



SHAREHOLDER INFORMATION
Three Month Report, January–March 2003

SKANSKA

Three Month Report January–March 2003

Group highlights

SEK M	Jan–Mar 2003	Jan–Mar 2002	Apr 2002– Mar 2003	Jan–Dec 2002
■ Net sales	30,249	33,317	143,288	146,356
of which net sales on sale of commercial properties	2,067	281	2,566	780
■ Operating income	720	234	1,462	976
of which gain on sale of commercial properties	488	40	742	294
■ Income after financial items	540	112	501	73
■ Net income	363	45	-519	-837
■ Earnings per share	0.87	0.11	-1.24	-2.00
■ Cash flow from business operations ¹	1,083	-1,276	5,631	3,272
■ Capital employed	33,473	36,100	33,473	34,059
■ Return on capital employed ²	5.5	9.0	5.5	4.3
■ Net debt	9,387	8,454	9,387	9,030
■ Shareholders' equity	13,062	17,376	13,062	14,217
■ Order bookings	33,674	30,610	140,654	137,590
■ Order backlog	140,930	153,633	140,930	137,940

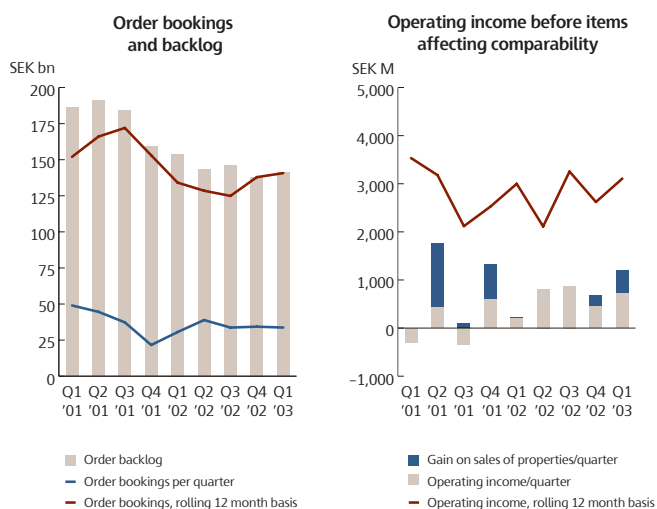
¹ Before taxes and financing.

² Rolling twelve months.

First quarter of 2003 compared to 2002

- Order bookings rose by 10 percent to SEK 33.7 billion. Adjusted for currency rate effects, however, the increase was 22 percent. Order backlog rose by 2 percent from year-end 2002 to SEK 140.9 billion. Adjusted for currency rate effects, however, the increase was 5 percent.
- Operating income rose to SEK 720 M (234). Capital gains on the sale of properties amounted to SEK 488 M (40).
- Income after financial items rose to SEK 540 M (112).
- Cash flow from business operations before taxes paid and financing rose to SEK 1,083 M (-1,276).
- Interest-bearing net debt rose by SEK 357 M from year-end 2002 to SEK 9,387 M, including SEK 1,285 M as the effect of changes in accounting principles for pensions (RR 29).

Cover: Annika Holmgren, Bookstore Manager of Akademibokhandeln in the newly renovated CityCronan building in Stockholm.



Order bookings

Order bookings rose by 10 percent and totaled SEK 33,674 M (30,610). The currency rate effect was negative, amounting to 12 percent, mainly due to the weakening of the American dollar and the British pound. Despite the weaker construction market, order bookings in local currencies rose by 22 percent. For the first time in seven quarters, order bookings were larger than net sales. Order bookings rose significantly at Skanska USA Civil (American civil construction) and in the United Kingdom, Finland and Norway.

Among major contracts landed by Skanska during the report period were the first privately financed road project in Norway, worth about SEK 1.6 billion, and a maintenance facility for subway trains in New York City, worth about SEK 1.4 billion.

Order backlog

Order backlog rose by 2 percent during the report period to SEK 140,930 M (Dec. 31, 2002: 137,940). The currency rate effect was negative, amounting –3 percent. Order backlog was equivalent to more than one year of construction.

