



Q3
SHAREHOLDER INFORMATION
Nine Month Report, January–September 2003

SKANSKA



Cover: Skanska is widening the E4 European highway north of Stockholm. The project includes design work for a five kilometer (three mile) long section between Rotebro and Upplands Väsby. The freeway is being widened from four to six lanes. Along this section, and along another four kilometers north of Upplands Väsby, a groundwater protection system is also being installed. The contract is worth nearly SEK 500 M. Anna-Lena Lindström is a quality, environment and health & safety engineer at Skanska Sweden's civil construction unit.

Nine Month Report, January–September 2003

Group highlights

| SEK M | Jul–Sep 2003 | Jul–Sep 2002 | Jan–Sep 2003 | Jan–Sep 2002 | Oct 2002– Sep 2003 | Jan–Dec 2002 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------------|-----------------|
| ■ Net sales | 34,125 | 35,556 | 99,481 | 108,048 | 137,789 | 146,356 |
| of which net sales on sale of commercial properties | 856 | 86 | 5,387 | 691 | 5,968 | 1,272 |
| ■ Earnings before interest, taxes and amortization (EBITA) | 988 | 1,024 | 3,595 | 2,470 | 4,535 | 3,410 |
| ■ Operating income | 887 | 876 | 3,254 | 1,926 | 2,304 | 976 |
| of which gain on sale of commercial properties | 200 | 47 | 1,788 | 144 | 2,016 | 372 |
| ■ Income after financial items | 745 | 670 | 2,883 | 1,062 | 1,894 | 73 |
| ■ Net income | 519 | 324 | 2,001 | 508 | 656 | –837 |
| ■ Earnings per share for the period | 1.24 | 0.77 | 4.78 | 1.21 | 1.57 | –2.00 |
| ■ Cash flow from business operations ¹ | 1,432 | 601 | 5,774 | 338 | 8,708 | 3,272 |
| ■ Capital employed | 25,240 | 35,815 | 25,240 | 35,815 | 25,240 | 31,639 |
| ■ Return on capital employed ² | 8.8 | 10.7 | 8.8 | 10.7 | 8.8 | 4.3 |
| ■ Net debt | –3,897 | –11,449 | –3,897 | –11,449 | –3,897 | –9,030 |
| ■ Shareholders' equity | 13,423 | 15,811 | 13,423 | 15,811 | 13,423 | 14,217 |
| ■ Order bookings | 36,372 | 33,702 | 104,402 | 103,260 | 138,732 | 137,590 |
| ■ Order backlog | 134,324 | 145,512 | 134,324 | 145,512 | 134,324 | 137,940 |

¹ Before taxes

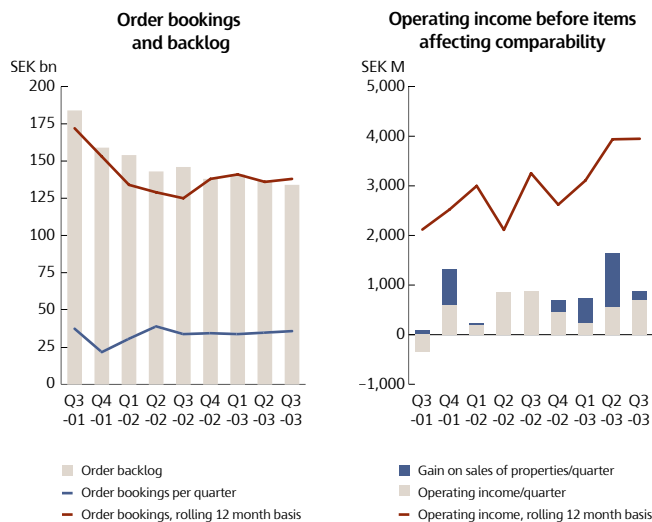
² Rolling twelve months

Third quarter of 2003 compared to third quarter of 2002

- Net sales of the Skanska Group declined by 4 percent to SEK 34,125 (35,556). Adjusted for currency rate effects, net sales rose by 5 percent.
- Operating income rose to SEK 887 M (876).
- Income after financial items rose to SEK 745 M (670).
- Net income amounted to SEK 519 M (324) and earnings per share in the third quarter amounted to SEK 1.24 (0.77).
- Order bookings rose by 8 percent to SEK 36.4 billion. Adjusted for currency rate effects, order bookings increased by 19 percent. Order backlog amounted to SEK 134.3 billion, a decline of 3 percent compared to year-end 2002. Adjusted for currency rate effects, order backlog rose by 14 percent.

January–September 2003 compared to January–September 2002

- Net sales of the Skanska Group declined by 8 percent to SEK 99,481 M (108,048). Adjusted for currency rate effects, net sales rose by 1 percent.
- Operating income rose to SEK 3,254 M (1,926).
- Income after financial items rose to SEK 2,833 M (1,062).
- Net income amounted to SEK 2,001 M (508) and earnings per share amounted to SEK 4.78 (1.21).
- Improved financial position. Interest-bearing net debt decreased by SEK 5,133 M from year-end 2002 to SEK –3,897 M.
- Capital employed decreased to SEK 25 billion (Dec. 2002: 32).
- Cash flow from business operations rose to SEK 4,971 M (–1,092).



Order bookings July–September

Order bookings rose by 8 percent and totaled SEK 36,372 M (33,702). Adjusted for currency rate effects, order bookings increased by 19 percent. Order bookings rose in Skanska's operations in the United Kingdom, at Gammon Skanska (Hong Kong) and at Skanska USA Building (American commercial construction), among other units. In Skanska's operations in Finland and the Czech Republic, and at Skanska USA Civil (American civil construction) and Skanska Services, order bookings fell. Overall order bookings exceeded net sales during the quarter.

During the period, Skanska signed a contract to finance, design, construct and provide hard facilities management services for the new South Derby Acute Hospitals in the United Kingdom. The contract value, including a 35-year facilities management assignment, totaled SEK 6.1 billion. The design and construction contract, valued at SEK 4.4 billion, was included in order bookings for the quarter. Among other major contracts landed by Skanska were several water supply and wastewater treatment facility projects awarded to Skanska USA Civil during the period, worth a total of SEK 3.0 billion. Skanska Sweden was awarded the largest contract on the Botniabanan rail project along the northern Swedish coast, worth SEK 1.3 billion. Skanska USA Building was selected to complete plans for and to construct the U.S. Census Bureau's new headquarters near Washington, D.C. Skanska included SEK 1.2 billion for the first phase of this project in its third quarter order bookings.

January–September

Order bookings rose by 1 percent and amounted to SEK 104,402 M (103,260). The currency rate effect was negative, amounting to 11 percent, mainly due to the weakening of the American dollar and the British pound. Despite the continued weak construction market and a strong comparative period, order bookings thus increased by 12

percent in local currencies. During the report period, order bookings exceeded net sales.

Order backlog

Order backlog amounted to SEK 134,324 M (Dec. 2002: 137,940, Sep. 2002: 145,512). In local currencies, order backlog rose by 8 percent compared to year-end 2002 and by 6 percent compared to September 2002. Order backlog was equivalent to about one year of construction.

Net sales and Income

Performance analysis

| SEK M | Jul–Sep 2003 | Jul–Sep 2002 | Jan–Sep 2003 | Jan–Sep 2002 | Oct 2002– Sep 2003 | Jan–Dec 2002 |
|---|---------------|---------------|---------------|----------------|--------------------|----------------|
| Net sales | | | | | | |
| Construction and Services | 32,389 | 34,219 | 91,486 | 103,965 | 128,205 | 140,684 |
| Commercial Project Development | 885 | 389 | 6,103 | 1,390 | 6,927 | 2,214 |
| Residential Project Development | 1,367 | 1,883 | 4,469 | 5,176 | 6,626 | 7,333 |
| BOT | 19 | 5 | 72 | 15 | 95 | 38 |
| Central & eliminations | -535 | -940 | -2,649 | -2,498 | -4,064 | -3,913 |
| Consolidated | 34,125 | 35,556 | 99,481 | 108,048 | 137,789 | 146,356 |
| Earnings before interest, taxes and amortization | | | | | | |
| Construction and Services | 731 | 920 | 1,525 | 2,318 | 2,156 | 2,949 |
| Commercial Project Development | 301 | 233 | 2,311 | 664 | 2,696 | 1,049 |
| Residential Project Development | 77 | 108 | 169 | 165 | 381 | 377 |
| BOT | 15 | -10 | 24 | -29 | 12 | -41 |
| Central | -116 | -171 | -369 | -475 | -582 | -688 |
| Closed down operations | 1 | -40 | 1 | -157 | -6 | -164 |
| Eliminations | -21 | -16 | -66 | -16 | -122 | -72 |
| Consolidated | 988 | 1,024 | 3,595 | 2,470 | 4,535 | 3,410 |
| Goodwill amortization and writedowns | -101 | -148 | -341 | -544 | -586 | -789 |
| Items affecting comparability | 0 | 0 | 0 | 0 | -1,645 | -1,645 |
| Operating income | 887 | 876 | 3,254 | 1,926 | 2,304 | 976 |
| Net interest items | -113 | -154 | -343 | -483 | -486 | -626 |
| Other financial items | -29 | -52 | -28 | -381 | 76 | -277 |
| Net financial items | -142 | -206 | -371 | -864 | -410 | -903 |
| Income after financial items | 745 | 670 | 2,883 | 1,062 | 1,894 | 73 |
| Taxes | -223 | -346 | -868 | -526 | -1,198 | -856 |
| Minority interests | -3 | 0 | -14 | -28 | -40 | -54 |
| Net income for the period | 519 | 324 | 2,001 | 508 | 656 | -837 |
| Earnings per share for the period, SEK | 1.24 | 0.77 | 4.78 | 1.21 | 1.57 | -2.00 |

July–September

Net sales amounted to SEK 34,125 M (35,556), a decline of 4 percent. Adjusted for currency rate effects, net sales rose by 5 percent.

