



Q4
SHAREHOLDER INFORMATION
Year-end Report, January–December 2003

SKANSKA

Year-end Report

January–December 2003

Highlights

SEK M	Oct–Dec 2003	Oct–Dec 2002	Jan–Dec 2003	Jan–Dec 2002
■ Net Sales	35,605	37,339	132,879	142,033
of which net sales on sale of properties in Commercial Project Development	2,468	454	7,542	780
■ Operating income	1,277	–948	4,532	981
of which gain on sale of properties in Commercial Project Development	645	249	2,399	294
■ Income after financial items	1,189	–989	4,072	73
■ Net income	760	–1,345	2,761	–837
■ Earnings per share for the period	1.82	–3.21	6.60	–2.00
■ Operating cash flow from business operations ¹	5,019	2,930	10,913	3,394
■ Capital employed	24,460	31,640	24,460	31,640
■ Return on capital employed ²	17.1	4.2	17.1	4.2
■ Net cash (+)/Net debt (–)	150	–9,376	150	–9,376
■ Shareholders' equity	14,169	14,217	14,169	14,217
■ Order bookings	21,689	33,552	121,128	134,625
■ Order backlog	116,401	135,165	116,401	135,165

1 Before taxes

2 Rolling twelve months

Fourth quarter of 2003 compared to fourth quarter of 2002

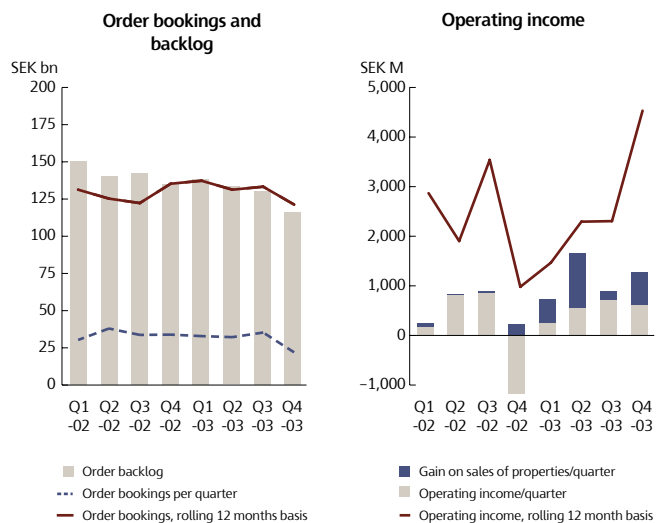
- Net sales of the Skanska Group declined by 5 percent to SEK 35,605 M (37,339). Adjusted for currency rate effects, net sales rose by 5 percent.
- Operating income rose to SEK 1,277 M (–948).
- Gain on sale of properties in Commercial Project Development amounted to SEK 645 M (249).
- Income after financial items rose to SEK 1,189 M (–989).
- Net income amounted to SEK 760 M (–1,345) and earnings per share in the fourth quarter amounted to SEK 1.82 (–3.21).
- Order bookings declined by 35 percent to SEK 21.7 billion. Adjusted for currency rate effects, order bookings fell by 31 percent. Order backlog amounted to SEK 116 billion, a decline of 14 percent, compared to year-end 2002. Adjusted for currency rate effects, order backlog decreased by 2 percent.

January – December 2003 compared to January – December 2002

- Net sales of the Skanska Group declined by 6 percent to SEK 132,879 M (142,033). Adjusted for currency rate effects, net sales rose by 3%.
- Operating income rose to SEK 4,532 M (981).
- Gain on sale of properties in Commercial Project Development amounted to SEK 2,399 M (294).
- Income after financial items rose to SEK 4,072 M (73).
- Net income amounted to SEK 2,761 M (–837) and earnings per share reached SEK 6.60 (–2.00).
- Improved financial position. Interest-bearing net debt, which amounted to SEK –9,376 M on January 1, 2003, gradually decreased during the year, and at the end of 2003 had become a net cash position of SEK 150 M.
- Capital employed shrank to SEK 24.5 billion (31.6).
- Cash flow from business operations rose to SEK 9,970 M (1,966).
- The Board of Directors proposes a dividend of SEK 3.00 (2.00) per share for the 2003 financial year.



Cover: Skanska Norway is doing construction right now in Asker, an expansive municipality some 20 km (12 mi.) west of the Norwegian capital, Oslo. The cultural center will feature a multiplex movie theater in the basement, a library and an elder center, in addition to stores, restaurants, offices and parking facilities. The contract is worth NOK 277 M. Shown in the photo are Skanska's Susanne Jonsson, purchasing manager, and Rasmus Piltingsrud, construction manager.



Order bookings

October – December

Order bookings declined by 35 percent and amounted to SEK 21,689 M (33,552). Adjusted for currency rate effects, order bookings fell by 31 percent. Order bookings declined significantly in the United Kingdom, USA Building (American commercial construction) and in Poland. A weak construction market, combined with large contracts won in the comparative period, explain the downturn: During the fourth quarter of 2002, Skanska's Polish operations won a contract to build the Zlote Tarasy project in Warsaw – a contract worth about SEK 1.8 billion – and in the U.K., Skanska reached financial closing of the Coventry hospital project, worth SEK 5.4 billion.

During the fourth quarter of 2003, order bookings rose significantly in the Czech Republic, Norway, and Finland and at Skanska Services. During the period, Skanska was awarded a contract to build an interchange on the beltway around Washington D.C., worth about SEK 1.1 billion. In the Czech Republic, Skanska signed a contract worth SEK 772 M to design and build the new headquarters of the Czech bank CSOB. Czech operations also received the assignment to build a new terminal at Prague Ruzyně International Airport; Skanska's share of the contract amounted to SEK 643 M. In North Carolina, Skanska USA Civil signed a highway construction contract worth about SEK 715 M. Skanska Services got its first major public sector assignment when it signed a four-year facilities management contract, worth approximately SEK 500 M, with the Östergötland County Council in Sweden.

During December, Skanska, in consortium with Innisfree, was selected to redevelop St. Bartholomew's Hospital (Barts) and The Royal London Hospital in central London. The assignment is Skanska's largest ever and comprises design and construction as well as operation and maintenance during a 38 year concession period. The construction project, worth about GBP 1 billion (approx. SEK 13 bn), will be included in order bookings when the contract and

financing agreement have been signed. This is expected to be completed in early 2005.

January – December

Order bookings declined by 10 percent and amounted to SEK 121,128 M (134,625). Currency rate effects lowered the total by 9 percent, mainly due to the weakening of the American dollar, the British pound and the Norwegian krone. Due to the continued weak construction market and a strong comparative period, order bookings fell by 1 percent in terms of local currencies.

Order backlog

Order backlog at year-end totaled SEK 116,401 M (135,165), which represented a 14 percent decline. In terms of local currencies, order backlog fell by 2 percent compared to year-end 2002 and by 12 percent compared to September 2003. Order backlog was equivalent to about 12 (13) months of construction work at comparable exchange rates.

