax burden for the period takes into account that at present, Skanska does not believe that its earnings deficits in certain countries can be offset against future earnings. Given Skanska's current geographic mix, a normalized tax rate amounted to just above 30 percent. Beyond this, the tax rate increased by 4-5 percentage points because goodwill amortizations were not tax-deductible.

Financial ratios on a rolling 12 month basis

Net profit per share totaled SEK 0.90 (full year 2001: 0.05). Return on capital employed amounted to 9.0 (8.0) percent. Adjusted for items affecting comparability and capital gains on the sale of shares, return on capital employed totaled 9.5 (8.7) percent. Return on shareholders' equity was 2.0 (0.1) percent.

INVESTMENTS AND DIVESTMENTS

The net amount of the Group's investments (-) and divestments (+) totaled SEK -512 M (2,739). Investments totaled SEK -1,957 M (-3,567) and divestments totaled SEK +1,445 M (+828).

Investments

| SEK M | Jan-Mar 2002 | Jan-Mar 2001 |
|--------------------------------------|---------------|---------------|
| Investments | | |
| Acquisitions of subsidiaries | -45 | 4 |
| Other intangible fixed assets | -4 | -510 |
| Tangible fixed assets | -332 | -657 |
| Shares and participations | -104 | -119 |
| Properties in real estate operations | -415 | -671 |
| Other current-asset properties | -1,057 | -1,614 |
| Total investments | -1,957 | -3,567 |

Divestments

| SEK M | Jan-Mar 2002 | Jan-Mar 2001 |
|--------------------------------------|--------------|---------------|
| Divestments | | |
| Businesses and shares | 0 | 0 |
| Other intangible fixed assets | 2 | 0 |
| Tangible fixed assets | 57 | 46 |
| Shares and participations | 128 | 0 |
| Properties in real estate operations | 281 | 14 |
| Other current-asset properties | 977 | 768 |
| Total divestments | 1,445 | 828 |
| Net investments | -512 | -2,739 |

The decrease in investment volume was due to lower volume in Project Development & BOT. During the comparable period of 2001, Skanska invested in a Chilean highway operating concession. Skanska increased its stake in Polish-based Skanska Exbud by two percentage points to 96 percent during the first quarter of 2002.

The increase in divestments is explained primarily by a faster pace of residential property sales and the divestment of Skanska's shares in Pandox.

The Group's investments in projects developed for its own account totaled SEK -1,472 M (-2,285). During the report period, projects with a value of SEK +1,258 M (+758) were sold, yielding capital gains of SEK 166 M (1). At the close of the report period, the number of

completed, unsold housing units totaled 511, which represented a decrease with 19 percent compared to year-end 2001.

CASH FLOWS AND FINANCIAL POSITION

Cash flow for the report period totaled SEK –2,853 M (–418). Cash flow from business operations totaled SEK –1,399 M (+1,378). Late in 2001, Skanska's American operations received large project management payments, which were settled during 2002 with the subcontractors that provided services in these projects. This adversely affected cash flow from business operations during the report period.

Cash flow

| SEK M | Jan–Mar 2002 | Jan–Mar 2001 |
|--|-----------------|-----------------|
| From business operations | –1,300 | 1,249 |
| Taxes | –99 | 129 |
| From business operations, net | –1,399 | 1,378 |
| Net investments | –512 | –2,739 |
| Of which, not affecting cash flow | 371 | –217 |
| Changes in financial receivables | –116 | 307 |
| Taxes | –1,387 | –1,568 |
| From investment operations, net | –1,644 | –4,217 |
| Dividend | 0 | 0 |
| Buy-backs of Skanska's own shares | 0 | –749 |
| Change in financial liabilities | 212 | 3,292 |
| Net change in minority share | –22 | –122 |
| From financing operations, net | 190 | 2,421 |
| Cash flow for the period | –2,853 | –418 |

Cash flow from investment operations amounted to SEK –1,644 M (–4,217). During the first quarter, Skanska received payments totaling SEK 0.6 billion for property divestments carried out earlier.