Net sales and income

Performance analysis

SEK M	Jan–Mar 2003	Jan–Mar 2002	Apr 2002–Mar 2003	Jan–Dec 2002
Net sales				
Construction and Services	28,361	33,077	140,486	145,202
Commercial Project Development	2,433	625	4,023	2,215
BOT	5	5	38	38
Central & eliminations	–550	–390	–1,259	–1,099
Consolidated	30,249	33,317	143,288	146,356
Earnings before interest, taxes and amortizations				
Construction and Services	331	357	3,151	3,177
Commercial Project Development	690	226	1,513	1,049
BOT	–8	–14	–35	–41
Central & eliminations	–165	–185	–905	–925
Consolidated	848	384	3,724	3,260
Goodwill amortization	–128	–150	–617	–639
Items affecting comparability	0	0	–1,645	–1,645
Operating income	720	234	1,462	976
Net interest items	–135	–179	–582	–626
Other financial items	–45	57	–379	–277
Net financial items	–180	–122	–961	–903
Income after financial items	540	112	501	73
Taxes	–172	–49	–979	–856
Minority interests	–5	–18	–41	–54
Net income for the period	363	45	–519	–837
Earnings per share	0.87	0.11	–1.24	–2.00

Net sales (for changes in accounting practices concerning net sales, see pages 7–8, “Accounting principles and changes in accounting practices”) amounted to SEK 30,249 M (33,317), a decline of 9 percent. Currency rate effects were negative and amounted to 9 percent.

Operating income rose to SEK 720 M (234). The increase was mainly due to a substantially higher volume of property divestments, which amounted to SEK 488 M (40). Currency rate effects were negative, amounting SEK 39 M. In Construction and Services, operating income before goodwill amortization declined by 7 percent to SEK 331 M (357), while Commercial Project Development increased to SEK 690 M (226). Skanska BOT slightly reduced its operating loss. The item “Central and eliminations” (i.e. corporate overhead and eliminations of intra-Group transactions) shrank to SEK –165 M (–185), of which eliminations accounted for SEK –36 M (0).

Operating margin amounted to 2.4 (0.7) percent, including capital gains on sale of properties. In Construction and Services, operating margin before goodwill amortization amounted to 1.2 (1.1) percent.

Net interest items improved to SEK –135 M (–179) due to lower average interest rates on the Group’s interest-bearing debts. Other

financial items amounted to SEK –45 M (57) and included a write-down of shares in the kitchen interior manufacturer Nobia totaling SEK 26 M. Last year, the capital gain on the divestment of shares in the hotel property company Pandox was included in this item. Income after financial items rose to SEK 540 M (112). Taxes for the report period amounted to SEK –172 M (–49), equivalent to a tax burden of 32 (44) percent. Net profit for the period rose to SEK 363 M (45).

Return on capital employed, on a rolling twelve month basis, was 5.5 (2002: 4.3) percent. Return on shareholders' equity on a rolling twelve month basis was negative (2002: negative).

Net profit per share for the report period totaled SEK 0.87 (0.11), and on a rolling twelve month basis SEK –1.24 (–2.00).

Investments

Group net investments

SEK M	Jan–Mar 2003	Jan–Mar 2002	Apr 2002–Mar 2003	Jan–Dec 2002
OPERATIONS - INVESTMENTS				
Intangible fixed assets	–13	–4	–61	–52
Tangible fixed assets	–305	–332	–1,735	–1,762
Assets in BOT operations	0	0	–579	–579
Current-asset properties	–1,347	–1,472	–6,765	–6,890
Investments	–1,665	–1,808	–9,140	–9,283
OPERATIONS - DIVESTMENTS				
Intangible fixed assets	0	2	7	9
Tangible fixed assets	67	57	537	527
Assets in BOT operations	0	0	0	0
Current-asset properties	3,120	1,258	8,463	6,601
Divestments	3,187	1,317	9,007	7,137
Net investments in operations	1,522	–491	–133	–2,146
STRATEGIC INVESTMENTS				
Businesses	–30	–45	–483	–498
Shares	–10	–104	53	–41
Strategic investments	–40	–149	–430	–539
STRATEGIC DIVESTMENTS				
Businesses	24	0	24	0
Shares	0	128	223	351
Strategic divestments	24	128	247	351
Net strategic investments	–16	–21	–183	–188
TOTAL NET INVESTMENTS	1,506	–512	–316	–2,334
Depreciation, fixed assets	–377	–416	–1,723	–1,762

Investments in operations amounted to SEK –1,665 M (–1,808). The volume of investments in current-asset properties fell to SEK –1,347 M (–1,472). Investments in residential project development rose,

while investment volume in commercial project development decreased. Investments in fixed assets continued to diminish and totaled SEK –305 M (–332), which comprised about 80 percent of depreciation. Divestments in operations amounted to SEK +3,187 M (+1,317). The sale of current-asset properties amounted to SEK +3,120 M (+1,258). The increase was mainly due to higher sales volume in commercial project development. The net amount of the Group's investments (–) and divestments (+) was SEK +1,522 M (–491).