Net sales and income

Performance analysis

SEK M	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002
Net sales				
Construction and Services	32,323	35,751	121,602	136,361
Residential Project Development	1,865	2,157	6,334	7,333
Commercial Project Development	2,758	824	8,861	2,214
BOT	15	23	87	38
Central & eliminations	-1,356	-1,416	-4,005	-3,913
Consolidated	35,605	37,339	132,879	142,033
Earnings before interest, taxes and amortizations				
Construction and Services	749	112	2,263	2,406
Residential Project Development	136	212	305	377
Commercial Project Development	750	385	3,061	1,049
BOT	2	-12	27	-41
Central	-115	-212	-484	-688
Closed down operations	9	-10	10	-164
Eliminations	1	-56	-65	-72
Consolidated	1,532	419	5,117	2,867
Goodwill amortization and writedowns ¹	-255	-1,367	-585	-1,886
Operating income	1,277	-948	4,532	981
Net interest items	-49	-145	-393	-631
Other financial items	-39	104	-67	-277
Net financial items	-88	-41	-460	-908
Income after financial items	1,189	-989	4,072	73
Taxes	-435	-330	-1,303	-856
Minority interests	6	-26	-8	-54
Net income for the period	760	-1,345	2,761	-837
Earnings per share for the period	1.82	-3.21	6.60	-2.00
1 Of which lump-sum writedown goodwill	-	-1,131	-	-1,131

October – December

Net sales totaled SEK 35,605 M (37,339), a decline of 5 percent. Adjusted for currency rate effects, net sales rose by 5 percent.

During the fourth quarter Skanska announced the intention to sell its mining operations in South Africa, Canada and Australia. This adversely affects Skanska's U.K. operation by SEK 104 M, of which SEK 85 M pertains to a writedown of goodwill. Also announced during the quarter were restructuring costs of SEK 225 M pertaining to a reduction of headcount and office space in Sweden (SEK 36 M), Norway (SEK 33 M), Russia (SEK 18 M) and the U.K. (SEK 83 M) and at Skanska Teknik (SEK 55 M).

Operating income increased to SEK 1,277 M (-948). Currency rate effects, mainly related to Construction and Services, had a positive impact of SEK 16 M on operating income. In Construction and Services, operating income before goodwill amortization rose sharply, amounting to SEK 749 M (112). Polish operations improved their operating income that amounted to SEK 48 M (-178) before goodwill, and in Sweden operating income totaled SEK 174 M (27). Danish and Finnish operations also improved their earnings, while USA Civil (American civil construction), the U.K. and Russian operations accounted for the largest declines in earnings. Residential Project Development reported that operating income before goodwill amortization declined to SEK 136 M (212). Commercial Project Development boosted its operating income to SEK 750 M (385) as an effect of increased divestments of completed commercial projects. Skanska BOT increased its operating income to SEK 11 (-12). Corporate overhead shrank to SEK -115 M (-212). The item "closed down operations" includes Skanska Telecom Networks, which was discontinued in 2002.

In Construction and Services, operating margin amounted to 1.4 (-3.5) percent.

Of goodwill amortizations and writedowns during the period, SEK 86 M is amortization, SEK 85 M is the writedown in the mining operations described above and the remaining amount is related to impairments primarily in Sweden and Norway.

As a consequence of lower debt, net interest items improved to SEK -49 M (-145). Capitalization of interest payments amounted to SEK 31 M (34). Other financial items amounted to SEK -39 M (104) and included exchange rate losses. Income after financial items rose to SEK 1,189 M (-989).

Net profit for the period rose to SEK 760 M (-1,345). Earnings per share during the period amounted to SEK 1.82 (-3.21).

January – December

Net sales declined by 6 percent to SEK 132,879 M (142,033). Currency rate effects had a negative impact of 9 percent on net sales. Operating income rose to SEK 4,532 M (981). Currency rate effects lowered operating income by SEK 171 M. In Construction and Services, operating margin amounted to 1.4 (0.5) percent. In Commercial Project Development, operating income amounted to SEK 3,061 M (1,049) of which gain of sale of properties was SEK 2,399 M (294).

Net interest items totaled SEK -393 M (-631) and "Other financial items" decreased to SEK -67 M (-277). This mainly includes currency rate losses. The larger amount in the comparative period pertained, among other things to provisions made to safeguard the

commitments specified by the pension plans in force at that time in the Swedish pension funds. Capitalization of interest payments amounted to SEK 84 M (144).

Income after financial items climbed to SEK 4,072 M (73). Taxes for the year amounted to SEK -1,303 M (-856), equivalent to a tax cost of about 32 percent, which is lower than in the comparative period. One reason for the lower tax rate was that a larger share of taxable earnings during the period, among other things capital gains on the sale of properties, was attributable to European countries, which generally have lower corporate tax rates than in the United States. Another explanation is that American operations generated a larger share of earnings in the comparative period. In addition, the tax burden was reduced by about SEK 400 M on an annual basis as an effect of the Administrative Court of Appeal's rulings concerning previously claimed tax deductions (the "aircraft leasing" cases). See "Other matters" on page 7. Net profit for the year rose to SEK 2,761 M (-837).

Return on capital employed was 17.1 (4.2) percent. Return on shareholders' equity was 19.5 (-5.2) percent.

Net profit per share for the year totaled SEK 6.60 (-2.00).

Investments and divestments

Group net investments

SEK M	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002
OPERATIONS – INVESTMENTS				
Intangible fixed assets	-15	-21	-51	-52
Tangible fixed assets	-421	-601	-1,309	-1,636
Assets in BOT operations	-95	-96	-115	-579
Shares	25	0	15	0
Current-asset properties	-1,513	-1,984	-5,372	-6,890
of which:				
Residential project development	-1,093	-1,502	-3,772	-4,692
Commercial project development	-420	-482	-1,600	-2,198
Investments	-2,019	-2,702	-6,832	-9,157
OPERATIONS – DIVESTMENTS				
Intangible fixed assets	3	6	4	9
Tangible fixed assets	206	210	381	522
Assets in BOT operations	0	0	1	0
Shares	0	0	0	0
Current-asset properties	4,465	2,110	12,956	6,601
of which:				
Residential Project Development	1,477	1,528	4,581	5,328
Commercial Project Development	2,988	582	8,375	1,273
Divestments	4,674	2,326	13,342	7,132
Net investments in operations	2,655	-376	6,510	-2,025
STRATEGIC INVESTMENTS				
Businesses	-83	-21	-90	-498
Shares	-3	9	-5	-41
Strategic investments	-86	-12	-95	-539
STRATEGIC DIVESTMENTS				
Businesses	-3	3	66	0
Shares	3	-41	433	351
Strategic divestments	0	-38	499	351
Net strategic investments	-86	-50	404	-188
TOTAL NET INVESTMENTS	2,569	-426	6,914	-2,213
Depreciation, fixed assets, excl goodwill amortization	-328	-445	-1,377	-1,680

October – December

Investments in operations amounted to SEK –2,019 M (–2,702). The volume of investments in current-asset properties declined to SEK –1,513 M (–1,984). Investments in tangible fixed assets continued to decline and totaled –421 M (–601). Divestments in operations amounted to SEK 4,674 M (2,326). The sale of current asset properties amounted to SEK 4,465 M (2,110). The increase was due to higher divestment volume in Commercial Project Development, that amounted to SEK 2,988 M (582). The sales level of residential units was stable and during the last quarter of the year divestments of SEK 1,477 M (1,527) were made. The net amount of the Group's investments (–) and divestments (+) was SEK +2,655 M (–376).