The total assets of the Skanska Group shrank to SEK 85 billion from SEK 93 billion at year-end 2001. Currency rate effects explain SEK 2.4 billion of the decline in total assets during the report period.

Exchange rates for the most important currencies, SEK

| | Average exchange rates | | Exchange rates on the balance sheet date | | |
|---------------|------------------------|-----------------|--|-----------------|-----------------|
| | Jan–Mar 2002 | Jan–Mar 2001 | Mar 31, 2002 | Mar 31, 2001 | Dec 31, 2001 |
| U.S. dollar | 10.45 | 9.74 | 10.35 | 10.40 | 10.58 |
| British pound | 14.90 | 14.22 | 14.73 | 14.73 | 15.33 |
| Euro | 9.16 | 9.00 | 9.02 | 9.05 | 9.33 |

The balance sheet item “Non-interest-bearing receivables” includes receivables of SEK 1.1 billion related to properties sold during the fourth quarter of 2001. Payment on these transactions was settled early in April, after the close of the report period.

Liquid assets and interest-bearing receivables decreased by SEK –3,179 M to SEK 8,102 M (11,281). Interest-bearing liabilities and provisions decreased by SEK –537 M to SEK 17,556 M (18,093). Altogether, net interest-bearing liabilities rose by SEK 2,642 M to SEK 9,454 M (6,812). The strengthening of the Swedish krona during the first quarter did not significantly affect net interest-bearing liabilities.

The visible equity/assets ratio amounted to 21.1 (19.8) percent and the debt/equity ratio was 0.5 (0.4). Both the equity/assets ratio and the debt/equity ratio lie within the interval that is the Group's target for financial structure: 20–25 percent (equity/assets ratio) and 0.4–0.6 (debt/equity ratio), respectively.

Currency rate effects decreased shareholders' equity by SEK 0.5 billion in net translation differences during the report period. This amount included a currency adjustment of SEK –0.2 billion in the shareholders' equity of the Argentinean-based subsidiary Sade Skanska, due to the continued weakening of the Argentinean peso after the currency was un-pegged from the U.S. dollar.

BUY-BACKS OF SKANSKA'S OWN SHARES

During the first quarter, Skanska repurchased none of its own shares. The number of shares outstanding totaled 418,553,072 at year-end.

ACCOUNTING PRINCIPLES AND CHANGES IN ACCOUNTING PRACTICES

This Interim Report was prepared in compliance with Recommendation RR20 on interim reporting of the Swedish Financial Accounting Standards Council. The reclassification of properties and capitalization of interest expenses in project development for Skanska's own account that is described below occurred after the Annual Report for 2001 was published. Otherwise the same accounting principles and calculation methods are used as in the latest Annual Report.

Property portfolio reclassified

Skanska's property development strategy has been characterized by a high turnover rate in the past five years, with projects and properties worth about SEK 14 billion being sold during this period. In addition, during 1998 Skanska spun off its residential property company Drott, equivalent to a further SEK 10 billion in market value, to the shareholders.

Skanska's main strategic focus is on construction-related services and project development. Property management occurs only during a limited ownership period, in order to maximize project development value. Investment properties will therefore be reclassified from fixed assets to current assets effective from January 1, 2002, because these property holdings are not intended for long-term management.

In light of this, book depreciation of investment properties will also cease effective from January 1, 2002. The average depreciation period has amounted to about 50 years (2 percent annually) of the acquisition value of buildings. Depreciation of investment properties totaled SEK 184 M during the full year 2001. Depreciation will instead be replaced by valuation using the “lower of cost or market” principle. This means that the book value of each individual property amounts to its acquisition value or its estimated market value, whichever is lower.

Acquisition value is equal to book value on December 31, 2001 plus any writedowns that were carried out in prior years. These can be reversed (revalued) if the estimated market value exceeds book value. Those revaluations or writedowns that are found to be necessary will occur on a separate line in the income statement and will be reported under operating income in Skanska's core business.

