

“A world leading
company in
construction-related
services and project
development”

REVIEW OF OPERATIONS
Annual Report 2000, Part 1

SKANSKA



Skanska's mission is to develop, build and maintain the physical environment for living, traveling and working.

Skanska's vision is to be the world leader – the client's first choice – in construction-related services and project development.

During 2000, Skanska's development was characterized by strong growth and sharply improved earnings in its core business.

Skanska has ten main geographic markets and net sales were SEK 108 billion during the year.



Ericsson Hewlett Packard Telecommunications (EHPT) moved into its new office building in Gothenburg, Sweden, during the year. The building is an example of Skanska's value-generating project development work. The project was designed, built and sold during a 25-month period.

Contents, Part 1, Review of Operations

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Note to the reader

Skanska's Annual Report consists of two parts.

Review of Operations, Part 1, focuses on strategic development, the new organizational structure and a market review. It also contains a five-year financial summary and a section on Skanska share data.

Financials, Part 2, contains the Report of the Directors, the income statements and balance sheets, accounting and valuation principles and notes to the financial statements for 2000.

Year-end exchange rates, 2000:

EUR 1 = SEK 8.84, GBP 1 = SEK 14.17,

USD 1 = SEK 9.50.



The magazine Forbes Global ranks Skanska number two in the world construction market, in an analysis based on growth and profitability.



Raiffeisen Business Center in Poland will be completed during 2001.



The Dow Jones Sustainability Group Index ranks Skanska as an industry leader in environmental and social terms.



The elegant Uddevalla bridge in Sweden was inaugurated during the year.



Swiss Reinsurance Company ordered a London office building, whose elliptical shape has attracted great attention. (photo montage)

The year in brief

- Skanska established leading market positions in Poland, Norway, the Czech Republic, Great Britain and Hong Kong, while further strengthening its position in the United States through acquisitions of companies.
- Skanska continued to focus on its core business, and the divestment of other operations was largely completed.
- Capital gains in project development operations and strong value growth in Skanska's property portfolio generated substantial added value.

■ Order bookings	+31%	SEK 127.0 bn
■ Order backlog	+72%	SEK 160.7 bn
■ Net sales	+37%	SEK 108.0 bn
■ Operating income in core business	+65%	SEK 4.4 bn
■ Income after financial items	+24%	SEK 8.5 bn
■ Net profit per share	+43%	SEK 53.60
■ Return on shareholders' equity		34.3%
■ Return on capital employed, adjusted for items affecting comparability and share divestments		18.2%

In Prague, Czech Republic, IPS Skanska completed a new office building for MUZO A.S. during the year.



Gåshaga Piers is a new residential area in Lidingö, near Stockholm, Sweden. It was developed and built by Skanska. (Illustration)

The Sports Palace in St. Petersburg, Russia is the new arena that hosted the 2000 ice hockey world championships.



The University of Pennsylvania in Philadelphia keeps its buildings comfortable during the summer with this cooling tower system.



Skanska's operations are characterized by profitable growth.

Business developed favorably during 2000 in terms of order bookings, net sales and earnings. This has also generated good value growth for our shareholders.

Earnings and profitability

Operating income in our construction business increased once again during 2000. Together with capital gains in our project development business, where the turnover rate in our property portfolio was again high last year, this led to a sharp earnings increase in the Group's core business. Return on both capital employed and shareholders' equity rose. Skanska exceeded its financial targets for growth, operating income and return on equity.

New markets

With the acquisition of Exbud, Selmer, IPS and Kvaerner Construction, Skanska established leading market positions in Poland, Norway, the Czech Republic and Great Britain, respectively, entirely according to the strategy that we have followed in recent years. In the United States, we expanded our local market presence. Kvaerner Construction, now Skanska UK, also brought us substantial interests in businesses in Hong Kong and India.

Multi-dimensional growth

Our ambition to create profitable growth has multiple dimensions. Aside from broadening our geographic base through acquisitions of companies, we possess the advantage of already having a strong position in many markets with robust growth. In addition, we have built up strong relationships with large clients in fast-growing industries, for

example pharmaceuticals and the IT/telecom sector.

We are also developing new businesses where we can generate value added based on our core competence. Facilities management (FM) and the telecom sector are two examples of fields in which we improved our positions last year. By acquiring Ericsson Real Estate Management (REM), we established a good base for the continued expansion of our FM business. We are now gathering our cutting-edge expertise in the design, technology and construction of telecommunications infrastructure in a newly established business unit, Skanska Telecom Networks. In the telecom field, we are pursuing an alliance with MasTec in the United States, which developed nicely during the year.

Client-focused organization

In our business, it is important to have decentralized operative decision-making, close to the client. Because of our strong expansion in recent years, our organizational structure now needs to be adjusted. We are therefore introducing a new, flatter structure, based on a relatively large number of business units reporting directly to a Senior Executive Team at the Skanska Group level. Aside from ensuring client focus and decentralization, the new organizational structure allows faster decision making processes and greater transparency, while stimulating the transfer of expertise between units.



Dedicated employees

The positive developments at Skanska last year were a result of extraordinary contributions by our employees. The key to continued success lies in their dedication, as well as in our ability to retain and recruit capable employees. We must therefore be able to offer attractive assignments and various types of human resource development. The manager evaluation and reward systems we work with are vital in this context.

Social developments and environmental responsibility

Construction affects overall social developments, as well as the physical environment. These aspects are thus of key importance to Skanska's operations and play an increasingly important role in our dialogue with clients. Our certified environmental management system is now helping to strengthen our competitiveness, especially in an international perspective. Although we have come a long way in this field, we still have a lot to do in order to become even better, both at the overall level and at individual work sites. We are now continuing our efforts toward this end.

Core business and capital structure

The process that we initiated a number of years ago in order to focus more sharply on our core business has now essentially been completed. This has freed up capital that we have primarily inve-

sted in our core business, but that has also directly benefited our shareholders, by means of dividends and other forms of capital transfers. The Board of Directors is proposing that the Skanska shares repurchased by the Company since the last Annual Meeting be cancelled, which implies an adjustment in Skanska's capital structure.

Our capital base remains strong, something I regard as an important precondition for successful Group business development. The new share buy-back program that the Board is proposing will meanwhile allow further adjustments during the coming year. In order to increase the liquidity of Skanska shares, the Board is also proposing a split, with shareholders receiving four new shares for each old one.

Outlook for 2001

Order bookings remained good early in the year, thereby further strengthening the order situation. The businesses that we recently acquired, as well as Skanska's own project development, also have significant profitability potential. My overall judgment is therefore that earnings in our core business will increase during 2001 compared to last year.

Stockholm, March 2001

CLAES BJÖRK
President and CEO

Mission and strategy



LIVING



TRAVELING



WORKING

Mission

- Skanska's mission is to develop, build and maintain the physical environment for living, traveling and working. By combining its resources in these fields, the Group can offer clients attractive, cost-effective and thus competitive solutions.

Vision

- Skanska shall be a world leader – the client's first choice – in construction-related services and project development.

Strategy

Skanska's strategy is:

- to focus on client needs and create long-term relationships
- to develop good management, advanced knowledge and efficient processes
- to work in all phases from concept to operation and maintenance
- to use the Group's collective competence to grow in new market segments with high growth potential
- to create profitable growth both organically and through acquisitions in existing and new markets

These points summarize the strategic thrust of Skanska's work. The strategy was established early in 1998. The next page shows how Skanska has fulfilled the established financial targets during the period 1998–2000. The following section on pages 8–13 examines recent developments in the Skanska Group.

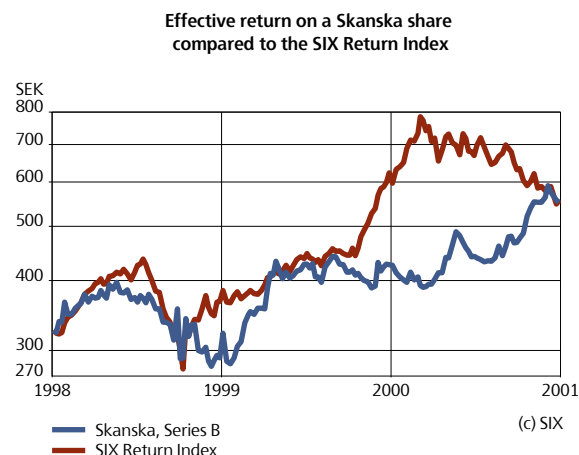
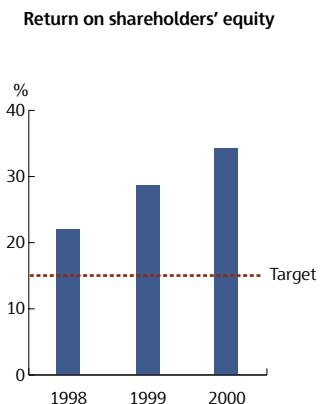
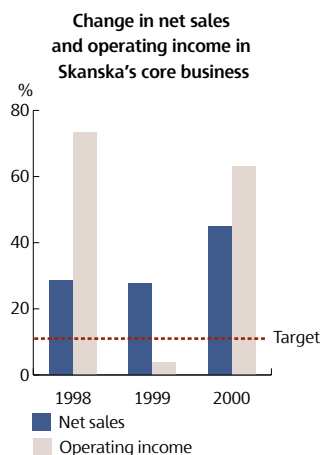


Skanska is among the most respected construction companies in the world, according to the American magazine Fortune.

Targets and their fulfillment

Financial targets

- Net sales and operating income in Skanska's core business shall increase by at least 12 percent annually.
- Average annual return on shareholders' equity shall amount to at least 15 percent over an economic cycle.



Target fulfillment

Skanska surpassed its financial target during the three-year period 1998–2000. During this period, organic growth in net sales averaged 14 percent annually. Total growth, which includes acquisitions and exchange rate effects, averaged 34 percent annually.

The divestment of non-core businesses and shares had a positive impact on earnings, which affected return on shareholders' equity during the period. Underlying return adjusted for these divestments was also good. One example of this is that adjusted return on capital employed amounted to 17–18 percent annually during this period.

Value growth for shareholders

Skanska's share price performance during 1998–2000 benefited its shareholders. In addition, significant amounts were transferred to the shareholders by means of dividends. The total return on a Skanska share, calculated as share price appreciation plus the value of dividends, amounted to 69 percent during the period 1998–2000. The SIX Return Index of the OM Stockholm Stock Exchange showed a similar increase during this period.

For a more detailed description of Skanska's share performance, see pages 24–25.

Profitable growth

Skanska's performance in recent years has been characterized by strong growth and a sharper focus on its core business. Over a three-year period, net sales and order bookings more than doubled. Order backlog more than tripled. At the end of 2000 it was equivalent to 14 months of construction.

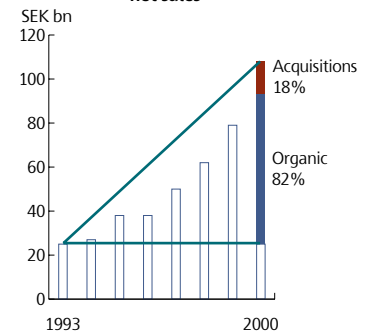
This is a result of Skanska's strategy of growing in selected markets, where the Group's position has been strengthened by significant organic growth as well as by acquisitions.

Meanwhile the Group's range of services in its building and civil construction business is broadening. Skanska's role in projects is broadening to include design, financial solutions and project management.

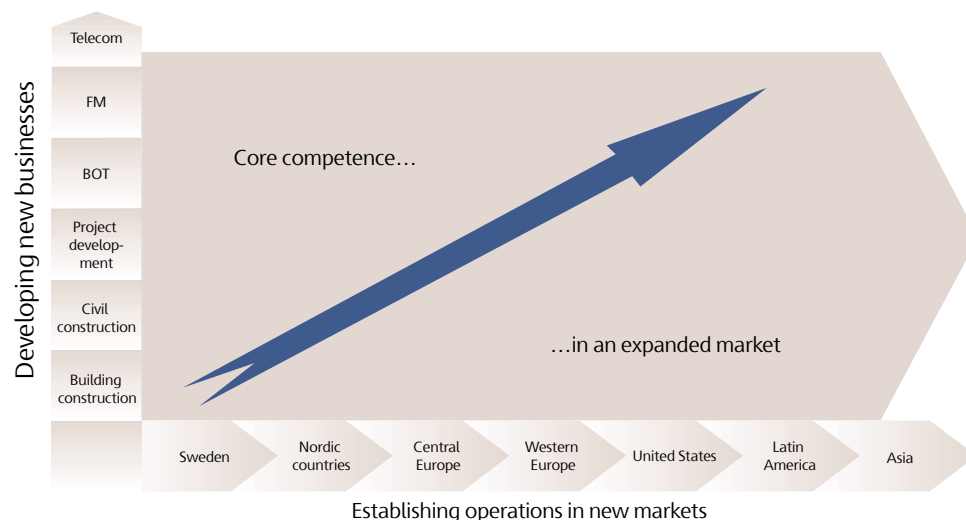
In addition, new construction-related services are emerging, for example Skanska's facilities management business. The expansion of infrastructure in the telecom sector is also generating new opportunities for Skanska.

The broadening of Skanska's core business to new geographic markets and into new services has occurred concurrently with the divestment of its non-core businesses and assets.

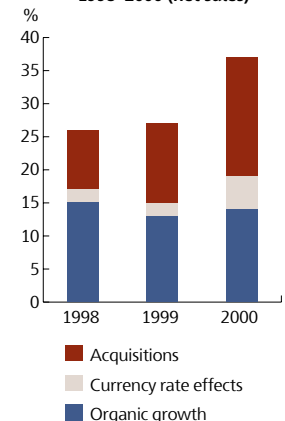
Growth in perspective, net sales



Skanska's model for profitable growth



Growth factors 1998-2000 (net sales)



Acquisitions

Strong market position

During the period 1998 – 2000, Skanska acquired a significant number of construction companies, mainly in Europe and the United States, but also in South America and Asia. The purpose of these acquisitions is to strengthen Skanska's position in selected markets. Skanska's basic requirement when acquiring companies is that they should be able to contribute positively to Skanska's income after taxes during the first full year after acquisition. Another important precondition when making acquisitions is that Skanska's purchase is perceived favorably by company managements.