Operating income rose to SEK 887 M (876). Currency rate effects, which mainly influence Construction and Services, had a negative impact of SEK 78 M on operating income. In Construction and Services, Earnings before interest, taxes and amortization declined by 21 percent to SEK 731 M (920), due to losses in Skanska's operations in Russia

(reported through Finland), lower business volume at Skanska USA Building and weaker performance in Skanska USA Civil due to particularly a few projects in California. Residential Project Development reported a decline in EBITA to SEK 77 M (108). In Commercial Project Development, operating income rose to SEK 301 M (233) as an effect of increased sales of completed commercial projects. Skanska BOT increased its operating income to SEK 9 M (-10). Corporate overhead etc shrank to SEK -116 M (-171). The item "closed down operations" includes Skanska Telecom Networks, which was discontinued in 2002.

Operating margin amounted to 2.6 (2.5) percent, including capital gains on sale of properties. In Construction and Services, operating margin before goodwill amounted to 2.3 (2.7) percent.

As a consequence of lower debt, net interest items improved to SEK -113 M (-154). Capitalization of interest payments amounted to SEK 0 M (26). Other financial items amounted to SEK -29 M (-52) and included costs of currency hedging and exchange rate losses. Income after financial items rose to SEK 745 M (670). Taxes for the period amounted to SEK -223 M (-346), equivalent to a tax cost of about 30 (50) percent. 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, while American operations generated a larger share of taxable 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 10.

Net profit for the period rose to SEK 519 M (324). Earnings per share during the period amounted to SEK 1.24 (0.77).

January–September

Net sales declined by 8 percent to SEK 99,481 M (108,048). Currency rate effects had a negative impact of 9 percent on net sales. Operating income rose to SEK 3,254 M (1,926). Currency rate effects lowered operating income by SEK 187 M. Operating margin amounted to 3.3 (1.8) percent, including capital gains on sale of properties. In Construction and Services, operating margin before goodwill amounted to 1.7 (2.2) percent.

Income after financial items rose to SEK 2,883 M (1,062). Net profit for the period rose to SEK 2,001 M (508). Return on capital employed, on a rolling twelve month basis, was 8.8 (Dec. 2002: 4.3) percent. Return on shareholders' equity on a rolling twelve month basis was 4.5 (2002: negative) percent. Net profit per share for the report period totaled SEK 4.78 (1.21) and on a rolling twelve month basis SEK 1.57 (2002: -2.00).

Investments and divestments

Group net investments

| SEK M | Jul-Sep 2003 | Jul-Sep 2002 | Jan-Sep 2003 | Jan-Sep 2002 | Oct 2002– Sep 2003 | Jan-Dec 2002 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------------|-----------------|
| OPERATIONS – INVESTMENTS | | | | | | |
| Intangible fixed assets | -9 | -8 | -36 | -31 | -57 | -52 |
| Tangible fixed assets | -285 | -387 | -940 | -1,123 | -1,579 | -1,762 |
| Assets in BOT operations | 5 | -317 | -20 | -483 | -116 | -579 |
| Shares | -10 | 0 | -10 | 0 | 0 | 0 |
| Current-asset properties | -1,054 | -1,849 | -3,859 | -4,906 | -5,843 | -6,890 |
| Residential project development | -681 | -1,158 | -2,679 | -3,189 | -4,182 | -4,692 |
| Commercial project development | -373 | -691 | -1,180 | -1,717 | -1,661 | -2,198 |
| Investments | -1,353 | -2,561 | -4,865 | -6,543 | -7,595 | -9,283 |
| OPERATIONS – DIVESTMENTS | | | | | | |
| Intangible fixed assets | -2 | 0 | 1 | 3 | 7 | 9 |
| Tangible fixed assets | 36 | 171 | 184 | 312 | 399 | 527 |
| Assets in BOT operations | 0 | 0 | 1 | 0 | 1 | 0 |
| Shares | -19 | 0 | 0 | 0 | 0 | 0 |
| Current-asset properties | 1,777 | 1,555 | 8,491 | 4,491 | 10,601 | 6,601 |
| Residential project development | 921 | 1,469 | 3,104 | 3,800 | 4,632 | 5,328 |
| Commercial project development | 856 | 86 | 5,387 | 691 | 5,969 | 1,273 |
| Divestments | 1,792 | 1,726 | 8,677 | 4,806 | 11,008 | 7,137 |
| Net investments in operations | 439 | -835 | 3,812 | -1,737 | 3,413 | -2,146 |
| STRATEGIC INVESTMENTS | | | | | | |
| Businesses | 8 | -430 | -7 | -477 | -28 | -498 |
| Shares | 2 | -6 | -2 | -50 | 7 | -41 |
| Strategic investments | 10 | -436 | -9 | -527 | -21 | -539 |
| STRATEGIC DIVESTMENTS | | | | | | |
| Businesses | 6 | -1 | 69 | -3 | 72 | 0 |
| Shares | 13 | 69 | 430 | 392 | 389 | 351 |
| Strategic divestments | 19 | 68 | 499 | 389 | 461 | 351 |
| Net strategic investments | 29 | -368 | 490 | -138 | 440 | -188 |
| TOTAL NET INVESTMENTS | 468 | -1,203 | 4,302 | -1,875 | 3,853 | -2,334 |
| Depreciation, fixed assets, excl goodwill amortization | -377 | -429 | -1,098 | -1,296 | -1,564 | -1,762 |

July–September

Investment in operations amounted to SEK -1,353 M (-2,561). The volume of investments in current-asset properties declined to SEK -1,054 M (-1,849). Investments in fixed assets continued to shrink and amounted to SEK -285 M (-387). Divestments in operations amounted to SEK 1,792 M (1,726). The sale of current-asset properties amounted to SEK 1,777 M (1,555). The increase was due to higher divestment volume in commercial project development, while the sale of residential property fell. The net amount of the Group's investments (-) and divestments (+) in operations was SEK +439 M (-835).

Net strategic investments totaled SEK 29 M (-368). The net amount of investments and divestments was SEK 468 M (-1,203).

January–September

Investments in operations amounted to SEK –4,865 M (–6,543). Divestments in operations amounted to SEK 8,677 M (4,806). The net amount of the Group's investments (–) and divestments (+) was SEK 3,812 M (–1,737).

Net strategic investments totaled SEK 490 M (–138). The net amount of investments and divestments was SEK 4,302 M (–1,875).

Cash flow

Consolidated cash flow statement

| SEK M | Jul-Sep 2003 | Jul-Sep 2002 | Jan-Sep 2003 | Jan-Sep 2002 | Oct 2002– Sep 2003 | Jan-Dec 2002 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------------|-----------------|
| CASH FLOW FROM OPERATIONS | | | | | | |
| Cash flow from business operations before change in working capital | 900 | 1,232 | 2,319 | 3,064 | 3,557 | 4,302 |
| Change in working capital | 201 | 251 | –361 | –2,136 | 1,749 | –26 |
| Net investments in business operations | 439 | –835 | 3,812 | –1,737 | 3,403 | –2,146 |
| Cash flow adjustment net investment | –108 | –47 | 4 | 1,147 | –1 | 1,142 |
| Cash flow in business operations before taxes paid | 1,432 | 601 | 5,774 | 338 | 8,708 | 3,272 |
| Taxes paid in business operations | –331 | –444 | –803 | –1,430 | –817 | –1,444 |
| Cash flow from business operations | 1,101 | 157 | 4,971 | –1,092 | 7,891 | 1,828 |
| Net interest items and other financial items | –142 | –166 | –371 | –590 | –444 | –663 |
| Change in interest-bearing receivables and liabilities | –889 | 340 | –5,541 | 1,368 | –7,344 | –435 |
| Taxes paid in financial operations | 42 | 40 | 111 | 141 | 124 | 154 |
| Cash flow from financial operations | –989 | 214 | –5,801 | 919 | –7,664 | –944 |
| CASH FLOW FROM OPERATIONS | 112 | 371 | –830 | –173 | 227 | 884 |
| Strategic net investments | 29 | –368 | 490 | –138 | 440 | –188 |
| Taxes paid on strategic net investments | 0 | 0 | 756 | –855 | 694 | –917 |
| Cash flow from strategic net investments | 29 | –368 | 1,246 | –993 | 1,134 | –1,105 |
| Dividend etc. | 58 | –13 | –801 | –1,268 | –839 | –1,306 |
| CASH FLOW FROM THE PERIOD | 199 | –10 | –385 | –2,434 | 522 | –1,527 |
| Liquid assets at the beginning of the period | 5,945 | 6,230 | 6,916 | 9,335 | 6,230 | 9,335 |
| Exchange rate differences in liquid assets | –172 | 36 | –559 | –645 | –806 | –892 |
| Liquid assets at the end of the period | 5,972 | 6,256 | 5,972 | 6,256 | 5,946 | 6,916 |
| Change in net debt | 1,189 | –494 | 5,133 | –4,637 | 5,869 | –2,218 |