As earlier, properties in project development operations will be reported under a separate heading in the balance sheet.

Effects of change in use of accounting principles, Jan-Mar 2002

| SEK M | Operating income | Income after financial items |
|--|------------------|------------------------------|
| Reclassification of properties in real estate operations | 51 | 51 |
| Capitalized interest expense | -13 | 30 |
| | 38 | 81 |

Adjustment to industry practice – Interest expenses in development of new projects will begin to be capitalized

Skanska has previously reported all interest expenses arising in its project development operations among expenses items. In order to adjust to the prevailing practice in the industry, both in Sweden and internationally, Skanska has decided to capitalize its interest expenses in project development. This means adding them to the acquisition value of other construction expenses. Capitalization of interest expenses will occur only in ongoing projects carried out for Skanska's own account and judged to be value-enhancing (that is, not ordinary repair and maintenance measures) and will reflect actual interest expense.

Given Skanska's estimated project volume in 2002, this will be equivalent to a capitalization of about SEK 140 M in interest expenses for the full year, based on a financing expense of 5 percent. Capitalization of interest expenses ceases when the project is completed, which may occur during the current calendar year.

SKANSKA SHARE DATA

The market price of a Skanska share was SEK 78.50 on April 24. This represented a 16 percent increase since year-end 2001. The Stockholm All Share Index declined by 12 percent during the same period. The Dow Jones Heavy Construction Industry Group Index, which includes the largest listed European construction and building materials companies, rose by 7 percent. During the report period, the highest quotation for a Skanska share was SEK 83.50 and the lowest was SEK 63.50.

PERSONNEL

The number of employees in the Group was 75,100 (82,643), measured as the average number of employees during the report period. The decrease was an effect of the restructuring measures initiated in 2001.

COMMENTS BY MARKET AND SEGMENT

The organization is divided into 17 business units and reported in three main segments: Construction-related services, Project Development & BOT and Services.

Construction-related services

Scandinavia

Consists of construction-related services in Sweden, Norway and Denmark

Scandinavia

| SEK M | Jan-Mar 2002 | Jan-Mar 2001 | Apr 2001-Mar 2002 | Jan-Dec 2001 |
|-----------------------------------|--------------|--------------|-------------------|--------------|
| Net sales | 8,330 | 8,906 | 42,691 | 43,267 |
| EBITA ¹ | -98 | -369 | 58 | -213 |
| EBITA margin, % | neg | neg | 0.1 | neg |
| EBIT ² | -141 | -412 | -142 | -413 |
| EBIT margin, % | neg | neg | neg | neg |
| ROCE, % ³ | neg | 7.5 | neg | neg |
| Capital employed | 9,031 | 8,882 | 9,031 | 9,060 |
| Order bookings | 9,136 | 10,384 | 39,905 | 41,153 |
| Order backlog, last day of period | 24,267 | 27,238 | 24,267 | 23,985 |

¹ Operating income excluding goodwill amortization and writedowns.

² Operating income.

³ Return on capital employed.

Trends in the Scandinavian markets were unchanged during the report period. The demand for housing was good and infrastructure construction began to show signs of increased volume. Commercial construction, especially in major metropolitan regions, continued to weaken. Altogether, the growth of the Swedish construction market slowed more than expected. Developments in Skanska's Danish operations were more reflective of a restrictive policy toward new tenders and the decreased scale of operations than of market developments as such.

Order bookings totaled SEK 9,136 M (10,384), which represented a decrease of 12 percent. Order bookings in Denmark fell sharply as an effect of the decreased scale of Danish operations.

Order backlog fell by 11 percent to SEK 24,267 M (27,238). Danish operations accounted for a large proportion of the decline in order backlog.

Net sales declined by 6 percent to SEK 8,330 M (8,906). Operating income improved to SEK -141 M (-412). Swedish operations were adversely affected by project loss provisions, for example on the Södra Länken (South Link) bypass highway and the Årsta Bridge in Stockholm. The steps that were taken in both Danish and Norwegian operations during 2001 have been judged to be sufficient.