Mutual trust between Skanska and existing management is important in order to take advantage of both the company's local market position and Skanska's strength and collective competence. An analysis of the acquisitions that Skanska carried out during the period 1989–1996 in the United States shows that the growth of these companies totaled 35 percent annually during the first five years after each respective acquisition. This indicates that the integration of the new units into the Skanska Group was successful. The objective is to create similar growth in companies acquired during the past few years. Depending on market conditions, however, the pace of growth will vary.

Acquisitions of companies in 2000

Skanska's acquisitions in the United States signify that it is establishing operations in Virginia, New Mexico, Washington State and Pennsylvania, while strengthening its operations in New York. Due to the acquisition of Kvaerner Construction in Great Britain, Skanska also became half-owner of Gammon, the largest construction company in Hong Kong. Gammon has operations elsewhere in China and in Singapore and other Southeast Asian markets as well. By acquiring the Norwegian-based Selmer, Skanska is reinforcing its position as one of the leading construction companies in Scandinavia.

Skanska's company acquisitions in Poland and the Czech Republic are investments based on expected growth over the next few years. There is a large need for infrastructure, commercial space and housing in these markets. They are projected to show sharply higher growth in connection with the enlargement of the European Union to include these and nearby countries.

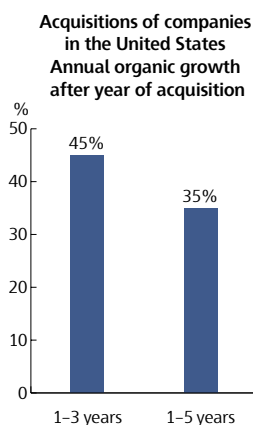
Acquisitions of companies in Skanska's core business, 1998–2000, SEK bn

Year	Company	Primary location	Investment ¹	Sales ²
1998	Polar Rakennus Oy	Finland	0.1	1.8
1998	Tekra	Finland	0.1	0.3
1998	Tidewater	Virginia, United States	0.4	2.0
Total			0.6	4.1
1999	Alex J. Etkin Construction	Colorado and Michigan, United States	0.1	2.6
1999	Gottlieb Group	New York, United States	0.1	0.4
1999	SADE Ingenieria	Argentina	0.4	3.0
Total			0.6	6.0
2000	Barclay White	Pennsylvania, United States	0.1	2.6
2000	Baugh Enterprises	Washington, Oregon, United States	0.1	4.9
2000	Exbud (94%)	Poland	1.2	5.4
2000	IPS (91%)	Czech Republic	0.6	4.2
2000	Kvaerner Construction ³	Great Britain	1.2	17.6
2000	Proconord Larsen	Finland	0.1	0.1
2000	REM	Sweden	0.2	1.7
2000	Selmer	Norway	2.2	7.3
2000	Others		0.3	–
Total			6.0	43.8
GRAND TOTAL			7.2	53.9

¹ Acquisition price minus interest-bearing assets.

² The year before the acquisition.

³ Including 50 percent of Gammon, Hong Kong.



New businesses

Skanska's performance in recent years has not only been characterized by volume growth in its building and civil construction business. The development of new construction-related services is of ever-greater importance. The photos on this page provide some examples of projects and businesses that illustrate this.

In Maputo, Mozambique, an expansion is currently underway to enable the port to handle increased cargo volume. Skanska is part of an international consortium that has been granted a concession to expand and manage the port, under an agreement that runs for 15 years. This is an example of a privately financed infrastructure project. Build-Own-Transfer (BOT) projects are expected to become increasingly numerous during the next few years. Skanska is one of the international companies that has the capacity to participate in all phases from design, construction and management to arranging financial solutions. However, these projects are usually implemented in partnership with other companies that can provide additional expertise.

In Santiago de Chile, Skanska will carry out a highway project over the next few years, which is another example of a BOT project. This project is presented in more detail on pages 14–15.

The expansion and infrastructure needs of the telecommunications sector are creating new roles and opportunities for Skanska. The newly established business unit Skanska Telecom Networks is managing and developing Skanska's international operations in this sector. Skanska's services are primarily related to design, technology and construction of infrastructure.

Skanska is also investing in the development of international facilities management operations. These contracts include a broad spectrum of services related to management and maintenance of properties, together with tailor-made agreements on support services at each property. The aim is to offer customers a package solution – but with Skanska largely procuring the services from specialized subcontractors.



The port of Maputo, Mozambique, is being expanded to accommodate increased cargo volume. (BOT project)

New highways are needed in Santiago de Chile. (BOT project)



Facilities management – package solutions in property-related services.

Expansion of infrastructure for mobile (cellular) telephone systems in Argentina.



Focusing on core business

During the period 1997–2000, in principle Skanska divested all remaining non-core businesses and assets. These consisted primarily of component companies – manufacturers of kitchens, flooring and similar products – and of shares in other listed companies. A specification of these divestments is provided in the table below.

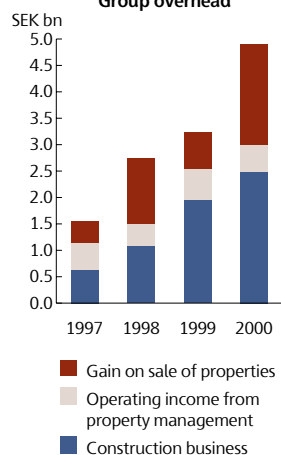
Divestments, 1997–2000

Year	Name	SEK bn
1998	Boxholm (timberland)	1.4
1998	Kymmen (hydroelectric power)	0.1
1997–1998	Sandvik (metals and engineering)	10.9
Total		12.4
1999	Scancem (building materials)	8.3
Total		8.3
2000	JM (construction, real estate)	1.9
2000	Norrporten (commercial real estate)	0.3
2000	Piren (commercial real estate)	1.4
2000	SKF (industrial bearings)	2.0
1999–2000	Component companies	5.2
Total		10.8
GRAND TOTAL		31.5

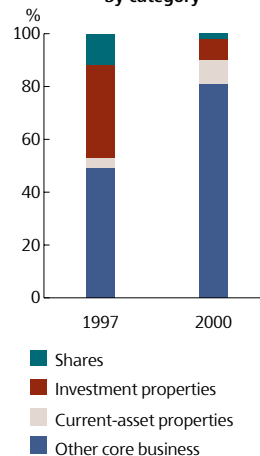
The primary purpose of these divestments is to focus Skanska's business on construction-related services and project development as well as to free up capital. The total sale price of these businesses and assets was SEK 31.5 billion during 1997–2000. The freed-up capital has been used partly for acquisitions and other investments in Skanska's core business and partly for transfers to the shareholders.

The focus on core business has had a major impact on both the balance sheet and income statement. Today Skanska's capital is to a much lesser extent tied up in properties and shares. Meanwhile earnings in Skanska's core business have strengthened significantly. This provides a higher overall return on both capital employed and shareholders' equity.

Operating income in core business before eliminations and Group overhead



Total assets by category



Investments in core business

SEK bn	Total	2000	1999	1998
Acquisitions of companies	7.2	6.0	0.6	0.6
Project development	16.6	7.7	5.9	3.0
Other investments	4.3	2.1	1.3	0.9
Total	28.0	15.7	7.8	4.5

Transfers of capital to shareholders

SEK bn	Total	2001	2000	1999	1998	1997
Regular dividend per share, SEK		13.5 ¹	12.0	12.0	11.0	10.0
Extra dividend per share, SEK			4.0			
Regular dividend, total	6.8	1.4	1.4	1.4	1.3	1.3
Extra dividend, total	0.4		0.4			
Redemption of shares	5.0					5.0
Distribution of Drott ²	10.0				10.0	
Buy-backs of Skanska's own shares	2.9	0.3 ³	2.6			
Total	25.1	1.7	4.4	1.4	11.3	6.3

¹ Proposed by the Board of Directors.

² Estimated market value of assets.

³ Portion of ongoing buy-back program completed as of March 12, 2001.

Strategic fields of development

Skanska's future performance will be affected by its ability to raise its employees' expertise and level of dedication, as well as increase exchanges of experience between different units of the growing Skanska Group. Efficient procedures and structures for identifying and managing various types of business risks are also of crucial importance. External requirements related to environmental issues, as well as to social responsibility in a broader sense, have also increased in recent years. This trend will intensify and will require a clear ambition and a clear approach on Skanska's part.

HUMAN RESOURCE DEVELOPMENT

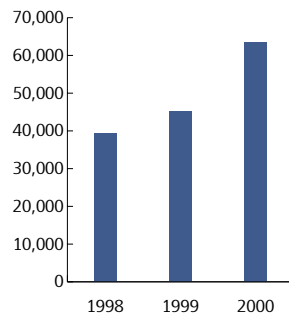
To a great extent, Skanska's business operations are very local and are characterized by decentralization. Talent needs and methods for recruiting, developing and managing employees vary between different countries and operations. Each business unit must therefore, to a great extent, handle employee issues relatively independently.

Manager evaluation and management development are coordinated at the Group level in order to ensure a good supply of managers in key positions within the Group. The Skanska Management Institute (SMI) bears the main responsibility for management development and provides development programs for about 200 managers and management candidates annually. SMI also works to refine tools for evaluating prioritized leadership qualities.

The overall purpose is to achieve efficient management development in Skanska's various operations. These programs also strengthen a common set of values among managers and stimulate collaboration and mobility between companies and countries, which is becoming increasingly important in the growing Skanska Group.

During 2000, Skanska introduced a bonus system for senior managers in the Group. It includes about 300 people and is designed in such a way that a bonus is payable if Skanska's share price rises and performs better than a comparative index.

Average number of employees



RISK MANAGEMENT

Generally speaking, Skanska's operations involve low exposure to business risks. Its operations can be compared to an insurance portfolio, with systematic risk spreading. Skanska pursues a very large number of projects of varying sizes and types with many client categories, and in a number of different geographic markets. Even the very largest individual construction projects comprise only a small fraction of overall operations.

Methods of risk management

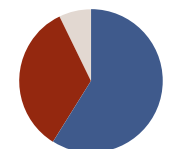
Skanska's operations are extensive and complex, because they take place worldwide and encompass many types of construction projects. This requires systematic, uniform assessment at the project level. Skanska uses its Operational Risk Assessment model throughout the Group. This model analyzes risks in projects and other operations, both in relation to a number of factors typical of construction work and in relation to broader societal issues. The result of the analysis may lead Skanska to abstain from participating in a given project. Environmental and societal risks, for example, may be deemed excessive. Risk analysis is also employed as one of several tools in practical risk management during implementation of projects.

In the case of privately financed infrastructure (BOT) projects, Skanska has developed a methodology for carrying out a comprehensive

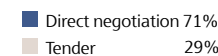
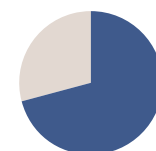
risk assessment. This includes an analysis of risks connected to the construction portion of the project, as well as an analysis of the risks associated with an ownership role and responsibility for management of the facility. These assessments are often carried out in collaboration with outside lenders.

When acquiring companies, a comprehensive risk assessment takes place. In recent years the methodology for this analysis has been further refined. The analysis is carried out by in-house and outside specialists. It includes financial and legal issues, an assessment of ongoing construction projects and an assessment of environmental and societal risks. Great importance is attached to assessing the competence of a company's management and its talent for business development.

Value of order backlog by client category



Value of order backlog by type of contract



Financial risks

Skanska's system of centralized financial operations facilitates good monitoring of financial

risks and allows effective management of the Group's financial risk exposure. This is true of both day-to-day operations and acquisitions of companies. Group companies are to carry out their financial transactions with the subsidiary Skanska Financial Services (SFS), which in turn deals in a coordinated way with external participants in financial markets. SFS allows limited financial exposure within predetermined limits, for example in relation to interest rate and foreign exchange risks. In construction operations, Skanska largely matches income and expenses in the same currencies, resulting in very low transaction risks.

THE ENVIRONMENT

In the environmental field, too, Skanska must systematically assess risks in a way that allows it to minimize its environmental impact. It is at least equally important, however, to be able to inspire and persuade clients to increase the level of environmental adaptation in construction projects.

Construction projects with environmental dimensions

Skanska's analysis of construction projects during 2000 indicates that in a large proportion of these, Skanska or the client initiated an environmental adaptation that was more far-reaching than legal and regulatory requirements. This analysis covers order bookings during 2000 and includes all construction projects with a contract sum exceeding SEK 10 M (USD 1 M).

The number of large projects implemented with such environmental dimensions totaled 547. In 70 percent of these cases, Skanska had initiated the expanded environmental adaptation. The total order value of projects with environmental ambitions was about SEK 51 billion, or about 40 percent of the Group's order bookings for 2000 as a whole. This indicates that active environmental dialogue with clients is becoming a reality. This trend applies to all business units in the Group.

Construction projects with environmental dimensions, 2000¹

	Number of projects	Total contract sum, SEK bn
Client's initiative	156	15
Skanska's initiative	391	36
Total	547	51

¹ The number of construction projects – with contract sums exceeding SEK 10 M – that incorporate environmental standards beyond legal and regulatory requirements.

Skanska's operations ISO 14001-certified

Skanska is the first international construction company that has introduced environmental management systems certified according to the ISO 14001 international standard throughout the Group, from corporate headquarters to the smallest subsidiary. These environmental management systems are a necessary platform for structured, effective environmental work. One challenge for the future is to apply environmental management systems in such a way that projects achieve and preferably surpass client expectations in terms of environmental performance. The final outcome depends on the expertise and dedication of the employees who make day-to-day decisions in all operations.