Net strategic investments totaled SEK –86 M (–50). The net amount of investments and divestments, including net strategic investments, totaled SEK 2,569 M (–426).

January – December

Investments in operations amounted to SEK –6,832 M (–9,157). Divestments in operations amounted to SEK 13,342 M (7,132) of which was attributable to Commercial Project Development SEK 8,375 M (1,273) and to Residential Project Development SEK 4,581 M (5,328). The net amount of the Group's investments (–) and divestments (+) in operations was SEK 6,510 M (–2,025).

Net strategic investments totaled SEK 404 M (–188). The net amount of investments and divestments, including net strategic investments, was SEK 6,914 M (–2,213).

Cash flow

Consolidated operating cash flow statement

SEK M	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002
CASH FLOW FROM OPERATIONS				
Cash flow from business operations before change in working capital	1,086	1,227	3,442	4,278
Change in working capital	1,234	2,084	913	–1
Net investments in business operations	2,655	–376	6,510	–2,025
Cash flow adjustment net investment	44	–5	48	1,142
Cash flow before taxes from business operations	5,019	2,930	10,913	3,394
Taxes paid in in business operations	–146	0	–943	–1,428
Cash flow from business operations	4 873	2 930	9,970	1,966
Net interest items and other financial items	–59	–75	–430	–668
Change in interest-bearing receivables and liabilities	–1,463	–2,628	–8,067	–1,115
Taxes paid in financial operations	24	14	135	156
Cash flow from financial operations	–1,498	–2,689	–8,362	–1,627
CASH FLOW FROM OPERATIONS	3,375	241	1,608	339
Net strategic investment	–86	–50	404	–188
Taxes paid on net strategic investment	–16	–62	740	–917
Cash flow from net strategic investment	–102	–112	1,144	–1,105
Dividend etc.	–57	–38	–864	–1,306

Mkr	Okt-dec 2003	Okt-dec 2002	Jan-dec 2003	Jan-dec 2002
CASH FLOW FROM THE PERIOD	3,216	91	1,888	–2,072
Liquid assets at the beginning of the period	3,924	5,856	5,763	8,630
Exchange rate differences in liquid assets	–103	–184	–614	–795
Liquid assets at the end of the period	7,037	5,763	7,037	5,763
Change in net debt	4,262	2,473	9,526	–2,000

October – December

Cash flow from business operations before change in working capital totaled SEK 1,086 M (1,227). Change in working capital totaled SEK 1,234 M (2,084). The fourth quarter is seasonally the strongest in terms of release of working capital. Cash flow in business operations before taxes paid rose to SEK 5,019 M (2,930), primarily due to considerably larger divestments than in the comparative period. Cash flow from business operations totaled SEK 4,873 M (2,930).

Cash flow from strategic investments amounted to SEK –102 M (–112).

January – December

Cash flow from business operations before change in working capital totaled SEK 3,442 M (4,278). Change in working capital amounted to SEK 913 (–1). Cash flow in business operations before taxes paid rose to SEK 10,913 M (3,394) as a consequence of the large divestments during the year. Cash flow from business operations totaled SEK 9,970 M (1,996).

Cash flow from strategic investments amounted to SEK 1,144 M (–1,105).

Financial position

Capital employed by business stream

SEK bn	Construction and Services	Residential Project Devel- opment	Commercial Project Devel- opment	BOT	Central & Elimina- tions	Total Skanska Group
Intangible fixed assets	4.3	0.0	0.0	0.4	0.0	4.7
Tangible fixed assets	6.7	0.1	0.0	0.0	0.0	6.8
Shares and participations	0.7	0.1	0.1	0.7	–0.2	1.4
Properties. commercial	1.0	0.0	9.5	0.0	–0.2	10.3
Properties. residential	0.0	3.4	0.0	0.0	0.0	3.4
Interest bearing receivables	1.7	0.2	0.1	0.1	1.1	3.2
Net working capital	–8.3	–1.0	–0.3	0.0	–2.7	–12.3
Cash & bank s. t. investments	3.4	0.1	0.1	0.0	3.4	7.0
Capital employed	9.5	2.9	9.5	1.2	1.4	24.5

Skanska has continued to reduce capital employed. At the close of 2003, the Group's capital employed totaled SEK 24.5 billion (31.6). The reduction in capital employed underway earlier in the year continued during the fourth quarter. Compared with the end of the third quarter, the Group reduced its capital employed by 2 percent to SEK 24.5 billion (25.0).

In Construction and Services, the decline during the fourth quarter was 30 percent and capital employed at the end of the period was SEK 9.5 (13.5) billion. In Residential Project Development, capital employed fell during the fourth quarter to SEK 2.9 billion (5.0), in Commercial Project Development it declined to SEK 9.5 billion (13.0) and in BOT the corresponding figure was SEK 1.2 billion (1.0). In Construction and Services, capital employed dropped to a level below the target figure of SEK 16 billion. Residential Project Development has reached its' target of SEK 3 billion whilst Commercial Project Development has approached its' target figure of SEK 8 billion. Outstanding commitments of approximately SEK 1.0 billion in BOT mean that BOT operations are approaching their target figure of SEK 3 billion in capital employed.

Change in interest-bearing net debt

SEK M	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002
Net debt, opening balance	-4,112	-11,849	-9,376	-7,376
Cash flow from business operations	4,873	2,930	9,970	1,966
Cash flow from financial operations excluding change in interest-bearing receivables and liabilities	-35	-61	-295	-512
Cash flow from strategic investments, net	-102	-112	1,144	-1,105
Dividend etc.	-57	-38	-864	-1,306
Change in accounting principle for pensions	-77	-	-1,362	-
Interest-bearing debts, acquired/sold	-23	195	846	-
Translation differences	70	-286	427	-389
Reclassification of pension liabilities to interest-bearing liabilities	-	-28	-	-656
Other reclassification	-427	-	-459	-
Other	40	-127	119	2
Net debt (-) / Net Cash (+), closing balance	150	-9,376	150	-9,376

January – December

The Group's interest-bearing net debt declined by SEK 9,526 M and constituted a net cash of SEK 150 M (-9,376) at year-end. The net decrease is mainly explained by the substantial divestments of primarily commercial properties, but also by a positive trend in cash flow from business operations and a decrease in tied-up working capital.