Net strategic investments totaled SEK –16 M (–21). The net amount of investments and divestments was SEK +1,506 M (–512).

Cash flow

Consolidated cash flow statement

SEK M	Jan–Mar 2003	Jan–Mar 2002	Apr 2002–Mar 2003	Jan–Dec 2002
CASH FLOW FROM OPERATIONS				
Cash flow from business operations				
before change in working capital	622	600	4,324	4,302
Change in working capital	–1,062	–1,756	668	–26
Net investments in business operations	1,522	–491	–133	–2,146
Cash flow adjustment net investment	1	371	772	1,142
Cash flow before taxes from business operations	1,083	–1,276	5,631	3,272
Paid taxes in in business operations	–193	–665	–972	–1,444
Cash flow from business operations	890	–1,941	4,659	1,828
Net interest items and other financial items	–155	–144	–674	–663
Change in interest-bearing receivables and liabilities	–1,946	96	–2,477	–435
Taxes paid in financial operations	46	34	166	154
Cash flow from financial operations	–2,055	–14	–2,985	–944
CASH FLOW FROM OPERATIONS	–1,165	–1,955	1,674	884
Strategic net investments	–16	–21	–183	–188
Taxes paid on strategic net investments	0	–855	–62	–917
Cash flow from strategic net investments	–16	–876	–245	–1,105
Dividend etc.	–8	–22	–1,292	–1,306
CASH FLOW FROM THE PERIOD	–1,189	–2,853	137	–1,527
Liquid assets at the beginning of the period	6,916	9,335	6,263	9,335
Exchange rate differences in liquid assets	–172	–219	–845	–892
Liquid assets at the end of the period	5,555	6,263	5,555	6,916
Change in net debt	–357	–2,642	67	–2,218

Cash flow from business operations rose to SEK 622 M (600). Change in working capital amounted to SEK –1,062 M (–1,756). Seasonal variations normally result in a negative change in working capital during the first quarter. Cash flow from business operations before taxes paid rose to SEK 1,083 M (–1,276). Cash flow from business operations totaled SEK 890 M (–1,941).

Cash flow from strategic investments amounted to SEK –16 M (–876).

In 2002, Skanska paid taxes of SEK 855 M in financing operations, mainly related to tax liabilities attributable to aircraft leasing limited partnership transactions in the early 1990s. In March 2003, the Administrative Court of Appeal in Stockholm decided to overturn an earlier ruling by the County Administrative Court and to approve the tax deductions that Skanska had claimed. This would mean that about SEK 750 M would be repaid to Skanska during the second quarter of 2003. The ruling gains legal force late in May, provided that it is not appealed. This would have the effect of reducing Skanska's full-year tax expenses by about SEK 400 M.

Financial position

Exchange rates for the most important currencies

	Average exchange rate		Exchange rates on the balance sheet date		
	Jan-Mar 2003	Jan-Mar 2002	Mar 31 2003	Mar 31 2002	Mar 31 2002
SEK					
U.S. dollar	8.55	10.45	8.49	10.35	8.83
British pound	13.72	14.90	13.43	14.73	14.12
Euro	9.18	9.16	9.26	9.02	9.15

Total assets in the consolidated balance sheet fell to SEK 75.6 billion (Dec. 2002: 78.4). Currency rate effects explained about SEK 2 billion of the decline.

The book value of current-asset properties amounted to SEK 18.4 billion (Dec. 2002: 19.5), of which Commercial Project Development accounted for SEK 12.1 billion (12.6).