July–September

Cash flow from business operations before change in working capital totaled SEK 900 M (1,232). Change in working capital totaled SEK 201 M (251). Cash flow in business operations before taxes paid rose to SEK 1,432 M (601), primarily due to lower net investments than in the comparative period. Cash flow from business operations totaled SEK 1,101 M (157).

Cash flow from strategic investments totaled SEK 29 M (–368).

January–September

Cash flow from business operations before change in working capital totaled SEK 2,319 M (3,064). Change in working capital amounted to SEK –361 M (–2,136). Cash flow in business operations before taxes paid rose to SEK 5,774 M (338). Cash flow from business operations totaled SEK 4,971 M (–1,092).

Cash flow from strategic investments amounted to SEK 1,246 M (–993).

Financial position

Capital employed by business stream

| SEK bn | Construction & Services | Residential Project Deve- lopment | Com- mercial Project Deve- lopment | BOT | Central & Elimi- nations | Conso- lidated |
|-------------------------------|----------------------------|--|--|------------|--------------------------------|-------------------|
| Intangible fixed assets | 4.8 | 0.0 | 0.0 | 0.4 | 0.0 | 5.2 |
| Tangible fixed assets | 7.2 | 0.1 | 0.0 | 0.0 | 0.0 | 7.3 |
| Shares and participations | 0.2 | 0.1 | 0.1 | 0.6 | –0.1 | 0.9 |
| Commercial properties | 1.3 | 0.0 | 11.0 | 0.0 | –0.3 | 12.0 |
| Residential properties | 0.0 | 3.7 | 0.0 | 0.0 | 0.0 | 3.7 |
| Interest-bearing receivables | 1.3 | 0.2 | 0.1 | 0.3 | –0.3 | 1.6 |
| Net working capital | –6.7 | –0.9 | –0.8 | 0.0 | –3.1 | –11.5 |
| Cash & bank s. t. investments | 3.9 | 0.1 | 0.1 | 0.0 | 1.9 | 6.0 |
| Capital employed | 12.0 | 3.3 | 10.5 | 1.3 | –1.9 | 25.2 |

The strategic plan that was announced on January 14, 2003 estimated that consolidated capital employed could be decreased to SEK 30 billion. The plan also established the allocation of capital employed among the Skanska Group's four business streams. It allocated SEK 16 billion to Construction and Services, SEK 3 billion to Residential Project Development, SEK 8 billion to Commercial Project Development and SEK 3 billion to BOT. Capital employed was reduced during the first three quarters of 2003. In Construction and Services, capital employed reached a level below the target figure, while Residential Project Development and Commercial Project Development approached their target figures. Including outstanding commitments, BOT is in the vicinity of its target figure. On September 30, 2003, the Group's capital employed amounted to SEK 25.2 billion (Dec. 2002: 31.6).

Change in interest-bearing net debt

| SEK M | Jul-Sep 2003 | Jul-Sep 2002 | Jan-Sep 2003 | Jan-Sep 2002 | Oct 2002- Sep 2003 | Jan-Dec 2002 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------------|-----------------|
| Net debt, opening balance | -5,086 | -10,955 | -9,030 | -6,812 | -11,449 | -6,812 |
| Cash flow from business operations | 1,101 | 157 | 4,971 | -1,092 | 7,891 | 1,828 |
| Cash flow from financial operations excluding change in interest-bearing receivables and liabilities | -100 | -126 | -260 | -449 | -320 | -509 |
| Cash flow from strategic investments, net | 29 | -368 | 1,246 | -993 | 1,134 | -1,105 |
| Dividend etc. | 58 | -13 | -801 | -1,268 | -839 | -1,306 |
| Change in accounting principle for pensions | 0 | - | -1,285 | - | -1,285 | - |
| Interest-bearing debts, acquired/sold | -3 | -284 | 869 | -195 | 1,064 | - |
| Translation differences | 62 | 10 | 346 | -141 | 15 | -472 |
| Reclassification of pension liabilities to interest-bearing liabilities | - | -21 | - | -628 | -28 | -656 |
| Other | 42 | 151 | 47 | 129 | -80 | 2 |
| Net debt, closing balance | -3,897 | -11,449 | -3,897 | -11,449 | -3,897 | -9,030 |

January–September

The Group's interest-bearing net debt declined by SEK 5,133 M to SEK 3,897 M (Dec. 2002: 9,030). Strong cash flow from business operations, bolstered by property divestments, explained the net decline.

Liquid assets and interest-bearing receivables decreased by SEK 485 M to SEK 7,610 M (Dec. 2002: 8,095). Interest-bearing liabilities and provisions shrank by SEK 5,618 M to SEK 11,507 M (Dec. 2002: 17,125).

The shareholders' equity of the Group fell to SEK 13,423 M (Dec. 2002: 14,217). The dividend paid to shareholders for the 2002 financial year, totaling SEK 837 M, and the application of Recommendation RR 29, 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 totaled SEK 848 M, primarily due to the appreciation of the Swedish krona against the British pound, the Norwegian krone and the euro. The net debt/equity ratio amounted to 0.3 (Dec. 2002: 0.6) and the equity/assets ratio was 19.3 (Dec. 2002: 18.5) 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, SEK

| | Average exchange rate | | Exchange rates on the balance sheet date | | |
|---------------|-----------------------|-----------------|--|----------------|----------------|
| | Jan-Sep 2003 | Jan-Sep 2002 | Sep 30 2003 | Sep 30 2002 | Dec 31 2002 |
| U.S. dollar | 8.25 | 9.94 | 7.66 | 9.29 | 8.83 |
| British pound | 13.29 | 14.67 | 12.81 | 14.53 | 14.12 |
| Euro | 9.16 | 9.18 | 8.95 | 9.15 | 9.15 |

Total assets in the consolidated balance sheet fell to SEK 71.0 billion (Dec. 2002: 78.4). Currency rate effects explained about SEK 5.0 billion of the decline. In keeping with Skanska's strategic plan, capital employed is gradually being reduced. At the end of September 2003, capital employed amounted to SEK 25.2 billion (Dec. 2002: 31.6). The settlement of payment for the CityCronan commercial property

divestment in Stockholm reduced capital employed by SEK 2.3 billion during the third quarter, since the amount was reported as a financial receivable on June 30.

The book value of current-asset properties amounted to SEK 15.7 billion (Dec. 2002: 19.5), of which commercial properties in projection development operations accounted for SEK 10.8 billion (Dec. 2002: 12.6). Please see the table on page 14.

Personnel

The number of employees in the Group was 73,645 (2002: 76,358) measured as the average number of employees. The decrease is attributable to an adaptation to a lower business volume.