Liquid assets and interest-bearing receivables increased by SEK 2,492 to SEK 10,241 (7,749). Interest-bearing liabilities and provisions shrank by SEK 7,034 M to SEK 10,091 M (17,125).

During 2003, the shareholders' equity of the Group fell to SEK 14,169 M (14,217). The dividend paid to shareholders for the 2002 financial year, totaling SEK 837 M, and the application of the Swedish Financial Accounting Standards Council's recommendation RR 29 "Compensation to Employees," leading to a negative nonrecurring effect of SEK 1,110 M reported during the first quarter, were the main explanations for the decline in shareholders' equity. In addition, negative currency rate effects to equity in foreign subsidiaries totaled SEK 904 M, primarily due to the appreciation of the Swedish krona against the American dollar, the British pound and the Norwegian krone. The net debt/equity ratio amounted to 0.0 (0.6) and the equity/assets ratio was 21.5 (18.9) percent. The target figure for the net debt/equity ratio (net interest-bearing debt divided by visible shareholders' equity) is 0.1–0.3.

Exchange rates for the most important currencies

	Average exchange rate		Exchange rates on the balance sheet date	
	Jan-Dec 2003	Jan-Dec 2002	Dec 31 2002	Dec 31 2002
SEK				
U.S. dollar	8.08	9.73	7.26	8.83
British pound	13.19	14.57	12.89	14.12
Norwegian crown	1.14	1.22	1.08	1.25
Euro	9.12	9.16	9.07	9.15

During 2003, total assets in the consolidated balance sheet fell to SEK 66.7 billion (76.7). Currency rate effects explained about SEK 5.5 billion of the decline. In keeping with Skanska's strategic plan, capital employed is gradually being reduced. At the end of December 2003, capital employed amounted to SEK 24.5 billion (31.6).

The book value of current-asset properties amounted to SEK 13.7 billion (19.5), of which commercial properties in project development operations accounted for SEK 9.2 billion (12.6). Please see the table on page 16.

Personnel

During 2003, the number of employees in the Group was 69,669 (72,698), measured as the average number of employees. The decrease is due to an adaptation to lower business volume.

Market outlook

Construction investments remain weak in Skanska's main markets, except for the Czech Republic and Private Finance Initiative (PFI) projects in the United Kingdom. The main reason for diminishing construction activity is the low volume of investment in industrial and commercial construction. In the U.S., investment activity in industrial and commercial construction is at a low level. This was previously offset by projects in the healthcare and education sectors, but lower public appropriations are expected to have adverse effects in these sectors as well. Industrial construction in the U.S. is expected to increase at the same pace as private investments. Swedish construction is decreasing due to lower activity in commercial building. Except for PFI project volume in the U.K., British investments in other segments of importance to Skanska are decreasing. The Polish commercial construction market is beginning to show some signs of recovery, but the competitive situation is difficult.

Residential construction remains at a high level in the Czech Republic, Finland and Russia. In Norway, the demand for housing units rose during the second half of 2003. In Sweden, most residential construction today consists of units in the medium and lower price segments, for which there is heavy demand.

Civil construction in Skanska's main markets is showing certain signs of slow recovery. American civil construction is expected to diminish over time as a consequence of large budget deficits in individual states. However, New York City and vicinity, where Skanska has a strong position in infrastructure construction, is expected to outperform the U.S. as a whole in the next few years. In Finland, civil construction is increasing. In Sweden, the government's declaration that it intends to step up its infrastructure investments has generated hopes. The Czech Republic and Poland are expected to show some growth. In South America, the market situation has stabilized, with a good outlook for power transmission projects in the oil and gas industries, which are important sectors for Skanska's operations in this region.

The high vacancy rate 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 Year-end Report was prepared in compliance with the Swedish Financial Accounting Standards Council's recommendation RR 20 on Interim Financial Reporting of the Swedish Financial Accounting Standards Council. Effective on January 1, 2003, the following changes occurred:

The application of RR 29 on Employee Benefits, which is based on the international accounting standard IAS 19, and reporting of property divestments in Commercial Project Development on a gross basis. See the Interim Report for January–March 2003 for a more detailed description of these changes in accounting principles.

In conjunction with the Year-end Report, Skanska's financial reporting is being adjusted to comply with recommendation RR 22, Presentation of Financial Statements, which will have an effect on the consolidation method for joint ventures. This adjustment entails a consistent use of the equity method and means that earnings from joint ventures, previously included in gross income, will now be reported as a separate line in the income statement. This change will mainly affect the reporting of the half-owned Gammon Skanska, with operations mainly in Hong Kong.

An adjustment to recommendation RR 4 on Accounting for Extraordinary Items and Related Disclosure means that the "Items affecting comparability" line is being removed from the income statement and that this information will instead be reported in a note to the affected measure of earnings.

As a consequence of reporting in business streams, Skanska's current-asset properties have been classified as either commercial or residential. The comparative numbers have been changed accordingly.

Capital employed by market and business stream is defined as total assets excluding deposits with Skanska's internal bank, Skanska Financial Services, and tax receivables minus non interest-bearing liabilities and tax liabilities. Average capital employed is calculated using 5 measurements where opening and closing balance are given half weight and the interim quarters full weight. Figures stated for capital employed refer to the end of each respective period. Otherwise, the accounting principles and calculation methods described in the latest Annual Report have been applied.

Return on capital employed by market and business stream is calculated as operating income, interest income excluding interest income from Skanska's treasury department, Skanska Financial Services, net holdings in associated companies and other financial items as a percentage of average capital employed by market and business stream.

Other matters

The Nomination Committee in preparation for the 2004 Annual Meeting of Skanska AB consists of: Sverker Martin-Löf, Chairman of the Board of Skanska AB and Vice Chairman of the Board of AB Industrivärden; Carl-Olof By, Executive Vice President of AB Industrivärden; Staffan Grebbäck, Head of Investment Management at Alecta; Per Ludvigsson, President of Inter IKEA Investment AB; Mats Guldbrand, Equities Manager at AMF Pension; and Curt Källströmer, Head of the Chairman's Office, Svenska Handelsbanken. The 2004 Annual Meeting will be held at 5 p.m. on March 30, 2004 at the Berwald Hall in Stockholm, Sweden.

Effective from the second quarter of 2003, all four of Skanska's business streams are being reported separately in the financial statements: Construction and Services, Residential Project Development, Commercial Project Development and BOT. Information including historical data with regard to quarterly outcomes in 2002 and the first quarter of 2003, broken down by business stream and by market,

was distributed in a press release on July 4, 2003. This information can also be downloaded in Excel format from the Group's web site, www.skanska.com.

No new information has emerged in the ongoing process where the Swedish Competition Authority has filed a suit against Skanska.

After the Administrative Court of Appeal decided to approve the tax deductions previously claimed by Skanska (the "aircraft leasing" cases), the tax authority repaid SEK 756 M during the second quarter. The National Tax Board has appealed the rulings to the Supreme Administrative Court. No decision has yet been made whether the Supreme Administrative Court will take up the case.