Change in interest-bearing net debt

SEK M	Jan-Mar 2003	Jan-Mar 2002	Apr 2002– Mar 2003	Jan-Dec 2002
Net debt, opening balance	-9,030	-6,812	-9,454	-6,812
Cash flow from business operations	890	-1,941	4,659	1,828
Cash flow from financial operations excluding change in interest-bearing receivables and liabilities	-109	-110	-508	-509
Cash flow from strategic investments, net	-16	-876	-245	-1,105
Dividend etc.	-8	-22	-1,292	-1,306
Change in accounting principle for pensions	-1,285	-	-1,285	-
Translation differences	120	155	-507	-472
Reclassification of pension liabilities to interest-bearing liabilities	-	-	-656	-656
Other	51	152	-99	2
Net debt, closing balance	-9,387	-9,454	-9,387	-9,030

The Group's interest-bearing net debt rose by SEK 357 M to SEK 9,387 M (Dec. 2002: 9,030). This increase is an effect of a change in accounting principles for pensions beginning in 2003, which in-

creased interest-bearing liabilities by SEK 1,285 M (see pages 7–8, "Accounting principles and changes in accounting practices" concerning RR 29). Excluding the effect of changes in accounting principles, the Group's interest-bearing net debt decreased by SEK 900 M compared to year-end 2002.

Liquid assets and interest-bearing receivables rose by SEK 750 M to SEK 8,845 (Dec. 2002: 8,095). The sale of a portfolio of properties to the British-based Blackstone Group for a price of SEK 2.1 billion, with the capital gain reported during the first quarter of 2003 and with the payment settlement in April, was reported under "interest-bearing receivables". Interest-bearing liabilities and provisions rose by SEK 1,107 M to SEK 18,232 M (Dec. 2002: 17,125).

The shareholders' equity of the Group fell to SEK 13,062 M (Dec. 2002: 14,217), mainly due to the application of RR 29, which accounted for SEK 1,110 of the decline, and negative currency translation effects of SEK 408 M. The net debt/equity ratio amounted to 0.7 (0.6) and the equity/assets ratio was 17.6 (Dec. 2002: 18.5) percent.

Personnel

The number of employees in the Group was 73,581 (2002: 76,358), measured as the average number of employees during the respective period. The decrease was an effect of lower business volume.

Business streams

In the first quarter of 2003, earnings and financial ratios will be reported in three business streams: Construction and Services, Commercial Project Development and BOT. In the second quarter of 2003, Residential Project Development – which is part of Construction and Services today – will be separately reported.

Construction and Services

SEK M	Jan-Mar 2003	Jan-Mar 2002	Apr 2002-Mar 2003	Jan-Dec 2002
Net sales	28,361	33,077	140,486	145,202
Gross income	2,030	2,062	10,729	10,761
Selling and administrative expenses	-1,699	-1,705	-7,541	-7,547
Earnings before interest, taxes and amortizations	331	357	3,188	3,214
Goodwill amortization	-125	-137	-567	-579
Other	0	0	-1,645	-1,645
Operating income	206	220	976	990
Depreciation, fixed assets	-363	-410	-1,654	-1,701
Investments	-1,354	-1,534	-7,384	-7,564
Divestments	1,288	1,038	6,662	6,412
Investments, net	-66	-496	-722	-1,152
Cash flow from business operations ¹	-1,329	-1,489	5,096	4,936
Strategic net investments	-13	-140	-376	-503
Cash flow	-1,342	-1,629	4,720	4,433
Gross margin, %	7.2	6.2	7.6	7.4
Selling and administrative expenses, %	-6.0	-5.2	-5.4	-5.2
Earnings before interest, taxes and amortization, %	1.2	1.1	2.3	2.2
Operating margin, %	0.7	0.7	0.7	0.7
Order bookings	33,531	30,471	140,059	136,999
Order backlog	137,022	153,556	137,022	137,854

¹ Before taxes, financial operations and dividend from Group companies.

Further information by business unit can be found on page 10.

Net sales declined by 14 percent to SEK 28,361 M (33,077). Negative currency rate effects reduced net sales by 11 percent. USA Building (American building construction) accounted for the largest downturn in terms of local currency, while USA Civil (American civil construction) accounted for the largest increase. In SEK, the increase at USA Civil amounted to 27 percent, of which 19 percentage points were explained by the California-based civil construction company Yeager Skanska, which was acquired on September 30 last year. The total acquisition effect on Construction and Services amounted to just above 1 percent.