Business streams

Construction and Services

| SEK M | Jul-Sep 2003 | Jul-Sep 2002 | Jan-Sep 2003 | Jan-Sep 2002 | Oct 2002- Sep 2003 | Jan-Dec 2002 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------------|-----------------|
| Net sales | 32,389 | 34,219 | 91,486 | 103,965 | 128,205 | 140,684 |
| Gross income | 2,192 | 2,509 | 6,365 | 7,179 | 9,130 | 9,944 |
| Selling and administrative expenses | -1,461 | -1,589 | -4,840 | -4,861 | -6,974 | -6,995 |
| Earnings before interest, taxes and amortization | 731 | 920 | 1,525 | 2,318 | 2,156 | 2,949 |
| Goodwill amortization and writedowns | -94 | -148 | -326 | -448 | -569 | -691 |
| Other | 0 | 0 | 0 | 0 | -1,645 | -1,645 |
| Operating income | 637 | 772 | 1,199 | 1,870 | -58 | 613 |
| Capital employed | 11,979 | 17,008 | 11,979 | 17,008 | 11,979 | 13,285 |
| Depreciation, fixed assets | -367 | -422 | -1,080 | -1,242 | -1,528 | -1,690 |
| Investments | -440 | -1,127 | -1,273 | -2,219 | -1,877 | -2,823 |
| Divestments | 278 | 276 | 768 | 741 | 1,019 | 992 |
| Investments, net | -162 | -851 | -505 | -1,478 | -858 | -1,831 |
| Cash flow from business operations ¹ | 613 | 668 | 371 | -883 | 3,605 | 2,351 |
| Strategic net investments | 27 | -391 | 119 | -446 | 91 | -474 |
| Cash flow | 640 | 277 | 490 | -1,329 | 3,696 | 1,877 |
| Gross margin, % | 6.8 | 7.3 | 7.0 | 6.9 | 7.1 | 7.1 |
| Selling and administrative expenses, % | -4.5 | -4.6 | -5.3 | -4.7 | -5.4 | -5.0 |
| Earnings before interest, taxes and amortization, % | 2.3 | 2.7 | 1.7 | 2.2 | 1.7 | 2.1 |
| Operating margin, % | 2.0 | 2.3 | 1.3 | 1.8 | 0.0 | 0.4 |
| RoCE, % ²⁾ | 13.8 | 18.9 | 13.8 | 18.9 | 13.8 | 14.1 |
| Order bookings | 36,133 | 33,384 | 103,990 | 102,086 | 137,757 | 135,853 |
| Order backlog | 134,235 | 145,414 | 134,235 | 145,414 | 134,235 | 137,854 |

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

2 Calculated on the basis of operating income before items affecting comparability, rolling twelve months.

July–September

Further information by market can be found on page 13.

Net sales declined by 5 percent to SEK 32,389 M (34,219). Negative currency rate effects lowered net sales by 9 percent. Gammon Skanska (Hong Kong) accounted for the largest downturn in terms

of local currency, while operations in South America accounted for the sharpest increases.

EBITA declined by 21 percent to SEK 731 M (920). Operating income fell by 17 percent to SEK 637 M (772). Lower business volume and negative currency rate effects had an impact compared to last year. Polish, Norwegian, Czech and South American operations showed a positive earnings trend. Operating income was negatively impacted by losses in Skanska's operations in Russia (reported through Finland), lower business volume at Skanska USA Building and weaker performance in a few of Skanska USA Civil's projects in California.

January–September

Net sales declined by 12 percent to SEK 91,486 M (103,965). Negative currency rate effects lowered net sales by 9 percent. The overall effect of acquisitions on Construction and Services amounted to 2 percent.

EBITA declined by 34 percent to SEK 1,525 M (2,318). Operating income fell by 36 percent to SEK 1,199 M (1,870). Approximately 25 percent of the reduction in operating income was due to the impact of negative currency rate effects.

Residential Project Development

| SEK M | Jul–Sep 2003 | Jul–Sep 2002 | Jan–Sep 2003 | Jan–Sep 2002 | Oct 2002– Sep 2003 | Jan–Dec 2002 |
|---|--------------|--------------|--------------|--------------|--------------------|--------------|
| Net sales | 1,367 | 1,883 | 4,469 | 5,176 | 6,626 | 7,333 |
| Gross income | 167 | 217 | 449 | 508 | 757 | 816 |
| Selling and administrative expenses | -89 | -109 | -280 | -343 | -376 | -439 |
| Earnings before interest, taxes and amortization | 78 | 108 | 169 | 165 | 381 | 377 |
| Goodwill amortization and writedowns | -1 | 0 | -6 | 0 | -6 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating income | 77 | 108 | 163 | 165 | 375 | 377 |
| Capital employed | 3,255 | 4,984 | 3,255 | 4,984 | 3,255 | 4,950 |
| Depreciation fixed assets | -6 | -4 | -8 | -7 | -12 | -11 |
| Investments | -684 | -1,199 | -2,680 | -3,178 | -4,243 | -4,741 |
| Divestments | 924 | 1,467 | 3,109 | 3,807 | 4,722 | 5,420 |
| Investments, net | 240 | 268 | 429 | 629 | 479 | 679 |
| Cash flow from business operations ¹ | 326 | 266 | 531 | 1,293 | 829 | 1,591 |
| Strategic net investments | 2 | -26 | 0 | -30 | 1 | -29 |
| Cash flow | 328 | 240 | 531 | 1,263 | 830 | 1,562 |
| Operating income, % | 5.6 | 5.7 | 3.6 | 3.2 | 5.7 | 5.1 |
| RoCE, % ² | 8.0 | 4.7 | 8.0 | 4.7 | 8.0 | 8.0 |

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

2 Rolling twelve months.

July–September

Further information by market can be found on page 14.

Net sales declined by 27 percent to SEK 1,367 M (1,883). The main reason for the decline was that the American residential development unit – Spectrum Skanska – was divested and deconsolidated effective from the second quarter of this year.

Operating income decreased to SEK 77 M (108). The negative earnings in Finland and Russia were attributable to Russian operations.

A large proportion of operations in Norway and Sweden is in the more expensive market segment, which weakened further. Despite lower sales, Norwegian operations reported only a marginal decline in operating income. Operations in Sweden reported higher earnings. 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.

January–September

Net sales declined by 14 percent to SEK 4,469 M (5,176). Negative currency rate effects lowered net sales by 2 percent. Operating income decreased marginally to SEK 163 M (165). 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 September, there were 6,594 (Dec. 2002: 6,552) residential units under construction, of which 70 (Dec. 2002: 65) percent were sold. The number of unsold completed residential units was 466 (Dec 2002: 591).

The book value of current-asset properties in Residential Project Development totaled SEK 3.7 billion (Dec 2002: 4.7). The divestment of Spectrum Skanska explained SEK 1.1 billion of the decrease. A breakdown of book values can be seen in the table on page 17. The book value of undeveloped land and development properties totaled SEK 2.1 billion. They are equivalent to building rights for about 19,600 residential units.

Commercial Project Development

| SEK M | Jul–Sep 2003 | Jul–Sep 2002 | Jan–Sep 2003 | Jan–Sep 2002 | Oct 2002– Sep 2003 | Jan–Dec 2002 |
|--|---------------|---------------|---------------|---------------|--------------------|---------------|
| Net sales | 885 | 389 | 6,103 | 1,390 | 6,927 | 2,214 |
| Gross income | 357 | 287 | 2,489 | 850 | 2,947 | 1,308 |
| Selling and administrative expenses | -56 | -54 | -178 | -186 | -251 | -259 |
| Earnings before interest, taxes and amortization | 301 | 233 | 2,311 | 664 | 2,696 | 1,049 |
| Goodwill amortization and writedowns | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating income | 301 | 233 | 2,311 | 664 | 2,696 | 1,049 |
| of which gain on sale of properties | 169 | 0 | 1,754 | 44 | 2,004 | 294 |
| of which operating net, completed properties | 171 | 202 | 609 | 602 | 821 | 814 |
| of which writedowns/reversal of writedowns | 0 | 0 | 0 | 0 | -63 | -63 |
| Capital employed | 10,473 | 11,976 | 10,473 | 11,976 | 10,473 | 13,135 |
| Investments | -221 | -383 | -1,044 | -1,212 | -1,507 | -1,675 |
| Divestments | 610 | 32 | 5,075 | 334 | 5,522 | 781 |
| Investments, net | 389 | -351 | 4,031 | -878 | 4,015 | -894 |
| Cash flow from business operations before taxes ¹ | 517 | -21 | 4,922 | 1,163 | 4,636 | 877 |
| Strategic investments | 0 | 0 | 0 | 1 | 0 | 1 |
| Cash flow | 517 | -21 | 4,922 | 1,164 | 4,636 | 878 |
| RoCE, % ² | 22.0 | 12.4 | 22.0 | 12.4 | 22.0 | 9.4 |

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

2 Rolling twelve months.

July–September

See page 14 for more information.

Net sales rose to SEK 885 M (389). Operating income rose to SEK 301 M (233). During the period, four retail facilities in Central Europe were sold for a total of SEK 475 M, with a capital gain of SEK 160 M. Divestments of ongoing and completed projects totaled SEK 609 M (25), with a capital gain of SEK 169 M (1).

January–September

Net sales rose to SEK 6,103 M (1,390), and operating income rose to SEK 2,311 M (664). Divestments of ongoing and completed projects totaled SEK 5,074 M (326), with a capital gain of SEK 1,754 M (45).

Commercial Project Development has 10 projects underway, 9 of them in Sweden. During the third quarter, Skanska sold three fully leased retail facilities in Central Europe, which were reported as ongoing projects, with good capital gains. During the third quarter, Skanska initiated an office building project in Sweden. Ongoing projects represent leasable space of 98,500 sq. m (1.06 million sq. ft.) and are 64 percent pre-leased. At the end of the report period, their book value totaled SEK 0.7 billion (Dec. 2002: 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 amounted to SEK 7.4 billion (Dec. 2002: 9.1), with an estimated market value, based on an appraisal dated in December 2002, of about SEK 11.4 billion (Dec. 2002: 13.6). The occupancy rate, measured in rent, amounted to 89 percent.