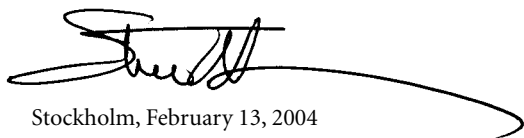
Dividend

Revised dividend policy

The regular dividend shall reflect the part of sustainable Net Profit that is not needed to develop the Group's core business. The ambition is that the dividend shall grow steadily over time. Based on the foreseeable capital requirements of the Group, any excess equity capital shall be distributed in an efficient way to the shareholders.

Dividend 2003

The Board of Directors proposes a regular dividend of SEK 3.00 (2.00) per share for the 2003 financial year. The proposal is equivalent to a total dividend of SEK 1,256 M (837).



Stockholm, February 13, 2004

STUART E. GRAHAM
President and CEO

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

Annual Report for 2003

The Annual Report for the 2003 financial year will be distributed from March 12 and will also be available from the same date at the Skanska Group office in Solna and on Skanska's web site (www.skanska.com).

Financial reports in 2004

Effective from January 1, 2004, Skanska will reduce the number of printed interim reports. In the future, only the Six Month Report and the Annual Report will be printed and distributed. The other interim reports as well as the Year-end Report will be available for downloading on Skanska's web site, (www.skanska.com) and can also be ordered from Skanska AB, Investor Relations.

During 2004, the Skanska Group's interim reports will be published on the following dates:

April 30, 2004	Three Month Report
July 29, 2004	Six Month Report
October 29, 2004	Nine Month Report

Additional information

Business streams

Construction and Services

SEK M	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002
Net sales	32,323	35,751	121,602	136,361
Gross income	2,423	2,553	8,645	9,443
Selling and administrative expenses ¹	-1,750	-2,063	-6,468	-6,743
Share of income in associated companies	76	-378	86	-294
Earnings before interest, taxes and amortizations	749	112	2,263	2,406
Goodwill amortization and writedowns ²	-263	-1,367	-578	-1,788
Operating income	486	-1,255	1,685	618
Capital employed	9,529	13,540	9,529	13,540
Depreciation, fixed assets	-324	-427	-1,355	-1,607
Investments	-628	-566	-1,849	-2,697
Divestments	780	245	1,539	986
Investments, net	152	-321	-310	-1,711

Cash flow from operations before investments	2,600	3,288	3,665	3,554
Net investments in operations	187	-292	-394	-1,237
Cash flow adjustment net investment	1	182	-54	-22
Operating cash flow from business operations ³	2,788	3,178	3,217	2,295
Strategic net investments	-35	-28	84	-474
Cash flow	2,753	3,150	3,301	1,821

Gross margin, %	7.5	7.1	7.1	6.9
Selling and administrative expenses, %	-5.4	-5.8	-5.3	-4.9
Earnings before interest, taxes and amortization, %	2.3	0.3	1.9	1.8
Operating margin %	1.5	-3.5	1.4	0.5
RoCE, % ⁴	16.3	13.8	16.3	13.8
Order bookings	21,535	32,990	120,562	132,889
Order backlog	116,303	135,079	116,303	135,079
Personnel	68,209	70,656	68,209	70,656

1 Excluding amortization and writedown goodwill

2 Of which lump-sum writedown of goodwill - -1,131 - -1,131

3 Before taxes, financial operations and dividend from Group companies

4 Calculated on the basis of operating income before nonrecurring writedown on acquisition goodwill and tangible fixed assets, rolling twelve months

October – December

Further information by market can be found on page 15.

Net sales declined by 10 percent to SEK 32,323 M (35,751). Net sales were negatively impacted by currency rate effects of 10 percent.

During the fourth quarter Skanska announced the intention to sell its mining operations in South Africa, Canada and Australia. This adversely affects Skanska's U.K. operations by SEK 104 M, of which SEK 85 M pertains to a writedown of goodwill. Also announced during the quarter were restructuring costs of SEK 170 M pertaining to a reduction of headcount and office space in Sweden (SEK 36 M), Norway (SEK 33 M), Russia (SEK 18 M) and the U.K. (SEK 83 M).

Operating income before goodwill (EBITA) rose sharply, reaching SEK 749 M (112). Operating income amounted to SEK 486 M (-1,255). Operating income was negatively impacted by currency rate

effects of SEK 41 M. During the comparative period of 2002, Skanska carried out lump-sum writedowns of acquisition goodwill and surplus values totaling SEK 1,645 M, which makes comparisons misleading. Skanska's Nordic operations as well as its operations in Poland and Skanska USA Building showed a positive trend of earnings.

January – December

Net sales declined by 11 percent to SEK 121,602 billion (136,361). Negative currency rate effects lowered net sales by 9 percent. For Construction and Services as a whole, the acquisition effect was positive and totaled 1 percent.

EBITA fell by 6 percent to SEK 2,263 M (2,406). Operating income rose to SEK 1,685 M (618). The comparison of operating income is misleading, due to lump-sum writedowns of goodwill and surplus values on tangible fixed assets totaling SEK 1,645 M that Skanska carried out during 2002.

Residential Project Development

SEK M	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002
Net sales	1,865	2,157	6,334	7,333
Gross income	227	317	676	827
Selling and administrative expenses ¹	-86	-96	-366	-439
Share of income in associated companies	-5	-9	-5	-11
Earnings before interest, taxes and amortizations	136	212	305	377
Goodwill amortization and writedowns	-1	0	-7	0
Operating income	135	212	298	377
Capital employed	2,931	4,977	2,931	4,977
Depreciation fixed assets	-3	-4	-11	-11
Investments	-1,093	-1,563	-3,773	-4,741
Divestments	1,475	1,613	4,584	5,420
Investments, net	382	50	811	679

Cash flow from operations before investments	-63	249	110	883
Net investments in operations	382	49	811	708
Cash flow adjustment net investment	164	0	49	0
Operating cash flow from business operations ²	483	298	970	1,591
Strategic net investments	0	1	0	-29
Cash flow	483	299	970	1,562

Operating margin, %	7.2	9.8	4.7	5.1
RoCE, % ³	7.5	8.0	7.5	8.0
Personnel	824	1,320	824	1,320

1 Excluding amortization and writedown goodwill

2 Before taxes, financial operations and dividend from Group companies

3 Rolling twelve months

October – December

Further information by market can be found on page 16.

Net sales declined by 14 percent to SEK 1,865 M (2,157). The main reason for the decline in net sales was that the American residential development unit – Spectrum Skanska – was divested on April 1, 2003 and sales from Spectrum Skanska were thus only included in the first quarter of 2003. The divestment of Spectrum Skanska did not lead to any capital gain.

Operating income fell to SEK 135 M (212), partly explained by the divestment of Spectrum Skanska. In Polish operations, previously completed residential units are being sold and no new project development is currently underway. The negative operating income reported in Polish operations was an effect of sales and administrative expenses, since residential units completed earlier are being sold with little or no gross margin. Czech operations accounted for the largest improvement in operating income.