Operating income before goodwill amortization declined by 7 percent to SEK 331 M (357). Operating income fell by SEK 6 percent to SEK 206 M (220). Restructuring expenses and costs for the outcome of a project-related dispute totaling about SEK 70 M were charged to operating income at USA Building. These restructuring

expenses were an effect of cost-reduction measures that were initiated to increase USA Building's efficiency in a weak American market for commercial and industrial construction. Earnings in Skanska's British operations were adversely affected primarily by increased tender expenses for Private Finance Initiative (PFI) projects, but also by loss provisions on certain projects. In Sweden and Norway and at USA Civil and Sade (South American operations), operating income improved, compared to last year. In 2002, project loss provisions of SEK 200 M were charged to Skanska Sweden's earnings.

Commercial Project Development

SEK M	Jan-Mar 2003	Jan-Mar 2002	Apr 2002-Mar 2003	Jan-Dec 2002
Net sales	2,433	625	4,023	2,215
Gross income	750	292	1,766	1,308
Selling and administrative expenses	-60	-66	-253	-259
Earnings before interest, taxes and amortizations	690	226	1,513	1,049
Goodwill amortization	0	0	0	0
Other	0	0	0	0
Operating income	690	226	1,513	1,049
of which gain on sale of properties	488	40	742	294
of which operating net, completed properties	232	203	843	814
of which writedowns/reversal of writedowns	0	0	-63	-63
Investments	-492	-416	-1,751	-1,675
Divestments	2,067	281	2,567	781
Investments, net	1,575	-135	816	-894
Cash flow from business operations before taxes	2,243	381	1,653	-209
Strategic investments	0	0	1	1
Cash flow	2,243	381	1,654	-208

See pages 7–8 for changes in accounting practices.

An increased volume of property divestments helped boost net sales to SEK 2,433 M (625). Operating income rose to SEK 690 M (226), of which capital gain on the sale of properties amounted to SEK 488 M (40).

Commercial Project Development has 12 projects underway, 9 of them in Sweden. During the first quarter, Skanska began the development of a retail center in Sweden, while a shopping center in Budapest was completed. Ongoing projects represent leasable space of 141,000 sq. m (1.52 million sq. ft.) and are 85 percent pre-leased. At the end of the report period, their book value totaled SEK 1.8 billion (Dec. 2002: 1.6). Book value in ongoing projects is expected to total about SEK 2.4 billion upon completion, with an estimated market value of SEK 3.8 billion. CityCronan (the Grävlingen city block) in Stockholm is included in ongoing projects, with a market value of SEK 2.3 billion and a book value upon completion of SEK 1.2 billion.

The book value of Skanska's portfolio of completed properties amounted to SEK 7.5 billion (Dec. 2002: 9.1), with an estimated market value on March 31, 2003 of about SEK 11.5 billion (Dec. 2002: 13.6), based on appraisals in December 2002. The occupancy rate, measured in rent, amounted to 89 percent.

The book value of undeveloped land and development properties (building rights) totaled about SEK 2.7 billion (Dec. 2002: 1.9).

BOT				
SEK M	Jan-Mar 2003	Jan-Mar 2002	Apr 2002- Mar 2003	Jan-Dec 2002
Net sales	5	5	38	38
Gross income	4	-3	4	-3
Selling and administrative expenses	-12	-11	-39	-38
Earnings before interest, taxes and amortization	-8	-14	-35	-41
Goodwill amortization	-3	0	-3	0
Other	0	0	0	0
Operating income	-11	-14	-38	-41
of which gain on sale of projects	0	0	0	0
Depreciation fixed assets	-11	0	-13	-2
Investments	0	0	-579	-579
Divestments	0	0	0	0
Investments, net	0	0	-579	-579
Cash flow from business operations before taxes	-28	-11	-634	-617
Strategic investments	0	0	0	0
Cash flow	-28	-11	-634	-617

Net sales amounted to SEK 5 billion, which was unchanged compared to last year. The projects that are in operation have no impact on net sales, since Build-Operate-Transfer (BOT) projects are consolidated in Skanska's accounts according to the equity method of accounting. Income (after financial items) related to projects that are in operation is reported as one line in the income statement item "Gross operations." Operating income amounted to SEK -11 M (-14). The net decline in operating loss was due to an increase in the contribution to earnings from the projects that are in operation. Late in 2002, the Breitner power project in Brazil went into operation. This improvement did not have a full impact, because tender costs for new projects increased during the report period.