The book value of undeveloped land and development properties (land bank) totaled about SEK 2.7 billion (Dec. 2002: 1.9). The increase in book value stems from the transfer of the land bank from construction operations.

BOT

| SEK M | Jul-Sep 2003 | Jul-Sep 2002 | Jan-Sep 2003 | Jan-Sep 2002 | Oct 2002– Sep 2003 | Jan–Dec 2002 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------------|-----------------|
| Net sales | 19 | 5 | 72 | 15 | 95 | 38 |
| Gross income | 27 | -2 | 61 | -6 | 64 | -3 |
| Selling and administrative expenses | -12 | -8 | -37 | -23 | -52 | -38 |
| Earnings before interest, taxes and amortization | 15 | -10 | 24 | -29 | 12 | -41 |
| Goodwill amortization and writedowns | -6 | 0 | -9 | 0 | -9 | 0 |
| Operating income | 9 | -10 | 15 | -29 | 3 | -41 |
| of which gain on sale of projects | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Employed | 1,289 | 996 | 1,289 | 996 | 1,289 | 1,042 |
| Depreciation fixed assets | 0 | 0 | 0 | 0 | -3 | -3 |
| Investments | 6 | -316 | -20 | -483 | -116 | -579 |
| Divestments | 0 | 0 | 1 | 0 | 1 | 0 |
| Investments, net | 6 | -316 | -19 | -483 | -115 | -579 |
| Cash flow from business operations ¹ | -12 | -278 | -60 | -504 | -173 | -617 |
| Strategic investments | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash flow | -12 | -278 | -60 | -504 | -173 | -617 |
| RoCE, % ²⁾ | -1.7 | 3.2 | 1.7 | 3.2 | 1.7 | -3.5 |

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

² Rolling twelve months.

July–September

Net sales amounted to SEK 19 M (5). The contribution to earnings from the three projects that are in operation rose, and operating income amounted to SEK 9 M (-10). During the third quarter, a consortium of Skanska and the British investment fund Innisfree signed a contract to design, construct and provide facilities management services for the new South Derby Acute Hospitals. The contract value for Skanska, including a 35-year building and estates facilities management assignment, totaled SEK 6.1 billion.

January–September

Net sales totaled SEK 72 M (15). Operating income amounted to SEK 15 M (-29).

Skanska BOT develops and invests in privately financed infrastructure projects in cooperation with Skanska's construction units. BOT is a co-owner of 11 projects, of which 3 are completed and in operation. At the end of the report period, the book value of shares, participations and subordinated receivables totaled about SEK 1.3 billion. Skanska BOT's remaining investment obligations amount to approximately SEK 1.5 billion in ongoing projects.

Market outlook

Construction investments are continuing to shrink in Skanska's main markets, except for the United Kingdom and the Czech Republic. The main reason for diminished construction activity is lower investment volume 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. Except for the Private Finance Initiative (PFI) sector in the U.K., British investments in other segments important to Skanska are decreasing. Residential construction remains at a high level 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 remain weak. In the Nordic countries, civil construction is expected to remain at an unchanged level, while the Czech Republic and Poland are expected to show some growth. 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 outperform the U.S. as a whole in the next few years. In South America, the market situation has stabilized, with a good outlook for power transmission projects and projects in the oil and gas industries, which are important sectors for Skanska's operations in this region.

The rising 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 Interim Report was prepared in compliance with Recommendation RR 20 on interim reporting of the Swedish Financial Accounting Standards Council. Effective on January 1, 2003, two changes occurred: 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.

As a consequence of reporting in business streams, the 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 interest-bearing gross liabilities including pension liabilities plus shareholders' equity and minority interests less internal deposits with Skanska's treasury department, Skanska Financial Services. 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 Annual Meeting of Skanska AB on May 6, 2003 resolved to authorize the Chairman of the Board to form a Nomination Committee and decided that its composition would be made known in conjunction with the publication of Skanska's Interim Report for the third quarter

of 2003. The Chairman of the Board has announced that 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 Industrivärden AB; 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 annual meeting 2004 will be held March 30, 17.00 CET, 2004 at Berwaldhallen 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.

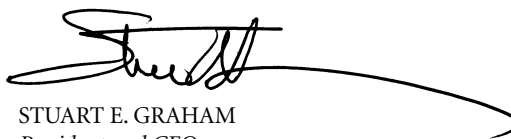
After the Administrative Court of Appeal decided to approve the tax deductions previously claimed by Skanska, the tax authority repaid SEK 756 M during the second quarter. The National Tax Board has appealed the rulings to the Supreme Administrative Court.

Events after the close of the report period

In the UK the Barts & The London NHS Trust has informed us about the next stage of the competition for the privately financed (PFI) hospital project in London.

We have been notified that if certain conditions can be agreed to by us within a fixed time period, the Skanska Innisfree consortium will have awarded to the consortium the status of preferred bidder on the Barts and The London Project.

Stockholm, October 30, 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:

- Year-end Report, February 13, 2004

For questions regarding financial information, please contact

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E-mail: investor.relations@skanska.se

Consolidated financial statement

| INCOME STATEMENT SEK M | Jul-Sep 2003 | Jul-Sep 2002 | Jan-Sep 2003 | Jan-Sep 2002 | Oct 2002- Sep 2003 | Jan-Dec 2002 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------------|-----------------|
| Net sales | 34,125 | 35,556 | 99,481 | 108,048 | 137,789 | 146,356 |
| Operating expenses | -31,438 | -32,515 | -90,008 | -99,293 | -124,979 | -134,264 |
| Gross income | 2,687 | 3,041 | 9,473 | 8,755 | 12,810 | 12,092 |
| Selling and administrative expenses | -1,699 | -2,017 | -5,878 | -6,285 | -8,275 | -8,682 |
| Earnings before interest, taxes and amortization (EBITA) | 988 | 1,024 | 3,595 | 2,470 | 4,535 | 3,410 |
| Goodwill amortization and writedowns | -101 | -148 | -341 | -544 | -586 | -789 |
| Items affecting comparability | 0 | 0 | 0 | 0 | -1,645 | -1,645 |
| Operating income | 887 | 876 | 3,254 | 1,926 | 2,304 | 976 |
| of which gain on sale of commercial properties | 200 | 47 | 1,788 | 144 | 2,016 | 372 |
| Interest income | 47 | 121 | 188 | 285 | 303 | 400 |
| Interest expense | -160 | -275 | -531 | -768 | -789 | -1,026 |
| Interest expenses, net | -113 | -154 | -343 | -483 | -486 | -626 |
| Other financial items | -29 | -52 | -28 | -381 | 76 | -277 |
| Income after financial items | 745 | 670 | 2,883 | 1,062 | 1,894 | 73 |
| Taxes | -223 | -346 | -868 | -526 | -1,198 | -856 |
| Minorities | -3 | 0 | -14 | -28 | -40 | -54 |
| Net profit | 519 | 324 | 2,001 | 508 | 656 | -837 |
| Earnings per share for the period | 1.24 | 0.77 | 4.78 | 1.21 | 1.57 | -2.00 |
| Average outstanding number of shares | 418,553,072 | 418,553,072 | 418,553,072 | 418,553,072 | 418,553,072 | 418,553,072 |
| Depreciation, fixed assets, excl goodwill amortization | -377 | -429 | -1,098 | -1,296 | -1,564 | -1,762 |
| RoCE, rolling twelve months, % ³ | 8.8 | 10.7 | 8.8 | 10.7 | 8.8 | 4.3 |
| RoE, rolling twelve months, % ³ | 4.5 | 9.9 | 4.5 | 9.9 | 4.5 | -5.2 |
| Personnel, average | 73,645 | 75,338 | 73,645 | 75,338 | 73,645 | 76,358 |

| CASH FLOW SEK M | Jul-Sep 2003 | Jul-Sep 2002 | Jan-Sep 2003 | Jan-Sep 2002 | Oct 2002- Sep 2003 | Jan-Dec 2002 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------------|-----------------|
| Cash flow from business operations | 1,101 | 157 | 4,971 | -1,092 | 7,891 | 1,828 |
| Cash flow from financial operations | -989 | 214 | -5,801 | 919 | -7,664 | -944 |
| Cash flow from operations | 112 | 371 | -830 | -173 | 227 | 884 |
| Cash flow from strategic investments | 29 | -368 | 1,246 | -993 | 1,134 | -1,105 |
| Dividend etc. | 58 | -13 | -801 | -1,268 | -839 | -1,306 |
| Cash flow for the period | 199 | -10 | -385 | -2,434 | 522 | -1,527 |

| BALANCE SHEET SEK M | Sep 30, 2003 | Sep 30, 2002 | Dec 31, 2002 | SEK M | Sep 30, 2003 | Sep 30, 2002 | Dec 31, 2002 |
|---|-----------------|-----------------|-----------------|--|-----------------|-----------------|-----------------|
| Assets | | | | Shareholders' equity and liabilities | | | |
| Intangible fixed assets | 5,208 | 7,858 | 6,071 | Shareholders' equity | 13,423 | 15,811 | 14,217 |
| Fixed assets | 7,273 | 8,503 | 8,060 | Minorities | 310 | 387 | 296 |
| Shares and participations ¹ | 906 | 1,451 | 1,356 | Interest-bearing liabilities and provisions ² | 11,507 | 19,617 | 17,125 |
| Interest-bearing receivables ¹ | 1,638 | 1,912 | 1,179 | Non interest-bearing liabilities and provisions ² | 45,793 | 49,261 | 46,726 |
| Non-interest bearing receivables ¹ | 34,335 | 39,667 | 35,238 | | | | |
| Current-assets properties | 15,701 | 19,429 | 19,544 | | | | |
| Bank balances and short-term investments | 5,972 | 6,256 | 6,916 | | | | |
| Total assets | 71,033 | 85,076 | 78,364 | Total shareholders' equity and liabilities | 71,033 | 85,076 | 78,364 |