Investing in energy-efficiency

Skanska's environmental management systems and risk assessment procedures for construction projects are providing increasingly good background for evaluating projects

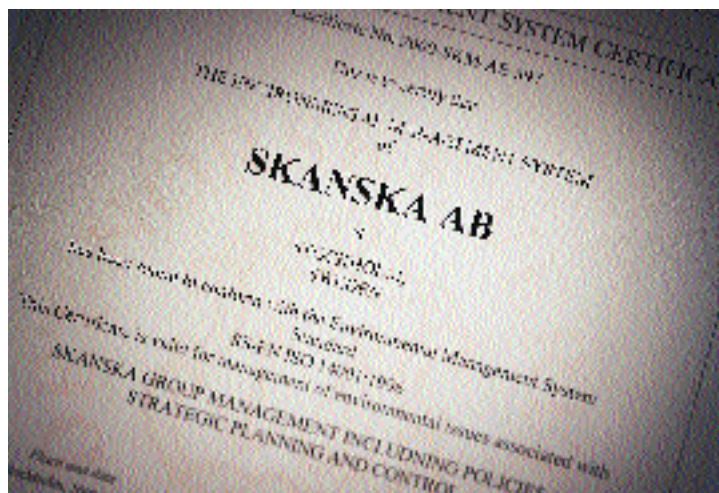
Skanska is the first international construction company to environmentally certify all its operations according to the ISO14001 standard.

and proposing effective environmental measures. One priority in the Group's environmental efforts is the continued development of energy-efficient solutions that will enable Skanska to help reduce carbon dioxide emissions during the service life of buildings. An analysis of newly constructed and renovated Skanska properties during 1999 and 2000 also shows that there is major potential for improvements. A committed, constructive partnership with clients makes it possible to develop solutions that are both energy-efficient and cost-effective.

A broadening of perspectives

During the coming year, Skanska will clarify and refine its role and ambitions with regard to its social responsibilities in a broader sense than environmental aspects alone. Skanska's operations affect social development, and this makes it natural for the Group to broaden its perspectives. The aim is to establish a Groupwide strategy and ambition with regard to social responsibilities.

For more information on Skanska's environmental work, see Environmental Report 2000 on www.skanska.com.



Santiago de Chile

BOT – Development and challenges

Skanska is participating in one of South America's largest BOT projects as a builder, part-owner and operator of a toll highway in Chile's capital, Santiago de Chile. Together with the Spanish-based company Dragados, Skanska will build and operate north-south bypass routes that will improve the traffic situation in the capital. The project will thereby also help to improve the very troublesome air pollution situation in Santiago de Chile.

Skanska is participating in a large, privately financed infrastructure project in Santiago de Chile. A 41 km (25 mi) long traffic route bypassing Santiago de Chile, as well as a route through the central portions of the city, are being built as six-lane highways. When completed, the highways are expected to serve about 140,000 vehicles per day, and the payment system is an advanced free-flow system that enables traffic to avoid stopping.

Construction work begins in 2001 and will be completed during 2005. Skanska's share of the project is 48 percent, and the total value of the project is about SEK 7.2 billion. For the subsidiary Sade Skanska, this project will be its largest-ever construction assignment, worth about SEK 1.7 billion.

The project is a large and important strategic commitment for Skanska, because the need for privately financed infrastructure will grow in the future. Skanska has the capacity to participate in large, complex projects – in all phases from design, construction and service to arranging the financial solutions. Skanska's strategy also includes selling fully developed projects to long-term investors.



Organization and fields of operations

SKANSKA'S NEW ORGANIZATIONAL STRUCTURE

In March 2001, Skanska implemented an adaptation of its organizational structure to increase its focus on clients and client relationships. Skanska is creating an organization in which decision-making processes are faster and also wants to stimulate transfers of ideas and experience between business units.

The Group's Senior Executive Team

The creation of closer links between the business units and the Group's Senior Executive Team enables Skanska to react more quickly to new market trends and to the changing needs of clients. Having an executive team that can coordinate Group operations in a more efficient way strengthens Skanska's ability to take advantage of common resources. It also stimulates efficient transfers of experience within the growing Group. The new organizational structure also makes it easier to integrate acquired businesses.

The Senior Executive Team, which consists of the Chief Executive Officer and four Executive Vice Presidents, will work with the Group's continued expansion into new regions and market segments. The team will also focus on factors crucial to profitability, for example management development, business development and control systems.

Business units

The new organization consists of 18 business units that report directly to the Senior Executive Team. The business units consist of construction service companies in different regions as well as units active in project development. Two business units are related to new businesses in the service and telecom fields.

Most business units are the same as in the previous organizational structure, that is, strong local business units with a clearly defined client base. In addition, a few business units have been created in order to strengthen client relationships in certain fields.

FIELDS OF OPERATIONS

The base for Skanska's operations is construction services related to building and civil projects, as well as in-house project development. Beyond this, Skanska is developing additional services related to its core business. Skanska's facilities management and telecom businesses are examples of this development work.

Construction services

Measured in net sales, construction business entirely dominates Skanska's operations. A rough allocation into building and civil construction shows that about 72 percent of net sales are related to building construction, which includes both residential and commercial space. The rest is related to civil construction projects, for example roads, bridges, harbors and tunnels.

Among developmental trends in Skanska's construction operations in recent years are that the private business sector represents a growing share of total operations, that the proportion of projects procured via direct negotiations has risen, and that the proportion of construction work performed by subcontractors has increased.

Skanska's construction business is characterized by high sales, narrow margins and low tied-up capital. The return is therefore high, and the financial risk is low. Due to the narrow margins, however, Skanska needs high standards of efficiency and cost control.



Project Development

With the help of the Group's collective resources, Skanska's Project Development business units develop commercial real estate and infrastructure projects. The ambition in the development of commercial real estate projects is that the process – leasing, planning, construction and divestment – should average three years, with a target of achieving development gains amounting to at least 25 percent of invested capital. The turnover rate, that is, realization of development gains through divestment, should be kept at a high level. The number of ongoing projects has increased in recent years due to strong demand for commercial space and currently totals 23 projects.

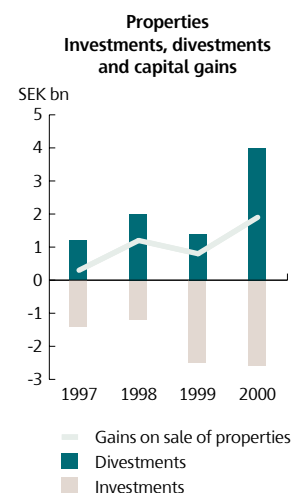
Build-Own-Transfer (BOT) projects are privately financed infrastructure projects, for example roads, harbors and airports. Skanska has ownership interests in six BOT projects, of which three are in operation and two are under construction. The latest BOT project, the Santiago de Chile toll highway, will begin construction shortly.

New businesses

The Skanska Services business unit, established in 2000, is responsible for the Group's facilities management (FM) operations, which include a broad spectrum of property-related services and operative support. Its strategy also includes the development of operations targeted to industry's need for technical service. Skanska's aim is to offer package solutions that create added value for the client. The market for these services is growing rapidly and the profitability target for the business is that operating margin should exceed 5 percent over time. Average tied-up capital is low in this type of business.

The Skanska Telecom Networks business unit was created as a way of gathering Skanska's expertise in services connected to the rapidly growing telecommunications sector. These are primarily consulting services concerning the design, technology and construction of infrastructure. One example is consulting services related to the creation of the third-generation mobile telephone system (UMTS) and the expansion of broadband networks. The market is expected to grow sharply over the next decade. The margins are good and tied-up capital is low in this business. Infrastructure expansion in the telecom sector generates sizeable construction projects for Skanska's business units under Construction Services in various geographic markets.

Skanska is a part-owner of Orange Sweden, one of the operators that has received a license to build and operate the third generation mobile (cellular) telecom network in Sweden. Skanska's stake is 10 percent. This ownership involvement creates good potential for further development of the Group's expertise in the telecom field. Meanwhile Skanska has valuable expertise to contribute when it comes to the construction of Orange Sweden's UMTS network.



Financial highlights by branch of operations, core business

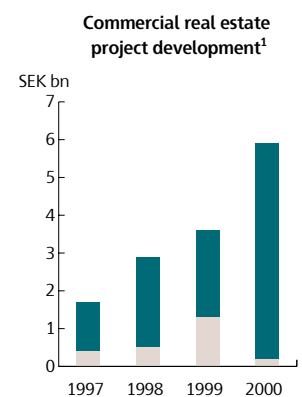
SEK bn	Construction		Services ¹		Real estate		Other		Group	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
Income from business operations	2.4	1.9	0.1	-	0.5	0.6	-0.5	-0.5	2.5	2.0
Gain on sale of properties	-	-	-	-	1.9	0.8	-0.1	-	1.9	0.7
Operating income	2.4	1.9	0.1	-	2.4	1.4	-0.5	-0.6	4.4	2.7
Operating margin, %	2.3	2.7	4.4	-	-	-	-	-	4.2	3.7
Return on capital employed, %	17.6	29.0	33.9	-	23.6	15.7	-	-	19.1	20.0

¹ The business started up during March 2000.

Construction

SEK bn	Net sales		Operating income		Operating margin, %	
	2000	1999	2000	1999	2000	1999
Building construction	75.4	51.3	1.5	0.8	1.9	1.7
Civil construction	28.8	21.9	0.9	1.1	3.3	4.9
Total	104.2	73.2	2.4	1.9	2.3	2.7

2000, SEK bn	Net sales		Operating income		Operating margin, %	
	Building	Civil	Building	Civil	Building	Civil
Sweden	15.2	9.5	0.6	0.3	4.2	3.5
USA	37.2	12.1	0.5	0.5	1.4	4.1
Europe	23.0	7.2	0.3	0.1	1.3	1.5
Total	75.4	28.8	1.5	0.9	1.9	3.3



¹ Refers to book value of projects completed and estimated book value upon completion of ongoing real estate projects. Book value amounted to SEK 2.9 bn at year-end 2000. The remaining investments will be completed within the next three years.

SKANSKA'S MARKET POSITION

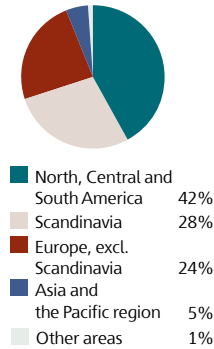
During the past four years, Skanska has more than doubled its work force, nearly tripled its net sales and increased its number of main markets to ten.

Today Skanska is one of the largest construction companies in the world. Its growth rate is high compared to many of its major international competitors. Skanska's position in its main markets can be seen in the adjacent illustration. The 10 largest international construction companies are listed on the next page.

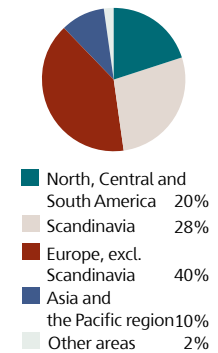
Expansion through acquisitions during 2000 focused on strategically important markets in Europe and the United States. In Europe, Skanska acquired companies with leading positions in Poland, the Czech Republic, Norway and Great Britain. In the United States, expansion continued with the acquisition of businesses in states with continued high growth. The U.S. construction industry is very fragmented, which means that the potential for continued growth is significant.

Skanska's expansion and strengthening of its expertise and resources have increased its opportunities to obtain repeat construction assignments from large, internationally active companies. The number of clients in this category has increased in recent years. IKEA and Ericsson are examples of clients for which Skanska is currently carrying out a number of construction projects in different parts of the world.

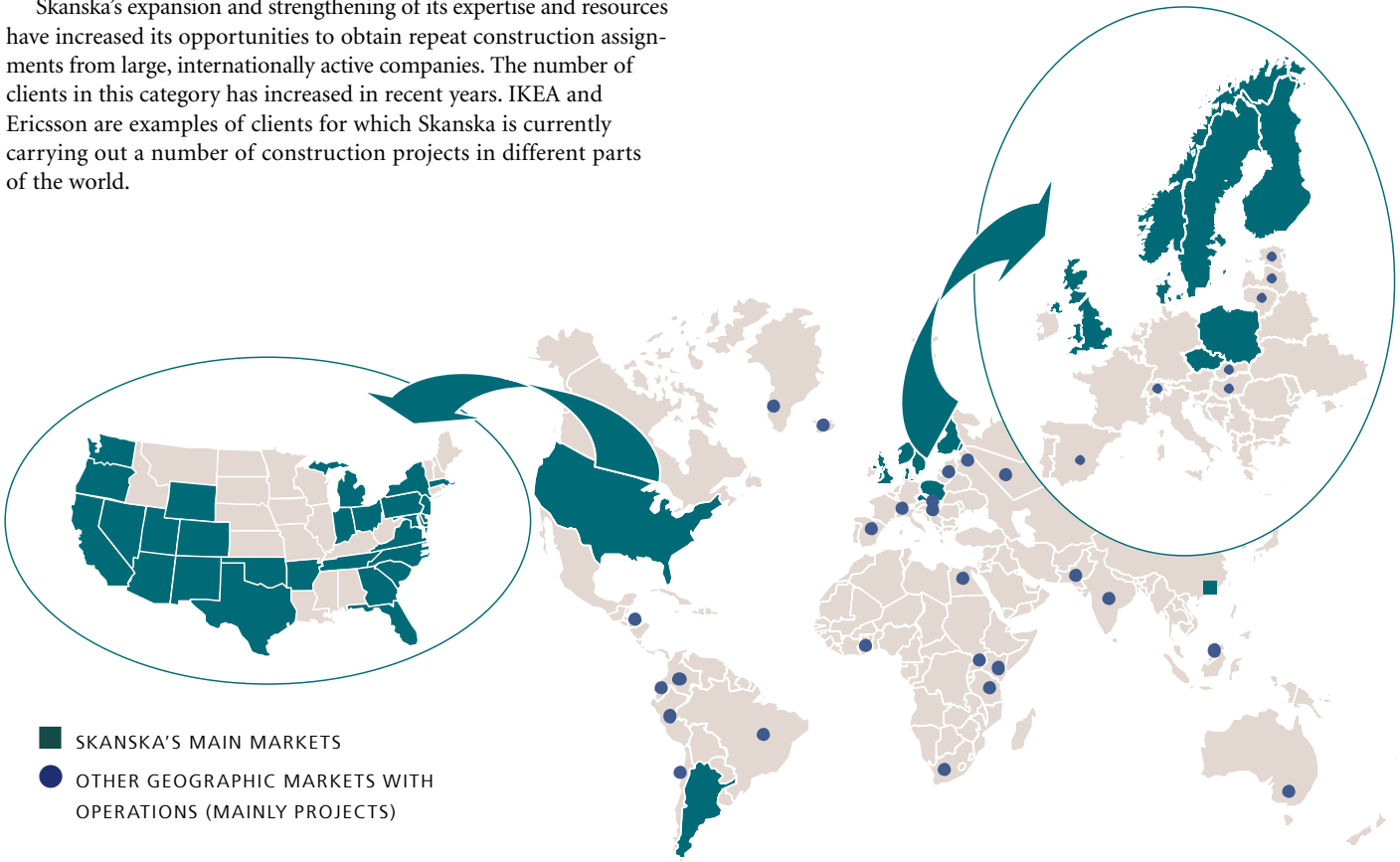
Sales, full-year basis¹, by geographic area



Number of employees, full-year basis¹, by geographic area



¹ Companies acquired during the year counted from January 1, 2000.