January – December

Net sales declined by 14 percent to SEK 6,334 M (7,333). Negative currency rate effects lowered net sales by 2 percent. Operating income decreased by 21 percent to SEK 298 M (377). Project provisions or writedowns of SEK 50 M (101) were charged to earnings, of which SEK 50 M (50) in Sweden and SEK 0 M (51) “Other” (housing in Latvia).

At the end of December, there were 6,141 (6,552) residential units under construction, of which 71 (65) percent were sold. The number of unsold completed residential units was 465 (591).

The book value of current-asset properties in Residential Project Development totaled SEK 3.4 billion (4.8). The divestment of Spectrum Skanska explained SEK 0.9 billion of the decrease. A breakdown of book values can be seen in the table on page 16. The book value of undeveloped land and development properties totaled SEK 2.0 billion. They are equivalent to building rights for about 20,000 residential units.

Commercial Project Development

SEK M	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002
Net sales	2,758	824	8,861	2,214
Gross income	818	457	3,309	1,308
Selling and administrative expenses ¹	-66	-72	-244	-258
Share of income in associated companies	-2	0	-4	-1
Earnings before interest, taxes and amortizations	750	385	3,061	1,049
Goodwill amortization and writedowns	0	0	0	0
Operating income	750	385	3,061	1,049
of which gain on sale of properties	645	249	2,399	294
of which operating net, completed properties	141	187	750	789
of which writedowns/reversal of writedowns	0	-63	0	-63
Capital employed	9,459	13,039	9,459	13,039

SEK M	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002
Investments	-355	-462	-1,399	-1,674
Divestments	2,497	447	7,572	781
Investments, net	2,142	-15	6,173	-893
Cash flow from operations before investments	167	-85	884	606
Net investments in operations	2,142	-15	6,173	-894
Cash flow adjustment net investment	-121	-186	53	1,165
Operating cash flow from business operations before taxes ²	2,188	-286	7,110	877
Strategic investments	0	0	0	1
Cash flow	2,188	-286	7,110	878
RoCE, % ³	24.8	9.2	24.8	9.2
Personnel	149	177	149	177

1 Excluding amortization and writedown goodwill

2 Before taxes, financial operations and dividend from Group companies

3 Rolling twelve months

October – December

See page 16 for more information.

Net sales rose to SEK 2,758 M (824). Operating income rose to SEK 750 M (385). During the period, Skanska sold the office property in the Brahelund block of Solna, a Stockholm suburb, which includes the Group’s headquarters. The sale price was SEK 1,260 M, with a capital gain of SEK 290 M. Divestments of ongoing and completed projects totaled SEK 2,468 M (454), with a capital gain of SEK 645 M (249).

January – December

Net sales rose to SEK 8,861 M (2,214) and operating income rose to SEK 3,061 M (1,049). Divestments of ongoing and completed projects totaled SEK 7,542 M (780), with a capital gain of SEK 2,399 M (294).

Commercial Project Development has seven projects underway, five of them in Sweden. Ongoing projects represent leasable space of 89,000 sq. m (or 958,000 sq. ft) and are 55 percent pre-leased. At the end of the year, their book value totaled SEK 0.4 billion (1.6). Their book value upon completion is expected to total SEK 1.1 billion, with an estimated market value of SEK 1.4 billion.

The book value of Skanska’s portfolio of completed properties, including partly owned properties and projects completed during 2003, amounted to SEK 6.2 billion (9.1), with an estimated market value, based on an appraisal dated December 2003, of about SEK 9.4 billion (13.6). The occupancy rate, measured in rent, amounted to 87 percent.

The book value of Skanska’s undeveloped land and development properties (or “land bank”) totaled about SEK 2.6 billion (1.9). This increase stems from the transfer of the land bank from construction operations.

The sales price of the properties sold during the year exceeded by 5 percent the market appraisal carried out at the end of 2002. Market value of identical properties at the end of 2003 was reduced by 6 percent compared to the end of 2002.

BOT

SEK M	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002
Net sales	15	23	87	38
Gross income	17	-9	32	-23
Selling and administrative expenses ¹	-20	-16	-57	-39
Share of income in associated companies	5	13	52	21
Earnings before interest, taxes and amortization	2	-12	27	-41
Goodwill amortization and writedowns	9	0	0	0
Operating income	11	-12	27	-41
of which gain on sale of projects	0	0	0	0
Capital employed	1,243	1,044	1,243	1,044
Depreciation fixed assets	0	-3	0	-3
Investments	-95	-96	-115	-579
Divestments	0	0	1	0
Investments, net	-95	-96	-114	-579
Cash flow from operations before investments	-16	-17	-58	-38
Net investments in operations	-96	-96	-114	-579
Cash flow adjustment net investment	0	0	0	0
Operating cash flow from business operations ²	-112	-113	-172	-617
Strategic investments	0	0	0	0
Cash flow	-112	-113	-172	-617
RoCE, % ³	3.8	-3.5	3.8	-3.5
Personnel	32	24	32	24

1 Excluding amortization and writedown goodwill

1 Before taxes, financial operations and dividend from Group companies

2 Rolling twelve months

October – December

Net sales amounted to SEK 15 M (23). The contribution to earnings from the three BOT projects that are in operation rose, and operating income amounted to SEK 11 M (-12). During December, Skanska, in consortium with Innisfree, was selected to redevelop St. Bartholomew's Hospital (Barts) and The Royal London Hospital in central London. The assignment is Skanska's largest ever and comprises design and construction as well as operation and maintenance during a 38 year concession period. The construction project, worth about GBP 1 billion, will be included in order bookings when the contract and financing agreement have been signed. This is expected to be completed in early 2005. The construction contract is worth about GBP 1 billion (approximately SEK 13 billion). In addition, there will be a 38-year facilities management commitment. Skanska's investment amounts to about SEK 350 M.

January – December

Net sales amounted to SEK 87 M (38). Operating income amounted to SEK 27 M (-41).

The Build-Operate-Transfer (BOT) concept is also known in the United Kingdom as Private Finance Initiative or PFI. Skanska BOT develops and invests in privately financed infrastructure projects in cooperation with Skanska's construction units. BOT is part owner in 11 projects, of which 3 are completed and in operation. At year-end 2003, the book value of shares, participations and subordinated receivables totaled about SEK 1.2 billion. Skanska BOT's remaining investment obligations totaled approximately SEK 1.0 billion related to ongoing projects.

According to an internal appraisal, the market value of the projects exceed book value by approximately SEK 800 M, of which approximately SEK 100 M is attributable to the year 2003.