Contingent liabilities
The Group's contingent liabilities decreased since year end by 0.1 billion to SEK 18.8 billion (18.9 on Dec. 31, 2002).

| KEY RATIOS ETC ³ | Sep 30, 2003 | Sep 30, 2002 | Dec 31, 2002 |
|----------------------------------|-----------------|-----------------|-----------------|
| Capital employed, average, SEK M | 30,528 | 37,036 | 34,059 |
| Equity to assets, percent | 19.3 | 19.0 | 18.5 |
| Net debt, SEK M | -3,897 | -11,449 | -9,030 |
| Debt/equity, ratio | 0.3 | 0.7 | 0.6 |

| CHANGES IN SHAREHOLDERS EQUITY SEK M | Jul-Sep 2003 | Jul-Sep 2002 | Jan-Sep 2003 | Jan-Sep 2002 | Oct 2002- Sep 2003 | Jan-Dec 2002 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------------|-----------------|
| Opening balance | 13,166 | 15,513 | 14,217 | 17,871 | 15,811 | 17,871 |
| Dividend | 0 | 0 | -837 | -1,256 | -837 | -1,256 |
| Change in accounting principle | 0 | 0 | -1,110 | 0 | -1,110 | 0 |
| Translation differences etc | -262 | -26 | -848 | -1,312 | -1,097 | -1,561 |
| Net profit for the period | 519 | 324 | 2,001 | 508 | 656 | -837 |
| Closing balance | 13,423 | 15,811 | 13,423 | 15,811 | 13,423 | 14,217 |

| SEK M | Sep 30, 2003 | | | Dec 31, 2002 | | |
|------------------------|--------------|-----------------------------|---------------------------------|--------------|-----------------------------|---------------------------------|
| | Shares | Interestbearing receivables | Non Interestbearing receivables | Shares | Interestbearing receivables | Non Interestbearing receivables |
| Financial fixed assets | 906 | 1,256 | 2,088 | 1,356 | 594 | 2,355 |
| Inventories | | | 901 | | | 890 |
| Current receivables | | 382 | 31,346 | | 585 | 31,993 |
| | 906 | 1,638 | 34,335 | 1,356 | 1,179 | 35,238 |

² The definitions of the financial ratios can be found in the Annual Report for 2002. Return on capital employed for the Group is calculated in operating income including items affecting comparability.

³ Provisions on September 30 totaled SEK 8.6 bn, of which SEK 1.9 bn was reported as interest-bearing pensions.

Additional information

| BUSINESS STREAMS IN BRIEF SEK M | Jul-Sep 2003 | Jul-Sep 2002 | Jan-Sep 2003 | Jan-Sep 2002 | Oct 2002- Sep 2003 | Jan-Dec 2002 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------------|-----------------|
| NET SALES | | | | | | |
| Construction & Services | 32,389 | 34,219 | 91,486 | 103,965 | 128,205 | 140,684 |
| Commercial Project Development | 885 | 389 | 6,103 | 1,390 | 6,927 | 2,214 |
| Residential Project Development | 1,367 | 1,883 | 4,469 | 5,176 | 6,626 | 7,333 |
| BOT | 19 | 5 | 72 | 15 | 95 | 38 |
| Other and eliminations | -535 | -940 | -2,649 | -2,498 | -4,064 | -3,913 |
| Consolidated | 34,125 | 35,556 | 99,481 | 108,048 | 137,789 | 146,356 |
| OPERATING INCOME | | | | | | |
| Construction & Services | 637 | 772 | 1,199 | 1,870 | 1,587 | 2,258 |
| Commercial Project Development | 301 | 233 | 2,311 | 664 | 2,696 | 1,049 |
| Residential Project Development | 77 | 108 | 163 | 165 | 375 | 377 |
| BOT | 9 | -10 | 15 | -29 | 3 | -41 |
| Central & other | -117 | -172 | -369 | -476 | -581 | -688 |
| Closed down operations | 1 | -39 | 1 | -252 | -9 | -262 |
| Eliminations | -21 | -16 | -66 | -16 | -122 | -72 |
| Items affecting comparability | 0 | 0 | 0 | 0 | -1,645 | -1,645 |
| Consolidated | 887 | 876 | 3,254 | 1,926 | 2,304 | 976 |
| CAPITAL EMPLOYED | | | | | | |
| Construction & Services | 11,979 | 17,008 | 11,979 | 17,008 | 11,979 | 13,285 |
| Commercial Project Development | 10,473 | 11,976 | 10,473 | 11,976 | 10,473 | 13,135 |
| Residential Project Development | 3,255 | 4,984 | 3,255 | 4,984 | 3,255 | 4,950 |
| BOT | 1,289 | 996 | 1,289 | 996 | 1,289 | 1,042 |
| Other & eliminations | -1,756 | 851 | -1,756 | 851 | -1,756 | -773 |
| Consolidated | 25,240 | 35,815 | 25,240 | 35,815 | 25,240 | 31,639 |
| CASH FLOW ¹ | | | | | | |
| Construction & Services | 640 | 277 | 490 | -1,329 | 3,696 | 1,877 |
| Commercial Project Development | 517 | -21 | 4,922 | 1,164 | 4,636 | 878 |
| Residential Project Development | 328 | 240 | 531 | 1,263 | 830 | 1,562 |
| BOT | -12 | -278 | -60 | -504 | -173 | -617 |
| Other | -12 | 15 | 381 | -394 | 159 | -616 |
| Consolidated | 1,461 | 233 | 6,264 | 200 | 9,148 | 3,084 |

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

Construction and Services, by market

| SEK M | Net sales | | | | | | Operating income | | | | | |
|------------------------|---------------|---------------|---------------|----------------|-------------------|----------------|------------------|--------------|--------------|--------------|-------------------|--------------|
| | Jul-Sep 2003 | Jul-Sep 2002 | Jan-Sep 2003 | Jan-Sep 2002 | Oct 2002-Sep 2003 | Jan-Dec 2002 | Jul-Sep 2003 | Jul-Sep 2002 | Jan-Sep 2003 | Jan-Sep 2002 | Oct 2002-Sep 2003 | Jan-Dec 2002 |
| Sweden | 5,767 | 5,730 | 16,875 | 17,277 | 23,690 | 24,092 | 131 | 143 | 321 | 410 | 348 | 437 |
| Norway | 1,880 | 1,950 | 6,168 | 6,115 | 8,093 | 8,040 | 52 | 7 | 62 | -35 | 81 | -16 |
| Denmark | 822 | 1,094 | 2,451 | 2,984 | 3,929 | 4,462 | -4 | -24 | -53 | -109 | -176 | -232 |
| Finland & CEE | 2,340 | 2,413 | 6,188 | 6,225 | 8,864 | 8,901 | -39 | 80 | -78 | 61 | -191 | -52 |
| Poland | 1,068 | 1,192 | 2,557 | 3,513 | 3,798 | 4,754 | 56 | -23 | 44 | -80 | 17 | -107 |
| Czech Republic | 2,429 | 2,010 | 5,734 | 5,331 | 7,234 | 6,831 | 91 | 59 | 262 | 234 | 353 | 325 |
| UK | 3,744 | 4,129 | 10,494 | 12,151 | 14,336 | 15,993 | 43 | 79 | 86 | 153 | 173 | 240 |
| USA Building | 7,767 | 10,031 | 22,658 | 32,363 | 33,025 | 42,730 | 91 | 131 | -98 | 451 | -10 | 539 |
| USA Civil | 4,155 | 3,246 | 11,259 | 9,722 | 14,830 | 13,293 | 117 | 220 | 462 | 596 | 722 | 856 |
| South America | 603 | 284 | 1,599 | 1,312 | 2,564 | 2,277 | 30 | 17 | 91 | 30 | 240 | 179 |
| Hong Kong | 754 | 1,001 | 2,207 | 3,355 | 3,175 | 4,323 | 9 | 20 | 15 | 52 | 49 | 86 |
| India | 241 | 153 | 682 | 454 | 885 | 657 | 3 | 8 | 8 | 17 | 15 | 24 |
| International Projects | 352 | 409 | 979 | 1,349 | 1,470 | 1,840 | 0 | 27 | -25 | 12 | -157 | -120 |
| Services | 467 | 577 | 1,635 | 1,814 | 2,312 | 2,491 | 57 | 28 | 102 | 78 | 123 | 99 |
| Total | 32,389 | 34,219 | 91,486 | 103,965 | 128,205 | 140,684 | 637 | 772 | 1,199 | 1,870 | 1,587 | 2,258 |