Skanska BOT develops and invests in privately financed infrastructure projects in cooperation with Skanska's construction units. BOT is a co-owner of 10 projects, of which 3 are in operation. During the first quarter, Skanska won a contract for the first privately financed project in Norway, the first phase of the E39 toll highway south of Trondheim. Skanska has also been selected as the builder of

a hospital in Derby, UK, where the contracts and financing are expected to be completed during the summer, after which the project can begin. This project is not included in BOT's project portfolio as of March 31. Skanska is continuously evaluating new projects, especially in the still-strong British market and in the Nordic countries, but also in the US. At the end of the report period, the book value of shares, participations and subordinated receivables totaled about SEK 1.1 billion. Skanska BOT's remaining investment obligations amount to approximately SEK 1.3 billion.

Market outlook

Construction investments are continuing to decline in Skanska's main markets, except for the United Kingdom and the Czech Republic. The main reason for diminished construction is lower capital investment volume in industrial and commercial construction. In the U.S., investment activity in industrial and commercial construction is at a low level, which is partly offset by projects in the healthcare and education sector. Industrial construction in the U.S. is expected to increase gradually during 2004. PFI project volume in the UK is continuing to grow, which is stabilizing the British market as a whole. Residential construction is increasing in the Czech Republic, Finland and Russia, while it is shrinking in Norway and Sweden. Civil construction in Skanska's main markets is expected to be stable in the next few years. In the Nordic countries, civil construction is expected to increase somewhat, while the Czech Republic and Poland are expected to show good growth in this segment. American civil construction is stable, but there is great uncertainty in forecasts of how infrastructure investments will develop in the longer term. This uncertainty is attributable to developments at the state level, while federal funding of infrastructure investments is expected to increase. Rising vacancy rates in the markets where Skanska is active in commercial project development will lead to a continued cautious approach to investments in new projects.

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. Effective on January 1, 2003, Skanska is applying RR 29 on "Employee Benefits," which is based on the international accounting standard IAS 19. Pensions have previously been reported in compliance with local rules in each country. The change in accounting principle was reported directly against shareholders' equity, which decreased by SEK 1,110 M. Pension liability increased by SEK 1,600 M and the Group's interest-bearing net debt rose by SEK 1,285 M. By applying RR 29, defined-benefit plans for pensions and the like in all of the Group's subsidiaries are thus being reported according to common principles. RR 29 has no nonrecurring effect

on cash flow, and the Skanska Group's obligations to its employees in each individual country are not affected by this change in accounting principle.

Divestment of properties in Commercial Project Development is being reported on a gross basis, effective from 2003. The sale price is thus reported as net sales and the book value as operating expenses. The capital gain on the sale of properties was previously reported on a separate line after "Gross operations" and was part of the Group's operating income. Operating income and other earnings concepts in the income statement are not altered by this change in accounting practice, other than "Gross operations." The same accounting principles thus apply to the Group's current-asset properties. The adjustment in comparative figures is reported below.

New principle for divestment of commercial properties – the Group's comparative figures, 2002

SEK M	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Net sales				
Group, present principle	33,317	39,175	35,557	38,307
Group, stated	33,036	39,155	35,532	37,853
Change	281	20	25	454
Gross Income				
Group, present principle	217	789	886	803
Group, stated	177	785	885	554
Change	40	4	1	249
Operating Income				
Group, present principle	234	816	876	-950
Group, stated	234	816	876	-950
Change	0	0	0	0

Recommendation RR 22 on "Presentation of Financial Statements" implies, among other things, that the same principle of consolidation (either the equity principle or the proportional principle) must be applied in the consolidated financial statements. Skanska currently applies both principles. During 2003, Skanska will evaluate the effects of applying RR 22.

Otherwise the accounting principles and calculation methods described in the latest Annual Report have been applied.

Other matters

On March 21, the Swedish Competition Authority filed suit against 11 companies with asphalt operations, among them Skanska. The suit requested a total amount of SEK 1.6 billion in fines for alleged infringements of the Competition Act, of which Skanska's share was SEK 664 M. Skanska denies the Competition Authority's allegations of collusive anti-competitive practices. Preparatory hearings on the

suit will begin during the spring of 2004. The main hearing at Stockholm City Court will begin in the autumn of 2004, according to the estimate of the Court.

Skanska made no provision in its financial statements related to the proposed fine of SEK 664 M, in light of great uncertainty that characterizes the outcome of this legal action. However, this amount is being reported as a contingent liability.