The Skanska Group

INCOME STATEMENT, SUMMARY

SEK M	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002
Net sales	35,605	37,339	132,879	142,033
Operating expenses	-31,984	-34,222	-119,973	-130,452
Gross income	3,621	3,117	12,906	11,581
Selling and administrative expenses ¹	-2,368	-3,690	-8,453	-10,315
Share of income in associated companies	24	-375	79	-285
Operating income	1,277	-948	4,532	981
Interest income	107	112	292	395
Interest expense	-156	-257	-685	-1,026
Interest expenses, net	-49	-145	-393	-631
Other financial items	-39	104	-67	-277
Income after financial items	1,189	-989	4,072	73
Taxes	-435	-330	-1,303	-856
Minorities	6	-26	-8	-54
Net profit	760	-1,345	2,761	-837
Earnings per share for the period	1.82	-3.21	6.60	-2.00
Average outstanding number of shares	418,553,072	418,553,072	418,553,072	418,553,072
Depreciation, fixed assets, excl goodwill amortization	-327	-445	-1,377	-1,680
RoCE, rolling twelve months, %	17.1	4.2	17.1	4.2
RoE, rolling twelve months, %	19.5	-5.2	19.5	-5.2
Average number of employees	69,669	72,698	69,669	72,698
1 Of which goodwill amortization and writedowns	-255	-236	-585	-755
Of which lump-sum writedown goodwill	-	-1,131	-	-1,131

EXTERNAL CASH FLOW, SUMMARY

SEK M	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002
Cash flow from financing operations	5,187	3,445	11,062	3,729
Cash flow from investment operations	-462	-741	-1,207	-3,011
Cash flow from financial operations	-1,509	-2,613	-7,967	-2,790
Cash flow for the period	3,216	91	1,888	-2,072

BALANCE SHEET SEK M	Dec 31 2003	Dec 31 2002
ASSETS		
Intangible fixed assets		
Goodwill	4,259	5,360
Other intangible fixed assets	459	481
	4,718	5,841
Tangible fixed assets		
Buildings and land	2,144	2,417
Machinery and equipment	4,482	5,286
Fixed assets under construction	104	105
	6,730	7,808
Financial fixed assets		
Shares and participations	1,450	2,018
Interest-bearing receivables	1,956	858
Deferred taxes	1,539	1,621
	4,945	4,497
Total fixed assets	16,393	18,146
Current-asset properties		
Commercial Project Development	9,249	12,610
Commercial properties, other	1,051	2,120
Residential Project Development	3,394	4,814
	13,694	19,544
Inventories	828	865
Current receivables		
Interest-bearing receivables	1,248	1,128
Tax claim	415	310
Non-interest-bearing receivables	27,123	30,992
	28,786	32,430
Short term investments	218	303
Cash and bank balances	6,819	5,460
Total current assets	50,345	58,602
Total assets	66,738	76,748
of which interest-bearing	10,241	7,749

BALANCE SHEET SEK M	Dec 31 2003	Dec 31 2002
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	14,169	14,217
Minorities	200	298
Provisions		
Pensions	2,058	984
Provision for taxes	3,104	2,317
Other provisions	3,230	3,078
	8,392	6,379
Long-term liabilities – interest-bearing	7,182	13,845
Short-term liabilities		
Interest-bearing liabilities	809	2 607
Tax liabilities	571	447
Non-interest-bearing liabilities	35,415	38,955
	36,795	42,009
Total shareholders' equity and liabilities of which interest-bearing	66,738	76,748
	10,091	17,125

Contingent liabilities

The Group's contingent liabilities increased by 0.7 billion since year-end 2002 to SEK 19.5 billion (18.8 on Dec.31, 2002)

KEY RATIOS ETC ¹	Dec 31 2003	Dec 31 2002
Capital employed, closing balance	24,460	31,640
Capital employed, average	28,183	35,039
Equity assets ratio, %	21.5	18.9
Net debt	150	-9,376
Debt/equity ratio	0.0	0.6

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

CHANGES IN SHAREHOLDERS' EQUITY

SEK M	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002
Opening balance	13,423	15,811	14,217	17,871
Dividend	-	-	-837	-1,256
Change in accounting principle	-	-	-1,110	-
Translation differences etc	-14	-249	-862	-1,561
Net profit for the period	760	-1,345	2,761	-837
Closing balance	14,169	14,217	14,169	14,217

BUSINESS STREAMS IN BRIEF SEK M	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002
NET SALES				
Construction & Services	32,323	35,751	121,602	136,361
Residential Project Development	1,865	2,157	6,334	7,333
Commercial Project Development	2,758	824	8,861	2,214
BOT	15	23	87	38
Other and eliminations	-1,356	-1,416	-4,005	-3,913
Consolidated	35,605	37,339	132,879	142,033
OPERATING INCOME				
Construction & Services	486	-1,255	1,685	618
Residential Project Development	135	212	298	377
Commercial Project Development	750	385	3,061	1,049
BOT	11	-12	27	-41
Central & other	-115	-212	-484	-688
Closed down operations	9	-10	10	-262
Eliminations	1	-56	-65	-72
Consolidated	1,277	-948	4 532	981
CAPITAL EMPLOYED, CLOSING BALANCE				
Construction & Services	9,529	13,540	9,529	13,540
Residential Project Development	2,931	4,977	2,931	4,977
Commercial Project Development	9,459	13,039	9,459	13,039
BOT	1,243	1,044	1,243	1,044
Other & eliminations	1,298	-960	1,298	-960
Consolidated	24,460	31,640	24,460	31,640
OPERATING CASH FLOW¹				
Construction & Services	2,753	3,150	3,301	1,821
Residential Project Development	483	299	970	1,562
Commercial Project Development	2,188	-286	7,110	878
BOT	-112	-113	-172	-617
Other	-379	-170	108	-438
Consolidated	4,933	2,880	11,317	3,206

¹ From business operations before taxes, financing operations and dividends from Group companies

Construction and Services, by market

SEK M	Net sales				Operating income			
	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002
Sweden	6,805	6,815	23,680	24,092	174	27	495	437
Norway	2,055	1,925	8,223	8,040	-37	19	25	-16
Denmark	979	1,478	3,430	4,462	16	-123	-37	-232
Finland & CEE	2,735	2,676	8,923	8,901	73	-113	-5	-52
Poland	989	1,241	3,546	4,754	46	-27	90	-107
Czech Republic	1,920	1,500	7,654	6,831	78	91	340	325
UK	3,673	3,842	14,167	15,993	-100	87	-14	240
USA Building	7,582	10,367	30,240	42,730	109	88	11	539
USA Civil	3,962	3,571	15,221	13,293	60	260	522	856
South America	543	965	2,142	2,277	28	149	119	179
Hong Kong ¹	-	-	-	-	19	35	34	91
India	304	203	986	657	-1	8	7	24
International Projects	210	491	1,189	1,840	-9	-132	-34	-120
Services	566	677	2,201	2,491	30	21	132	99
Total	32,323	35,751	121,602	136,361	486	390	1,685	2,263
Lump-sum writedown ²	-	-	-	-	-	-1,645	-	-1,645
Total	32,323	35,751	121,602	136,361	486	-1,255	1,685	618