Europe

Consists of construction-related services in Finland (including operations in Russia, Hungary and the Baltic countries of Estonia, Latvia and Lithuania), Poland, the Czech Republic and UK.

Europe

| SEK M | Jan-Mar 2002 | Jan-Mar 2001 | Apr 2001-Mar 2002 | Jan-Dec 2001 |
|-----------------------------------|--------------|--------------|-------------------|--------------|
| Net sales | 8,027 | 7,098 | 40,809 | 39,880 |
| EBITA | 107 | -150 | 16 | -241 |
| EBITA margin, % | 1.3 | neg | neg | neg |
| EBIT | 44 | -227 | -333 | -604 |
| EBIT margin, % | 0.5 | neg | neg | neg |
| ROCE, % | neg | 7.5 | neg | neg |
| Capital employed | 9,130 | 12,065 | 9,130 | 9,205 |
| Order bookings | 5,940 | 12,610 | 35,416 | 42,086 |
| Order backlog, last day of period | 32,982 | 38,749 | 32,982 | 36,131 |

The British market remained stable, and construction investments grew faster than the economy as a whole. The market for privately financed projects in the public sector (hospitals, infrastructure etc.) showed a sustained strong performance. The Czech construction market continued to demonstrate positive growth and is expected to increase by 4–5 percent during the full year 2002. In the Finnish market, the demand for housing remained stable at a high level, while commercial construction continued to weaken. The Polish market remained weak, viewed as a whole. The most attractive segment in Poland is infrastructure construction. Interest rates in Poland fell further and were below 11 percent, but real interest rates were still at a high level.

Order bookings totaled SEK 5,940 M (12,610). Skanska's British operations landed contracts for a number of major projects during the comparable period in 2001, which explains a large proportion of the sharp decline in order bookings. Order backlog decreased by 15 percent to SEK 32,982 M (38,749).

Net sales rose by 13 percent and amounted to SEK 8,027 M (7,098). Operating income totaled SEK 44 M (-227). Operating margin amounted to 0.5 (neg) percent. Even disregarding the loss provisions that were made in joint venture projects last year, earnings developed favorably in Skanska's British operations. The provisions made in British joint venture projects during 2001 have been found to be sufficient. Earnings in Czech operations also increased substantially, and both Czech and British operations appreciably increased their operating margins.

USA

Consists of construction-related services in the United States

USA

| SEK M | Jan-Mar 2002 | Jan-Mar 2001 | Apr 2001-Mar 2002 | Jan-Dec 2001 |
|-----------------------------------|--------------|--------------|-------------------|--------------|
| Net sales | 13,815 | 15,936 | 66,821 | 68,942 |
| EBITA | 312 | 284 | 1,275 | 1,247 |
| EBITA margin, % | 2.3 | 1.8 | 1.9 | 1.8 |
| EBIT | 294 | 265 | 1,202 | 1,173 |
| EBIT margin, % | 2.1 | 1.7 | 1.8 | 1.7 |
| ROCE, % | 31.1 | 43.1 | 31.1 | 34.2 |
| Capital employed | 4,645 | 3,492 | 4,645 | 4,473 |
| Order bookings | 12,636 | 20,416 | 46,081 | 53,861 |
| Order backlog, last day of period | 80,610 | 102,138 | 80,610 | 83,595 |

In Skanska's American construction submarkets and segments, demand stabilized compared to the situation during the late autumn of 2001. The American infrastructure market remained stable. The power station segment, in which Skanska has previously obtained a number of contracts, is expected to provide additional business opportunities during 2002. During the first quarter, Skanska landed contracts for power station construction and in the educational sector. It is still too early to assess the strength of the recovery in American construction investments, especially in private commercial construction, and its effect on order bookings.

Even though order bookings declined by 38 percent to SEK 12,636 M (20,416), this represented a sharp improvement compared to the fourth quarter of 2001, when order bookings were negative. The contracts that were postponed during the fourth quarter of last year will have an adverse impact on net sales during 2002. Order backlog decreased by 21 percent to SEK 80,610 M (102,138).