| SEK M | EBITA ¹ | | | | | | EBITA, % ¹ | | | | | |
|------------------------|--------------------|--------------|--------------|--------------|-------------------|--------------|-----------------------|--------------|--------------|--------------|-------------------|--------------|
| | Jul-Sep 2003 | Jul-Sep 2002 | Jan-Sep 2003 | Jan-Sep 2002 | Oct 2002-Sep 2003 | Jan-Dec 2002 | Jul-Sep 2003 | Jul-Sep 2002 | Jan-Sep 2003 | Jan-Sep 2002 | Oct 2002-Sep 2003 | Jan-Dec 2002 |
| Sweden | 129 | 155 | 332 | 435 | 454 | 557 | 2.2 | 2.7 | 2.0 | 2.5 | 1.9 | 2.3 |
| Norway | 93 | 46 | 163 | 80 | 233 | 150 | 4.9 | 2.4 | 2.6 | 1.3 | 2.9 | 1.9 |
| Denmark | -2 | -23 | -49 | -106 | -171 | -228 | -0.2 | -2.1 | -2.0 | -3.6 | -4.4 | -5.1 |
| Finland & CEE | -16 | 105 | -7 | 137 | -91 | 53 | -0.7 | 4.4 | -0.1 | 2.2 | -1.0 | 0.6 |
| Poland | 60 | -13 | 52 | -30 | 23 | -59 | 5.6 | -1.1 | 2.0 | -0.9 | 0.6 | -1.2 |
| Czech Republic | 57 | 55 | 219 | 220 | 304 | 305 | 2.3 | 2.7 | 3.8 | 4.1 | 4.2 | 4.5 |
| UK | 69 | 111 | 168 | 252 | 285 | 369 | 1.8 | 2.7 | 1.6 | 2.1 | 2.0 | 2.3 |
| USA Building | 105 | 148 | -58 | 498 | 44 | 600 | 1.4 | 1.5 | -0.3 | 1.5 | 0.1 | 1.4 |
| USA Civil | 122 | 223 | 477 | 601 | 741 | 865 | 2.9 | 6.9 | 4.2 | 6.2 | 5.0 | 6.5 |
| South America | 30 | 17 | 91 | 30 | 240 | 179 | 5.0 | 6.0 | 5.7 | 2.3 | 9.4 | 7.9 |
| Hong Kong | 13 | 27 | 26 | 78 | 68 | 120 | 1.7 | 2.7 | 1.2 | 2.3 | 2.1 | 2.8 |
| India | 6 | 8 | 15 | 18 | 21 | 24 | 2.5 | 5.2 | 2.2 | 4.0 | 2.4 | 3.7 |
| International Projects | 0 | 27 | -25 | 12 | -157 | -120 | 0.0 | 6.6 | -2.6 | 0.9 | -10.7 | -6.5 |
| Services | 65 | 34 | 121 | 93 | 162 | 134 | 13.9 | 5.9 | 7.4 | 5.1 | 7.0 | 5.4 |
| Total | 731 | 920 | 1,525 | 2,318 | 2,156 | 2,949 | 2.3 | 2.7 | 1.7 | 2.2 | 1.7 | 2.1 |

¹ Earnings before interest, taxes and amortization.

| SEK M | Capital employed ² | | | | | | Return on capital employed, % | | | | | |
|------------------------|-------------------------------|---------------|---------------|---------------|-------------------|---------------|-------------------------------|--------------|--------------|--------------|-------------------|--------------|
| | Jul-Sep 2003 | Jul-Sep 2002 | Jan-Sep 2003 | Jan-Sep 2002 | Oct 2002-Sep 2003 | Jan-Dec 2002 | Jul-Sep 2003 | Jul-Sep 2002 | Jan-Sep 2003 | Jan-Sep 2002 | Oct 2002-Sep 2003 | Jan-Dec 2002 |
| Sweden | 909 | 2,443 | 909 | 2,443 | 909 | 1,314 | 33.9 | 13.6 | 33.9 | 13.6 | 33.9 | 14.6 |
| Norway | 1,972 | 3,377 | 1,972 | 3,377 | 1,972 | 2,820 | 4.2 | -1.8 | 4.2 | -1.8 | 4.2 | 0.3 |
| Denmark | -117 | 653 | -117 | 653 | -117 | 378 | -82.1 | -30.3 | -82.1 | -30.3 | -82.1 | -39.1 |
| Finland & CEE | 1,159 | 1,575 | 1,159 | 1,575 | 1,159 | 1,276 | -14.3 | 18.0 | -14.3 | 18.0 | -14.3 | -2.1 |
| Poland | 680 | 1,633 | 680 | 1,633 | 680 | 902 | 3.1 | 20.0 | 3.1 | 20.0 | 3.1 | -4.8 |
| Czech Republic | 1,935 | 1,791 | 1,935 | 1,791 | 1,935 | 1,462 | 18.8 | 18.0 | 18.8 | 18.0 | 18.8 | 17.9 |
| UK | 1,499 | 1,453 | 1,499 | 1,453 | 1,499 | 1,245 | 18.0 | 20.1 | 18.0 | 20.1 | 18.0 | 11.1 |
| USA Building | 651 | 949 | 651 | 949 | 651 | 860 | 1.2 | 67.2 | 1.2 | 67.2 | 1.2 | 63.9 |
| USA Civil | 1,694 | 1,603 | 1,694 | 1,603 | 1,694 | 1,811 | 40.3 | 55.9 | 40.3 | 55.9 | 40.3 | 64.2 |
| South America | 461 | 310 | 461 | 310 | 461 | 300 | 71.1 | 3.6 | 71.1 | 3.6 | 71.1 | 41.2 |
| Hong Kong | 816 | 1,075 | 816 | 1,075 | 816 | 722 | 6.5 | 9.3 | 6.5 | 9.3 | 6.5 | 8.2 |
| India | 288 | 166 | 288 | 166 | 288 | 177 | 6.0 | 15.8 | 6.0 | 15.8 | 6.0 | 14.6 |
| International Projects | 83 | 82 | 83 | 82 | 83 | 184 | -206.1 | 56.1 | -206.1 | 56.1 | -206.1 | -645.3 |
| Services | 14 | 197 | 14 | 197 | 14 | 10 | 269.8 | 39.8 | 269.8 | 39.8 | 269.8 | 56.0 |
| Eliminations | -65 | -299 | -65 | -299 | -65 | -176 | | | | | | |
| Total | 11,979 | 17,008 | 11,979 | 17,008 | 11,979 | 13,285 | 13.8 | 18.9 | 13.8 | 18.9 | 13.8 | 14.1 |

² Deposits with Skanska Financial Services have been deducted.