MARKET CONDITIONS

General economic conditions are good in most of Skanska's main geographic markets. In addition, there is rapid market growth related to Skanska's new fields of business in facilities management and telecom infrastructure.

Construction services

United States

The U.S. market developed favorably during 2000, but with a lower growth rate than in prior years. Most forecasts for 2001 point to growth of 5 percent in the U.S. construction market. Office buildings, educational buildings and infrastructure projects are projected to have a higher growth rate. Skanska USA has a strong position in these fields.

Sweden

The Swedish construction market grew by 5 percent during 2000, and volume growth is expected to be somewhat higher during 2001. Residential construction is expected to increase, but from a relatively low level. The focus on the three largest metropolitan regions – Stockholm, Gothenburg and Malmö – is continuing. Today the Greater Stockholm area accounts for more than 30 percent of the total construction market in Sweden.

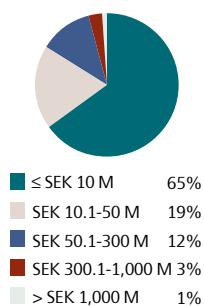
Great Britain

The construction market in Great Britain remains strong, both with regard to commercial space and the public sector. Capital spending in health care, education and communications is expected to remain at a high level.

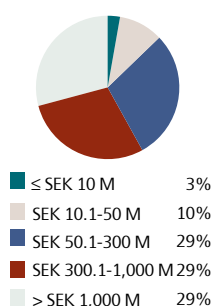
The five largest projects in the order backlog, December 31, 2000

	Country	SEK bn
Ministry of Defence, Whitehall	Great Britain	6.8
Channel Tunnel Rail Link, Ashford	Great Britain	2.9
Logan International Airport, Boston	United States	2.6
Richmond San Rafael Bridge, California	United States	2.3
John F. Kennedy Airtrain, New York	United States	2.3

Order backlog by total number of orders in various value intervals



Order backlog by total order value in various value intervals



Sales and number of employees by geographic area

SEK bn	Sales	Sales, full-year basis ¹	Average number of employees	Number of employees, full-year basis ¹
North, Central and South America	49.9	57.3	15,993	17,083
Scandinavia	34.8	38.5	21,536	24,081
Europe ²	20.7	33.5	21,880	34,101
Asia and the Pacific region	2.1	6.5	2,752	8,557
Other areas	0.5	1.5	1,207	1,617
Total	108.0	137.3	63,368	85,439

¹ Companies acquired during the year counted from January 1, 2000.

² Excluding Scandinavia.

Sales and number of employees by country

SEK bn	Sales	Sales, full-year basis ¹	Average number of employees	Number of employees, full-year basis ¹
United States	46.7	54.1	10,762	11,847
Sweden	24.8	25.8	15,733	16,198
Great Britain	3.0	12.0	696	3,951
Norway	4.4	7.1	2,521	4,601
Finland	6.6	6.6	3,640	3,640
Czech Republic	3.4	5.8	3,904	7,708
Denmark	5.6	5.6	3,282	3,282
Poland	4.2	5.6	11,315	16,462
Hong Kong	1.0	4.0	936	4,491
Argentina	2.4	2.4	3,889	3,889
Other countries	5.9	8.3	6,690	9,370
Total	108.0	137.3	63,368	85,439

¹ Companies acquired during the year counted from January 1, 2000.

The largest global construction companies¹, total sales, 1999

Company	Country	USD bn
Bouygues	France	11.5
Bechtel Group Inc.	United States	11.2
Vinci	France	9.1
Fluor Corp.	United States	8.7
Skanska AB	Sweden	8.2
Hochtief AG	Germany	7.8
Groupe GTM	France	7.6
Kellogg Brown & Root	United States	6.4
EIFFAGE	France	5.6
Boris Lend Lease	Great Britain	5.3

Source: Engineering News Record, ENR Sourcebook, December 2000

¹ Excluding Japanese construction companies.

Norway

The construction market weakened in Norway during 2000, and it is anticipated that construction investments will decrease during 2001 as well. This applies especially to commercial space and civil construction projects.

Finland

During 2000, Finland had a continued strong construction market, especially for residential and commercial space. The market is expected to remain strong during 2001 as well, although the growth rate may be somewhat slower.

Czech Republic

The Czech construction market developed favorably during 2000, and the market for civil construction projects is expected to grow during the next few years.

Denmark

The Danish construction market weakened during 2000 and is projected to remain weak during 2001, especially in civil construction. However, the market for commercial space is expected to grow during the next few years.

Poland

The Polish construction market is showing high growth. Within a few years it is expected to be one of the larger construction markets in Europe. This trend is naturally affected to a great extent by Poland's planned EU membership.

Hong Kong

The outlook for Gammon, Skanska's half-owned company in Hong Kong, is considered good during 2001. Forecasts of market conditions are optimistic.

Argentina

Argentina's economic situation has been weak in recent years. Conditions recently stabilized, however, and there is cautious optimism concerning construction investments during 2001.

Project Development

The demand for commercial space remains strong in the markets where Skanska has project development business. Skanska Project Development is currently pursuing 23 projects, 17 of them in Sweden. Projects in Stockholm make up nearly two thirds of expected investment volume.

About 60 percent of the space in ongoing projects has been pre-leased. During 2000, value growth was 10 percent for comparable units in Skanska's real estate portfolio. Continued high turnover in the portfolio is expected during the coming year.

In the short term, Skanska's BOT project will not generate any contribution to the earnings of Skanska Project Development, because these projects are in the construction phase or were recently placed in service.

New businesses

Skanska Services works in different geographic markets with varying degrees of maturity. Over the next few years, more and more companies are expected to divest or to phase out their internal service functions and instead outsource such services. This trend is expected to generate rapid growth for facilities management, especially in the Nordic markets.

Skanska Telecom Networks operates in a rapidly growing sector with strong underlying growth. The growth rate in the near future will be affected, among other things, by the pace of construction of the third-generation mobile telecommunications network in Europe.

Skanska's main markets, 2000

Market	GDP growth, %	Market size, SEK bn	Market growth, %	Skanska's growth, %	Estimated market share, %
United States	5.0	8,203	7	42	1
Sweden	4.0	116	6	12	12
Great Britain	3.0	905	5	» ¹	1
Norway	2.2	103	-1	» ¹	7
Finland	5.4	108	6	7	6
Czech Republic	2.5	40	5	» ¹	14
Denmark	2.8	113	5	26	5
Poland	4.9	174	8	» ¹	3
Hong Kong	9.0	155	6	» ¹	3
Argentina	2.0	292	-5	-7	1

Sources: Swedish Construction Federation et al, Byggnadskonjunkturen i Norden, No. 2, 2000; OECD, Economic Outlook, No. 68, December 2000, for both historic figures and forecasts; Norwegian historic figures (source Statistics Norway); U.S. historic figures (source Bureau of Economic Analysis); U.S. Census; Euroconstruct; Hong Kong Government; Engineering News Record, December 4, 2000.

¹ » is larger than 200 percent.

Investment properties

SEK bn	2000	1999	1998
Market value ¹	12.4	13.2	11.6
Book value	6.3	6.9	6.4
Surplus value	6.1	6.3	5.2

¹ Estimated in collaboration with outside appraisers, with December 31, 2000 as the appraisal date.

Return on real estate investment in Project Development¹

%	2000	1999	1998
Total return	18	19	18
of which, change in value	9	9	11

¹ Including operating net and change in value of investment properties plus development gains on fully developed properties.

**Unutilized commercial building rights,
December 31, 2000 (including Skanska's
share in partly owned companies)**

	000 sq m
Stockholm	240
Gothenburg	100
Øresund	160
Other Europe	170
Buenos Aires	50
Total	720

**Financial highlights,
construction services**

Construction service operations take place in business units that work under the Skanska name in different geographic markets. In the tables below, they are presented using the

**Financial highlights, using the previous
business area structure, SEK M**

Skanska USA

Skanska USA total	2000	1999
Net sales	49,356	35,437
Operating income	1,004	851
Order backlog	93,597	67,124

Skanska USA Building	2000	1999
Net sales	19,661	11,340
Operating income	245	106
Order backlog	45,154	31,848

Beers Skanska	2000	1999
Net sales	16,733	13,228
Operating income	229	166
Order backlog	22,326	18,224

Slattery Skanska	2000	1999
Net sales	4,510	4,024
Operating income	249	351
Order backlog	9,962	8,371

Koch Skanska	2000	1999
Net sales	829	844
Operating income	82	88
Order backlog	4,268	1,273

**Residential building rights (housing units),
December 31, 2000**

	Total number of building rights
Sweden	11,500
Finland	5,530
Poland	2,740
Norway	1,950
Czech Republic	1,100
Other Europe	1,000
Total	23,820

Skanska's housing starts last year totaled about 10,000.

previous organizational structure, based on business areas. Skanska's financial reporting for the first quarter of 2001 will follow this previous structure. For further description and details, see Part 2 of this Annual Report.

Tidewater Skanska	2000	1999
Net sales	3,873	2,598
Operating income	132	108
Order backlog	5,221	3,936

Sade Skanska	2000	1999
Net sales	2,910	2,910
Operating income	34	1
Order backlog	4,665	3,472

Spectrum Skanska	2000	1999
Net sales	818	427
Operating income	82	49
Order backlog	-	-

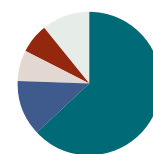
Skanska Sweden

Total	2000	1999
Net sales	24,630	23,561
Operating income	1,002	737
Order backlog	19,581	13,553

**Percentage of net sales in the business area,
by division**

	2000	1999
Skanska Underground Construction and Bridges	7	7
Skanska Residential Development	13	12
Skanska Commercial Buildings	34	34
Skanska Industrial Construction	19	19
Skanska International Civil Engineering	4	5
Skanska Road Construction	23	23

**Investment volume of
ongoing commercial projects
by geographic area¹**



Stockholm	65%
Malmö	13%
Gothenburg	4%
Copenhagen	7%
Other Europe	11%

¹ For more information, see Part 2, page 40.

Skanska Europe

Skanska Europe total	2000	1999
Net sales	30,184	14,241
Operating income	400	355
Order backlog	47,291	12,412

Central and Eastern Europe	2000	1999
Net sales	15,679	8,231
Operating income	658	345
Order backlog	15,666	5,927

International	2000	1999
Net sales	741	499
Operating income	-34	-61
Order backlog	1,620	894

Denmark and Norway	2000	1999
Net sales	9,601	5,133
Operating income	-157	92
Order backlog	9,107	4,134

Great Britain	2000	1999
Net sales	3,917	378
Operating income	13	5
Order backlog	20,500	1,457

JFK, New York

Strength and efficient collaboration

Skanska has designed and is currently building the new high-speed light rail system to John F. Kennedy Airport (JFK). In about two years, it will be possible to take a fast, comfortable train to and from the airport. Implementing the project is the Air Rail Transit Consortium, led by Skanska USA. The project involves collaboration among the subsidiaries Slattery Skanska, Koch Skanska and Sordoni Skanska.