Net sales declined by 13 percent to SEK 13,815 M (15,936). Operating income rose by 11 percent to SEK 294 M (265). Operating margin increased to 2.1 (1.7) percent. The improvement in earnings was due to generally higher profitability in all American business units. The improvement in margins is expected to be sustained, even if business volume should decline compared to last year.

Other markets

Consists of construction-related services in South America, Hong Kong and India, as well as project exports in various countries

Other markets

| SEK M | Jan-Mar 2002 | Jan-Mar 2001 | Apr 2001- Mar 2002 | Jan-Dec 2001 |
|-----------------------------------|-----------------|-----------------|-----------------------|-----------------|
| Net sales | 2,280 | 2,241 | 11,373 | 11,334 |
| EBITA | 15 | 43 | 222 | 250 |
| EBITA margin, % | 0.7 | 1.9 | 2.0 | 2.2 |
| EBIT | 6 | 34 | 186 | 214 |
| EBIT margin, % | 0.3 | 1.5 | 1.6 | 1.9 |
| ROCE, % | 7.3 | 4.7 | 7.3 | 8.8 |
| Capital employed | 2,495 | 3,616 | 2,495 | 2,585 |
| Order bookings | 1,232 | 4,752 | 8,470 | 11,990 |
| Order backlog, last day of period | 12,599 | 16,737 | 12,599 | 14,639 |

Sade Skanska, the Group's base in South America, continued to land contracts in the oil and gas industry in Peru, Venezuela and Argentina. The business unit's operations outside Argentina have increased to more than 80 percent of its total operations, measured in U.S. dollars. In Hong Kong, the market remained weak, while in India the construction market was stable. There are good opportunities in the international project market.

The "Other markets" segment had a good order situation, despite a sharp decline in order bookings. Order booking fell by 74 percent to SEK 1,232 M (4,752). The decline is explained primarily by the fact that several major orders were received during the first quarter of last year. Furthermore, the continued weakening of the Argentinean peso resulted in negative currency translation effects. Order backlog amounted to SEK 12,599 M (16,737), which represents more than one year of construction.

Net sales rose by 2 percent to SEK 2,280 M (2,241). Operating income declined to SEK 6 M (34), and the operating margin amounted to 0.3 (1.5) percent.

Project Development & BOT

Consists of commercial project development for Skanska's own account and BOT (Build-Operate-Transfer, privately financed infrastructure projects)

Project Development & BOT

| SEK M | Jan-Mar 2002 | Jan-Mar 2001 | Apr 2001- Mar 2002 | Jan-Dec 2001 |
|-------------------------------|-----------------|-----------------|-----------------------|-----------------|
| Net sales | 349 | 348 | 1,388 | 1,387 |
| EBITA | 212 | 139 | 3,256 | 3,183 |
| EBIT | | | | |
| Property management | 203 | 160 | 618 | 575 |
| Other real estate business | -31 | -23 | 25 | 33 |
| Gain on sale of properties | 40 | 2 | 2,178 | 2,140 |
| Items affecting comparability | | | | |
| Reversal of writedown | 0 | 0 | 435 | 435 |
| EBIT | 212 | 139 | 3,256 | 3,183 |
| ROCE, % | 25.7 | 21.0 | 25.7 | 25.9 |
| Capital employed | 13,617 | 12,004 | 13,617 | 14,064 |

The demand for well-situated projects with a high occupancy level and a good tenant structure remained satisfactory. Rents stabilized in the Stockholm region. However, lead times for selling and leasing have lengthened compared to the beginning of last year. The potential for maintaining a high turnover rate in project development operations is expected to remain good.

Skanska Project Development has 14 projects underway, 10 of them in Sweden. Ongoing projects represent leasable space of 191,000 sq. m (2.06 million sq. ft.). On March 31, 2002, 89 percent of the space in these projects had been pre-leased. The pre-leasing rate was 90 percent in projects located in Sweden. Ongoing projects had a book value of SEK 2,452 M at the end of the report period. Their book value is expected to total SEK 3,300 M upon completion. Altogether, their market value upon completion will total about SEK 4.8 billion.