| SEK M | Order backlog | | | | | | Order bookings | | | | | |
|------------------------|----------------|----------------|----------------|----------------|-------------------|----------------|----------------|---------------|----------------|----------------|-------------------|----------------|
| | Jul-Sep 2003 | Jul-Sep 2002 | Jan-Sep 2003 | Jan-Sep 2002 | Oct 2002-Sep 2003 | Jan-Dec 2002 | Jul-Sep 2003 | Jul-Sep 2002 | Jan-Sep 2003 | Jan-Sep 2002 | Oct 2002-Sep 2003 | Jan-Dec 2002 |
| Sweden | 15,090 | 15,468 | 15,090 | 15,468 | 15,090 | 14,535 | 6,316 | 6,459 | 17,430 | 18,462 | 23,320 | 24,352 |
| Norway | 5,288 | 6,741 | 5,288 | 6,741 | 5,288 | 6,116 | 1,954 | 2,315 | 6,648 | 7,178 | 8,282 | 8,812 |
| Denmark | 2,151 | 2,121 | 2,151 | 2,121 | 2,151 | 1,761 | 843 | 665 | 2,914 | 3,186 | 4,069 | 4,341 |
| Finland & CEE | 5,973 | 6,232 | 5,973 | 6,232 | 5,973 | 5,564 | 2,134 | 2,632 | 6,989 | 7,221 | 8,961 | 9,193 |
| Poland | 2,848 | 2,922 | 2,848 | 2,922 | 2,848 | 3,917 | 1,113 | 1,330 | 2,297 | 2,657 | 4,643 | 5,003 |
| Czech Republic | 5,943 | 9,124 | 5,943 | 9,124 | 5,943 | 8,467 | 565 | 3,294 | 5,328 | 8,536 | 6,463 | 9,671 |
| UK | 18,912 | 14,511 | 18,912 | 14,511 | 18,912 | 18,417 | 7,158 | 1,582 | 12,403 | 7,562 | 20,478 | 15,637 |
| USA Building | 45,170 | 51,048 | 45,170 | 51,048 | 45,170 | 45,490 | 11,006 | 9,597 | 30,051 | 28,145 | 37,166 | 35,260 |
| USA Civil | 20,590 | 24,586 | 20,590 | 24,586 | 20,590 | 22,252 | 3,203 | 4,722 | 10,947 | 12,510 | 13,228 | 14,791 |
| South America | 2,420 | 2,282 | 2,420 | 2,282 | 2,420 | 2,040 | 332 | -344 | 2,173 | 1,388 | 2,888 | 2,103 |
| Hong Kong | 4,999 | 3,112 | 4,999 | 3,112 | 4,999 | 2,775 | 1,377 | 340 | 4,963 | 2,187 | 5,740 | 2,964 |
| India | 1,272 | 1,688 | 1,272 | 1,688 | 1,272 | 1,997 | 36 | 133 | 114 | 293 | 705 | 884 |
| International Projects | 1,577 | 2,631 | 1,577 | 2,631 | 1,577 | 2,137 | 70 | 250 | 480 | 196 | 454 | 170 |
| Services | 2,002 | 2,948 | 2,002 | 2,948 | 2,002 | 2,386 | 26 | 409 | 1,253 | 2,565 | 1,360 | 2,672 |
| Total | 134,235 | 145,414 | 134,235 | 145,414 | 134,235 | 137,854 | 36,133 | 33,384 | 103,990 | 102,086 | 137,757 | 135,853 |

Residential Project Development, by market

| SEK M | Net sales | | | | | | Operating income | | | | | |
|------------------------|--------------|--------------|--------------|--------------|-------------------|--------------|------------------|--------------|--------------|--------------|-------------------|--------------|
| | Jul-Sep 2003 | Jul-Sep 2002 | Jan-Sep 2003 | Jan-Sep 2002 | Oct 2002-Sep 2003 | Jan-Dec 2002 | Jul-Sep 2003 | Jul-Sep 2002 | Jan-Sep 2003 | Jan-Sep 2002 | Oct 2002-Sep 2003 | Jan-Dec 2002 |
| Sweden | 453 | 501 | 1,749 | 1,593 | 2,625 | 2,469 | 14 | -5 | -16 | -85 | 88 | 19 |
| Norway | 224 | 319 | 690 | 874 | 925 | 1,109 | 25 | 28 | 62 | 85 | 88 | 111 |
| Denmark | 69 | 117 | 202 | 300 | 293 | 391 | 15 | 11 | 34 | 26 | 42 | 34 |
| Finland & Russia | 357 | 397 | 1,006 | 1,114 | 1,470 | 1,578 | -2 | 20 | 37 | 40 | 68 | 71 |
| Poland | 34 | 40 | 93 | 160 | 124 | 191 | 0 | -9 | -16 | -12 | -19 | -15 |
| Czech Republic | 220 | 270 | 495 | 354 | 491 | 350 | 24 | 36 | 51 | 39 | 49 | 37 |
| USA | 5 | 184 | 189 | 705 | 629 | 1,145 | 1 | 22 | 9 | 109 | 47 | 147 |
| International Projects | 5 | 50 | 45 | 57 | 60 | 72 | 0 | 1 | 2 | 3 | 8 | 9 |
| Other | 0 | 5 | 0 | 19 | 9 | 28 | 0 | 4 | 0 | -40 | 4 | -36 |
| Total | 1,367 | 1,883 | 4,469 | 5,176 | 6,626 | 7,333 | 77 | 108 | 163 | 165 | 375 | 377 |

| SEK M | Capital employed ¹ | | | | | | Return on capital employed, % | | | | | |
|------------------------|-------------------------------|--------------|--------------|--------------|-------------------|--------------|-------------------------------|--------------|--------------|--------------|-------------------|--------------|
| | Jul-Sep 2003 | Jul-Sep 2002 | Jan-Sep 2003 | Jan-Sep 2002 | Oct 2002-Sep 2003 | Jan-Dec 2002 | Jul-Sep 2003 | Jul-Sep 2002 | Jan-Sep 2003 | Jan-Sep 2002 | Oct 2002-Sep 2003 | Jan-Dec 2002 |
| Sweden | 997 | 927 | 997 | 927 | 997 | 1,096 | 7.8 | 5.5 | 7.8 | 5.5 | 7.8 | 4.5 |
| Norway | 847 | 941 | 847 | 941 | 847 | 1,046 | 8.6 | 13.8 | 8.6 | 13.8 | 8.6 | 12.5 |
| Denmark | 274 | 451 | 274 | 451 | 274 | 483 | 10.6 | 5.1 | 10.6 | 5.1 | 10.6 | 7.2 |
| Finland & Russia | 778 | 834 | 778 | 834 | 778 | 754 | 8.8 | 4.4 | 8.8 | 4.4 | 8.8 | 7.5 |
| Poland | 199 | 305 | 199 | 305 | 199 | 289 | -10.9 | -36.7 | -10.9 | -36.7 | -10.9 | -6.9 |
| Czech Republic | 156 | 173 | 156 | 173 | 156 | 159 | 36.8 | 35.4 | 36.8 | 35.4 | 36.8 | 28.2 |
| USA | 0 | 1,162 | 0 | 1,162 | 0 | 987 | 7.5 | 13.1 | 7.5 | 13.1 | 7.5 | 14.1 |
| International Projects | 4 | 63 | 4 | 63 | 4 | 41 | 26.8 | -44.4 | 26.8 | -44.4 | 26.8 | 12.3 |
| Other | 0 | 128 | 0 | 128 | 0 | 95 | -11.1 | -31.2 | -11.1 | -31.2 | -11.1 | -30.2 |
| Total | 3,255 | 4,984 | 3,255 | 4,984 | 3,255 | 4,950 | 8.0 | 4.7 | 8.0 | 4.7 | 8.0 | 8.0 |

¹ Deposits with Skanska Financial Services have been deducted.

Project Development – performance analysis (before selling and administrative expenses)

| SEK M | Jul-Sep 2003 | Jul-Sep 2002 | Jan-Sep 2003 | Jan-Sep 2002 |
|---------------------------------|--------------|--------------|--------------|--------------|
| SALES PRICE | | | | |
| Commercial Project Development | 609 | 25 | 5,074 | 326 |
| Commercial Properties, other | 247 | 61 | 313 | 365 |
| Residential Project Development | 921 | 1,469 | 3,104 | 3,800 |
| Total | 1,777 | 1,555 | 8,491 | 4,491 |

BOOK VALUE

| | | | | |
|---------------------------------|--------------|--------------|--------------|--------------|
| Commercial Project Development | 440 | 24 | 3,320 | 281 |
| Commercial Properties, other | 216 | 15 | 279 | 266 |
| Residential Project Development | 736 | 1,299 | 2,687 | 3,376 |
| Total | 1,392 | 1,338 | 6,286 | 3,923 |

GROSS INCOME

| | | | | |
|---------------------------------|------------|------------|--------------|------------|
| Commercial Project Development | 169 | 1 | 1,754 | 45 |
| Commercial Properties, other | 31 | 46 | 34 | 99 |
| Residential Project Development | 185 | 170 | 417 | 424 |
| Total | 385 | 217 | 2,205 | 568 |

Commercial Project Development

| SEK bn | Book value end of period | Book value upon completion | Est market value Dec 31, 2002 | Occupancy rate, % |
|----------------------|--------------------------|----------------------------|-------------------------------|-------------------|
| Completed properties | 7,350 | 7,350 | 11,400 | 89 |
| Ongoing projects | 728 | 1,095 | 1,400 | 64 |
| Subtotal | 8,078 | 8,445 | 12,800 | |
| Land bank | 2,694 | 2,694 | - | |
| Total | 10,772 | 11,139 | - | |

Breakdown of book value, current-asset properties, September 30, 2003

| | Residential | Commercial | | Total |
|--------------------|--------------|---------------------|--------------|---------------|
| | | Project development | Other | |
| Completed projects | 829 | 7,350 | 76 | 8,255 |
| Ongoing projects | 718 | 728 | 368 | 1,814 |
| Land bank | 2,113 | 2,694 | 825 | 5,632 |
| Total | 3,660 | 10,772 | 1,269 | 15,701 |

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SKANSKA