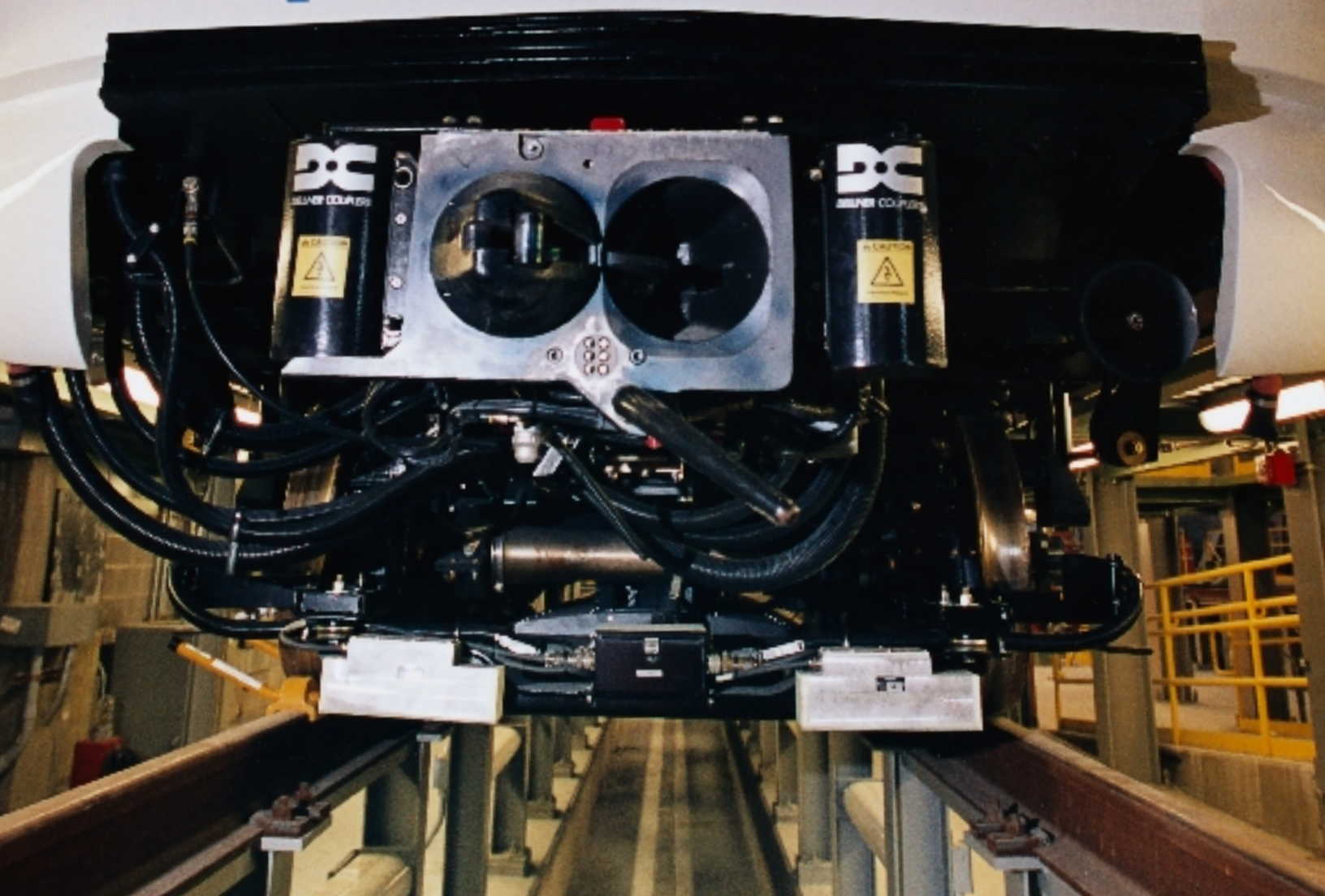
Skanska is responsible for the design and construction portion of this project, together with the New York-based Perini Corporation. Skanska's share is 80 percent, which means a total order value of more than SEK 5 billion. Bombardier Transit Corporation will then operate and maintain the line. The 14 km (9 mi) long high-speed light rail route between the terminals at JFK and the Jamaica subway station will have 10 stations. The line is being built above ground and passes through densely built-up areas and over large, crowded traffic arteries.

The light rail system, with its driverless trains, will be completed in 2003. At certain hours, it will cut travel time to Manhattan from two hours to 45 minutes. More than twelve million passengers are expected to choose the new light rail system each year.

For Skanska, this is a project that is entirely in line with the Company's strategy. In this type of large, complex project, Skanska can take advantage of the collective competence of the Skanska companies in the New York region. At the same time, the project consolidates Skanska's strong position in the infrastructure sector.



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Share performance and trading

Skanska shares performed very well during the year, both in absolute figures and compared to indexes. At the end of 2000, the market price of a Series B share was SEK 390 (317). Skanska's total market capitalization amounted to SEK 44.4 billion (36.1). The market price of a Skanska share thus rose by 23 percent during 2000. During the same period, the OM Stockholm Stock Exchange's General Index declined by 11 percent. Meanwhile the Dow Jones Heavy Construction Index, which includes the largest listed European construction and building material companies, declined by 6 percent. During the year, the lowest price per share was SEK 274.00 and the highest SEK 424.50. The number of Skanska shares traded on the OM Stockholm Stock Exchange during the year was 69,104,881 (49,887,642), at a total value of SEK 23.0 billion (14.6), a 38.5 percent increase on 1999. This represented an average of 276,420 (197,967) shares per trading day. Trading volume during 2000 was equivalent to 66 percent (48) of the total number of Series B shares outstanding at the end of the year. The total number of shareholders at year-end was 64,181 (62,050). A round lot consists of 50 shares.

Capital stock

At the end of 2000, Skanska's capital stock amounted to SEK 1,366.2 M, divided into 113,854,968 shares, each with a par value of SEK 12. All shares are non-restricted and have equal entitlement to dividends. Series A shares carry 10 votes apiece, whereas Series B shares carry one vote apiece.

Dividend policy

The regular annual dividend will be equivalent to 35–45 percent of the Group's sustained profit after taxes as estimated by the Board of Directors, or a minimum of 5–6 percent of the Group's adjusted shareholders' equity as estimated by the Board. Surplus capital not needed to develop the Group's core operations

shall be transferred to the shareholders in an efficient way from a tax standpoint.

Dow Jones Sustainability Group Index

Since September 1999, Skanska's Series B shares have been part of the Dow Jones Sustainability Group Index, which includes international companies that are able to combine sustained profitability with long-term sustainable development. The index thus includes companies whose managements have succeeded in integrating economic, social and environmental aspects in their company strategy.

Buy-backs of Skanska's own shares

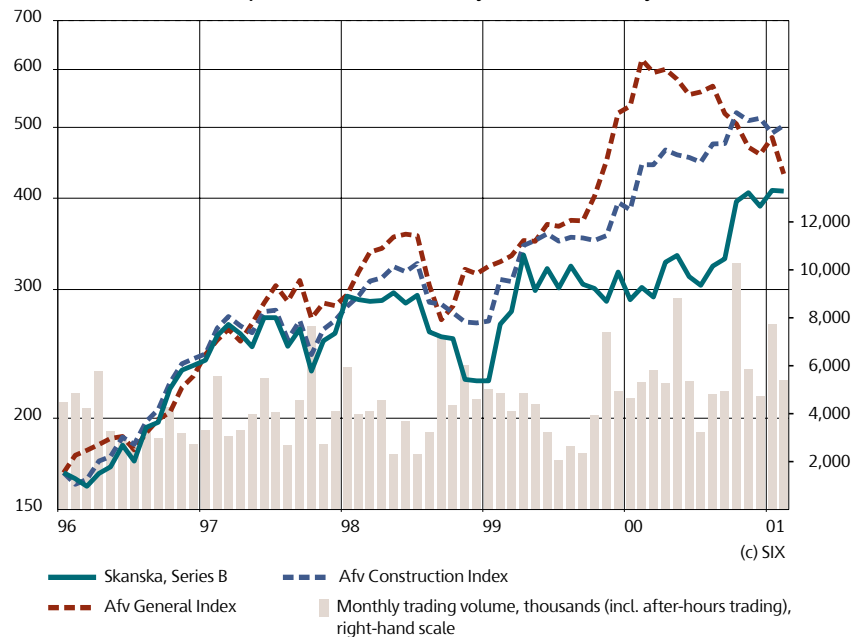
For the purpose of adjusting the capital structure of the Company, the Annual Meeting of Shareholders in May 2000 approved buy-backs of Skanska's own shares. The decision meant that Skanska could acquire its own Series B shares up to a maximum of 10 percent of the total number of shares in the Company. By

year-end, Skanska had acquired 7,318,700 of its own shares at a cost of SEK 2.6 billion, or an average price of SEK 356.40 per share. This is equivalent to 6.4 percent of the total number of shares. The Board of Directors will propose that the Annual Meeting of Shareholders approve a lowering of the Company's capital stock by canceling the repurchased shares. It is also proposing that the Annual Meeting authorize the Board to approve a new buy-back program. According to the proposal, the new program would encompass a maximum of 10 percent of the number of shares outstanding.

Split

The Board will propose that the Annual Meeting approve a 4:1 split, giving shareholders four new shares for each old share. The split is expected to be completed during June. Its purpose is to increase the liquidity of Skanska shares.

Skanska share price movement, January 1, 1996–February 28, 2001



Skanska share highlights	2000	1999	1998	Pro forma ¹ 1997	Pro forma ¹ 1996
Year-end market price, SEK	390	317	225	260	241
Year-end market capitalization, SEK bn	44,4	36,1	25,6	29,6	30,3
Regular dividend per share, SEK	13.50 ²	12.00	12.00	11.00	10.00
Extra dividend per share, SEK		4.00			
Net profit per share, SEK ^{3,5}	53.60	37.60	24.40	59.40	27.10
Shareholders' equity per share, SEK ^{4,5}	172.30	144.00	118.70	103.80	81.80

¹ Adjusted for the distribution of the residential real estate company Drott to the shareholders and the deconsolidation of the construction and real estate company JM.

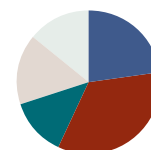
² Proposed by the Board of Directors.

³ Calculated on the basis of the average number of shares in each respective year: 2000, 111.2 million; 1997-1999, 113.9 million; 1996, 125.9 million.

⁴ Calculated on the basis of the total number of shares outstanding at the end of each respective year: 2000, 106.5 million; 1997-1999, 113.9 million; 1996, 125.9 million.

⁵ Dilution effects on net profit per share are not reported, because no convertible debenture or option programs that can affect the number of shares is currently outstanding.

Percentage of capital stock, by shareholder category, December 31, 2000



Swedish mutual funds	23%
Swedish companies and institutions	34%
Swedish insurance companies	13%
Swedish private individuals	16%
Non-Swedish shareholders	14%

The largest shareholders in Skanska AB

Holding on Dec. 31, 2000 Shareholders	% of capital stock	% of voting power
Robur mutual funds (Swedbank)	11.4	6.6
Industrivärden, AB (investment company)	6.7	29.5
AMF Pension (retirement insurance)	5.8	3.4
Nordea mutual funds (formerly Nordbanken)	2.8	1.6
Svenska Handelsbanken (SHB) mutual funds	2.5	1.5
IKEA Investment AB	2.5	10.1
Skandinaviska Enskilda Banken (SEB) mutual funds	2.2	1.3
Alecta (formerly SPP mutual retirement insurance)	2.1	1.2
AFA Försäkring (insurance)	1.3	0.7
Swedish National Pension Insurance Fund, Second Fund Board	1.2	0.8
Total	38.5	56.7
Other shareholders in Sweden ¹	47.3	34.9
Shareholders abroad	14.2	8.4
Total	100.0	100.0

¹ Of which Skanska, via buy-backs of its own shares 6.4 3.7

Sources: Swedish Securities Register Center (VPC), SIS Ågarservice.

Shares by category, February 28, 2001

Category	Number of shares	% of voting power	% of capital stock
A	9,078,166	46.4%	8.0%
B	104,776,802	53.6%	92.0%
Total	113,854,968	100.0%	100.0%

Changes in capital stock, SEK M

Year	Reduction	Stock dividend	New share issue	Parvalue of capital stock
1965				32.0
1967			3.4	35.4
1969 2:5		14.1	-	49.5
1973 1:3		16.5	-	66.0
1975 1:3		22.0	1.7	89.7
1977 1:2		44.9	-	134.6
1979 1:2		67.3	2.4	204.3
1981 2:3		136.2	-	340.5
1982 1:5		68.1	2.7	411.3
1983 1:2		205.6	-	616.9
1984 split 5:1		-	-	616.9
1987		-	8.7	625.6
1988		-	4.0	629.6
1991 1:1		629.6	-	1,259.2
1994 conv.				1,259.2
1997 redemption 1:10-124,3	227.7		3.6	1,366.2

During January 2000-January 2001, the following stock brokerage houses and banks published new analyses of Skanska or updated earlier ones:

Brokerage house/bank	Analyst	Telephone
Alfred Berg	Lars-Åke Bokenberger	+46 8 723 58 00
ArosMaizels	Jonas Andersson	+46 8 407 92 00
Carnegie	Fredrik Grevelius	+46 8 676 88 00
Cheuvreux Nordic	Tomas Ramsälv	+46 8 723 51 00
Danske Securities	Bertil Nilsson	+46 8 568 815 00
Dresdner Kleinwort Benson	Férid Ben Brahim	+33 1 44 70 8555
Enskilda Securities	Erik Nyman	+46 8 522 295 00
Erik Penser	Richard Alte	+46 8 463 80 00
Handelsbanken Markets	Hans Derninger	+46 8 701 10 00
HBSC Investment Bank	Peter Ames	+44 20 7336 4265
J.P. Morgan Securities	Mike Betts	+44 20 7325 8976
Merril Lynch	Marcos Hernández	+34 91 514 3000
Morgan Stanley Dean Witter	Alejandra Pereda	+34 91 412 1100
Schroder Salomon Smith Barney	John Carnegie	+44 20 7986 3955
UBS Warburg	Olivier Leflon	+33 1 48 88 31 09
Öhman	Johan Gahm	+46 8 402 50 00

Major listed construction companies

Company	Country	Market capitalization, year-end 2000, SEK bn	Change in share price, 2000
Fluor Corp.	USA	23.6	18%
Vinci	France	45.6	41%
Hochtief	Germany	13.0	-42%
Dragados	Spain	17.7	37%
Skanska	Sweden	44.4	23%

Five-year group financial summary

SEK M	2000	1999	1998	Pro forma ¹ 1997	Pro forma ¹ 1996
Order bookings	127,031	97,332	77,383	58,950	
Order backlog	160,675	93,686	67,871	51,745	
Income statements					
Net sales	108,022	79,128	62,435	49,577	37,844
of which, outside Sweden, %	77	72	68	62	52
Gross income	9,520	7,823	5,837	4,879	4,330
Selling and administrative expenses	-6,949	-5,564	-4,430	-4,244	-3,333
Sale of properties	1,907	703	1,266	423	667
Writedowns/reversals of writedowns	0	-5	-14	8	51
Share of income in associated companies	299	657	684	674	524
Items affecting comparability	2,413	3,287	1,033	-944	0
Operating income	7,190	6,901	4,376	796	2,239
Financial items	1,341	-39	449	9,316	1,761
Income after financial items	8,531	6,862	4,825	10,112	4,000
Taxes	-2,532	-2,483	-1,965	-2,864	-517
Minority interest in income	-46	-98	-78	-122	-65
Net profit for the year	5,953	4,281	2,782	7,126	3,418
Cash flow					
From business operations	1,347	2,603	2,347		
From investment operations	-593	1,834	-2,586		
From financing operations	120	-2,349	1,121		
Cash flow for the year	874	2,088	882		

¹ For the years 1996 and 1997, pro forma figures are stated excluding the residential real estate company Drott and with JM deconsolidated.