During the report period, Project Development & BOT showed an operating income of SEK 212 M (139), including SEK 40 M (2) in capital gains on the sale of properties. Skanska is carrying out no depreciation on its property portfolio effective from January 1, 2002, because the property portfolio has been reclassified as current-asset properties. In the first quarter of 2001, depreciation amounted to SEK 47 M.

Services

Consists of Skanska's facilities management operations and, effective from January 1, Skanska Telecom Networks, which provides services related to the construction and design of telecommunications and information technology (IT) infrastructure

Services

| SEK M | Jan-Mar 2002 | Jan-Mar 2001 | Apr 2001- Mar 2002 | Jan-Dec 2001 |
|-----------------------------------|-----------------|-----------------|-----------------------|-----------------|
| Net sales | 637 | 704 | 2,994 | 3,061 |
| EBITA | -2 | 59 | 80 | 141 |
| EBITA margin, % | neg | 8.4 | 2.7 | 4.6 |
| EBIT | -19 | 51 | 42 | 112 |
| EBIT margin, % | neg | 7.2 | 1.4 | 3.7 |
| ROCE, % | 9.0 | 41.9 | 9.0 | 23.0 |
| Capital employed | 382 | 810 | 382 | 453 |
| Order bookings | 1,539 | 573 | 3,781 | 2,815 |
| Order backlog, last day of period | 3,098 | 410 | 3,098 | 213 |

Skanska Services has continued to broaden its client base. After the close of the report period, the business unit landed a three-year service contract from Pharmacia worth a total of approximately SEK 660 M in net sales. This brings the average remaining contract period at Skanska Services to about 3 years. The Ericsson telecommunications group was still the largest client with 75 percent of order backlog, followed by Pharmacia with 11 percent, respectively.

Order bookings rose to SEK 1,539 M (573). Order backlog rose to SEK 3,098 M (410).

In light of reduced activity in construction of telecom and IT infrastructure, Skanska Telecom Networks substantially cut back its scale of operations. The resulting expenses were charged to operating income

in the first quarter of 2002. For this reason, the total operating income of the business unit was negative. However, operating income for facilities management activities increased.

The net sales of Skanska Services declined by 10 percent to SEK 637 M (704). Operating income amounted to SEK -19 M (51), resulting in a negative operating margin (7.2 percent).

Stockholm, April 25, 2002



CLAES BJÖRK
President and CEO

This Interim Report has not been subjected to separate examination by the Company's auditors.

The Skanska Group's Interim Report for January-June 2002 will be published on August 29, 2002.

Consolidated financial statements

INCOME STATEMENT

| SEK M | Jan-Mar 2002 | Jan-Mar 2001 | Apr 2001 – Mar 2002 | Jan-Dec 2001 |
|--|-----------------|-----------------|------------------------|-----------------|
| Net sales | 33,036 | 34,818 | 163,155 | 164,937 |
| Operating expenses ¹ | -30,695 | -33,029 | -153,207 | -155,541 |
| Selling and administrative expenses ¹ | -2,164 | -2,112 | -9,115 | -9,063 |
| Operations, gross ² | 177 | -323 | 833 | 333 |
| Gain on sale of properties | 40 | 2 | 2,193 | 2,155 |
| Share of income in associated companies | 17 | 4 | 48 | 35 |
| Items affecting comparability | 0 | 0 | -230 | -230 |
| Operating income | 234 | -317 | 2,844 | 2,293 |
| Net interest items | -179 | -139 | -964 | -924 |
| Other financial items ³ | 57 | 11 | -207 | -253 |
| Net financial items | -122 | -128 | -1,171 | -1,177 |
| Income after financial items | 112 | -445 | 1,673 | 1,116 |
| Taxes | -49 | 161 | -1,304 | -1,094 |
| Minority interests | -18 | -11 | -7 | 0 |
| Net profit for the period | 45 | -295 | 362 | 22 |