Events after the close of the report period

CityCronan divestment to be reported in second quarter

After the close of the report period, the remaining conditions for the sale of the CityCronan commercial property in Stockholm to the German real estate fund DEKA were met. The transaction will thus be reported during the second quarter of 2003. The sale price is SEK 2.3 billion and the capital gain amounts to about SEK 1.1 billion. Payment settlement will occur depending on when the project is completed, which is expected to occur during the third quarter.

Stockholm, May 6, 2003



STUART E. GRAHAM
President and CEO

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

Financial reports on 2003 results

The Skanska Group's interim reports for 2003 will be published on the following dates:

- Six Month Report, July 24, 2003
- Nine Month Report, October 30, 2003
- Year-end Report, February 13, 2004
(please note changed date).

The Skanska Group

INCOME STATEMENT

SEK M	Jan-Mar 2003	Jan-Mar 2002	Apr 2002- Mar 2003	Jan-Dec 2002
Net sales	30,249	33,317	143,288	146,356
Operating expenses	-27,401	-30,919	-130,746	-134,264
Gross income	2,848	2,398	12,542	12,092
Selling and administrative expenses	-2,000	-2,014	-8,818	-8,832
Earnings before interest, taxes and amortization (EBITA)	848	384	3,724	3,260
Goodwill amortization	-128	-150	-617	-639
Items affecting comparability	0	0	-1,645	-1,645
Operating income	720	234	1,462	976
of which gain on sale of commercial properties	488	40	742	294
Interest income	53	75	378	400
Interest expense	-188	-254	-960	-1,026
Interest expenses, net	-135	-179	-582	-626
Other financial items	-45	57	-379	-277
Income after financial items	540	112	501	73
Taxes	-172	-49	-979	-856
Minorities	-5	-18	-41	-54
Net profit	363	45	-519	-837
Earnings per share ¹	0.87	0.11	-1.24	-2.00
Average outstanding number of shares	418,553,072	418,553,072	418,553,072	418,553,072
Depreciation, fixed assets	-377	-416	-1,723	-1,762
Return on capital employed, rolling twelve months ¹	5.5	9.0	5.5	4.3
Return on shareholders' equity, rolling twelve months ¹	-3.4	2.0	-3.4	-5.2
Personnel, average	73,581	75,100	73,581	76,358

CASH FLOW FROM BUSINESS OPERATIONS

SEK M	Jan-Mar 2003	Jan-Mar 2002	R12m Apr 2002-Mar 2003	Jan-Dec 2002
Cash flow from business operations	890	-1,941	4,659	1,828
Cash flow from financial operations	-2,055	-14	-2,985	-944
Cash flow from operations	-1,165	-1,955	1,674	884
Cash flow from strategic investments	-16	-876	-245	-1,105
Dividend etc.	-8	-2	-1,312	-1,306
Cash flow for the period	-1,189	-2,833	117	-1,527

BALANCE SHEET

SEK M	Mar 31 2003	Mar 31 2002	Dec 31 2002	SEK M	Mar 31 2003	Mar 31 2002	Dec 31 2002
Assets				Shareholders' equity and liabilities			
Intangible fixed assets	5,719	8,149	6,071	Shareholders' equity ²	13,062	17,376	14,217
Other fixed assets	7,684	8,370	8,060	Minorities	287	433	296
Shares and participations	1,251	1,477	1,356	Interest-bearing liabilities and provisions ³	18,232	17,556	17,125
Interest-bearing receivables	3,290	1,839	1,179	Non interest-bearing liabilities and provisions ³	44,051	49,184	46,726
Non-interest bearing receivables	33,722	39,549	35,238				
Current-assets properties	18,411	18,902	19,544				
Bank balances and short-term investments	5,555	6,263	6,916				
Total assets	75,632	84,549	78,364	Total shareholders' equity and liabilities	75,632	84,549	78,364

KEY RATIOS ETC. ¹

SEK M	Mar 31 2003	Mar 31 2002	Dec 31 2002
Capital employed, average	33,473	36,100	34,059
Equity to assets, %	17.6	21.1	18.5
Net debt	-9,387	-9,454	-9,030
Debt/equity, ratio	0.7	0.5	0.6

Contingent liabilities

The Group's contingent liabilities increased by 1.6 billion to SEK 20.5 billion (18.9 on Dec. 31, 2002).