Definitions

Capital employed	Visible shareholders' equity, minority interests plus interest-bearing liabilities and provisions.
Debt/equity ratio	Interest-bearing net indebtedness divided by visible shareholders' equity including minority interests.
Equity/assets ratio	Visible shareholders' equity including minority interests as a percentage of total assets.
Equity per share	Visible shareholders' equity divided by the number of shares on the balance sheet date.
Interest-bearing net indebtedness	Interest-bearing liabilities and provisions minus liquid assets and interest-bearing receivables.
Interest cover	Operating income, financial revenues and net holdings in associated companies, as a percentage of average capital employed.
Net profit per share	Net profit for the year divided by the average number of shares.
Number of shares outstanding	Weighted average number of shares in 2000: 111,157,356. Total number of shares at each year-end: 2000: 106,536,268. 1997-1999: 113,854,968. 1996: 125,923,860.
Operating net margin	Operating net as a percentage of rental revenues.
Operating net on properties	Rental revenues and interest subsidies minus operating, maintenance and administrative expenses as well as real estate tax. Site leasehold rent is included in operating expenses.
Return on capital employed	Operating income, financial revenues and net holdings in associated companies, as a percentage of average capital employed.
Return on shareholders' equity	Net profit for the year as a percentage of average visible shareholders' equity.
Yield on properties	Operating net divided by year-end book value.

SEK M	2000	1999	1998	Pro forma ¹ 1997	Pro forma ¹ 1996
Balance sheets					
Properties in real estate operations	10,690	10,236	8,597	8,580	8,703
Shares and participations	1,405	2,602	7,157	6,695	8,019
Other fixed assets	15,659	7,511	6,773	6,581	6,342
Interest-bearing receivables	3,350	2,192	2,372	2,090	1,917
Non-interest-bearing receivables	32,671	19,236	13,876	11,090	9,971
Current-asset properties	6,637	3,978	2,603	1,301	1,150
Bank balances and short-term investments	6,769	5,583	3,505	2,553	1,247
Shareholders' equity	18,358	16,391	13,519	11,817	10,297
Minority interests	570	292	271	151	102
Interest-bearing liabilities and provisions	13,797	8,390	7,855	5,085	11,319
Non-interest-bearing liabilities and provisions	44,456	26,265	23,238	21,837	15,631
Balance sheet total	77,181	51,338	44,883	38,890	37,349
Capital employed	32,725	25,073	21,645	17,053	21,718
Interest-bearing net indebtedness	3,678	615	1,978	442	8,155
Average number of employees	63,368	45,063	39,246	35,035	34,228
Key Figures					
Regular dividend per share, SEK	13.50 ²	12.00	12.00	11.00	10.00
Extra dividend per share, SEK		4.00			
Net profit per share, SEK ³	53.60	37.60	24.40	59.40	27.10
Equity per share, SEK ³	172.30	144.00	118.70	103.80	81.80
Return on shareholders' equity, %	34.3	28.6	22.0	64.4	39.2
Return on capital employed, %	32.3	31.5	27.0	54.3	25.6
Same, adjusted for items affecting comparability and share divestments	18.2	17.3	18.3	12.0	12.3
Equity/assets ratio, %	24.5	32.5	30.7	30.8	27.8
Debt/equity ratio	0.2	0.0	0.1	0.0	0.8
Interest cover	10.3	11.2	8.5	17.5	5.5

¹ For the years 1996 and 1997, pro forma figures are stated excluding the residential real estate company Drott and with JM deconsolidated.

² Proposed by the Board of Directors.

³ Dilution effects on net profit per share are not reported, because no convertible debenture or option programs that can affect the number of shares is currently outstanding.

Board of Directors



Bo Rydin



Claes Björk



Eliot Cutler



Per-Olof Eriksson



Roger Flanagan



Sören Gyll



Finn Johnsson



Clas Reuterskiöld



Inge Johansson



Ivan Karlsson



Folmer Knudsen



Christina Palm



Jörgen Persson



Nils-Erik Pettersson

Bo Rydin

Stockholm, born 1932.
Chairman. Elected in 1994.
Dr.Econ. (Hon.), Dr.Eng. (Hon.).
Other directorships:
SCA (Chairman), Industrivärden
(Chairman), Gräninge (Chairman),
Svenska Handelsbanken (Vice
Chairman), SAS Assembly of
Representatives.
Holdings in Skanska:
3,000 Series B shares.

Claes Björk

Greenwich, Connecticut, U.S.A.,
born 1945.
President and Chief Executive
Officer of Skanska.
Elected in 1997.
Holdings in Skanska:
5,395 Series B shares

Eliot R. Cutler

Washington, D.C., U.S.A.,
born 1946.
Elected in 2000.
Member of Akin Gump Strauss
Hauer & Feld, L.L.P. (law firm).
Other directorships: Limited
Term Mutual Fund (LTMFX).
Holdings in Skanska:
200 Series B shares.

Per-Olof Eriksson

Sandviken, born 1938.
Elected in 1994. Dr.Eng. (Hon.).
Other directorships: Swedish National
Grid (Chairman), Thermia (Chairman),
Sandvik, Svenska Handelsbanken, SSAB,
Volvo, Custos, Preem Petroleum, Assa
Abloy, Federation of Swedish Industries.
Member of Royal Swedish Academy
of Engineering Sciences.
Holdings in Skanska:
2,000 Series B shares.

Roger Flanagan

Henley-on-Thames, Oxon., England,
born 1944. Elected in 1998.
Other directorships: Halcrow Group.
Holdings in Skanska:
200 Series B shares.

Sören Gyll

Saltsjö-Duvnäs, born 1940.
Elected in 1997.
Other directorships: Genesis-IT
(Chairman), DHJ Media (Chairman),
Capedal (Chairman), Federation of
Swedish Industries (Chairman), Young
Enterprise Sweden (Chairman), Volvo,
SKF, SCA, Oresa Ventures S.A., Askus.
Holdings in Skanska:
1,238 Series B shares.

Finn Johnsson

Gothenburg, born 1946.
Elected in 1998.
President of Mölnlycke Health Care.
Other directorships: Bilisten AB
(Chairman), Kalmar Industries, MVI
(Chairman), Wilson Logistics Holding
(Chairman), Volvo, Perstorp, Thomas
Concrete Group, Handelsbanken
Western Sweden Region (Chairman),
AB Industrivärden, Facile & Co.
Holdings in Skanska:
1,500 Series B shares.

Clas Reuterskiöld

Stocksund, born 1939.
Elected in 1998.
Other directorships: Ericsson, Sandvik,
SCA, Svenska Handelsbanken.
Holdings in Skanska:
1,000 Series B shares.

Inge Johansson

Huddinge, born 1951.
Swedish Building Workers' Union.
Appointed in 1999. Concrete worker.
Deputy Board member.
Holdings in Skanska: 0 shares.

Ivan Karlsson

Uddevalla, born 1937.
Union for Service and Communication
(SEKO). Appointed in 1992. Rock worker.
Holdings in Skanska:
738 Series B shares.

Folmer Knudsen

Eslöv, born 1942.
Swedish Building Workers' Union.
Appointed in 1992.
Wood worker.
Holdings in Skanska:
120 Series B shares.

Christina Palm

Falsterbo, born 1947.
Swedish Union of Clerical and
Technical Employees in Industry (SIF),
appointed in 2000. Supervisor,
Conference/Reception/Switchboard.

Jörgen Persson

Svedala, born 1949.
Swedish Industrial Union,
appointed in 1997.
Concrete worker.
Deputy Board member.
Holdings in Skanska: 0 shares.

Nils-Erik Pettersson

Hemmingsmark, born 1948.
Swedish Association of Supervisors
(LEDARNA). Appointed in 1998.
Production manager.
Holdings in Skanska:
2,430 Series B shares.

Auditors

Anders Scherman
Malmö.
Authorized Public
Accountant.

Bernhard Öhm
Stockholm.
Authorized Public
Accountant.

DEPUTY AUDITORS

Christer Ljungsten
Malmö.
Authorized Public
Accountant.

George Pettersson
Stockholm.
Authorized Public
Accountant.

Senior Executive Team



Mats Wäppling
Executive Vice President
Born 1956.
Joined Skanska in 1979.
Holdings in Skanska:
750 Series B shares.

Stuart E. Graham
Executive Vice President
Born 1946.
Joined Skanska in 1990.
Holdings in Skanska:
500 Series B shares.

Claes Björk
President and
Chief Executive Officer
Born 1945.
Joined Skanska in 1967.
Holdings in Skanska:
5,395 Series B shares.

Johan Karlström
Executive Vice President
Born 1957.
Joined Skanska in 2001.
Holdings in Skanska: 0 shares.

Hans Biörck
Executive Vice President
and Chief Financial Officer
Born 1951.
Joined Skanska in 2001.
Holdings in Skanska: 0 shares.

Senior Vice Presidents, Group staff units

Business Development, Per Westlund
Communications, Tor Krusell
Controlling, Anders Herslow
Corporate Finance, Staffan Schéle
Environmental Affairs, Axel Wenblad
Human Resources, Rune Kjellman
Information Technology, Birgitta Strömberg
Investor Relations, Peter Wallin
Legal Affairs, Einar Lundgren
Reporting, Mats Moberg

Presidents of business units

Sigmund Björgum Selmer Skanska (Norway)
Zdenek Burda IPS Skanska (Czech Republic)
Keith Clarke Skanska UK
Anders Elfner Skanska Sweden
Michael Healy Skanska USA Building
Mitchell Hochberg Skanska Project Development USA
Bert-Ove Johansson Skanska BOT
Olof Johansson Skanska Project Development Sweden
Mats Jönsson Skanska Services
Antti Kuivalainen Skanska Telecom Networks

Eero Makkonen Skanska OY (Finland)
Salvatore Mancini Skanska USA Civil
Per-Ingemar Persson Skanska Denmark
Mario Piantoni Sade Skanska (Argentina)
Joseph Riedel Beers Skanska (United States)
Leszek Walczyk Exbud Skanska (Poland)
Mats Williamson Skanska International Projects
Fredrik Wirdenius Skanska Project Development Europe

Annual shareholders' meeting

Financial information during 2001

The Annual Shareholders' Meeting of Skanska AB will be held at 3:00 p.m. on Thursday, April 26, 2001 at Eriksbergshallen in Gothenburg (Göteborg), Sweden.

Entitlement to participate in the Annual Meeting

To be entitled to participate in the Annual Meeting, shareholders must

- be listed in the print-out of the register of shareholders made as of April 12, 2001. Shareholders whose shares have been registered in the name of a trustee must have temporarily re-registered their shares in their own name to be entitled to participate in the Meeting. Such registration should be requested well in advance of April 12, 2000 from the bank or brokerage house holding the shares in trust.
- notify Skanska no later than 12 noon, Friday, April 20, 2001 of their intention to participate in the Meeting.

Notification

Shareholders who wish to participate in the Meeting may send notification either

- by mail to Skanska AB, Group Legal Affairs, Box 1195, SE-111 91 Stockholm, Sweden.
- by telephone to +46 8 753 88 13 (Group Legal Affairs)
- by fax to +46 8 753 37 52 or
- by e-mail to bolagsstamma@skanska.se

This notification should state the shareholder's

- name
- national registration or corporate identity number
- address and telephone number.

If participation is authorized by proxy, this must be sent to the Company before the Annual Meeting. Shareholders who have duly notified the Company of their intention to participate in the Annual Meeting will receive an admittance card, which should be brought to the Meeting and shown at the entrance to the Meeting venue.

Dividend

For 2000, the Board of Directors proposes a dividend of SEK 13.50 per share to the shareholders.

The Board proposes Wednesday, May 2, 2001 as the date of record to qualify for the dividend. Provided that the Annual Meeting approves this proposal, the dividend is expected to be mailed by the Swedish Securities Register Center (VPC) on Monday, May 7, 2001.

Financial information during 2001

Preliminary Year-End Report, 2000 Results	January 25
Year-End Report, 2000 Results	February 21
Annual Report for 2000	April 17
Three Month Report	April 26
Six Month Report	August 30
Nine Month Report	October 31

As a complement to the Annual Report, Skanska is publishing a separate Environmental Report for 2000 during April.

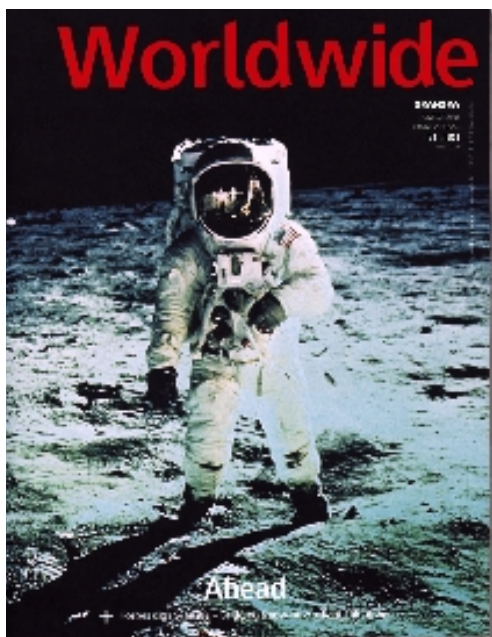
All information can be ordered from:

Skanska AB
Group Communications
Box 1195
SE-111 91 Stockholm
Sweden
Telephone +46 8 753 88 00
Fax +46 8 755 66 73

Skanska's financial information is also available on its web site,

www.skanska.com

More information about Skanska



The Skanska Group publishes the magazine Worldwide, containing features and news items from the Group's operations around the world. The magazine appears five times per year. A subscription is free of charge and can be made to the following address. (Please specify whether you wish to receive the English or Swedish edition.)