STATEMENT OF CHANGES IN FINANCIAL POSITION

| SEK M | Jan-Mar 2002 | Jan-Mar 2001 | Apr 2001 – Mar 2002 | Jan-Dec 2001 |
|--------------------------------------|-----------------|-----------------|------------------------|-----------------|
| Cash flow from business operations | -1,399 | 1,378 | 737 | 3,514 |
| Cash flow from investment operations | -1,644 | -4,217 | 365 | -2,208 |
| Cash flow from financing operations | 190 | 2,421 | -1,601 | 630 |
| Cash flow from the period | -2,853 | -418 | -499 | 1,936 |

BALANCE SHEET

| SEK M | Mar 31, 02 | Dec 31, 01 | SEK M | Mar 31, 02 | Dec 31, 01 |
|--|---------------|---------------|--|---------------|---------------|
| ASSETS | | | Shareholders equity & liabilities | | |
| Intangible fixed assets | 8,149 | 8,482 | Shareholders' equity ⁸ | 17,376 | 17,871 |
| Other fixed assets | 8,370 | 8,754 | Minority interests | 433 | 515 |
| Shares and participations | 1,477 | 1,427 | Interest-bearing liabilities & provisions ⁴ | 17,556 | 18,093 |
| Interest-bearing receivables | 1,839 | 1,946 | Non-interest bearing liabilities & provisions ⁴ | 49,184 | 56,605 |
| Non-interest bearing receivables | 39,549 | 44,350 | | | |
| Properties in real estate operations | 11,767 | 11,991 | | | |
| Other current-asset properties | 7,135 | 6,799 | | | |
| Bank balances and short-term investments | 6,263 | 9,335 | | | |
| Total assets | 84,549 | 93,084 | Total shareholders equity & liabilities | 84,549 | 93,084 |

Contingent liabilities

The Group's contingent liabilities decreased by SEK 1.5 bn to SEK 15.1 bn during the period (16.6 on December 31, 2001).

FINANCIAL RATIOS ETC. ⁵

| | Mar 31, 02 | Mar 31, 01 | Dec 31, 01 |
|---|------------|------------|------------|
| Interest-bearing net debt, SEK M | 9,454 | 7,548 | 6,812 |
| Net profit per share, SEK ^{6,7} | 0.90 | 7.50 | 0.05 |
| Equity/asset ratio, % | 21.1 | 21.9 | 19.8 |
| Debt/equity ratio | 0.5 | 0.4 | 0.4 |
| Return on shareholders' equity, % ⁶ | 2.0 | -1.6 | 0.1 |
| Return on capital employed, % ⁶ | 9.0 | 19.3 | 8.0 |
| Same adjusted for items affecting comparability and sales of shares, % ⁶ | 9.5 | 13.8 | 8.7 |
| Equity per share, SEK ⁷ | 41.50 | 44.80 | 42.70 |
| Average number of employees | 75,100 | 82,643 | 79,924 |

¹ Of which, depreciation Jan-Mar 2002: SEK -566 M, Jan-Mar 2001: SEK -601 M, Apr 2001-Mar 2002: SEK -2,578 M, Jan-Dec 2001: SEK -2,613 M.

² Of which income from project development in construction operations after writedowns Jan-Mar 2002: SEK 126 M, Jan-Mar 2001: SEK -1 M, Apr 2001-Mar 2002: SEK 241 M, Jan-Dec 2001: SEK 114 M.

³ Of which sale of shares in Pandox Jan-Mar 2002: SEK 47 M.

⁴ Provisions on March 31 totaled SEK 5,0 (5.6) bn, of which SEK 0,1 (0.8) bn was reported as interest-

bearing.

⁵ The definitions of the financial ratios can be found in the Annual Report for 2001.

⁶ The calculation is based on the past four quarters.