1 The definitions of the financial ratios can be found in the Annual Report for 2002.

2 Change in shareholders equity

	Jan-Mar 2003	Jan-Mar 2002	Apr 2002- Mar 2003	Jan-Dec 2002
Opening balance	14,217	17,871	17,376	17,871
Dividend	0	0	-1,256	-1,256
Change in accounting principle	-1,110	0	-1,110	0
Translation differences etc	-408	-540	-1,429	-1,561
Net profit for the period	363	45	-519	-837
Closing balance	13,062	17,376	13,062	14,217

3 Provisions on March 31 totaled SEK 7.3 bn, of which SEK 1.9 bn was reported as interest-bearing pensions.

Business streams in brief

SEK M	Jan-Mar 2003	Jan-Mar 2002	Apr 2002- Mar 2003	Jan-Dec 2002
NET SALES				
Construction & Services	28,361	33,077	140,486	145,202
Commercial Project Development	2,433	625	4,023	2,215
BOT	5	5	38	38
Other	-550	-390	-1,259	-1,099
Consolidated	30,249	33,317	143,288	146,356
OPERATING INCOME				
Construction & Services	206	220	2,621	2,635
Commercial Project Development	690	226	1,513	1,049
BOT	-11	-14	-38	-41
Central	-129	-198	-881	-950
Eliminations	-36	0	-108	-72
Items affecting comparability	0	0	-1,645	-1,645
Consolidated	720	234	1,462	976

SEK M	Jan-Mar 2003	Jan-Mar 2002	Apr 2002- Mar 2003	Jan-Dec 2002
CASH FLOW FROM OPERATIONS				
BEFORE TAXES, FINANCIAL OPERATIONS ¹				
Construction & Services	-1,329	-1,489	3,876	3,716
Commercial Project Development	2,243	381	1,653	-209
BOT	-28	-11	-634	-617
Other	197	-157	-412	-766
Consolidated	1,083	-1,276	4,483	2,124

¹ Before change in interest-bearing receivables and liabilities.

Construction and Services, by market

SEK M	Net Sales		Operating Income		EBITA ¹		EBITA, % ¹		Order backlog		Order bookings	
	Jan-Mar 2003	Jan-Mar 2002	Jan-Mar 2003	Jan-Mar 2002	Jan-Mar 2003	Jan-Mar 2002	Jan-Mar 2003	Jan-Mar 2002	Jan-Mar 2003	Jan-Mar 2002	Jan-Mar 2003	Jan-Mar 2002
Skanska Sweden	5,289	5,424	31	-92	37	-87	0.7	-1.6	14,514	16,164	5,127	5,852
Skanska Norway	2,232	2,062	13	-24	43	13	1.9	0.6	6,708	5,848	3,246	2,195
Skanska Denmark	794	844	-42	-26	-41	-25	-5.2	-3.0	2,169	2,254	1,158	1,088
Skanska Oy	1,754	1,848	-29	-5	-3	21	-0.2	1.1	6,106	4,951	2,175	1,382
Skanska Poland	593	911	-31	-71	-29	-62	-4.9	-6.8	3,459	3,938	461	617
Skanska CZ	1,282	1,272	69	64	65	59	5.1	4.6	9,232	6,831	2,046	2,049
Skanska UK	3,420	3,996	7	54	36	87	1.1	2.2	17,837	17,262	3,532	1,892
Skanska USA Building	7,401	11,086	27	155	40	169	0.5	1.5	44,493	59,827	8,142	9,630
Skanska USA Civil	3,243	2,551	137	111	143	113	4.4	4.4	24,865	20,783	4,962	2,828
Skanska Project Development USA	189	178	9	28	9	28	4.8	15.7	0	0	189	178
Sade Skanska	429	414	18	2	18	2	4.2	0.5	2,218	2,936	561	518
Gammon Skanska	696	1,274	0	15	8	24	1.1	1.9	3,070	4,030	1,100	597
Skanska Cementation India	196	147	2	3	4	4	2.0	2.7	1,801	2,071	56	166
Skanska International Projects	275	445	-26	-15	-26	-15	-9.5	-3.4	2,182	3,562	418	-48
Skanska Services	568	625	21	21	27	26	4.8	4.2	2,178	3,099	358	1,527
Total	28,361	33,077	206	220	331	357	1.2	1.1	140,832	153,556	33,531	30,471

¹ Earnings before interest, taxes and amortization.

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