Strömberg Distribution
Skanska Worldwide
SE-120 88 Stockholm
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Telephone +46 8 449 88 00
Fax +46 8 449 88 10
E-mail skanska@strd.se



TheHub is a news service that offers tailor-made news about Skanska, its competitors and its industry.

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You can subscribe via TheHub's web site: <http://www.skanska.com/thehub>

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www.skanska.dk

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Fax: +358 9 6152 2271
www.skanska.fi

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Fax: +420 2 6731 0644
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Maple Cross House
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GB-Rickmansworth
Herts WD3 2SW
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Fax: +44 1923 77 78 34
skanska.construction@skanska.co.uk
www.skanska.uk

Skanska USA Building

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Telephone: +1 973 334 53 00
Fax: +1 973 334 53 76
www.skanskausaibuild.com

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U.S.A.
Telephone: +1 404 659 1970
Fax: +1 404 656 1665
info@beerscc.com
www.beerscc.com

Skanska USA Civil

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U.S.A.
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Skanska International Projects

SE-205 33 Malmö
Sweden
Street address: Drottningtorget 14
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www.skanska.com/international
www.skanska.com/civil

New businesses

Skanska Telecom Networks

Anna Paulownastratt 26 B
NL-2518 BE The Hague
Netherlands
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Fax: +31 70 34 59 328

Skanska Services

SE-169 83 Solna
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Telephone: +46 8 504 350 00
Fax: +46 8 27 93 35

Support Units

Skanska Teknik

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For other addresses:

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SKANSKA

“Skanska’s
core business
developed very
favorably”

FINANCIALS
Annual Report 2000, Part 2

SKANSKA



LIVING



TRAVELING



WORKING

Mission

Skanska's mission is to develop, build and maintain the physical environment for living, traveling and working. By combining its resources in these fields, the Group can offer clients attractive, cost-effective and thus competitive solutions.

Note to the reader

Skanska's Annual Report consists of two parts.

Review of Operations, Part 1, focuses on strategic development, the new organizational structure and a market review. It also contains a five-year financial summary and a section on Skanska share data.

Financials, Part 2, contains the Report of the Directors, the income statements and balance sheets, accounting and valuation principles and notes to the financial statements for 2000.

Year-end exchange rates, 2000:

EUR 1 = SEK 8.84, GBP 1 = SEK 14.17,

USD 1 = SEK 9.50.

Contents, Part 2, Financials

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▪ Order bookings	+31%	SEK 127.0 bn
▪ Order backlog	+72%	SEK 160.7 bn
▪ Net sales	+37%	SEK 108.0 bn
▪ Operating income in core business	+65%	SEK 4.4 bn
▪ Income after financial items	+24%	SEK 8.5 bn
▪ Net profit per share	+43%	SEK 53.60
▪ Return on shareholders' equity		34.3%
▪ Return on capital employed, adjusted for items affecting comparability and share divestments		18.2%

Structural changes and important events

The year was characterized by major changes, both through acquisitions of companies and divestments of non-core operations and assets. The acquisitions that were implemented increased the Group's presence in a number of attractive markets, thereby laying the groundwork for continued positive growth. New "domestic markets" were established in such countries as Norway, the Czech Republic, Poland and Great Britain. As part of efforts to focus on its core business, during 2000 the Group divested most remaining non-core operations and assets.

New business area

The Skanska Services business area was established during March 2000 after the acquisition of the Real Estate and Services (REM) unit of Ericsson, the Swedish-based telecommunications group, and the signing of a service agreement with Ericsson. The business area includes the Skanska Group's facilities management operations as well as the service companies Skanska Teknik and Skanska IT Solutions. The service sector is expected to grow in the next few years and the new business area's potential is therefore considered good.

Acquisitions of companies

The acquisition of Ericsson Real Estate and Services was a first step in Skanska's investment in the facilities management market. The business that was taken over reported sales of approximately SEK 2.1 billion on an annual basis (for data on the sales included in 2000 Group sales, see the comments on the Income Statement, page 9) and has about 650 employees. This acquisition involved an investment (acquisition price minus net liquid assets acquired) of about SEK 0.2 billion.

As part of the Group's strategy to broaden its geographic base to new markets in Central and Eastern Europe and elsewhere, during the first half of 2000 Skanska acquired controlling interests in the listed Polish construction company Exbud S.A. and in the listed Czech construction company IPS a.s.

Exbud S.A. is engaged in both building and civil construction, mainly in Poland. The company's sales totaled approximately SEK 5.3 billion. It has some 14,000 employees. The acquisition took place in several stages, with an investment totaling about SEK 1.2 billion. After this, Skanska owns shares equivalent to 94 percent of the total number of shares in the company.

The Czech construction company IPS a.s. is active in project development, building construction and civil construction. Skanska's investment totaled about SEK 0.6 billion and its ownership stake amounts to 90.5 percent of the capital stock and voting power. The company reported sales of approximately SEK 5.7 billion. The number of employees totaled about 7,900.

During the first quarter, Skanska carried out three acquisitions that strengthened the Group's position in Finland and the Baltic countries. In Estonia, Skanska acquired 100 percent of the shares in the listed construction company EMW Ltd. The investment totaled about SEK 0.1 billion. EMW Ltd. has building and civil construction operations in Estonia, Lithuania and Latvia. The company reported sales of approximately SEK 300 M and had more than 500 employees.

Skanska acquired two small asphalt companies in Finland, Sata-Asfaltti OY and Savatie OY. The investment totaled more than SEK 0.2 billion. By means of these acquisitions, the Group's Finnish operations are positioning themselves for expected growth in the asphalt market.

The Group strengthened its market position in Norway by acquiring the shares in the Norwegian listed construction company Selmer ASA. The investment totaled about SEK 2.2 billion. Selmer ASA reported sales of SEK 6.9 billion. Substantial synergies have been identified in both Sweden and Norway through coordination of operations in the two countries.

During the second quarter, Skanska acquired all the shares in the Finnish companies Böge Larsen OY and Proconord International OY. The investment totaled about SEK 0.1 billion. The operations of these companies include technology, design and project man-

agement for IT infrastructure. The acquisition of these telecom service companies strengthened the Group's IT know-how and added valuable cutting-edge expertise.

Skanska acquired Kvaerner Construction and its 50 percent holding in Gammon China Ltd. by investing about SEK 1.2 billion. Kvaerner Construction is the fifth largest construction company in Great Britain. Gammon is the largest construction company in Hong Kong and also has extensive operations elsewhere in China as well as in Singapore and other Southeast Asian markets. Kvaerner Cementation India, a 64 percent-owned subsidiary, is one of India's five largest construction companies. Kvaerner Construction reported sales of approximately SEK 17.6 billion. The operations of the acquired companies include building and civil construction, mining development and electrical installations as well as design and other construction services.

Skanska acquired the American construction management company Barclay White Inc. by investing about SEK 0.1 billion. The company operates in Philadelphia, Pennsylvania but also has operations in Puerto Rico. Barclay White Inc. reported sales of approximately SEK 2.7 billion.

Skanska acquired Baugh Enterprises, a construction management company based in Seattle, Washington, by investing about SEK 0.1 billion. The company has clients in the medical and educational sectors, as well as in the electronics and aerospace industries. Baugh reported sales of approximately SEK 6.8 billion. The purchase of Baugh strengthened the Skanska Group's presence in the growing markets of the northwestern United States.

Divestment of non-core assets

Skanska divested its shareholding in the Swedish commercial real estate company Piren, equivalent to about 49 percent of the capital stock and voting power, early in the year. The sale price totaled approximately SEK 1,400 M, with a capital gain of SEK 646 M. The divestment of the Piren shareholding was

the final step in the sale of the Skanska Group's shopping center complexes, which were sold to Piren in 1996 in exchange for shares in Piren. The Group thereby realized the value built up in its earlier project development investments in shopping centers.

The Group accepted the public tender from NS Holding AB to sell its 25 percent shareholding in the Swedish commercial real estate company Fastighetsaktiebolaget Norrporten, which was equivalent to a sale amount of about SEK 300 M and a capital gain of SEK 112 M. The divestment represented the completion of the Group's sale of its properties in central Norrland (northern Sweden), which were sold to Fastighetsaktiebolaget Norrporten in 1996 in exchange for shares in Norrporten, among other things.

Skanska took a further step toward focusing on its core business when it divested its entire shareholding in the Swedish-based bearings and steel group SKF. The holding, 9,870,000 Series A shares equivalent to 8.7 percent of the capital stock and 17.7 percent of voting power, was sold at a capital gain of SEK 1,706 M.

Skanska continued the structured process of divesting the component companies that were part of Skanska Europe, for the purpose of finding new owners for these companies. The component companies Elitfönster (windows) and Nybron (wooden flooring) were sold, and the Poggenpohl Group (kitchens and bathrooms) was taken over by Nobia AB. Nobia AB's takeover of the Poggenpohl Group was implemented via a new share issue, which gave Skanska approximately a 19 percent stake in Nobia AB. The capital gain on divestment of component companies totaled SEK 337 M.

The Group divested its 26.5 percent shareholding in the Swedish construction and real estate company JM AB at a price of SEK 210 per share, which was equivalent to a sales amount of about SEK 1,800 M. The capital gain totaled SEK 889 M.

As a natural consequence of its acquisition of the British-based company Kvaerner Construction, Skanska sold its entire shareholding in the British construction company Costain Group PLC, amounting to 7.6 percent of capi-

tal stock and voting power. The divestment represented a capital loss of about SEK 30 M.

The Group divested its dredging operations by selling the dredging companies Skanska Dredging AB and Skanska Rouppaus OY to the Dutch-based company Boskalis Westminster b.v. The capital gain totaled about SEK 50 M.

Buy-backs of Skanska's own shares

In order to adjust the capital structure of the Group, the Annual Shareholders' Meeting of Skanska in May 2000 approved buy-backs of the Company's own shares. This decision means that Skanska may acquire its own Series B shares, up to a maximum of 10 percent of the total number of shares in the Company. These acquisitions may occur on the Stockholm Stock Exchange during the period until the next Annual Shareholders' Meeting.

By year-end 2000, Skanska had repurchased 7,318,700 shares at a total price of SEK 2,608,405,729, representing an average price of SEK 356.40 per share. This meant that 6.4 percent of the number of shares in the Company had been repurchased by year-end. After completion of these buy-backs, the total number of shares was 106,536,268 at year-end. The average number of shares during the year, taking into account share buy-backs, was 111,157,356.

E-marketplace

Together with the German construction company Hochtief, Skanska participated in the establishment of AECVenture, a global electronic marketplace for construction-related goods and services. Its purpose is to make the entire construction process more efficient. This marketplace will be open to all players in the construction market. Regional exchanges will gradually be launched. The marketplace will create opportunities for cost cutting and is expected to offer attractive business opportunities as well.

UMTS license

Orange Sweden – in which Skanska is part owner together with France Telecom, the Norwegian-based publishing group Schibstedt and the Swedish-based broadband company Bred-

bandsbolaget – was awarded one of the third-generation mobile telephony (UMTS) licenses in Sweden. Skanska's share of the consortium amounts to 10 percent. The investment is part of the strategy of enhancing the Group's knowledge in the IT and telecom sectors, which are important fields for its infrastructure construction business.

Refund from the SPP insurance company

The Skanska Group's share of refunded surplus pension premiums from the Swedish Staff Pension Society (SPP) amounted to SEK 429 M, of which SPP has paid SEK 80 M to date.

Events after the end of the financial year

New management structure for the Group

In order to create better potential for continued profitability-focused growth and to strengthen and clarify its client focus, the Skanska Group is forming a new management structure. The aim is to create a more decentralized structure based on the various business units. The Group Management will consist of a small team that can support growth in existing units as well as develop and strengthen the Group's position in new segments and markets. The new organizational structure goes into effect on March 1, 2001.

Market

During the year, economic conditions remained strong in most of the Group's domestic markets.

The important American market developed favorably, with continued good growth, but expanded at a slower pace than in previous years. The construction market showed continued growth, especially in the commercial space and infrastructure segments.

The Swedish construction market was characterized by continued growth, especially in Sweden's three largest metropolitan regions (Stockholm, Gothenburg and Malmö) and other university cities. Construction investments increased, especially for residential, office and commercial space. The Swedish

construction market continued to improve, expanding by about 5 percent during the year.

The construction markets in Norway and Denmark weakened during the year. In Finland, there was continued strong construction demand, especially for residential and commercial space. The Russian construction market showed signs of recovery.

In Great Britain, the civil construction market remained strong while building construction stabilized at a high level. Skanska's new "domestic markets" in Poland and the Czech Republic developed well during the year.

The continued very good market situation in Skanska's main markets for project development and real estate provided business opportunities during the year. The Swedish real estate market continued to develop favorably, especially in the three largest metropolitan regions.

Order bookings and order backlog by business area

SEK M	Order bookings		Order backlog	
	2000	1999	2000	1999
Core business				
USA	60,210	50,716	93,597	67,124
Sweden	30,054	23,430	19,581	13,553
Europe, construction	31,648	16,544	47,291	12,412
Services	1,981	-	206	-
Total	123,893	90,690	160,675	93,089
Non-core business				
Europe, components	3,138	6,642	0	597
TOTAL				
SKANSKA GROUP	127,031	97,332	160,675	93,686

Order bookings and backlog

The Group's order bookings rose 31 percent to SEK 127,031 M (97,332). Excluding currency rate effects of about SEK 5,000 M, the increase totaled 25 percent. The currency rate effect was mainly attributable to Skanska USA, due to the sharply higher value of the U.S. dollar against the Swedish krona during the year. The increases for Skanska Sweden and Skanska Europe (core business) were 28 and 91 percent, respectively. Operations outside Sweden accounted for 76 percent of order bookings.

Order bookings were good in all business areas, with growth figures ranging from 19 to 91 percent. For comparable units and excluding currency rate effects, the increase in order bookings was 5 percent.