⁷ Total number of shares: March 31: 418,553,072 (418,553,072). Average number of shares Apr 2001-Mar 2002: 418,553,072 (436,840,804), Jan-Dec 2001: 418,553,072.

Markets and segments in brief

NET SALES AND OPERATING INCOME

| SEK M | Net sales | | | | Operating income | | | |
|--|---------------|---------------|-------------------|----------------|------------------|--------------|-------------------|--------------|
| | Jan-Mar 2002 | Jan-Mar 2001 | Apr 2001-Mar 2002 | Jan-Dec 2001 | Jan-Mar 2002 | Jan-Mar 2001 | Apr 2001-Mar 2002 | Jan-Dec 2001 |
| Core business | | | | | | | | |
| Scandinavia | 8,330 | 8,906 | 42,691 | 43,267 | -141 | -412 | -142 | -413 |
| Europe | 8,027 | 7,098 | 40,809 | 39,880 | 44 | -227 | -333 | -604 |
| USA | 13,815 | 15,936 | 66,821 | 68,942 | 294 | 265 | 1,202 | 1,173 |
| Other markets | 2,280 | 2,241 | 11,373 | 11,334 | 6 | 34 | 186 | 214 |
| Total construction-related services | 32,452 | 34,181 | 161,694 | 163,423 | 203 | -340 | 913 | 370 |
| Services | 637 | 704 | 2,994 | 3,061 | -19 | 51 | 42 | 112 |
| Total construction-related services | 33,089 | 34,885 | 164,688 | 166,484 | 184 | -289 | 955 | 482 |
| Project Development & BOT | 349 | 348 | 1,388 | 1,387 | 212 | 139 | 2,821 | 2,748 |
| Central and eliminations | -402 | -415 | -2,921 | -2,934 | -162 | -157 | -712 | -707 |
| | 33,036 | 34,818 | 163,155 | 164,937 | 234 | -307 | 3,064 | 2,523 |
| Items affecting comparability | | | | | | | | |
| Writedown of goodwill | - | - | - | - | - | - | -500 | -500 |
| Reversal of writedown | - | - | - | - | - | - | 435 | 435 |
| Total core business | 33,036 | 34,818 | 163,155 | 164,937 | 234 | -307 | 2,999 | 2,458 |
| Non-core business | - | - | - | - | - | -10 | -155 | -165 |
| Total Skanska Group | 33,036 | 34,818 | 163,155 | 164,937 | 234 | -317 | 2,844 | 2,293 |

ORDER BOOKINGS AND ORDER BACKLOG

| SEK M | Order bookings | | | | Order backlog | | | |
|--|----------------|---------------|-------------------|----------------|----------------|----------------|-------------------|----------------|
| | Jan-Mar 2002 | Jan-Mar 2001 | Apr 2001-Mar 2002 | Jan-Dec 2001 | Jan-Mar 2002 | Jan-Mar 2001 | Apr 2001-Mar 2002 | Jan-Dec 2001 |
| Scandinavia | 9,136 | 10,384 | 39,905 | 41,153 | 24,267 | 27,238 | 24,267 | 23,985 |
| Europe | 5,940 | 12,610 | 35,416 | 42,086 | 32,982 | 38,749 | 32,982 | 36,131 |
| USA | 12,636 | 20,416 | 46,081 | 53,861 | 80,610 | 102,138 | 80,610 | 83,595 |
| Other markets | 1,232 | 4,752 | 8,470 | 11,990 | 12,599 | 16,737 | 12,599 | 14,639 |
| Total construction-related services | 28,944 | 48,162 | 129,872 | 149,090 | 150,458 | 184,862 | 150,458 | 158,350 |
| Services | 1,539 | 573 | 3,781 | 2,815 | 3,098 | 410 | 3,098 | 213 |
| Central and eliminations | 127 | 273 | 456 | 602 | 77 | 288 | 77 | 80 |
| Total Skanska Group | 30,610 | 49,008 | 134,109 | 152,507 | 153,633 | 185,560 | 153,633 | 158,643 |

SKANSKA