1 Reported according to the equity method

2 Lump-sum writedowns 2002 on goodwill and tangible fixed assets

SEK M	EBITA ³				EBITA, % ³			
	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002
Sweden	212	122	544	557	3.1	1.8	2.3	2.3
Norway	20	70	183	150	1.0	3.6	2.2	1.9
Denmark	18	-122	-31	-228	1.8	-8.3	-0.9	-5.1
Finland & CEE	93	-84	86	53	3.4	-3.1	1.0	0.6
Poland	48	-178	100	-208	4.9	-14.3	2.8	-4.4
Czech Republic	85	85	304	305	4.4	5.7	4.0	4.5
UK	14	117	182	369	0.4	3.0	1.3	2.3
USA Building	122	102	64	600	1.6	1.0	0.2	1.4
USA Civil	64	264	541	865	1.6	7.4	3.6	6.5
South America	28	149	119	179	5.2	15.4	5.6	7.9
Hong Kong ⁴	19	-330	34	-274	-	-	-	-
India	0	8	15	24	0.0	3.9	1.5	3.7
International Projects	-9	-132	-34	-120	-4.3	-26.9	-2.9	-6.5
Services	35	41	156	134	6.2	6.1	7.1	5.4
Total	749	112	2,263	2,406	2.3	0.3	1.9	1.8

3 Earnings before interest, taxes and amortization

4 Reported according to the equity method

SEK M	Capital employed ⁵				Return on capital employed ⁶			
	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002
Sweden	1,027	1,946	1,027	1,946	36.6	11.3	36.6	11.3
Norway	1,777	2,843	1,777	2,843	2.8	0.3	2.8	0.3
Denmark	56	225	56	225	69.6	-48.4	69.6	-48.4
Finland & CEE	739	1,287	739	1,287	0.0	-2.1	0.0	-2.1
Poland	421	865	421	865	13.0	-4.8	13.0	-4.8
Czech Republic	1,508	1,386	1,508	1,386	20.2	18.4	20.2	18.4
UK	528	1,930	528	1,930	5.8	18.4	5.8	18.4
USA Building	404	718	404	718	4.3	71.0	4.3	71.0
USA Civil	1,663	1,765	1,663	1,765	31.0	69.9	31.0	69.9
South America	375	309	375	309	27.8	40.0	27.8	40.0
Hong Kong	507	662	507	662	5.8	8.4	6.6	8.4
India	334	189	334	189	2.5	14.1	2.5	14.1
International Projects	341	237	341	237	-34.4	-154.6	-34.4	-154.6
Services	-69	16	-69	16	>100	53.2	>100	53.2
Eliminations	-82	-838	-82	-838				
Total	9,529	13,540	9,529	13,540	16.3	13.8	16.3	13.8

5 Deposits with Skanska Financial Services have been deducted

6 Rolling twelve months

SEK M	Order backlog				Order bookings			
	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002
Sweden	13,797	14,535	13,797	14,535	5,264	5,890	22,694	24,352
Norway	5,690	6,116	5,690	6,116	2,517	1,634	9,165	8,812
Denmark	1,999	1,761	1,999	1,761	694	1,155	3,608	4,341
Finland & CEE	6,202	5,564	6,202	5,564	2,884	1,972	9,873	9,193
Poland	2,730	3,917	2,730	3,917	847	2,346	3,144	5,003
Czech Republic	7,426	8,467	7,426	8,467	3,488	1,135	8,816	9,671
UK	16,212	18,417	16,212	18,417	806	8,075	13,209	15,637
USA Building	38,055	45,490	38,055	45,490	2,127	7,115	32,178	35,260
USA Civil	17,405	22,252	17,405	22,252	1,620	2,281	12,567	14,791
South America	2,087	2,040	2,087	2,040	228	715	2,401	2,103
India	980	1,997	980	1,997	61	591	175	884
International Projects	1,333	2,137	1,333	2,137	48	-26	528	170
Services	2,387	2,386	2,387	2,386	951	107	2,204	2,672
Total	116,303	135,079	116,303	135,079	21,535	32,990	120,562	132,889

Residential Project Development, by market

SEK M	Net sales				Operating income			
	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002
Sweden	666	876	2,415	2,469	31	104	15	19
Norway	334	235	1,024	1,109	21	26	83	111
Denmark	111	91	313	391	27	8	61	34
Finland & CEE	657	464	1,663	1,578	36	31	73	71
Poland	66	31	159	191	-10	-3	-26	-15
Czech Republic	22	-4	517	350	28	-2	79	37
USA	0	440	189	1,145	0	38	9	147
International Projects	9	15	54	72	2	6	4	9
Other	0	9	0	28	0	4	0	-36
Total	1,865	2,157	6,334	7,333	135	212	298	377

SEK M	Capital employed ¹				Return on capital employed ²			
	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002
Sweden	735	1,076	735	1,076	1.5	4.6	1.5	4.6
Norway	823	1,086	823	1,086	8.9	12.1	8.9	12.1
Denmark	313	483	313	483	17.0	7.2	17.0	7.2
Finland & CEE	772	754	772	754	9.5	7.5	9.5	7.5
Poland	158	288	158	288	-12.2	-6.9	-12.2	-6.9
Czech Republic	130	158	130	158	64.5	28.5	64.5	28.5
USA	0	996	0	996	0.5	14.1	0.5	14.1
International Projects	0	41	0	41	19.8	14.3	19.8	14.3
Other	0	95	0	95	0.0	-30.3	0.0	-30.3
Total	2,931	4,977	2,931	4,977	7.5	8.0	7.5	8.0

1 Deposits with Skanska Financial Services have been deducted

2 Rolling twelve months

Project Development – performance analysis before selling and administrativ expenses

SEK M	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002
SALES PRICE				
Commercial Project Development	2,498	454	7,572	780
Commercial properties, other	490	128	803	493
Residential Project Development	1,477	1,528	4,581	5,328
Total	4,465	2,110	12,956	6,601

BOOK VALUE

Commercial Project Development	1,853	205	5,173	486
Commercial properties, other	452	147	731	413
Residential Project Development	1,323	1,277	4,010	4,653
Total	3,628	1,629	9,914	5,552

GROSS INCOME

Commercial Project Development	645	249	2,399	294
Commercial properties, other	38	-19	72	80
Residential Project Development	154	251	571	675
Total	837	481	3,042	1,049

Commercial Project Development

SEK bn	Book value end of period	Book value upon completion	Market value Dec 31, 2003	Occupancy rate, %
Completed properties	5,692	5,692	8,800	87
Projects completed in 2003	493	493	580	90
Ongoing projects	452	1,119	1,440	55
Subtotal	6,637	7,304	10,820	
Land bank	2,612	2,612	2,612	
TOTAL	9,249	9,916	13,432	

Breakdown of book value, current-assets properties, December 31, 2003

SEK M	Residential Project Development	Commercial Project Development	Commercial Properties, other	Total
Completed projects	754	5,692	178	6,624
On-going projects and projects completed in 2003	652	945	72	1,669
Land bank	1,988	2,612	801	5,401
Total	3,394	9,249	1,051	13,694