Growth factors

- changes from full-year 1999 to full-year 2000

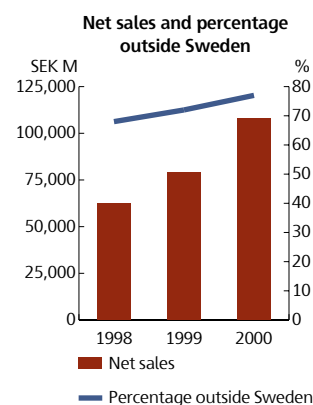
	Order bookings	Order backlog	Net sales
Organic growth	5%	9%	14%
Acquisitions/divestments	20%	52%	18%
Currency rate effects	6%	11%	5%
Total	31%	72%	37%

At year-end, the Group had an order backlog amounting to SEK 160,675 M (93,686), which

represented a 72 percent increase. Of this increase, about SEK 10,800 m. (2,300) consisted of currency rate effects, primarily from the United States. Skanska USA accounted for 58 percent of total order backlog. Altogether, operations outside Sweden accounted for 89 percent of order backlog. Excluding acquired and divested businesses, as well as currency rate effects, order backlog rose by 9 percent.

Net sales

Net sales rose to SEK 108,022 M (79,128), an increase of 37 percent. The increase included currency rate effects of about SEK 4,000 M. For comparable units, net sales rose by 19 percent. Of net sales, 23 percent occurred in Sweden. In the Group's core business - construction-related services and project development - net sales climbed 45 percent.



The sales increase in core business was mainly attributable to the Skanska Europe and Skanska USA business areas, with sales growth of 112 and 39 percent, respectively, while net

sales of the Skanska Sweden business area rose by 5 percent.

Earnings

Operating income amounted to SEK 7,190 M (6,901). The increase in operating income reflected positive currency rate effects of about SEK 80 M. Gross income includes income from business operations, among other items capital gains on the sale of short-term real estate projects (current-asset properties).

The sale of properties in real estate operations yielded capital gains of SEK 1,907 M (703). Most of this gain was related to the sale of properties to the Swedish insurance company AMF Pension.

The book value of properties in real estate operations divested during the year amounted to SEK 2,011 M, of which SEK 907 M was related to divestments outside Sweden.

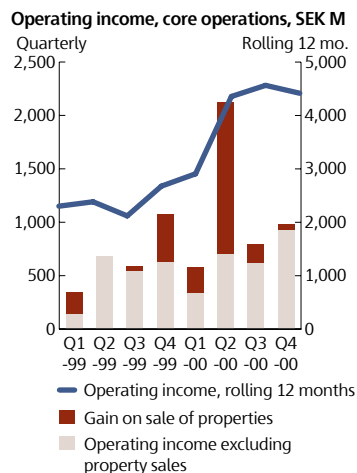
Share of income in associated companies was SEK 299 M (657), of which most income was attributable to JM. Skanska's share of income in JM was included in its operating income during the first three quarters of 2000. In addition, operating income included SEK 2,413 M in items affecting comparability, of which SEK 1,984 M consisted of capital gains on the sale of businesses and shares and SEK 429 M consisted of a refund from the retirement insurance company SPP. Last year's income included a gain of SEK 3,287 M on the sale of Skanska's shareholding in the building materials group Scancem.

Operating income in Skanska's core business rose by 65 percent to SEK 4,416 M (2,677). A positive trend of earnings in a number of Skanska's "domestic markets" - especially Sweden, Finland and the United States -

Net sales, operating income and income after financial items

SEK M	Net sales		Operating income		Income after financial items	
	2000	1999	2000	1999	2000	1999
Core business						
USA	49,356	35,437	1,004	851	1,043	881
Sweden	24,630	23,561	1,002	737	1,015	752
Europe, construction	30,184	14,241	400	355	23	296
Services	1,867	0	82	0	76	0
Proj. Devel. & Real Estate	1,387	1,309	2,386	1,390	2,097	1,151
Other and eliminations	-2,452	-2,138	-458	-656	-79	-602
Total core business	104,972	72,410	4,416	2,677	4,175	2,478
Non-core business						
Europe, components	3,050	6,718	85	319	-29	170
Items affecting comparability						
Europe, components			337		337	
Other			2,076	3,287	2,076	3,287
Portfolio management					1,696	309
Listed associated companies			276	618	276	618
Total non-core business	3,050	6,718	2,774	4,224	4,356	4,384
TOTAL SKANSKA GROUP	108,022	79,128	7,190	6,901	8,531	6,862

and a faster pace of project development contributed to the increase in earnings.



Income after financial items amounted to SEK 8,531 M (6,862). Net financial items totaled SEK 1,341 M (-39). Capital gains on the sale of shares amounted to SEK 1,682 M. This included SEK 1,706 M from the sale of Skanska's shareholding in SKF.

Net interest items totaled SEK -397 M (-338). Net interest items were affected by higher average net indebtedness during the year. Dividends received fell from SEK 282 M to SEK 41 M. Income after financial items in core operations rose by 68 percent, from SEK 2,478 M to SEK 4,175 M. All business areas reported a positive trend of earnings, with the exception of Skanska Europe.

The year's tax expense amounted to 30 percent of income after financial items (36). The lower tax rate for the year was explained by a lower tax burden on divestment of non-core assets than in the preceding year.

Net profit for the year rose to SEK 5,953 M (4,281). Net profit per share increased to SEK 53.60 (37.60).

Properties in real estate operations

The market situation for commercial and office space in the metropolitan regions where most of the Group's properties are located remained good. Operating income on the Group's overall property portfolio amounted to SEK 2,441 M (1,313). The improvement in earnings was due to higher capital gains on the sale of fully developed properties, totaling SEK 1,907 M (703).

Operating net for investment properties amounted to SEK 807 M (778). This was equivalent to an operating net margin of about 65 percent (66). The occupancy rate rose to 93 percent (92) in terms of space and 95 percent (94) in terms of rent.

The assessment of the market value of the Group's investment properties on December

31, 2000, carried out partly in collaboration with outside appraisers, showed an estimated market value of SEK 12,400 M (13,200), of which about SEK 200 M was related to Skanska's holding in partly-owned properties. The corresponding book value in the consolidated accounts was about SEK 6,300 M (6,900).

The continued good market situation in Skanska's main markets for project development and real estate created opportunities to expand the volume of project development. During the year, four real estate projects were completed and two of them were sold. The book value of the remaining completed projects was about SEK 160 M.

At year-end, the Group's real estate operations reported 23 ongoing real estate projects, 17 of them in Sweden. Their book value after completion is estimated at SEK 5,700 M. At year-end, their book value was about SEK 2,700 M. Expected yield, based on book value, is estimated at 11 percent. About 60 percent of the space under construction has been pre-leased. For further information, see the tables on pages 34-35.

Capital spending

The Group's capital investments totaled SEK 16,551 M (8,866) during the year, while divestments totaled SEK 17,123 M (12,739). Net divestments for the year thus amounted to SEK 572 M (3,873).

The Group acquired SEK 6,010 M worth of companies and divested SEK 8,512 M worth of companies and shares. Among major acquisitions were the British-based Kvaerner Construction, the Norwegian-based Selmer, the Czech company IPS and Poland's Exbud, plus the American companies Barclay White and Baugh. Divestments included the sale of holdings in Piren, JM and SKF and the sale of component companies.

Investments/Divestments	2000	1999
Investments		
Properties in real estate operations	-2,446	-2,483
Current-asset properties	-5,219	-3,389
Acquisitions of subsidiaries	-6,010	-1,376
Other fixed assets	-2,876	-1,618
Total investments	-16,551	-8,866
Divestments		
Properties in real estate operations	3,918	1,376
Current-asset properties	4,249	2,332
Businesses and shares	8,512	8,747
Other divestments	444	284
Total divestments	17,123	12,739
Net divestments	572	3,873

In its project development operations, Skanska carried out net divestments of SEK 502 M during the year. Among the divestments were SEK 8,167 M worth of fully developed projects, while investments totaled SEK 7,665 M.

This included projects in the Group's real estate operations - which take place in the Skanska Project Development and Real Estate business area - as well as current-asset properties, which refers to project development under Skanska's own auspices that takes place in other business areas.

Investment in other fixed assets rose to SEK 2,876 M (1,618). This was due to continuous replacement investments in operations plus the investment in Nobia AB shares, which were acquired in conjunction with the sale of the Poggenpohl Group.

Cash flow	2000	1999
From business operations, net	1,347	2,603
Net divestments	572	3,873
Of which, not affecting cash flow ¹	527	-1,063
Changes in financial receivables	-812	114
Taxes	-880	-1,090
From investment operations, net	-593	1,834
Dividends and buy-backs of Skanska's own shares	-4,430	-1,366
Change in financial liabilities	4,779	-892
Net change in minority interests	-229	-91
From financing operations, net	120	-2,349

Cash flow for the year **874** **2,088**

¹ Refers to net unpaid investments/divestments during the year.

The Group's cash flow for the year was SEK 874 M. This represented a decrease of SEK 1,214 M from 1999. Total cash flow from business operations did not cover the dividend and Skanska's buy-backs of its own shares, which meant that indebtedness increased.

Cash flow from business operations decreased from SEK 2,603 M to SEK 1,347 M, or by SEK 1,256 M. About SEK 500 M of the decrease was explained by lower dividends received and by Skanska's tax payment following a court ruling in the Järnbron case, which invalidated the tax-free status of a 1987 dividend paid to a former Skanska subsidiary. The remainder of the decrease was attributable to Skanska's now divested component operations. Cash flow from investment operations totaled SEK -593 M (1,834). Compared to 1999, paid net divestments decreased while financial receivables rose. Taxes paid were mainly related to taxes on capital gains from the preceding year, for example on the sale of Skanska's shareholding in Scancem and on real estate divestments.

Cash flow from financing operations during the year was SEK 120 M (-2,349). This amount includes a gross increase in liabilities of SEK 4,779 M to cover such items as the dividend and share buy-backs.

Financing and liquidity

Over time, the Group's need for loan financing is primarily related to its real estate operations and project development. The fixed-interest period of financing is adjusted continuously, among other things by using derivative instruments.

Interest-bearing net indebtedness including provisions amounted to SEK 3,678 M (615) and underwent major changes during the year, for example due to large acquisitions of companies and divestments of businesses.

The Group's net interest items amounted to SEK -397 M (-338). The change was due to greater net indebtedness.

The Group's interest-bearing assets rose to SEK 10,119 M (7,775). Of these, receivables in foreign currencies accounted for 74 percent (58). The average fixed-interest period for all interest-bearing assets was 0.5 year (0.5), and the interest rate averaged 4.9 percent (4.2).

The Group's interest-bearing liabilities and provisions increased to SEK 13,797 M (8,390). The average fixed-interest period for the Group's interest-bearing liabilities was 1 year (0.5), and the average maturity for the Group's interest-bearing liabilities was 1.5 years (3). The average interest rate for all interest-bearing liabilities amounted to 6.0 percent (5.0) at year-end. The proportion of loans in foreign currencies rose to 48 (46) percent.

Most pension liabilities reported during 1999 under the heading "Provisions for pensions" was transferred during the year to Skanska's pension funds. The transferred amount was related, among other things, to the amount reported as liabilities for obligations under the ITP occupational pension system.

At year-end, the Group had unutilized credit facilities totaling SEK 3,099 M (3,029). In addition, a commercial paper program was established during the year, enabling Skanska to borrow up to SEK 6 billion. There is a previously established medium-term note program that enables Skanska to borrow SEK 5 billion for up to 10 years in SEK and EUR.

Dividends

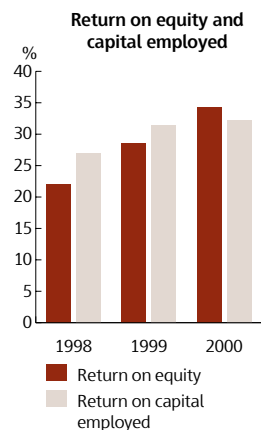
Dividend revenues, excluding dividends from companies that are reported according to the equity method of accounting, totaled SEK 41 M (282). The decrease in dividend revenues is explained by Skanska's divestments of non-core shareholdings.

Return

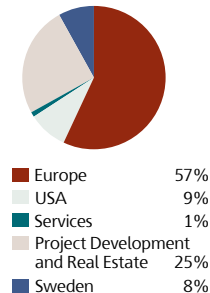
Return on capital employed rose from 31.5 percent to 32.3 percent. During 2000 as well, gains on the sale of financial assets and items affecting comparability had a relatively large positive impact on return. Excluding these

items, return on capital employed amounted to 18.2 percent (17.3).

Return on equity increased to 34.3 percent (28.6).

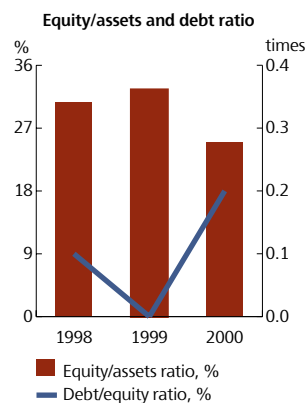


Capital employed, by business area



Equity/assets and debt ratio

The visible equity/assets ratio fell from 32.5 percent to 24.5 percent. One contributing factor behind the lower equity/assets ratio is the influence of acquired units on the size of the balance sheet. The debt/equity ratio amounted to 0.2 (0.0).



Shareholders' equity

At year-end 2000, the shareholders' equity of the Skanska Group amounted to SEK 18,358 M,

divided into SEK 13,638 in unrestricted equity and SEK 4,720 M in restricted equity.

Proposed provisions to restricted equity amounted to SEK 2 M (0).

Changes in the Board

The Annual Shareholders' Meeting in May 2000 elected Eliot R. Cutler as a member of the Board. Among the Board members appointed by the trade unions as employee representatives, deputy member Eva Elofsson-Merila, Swedish Union of Clerical and Technical Employees in Industry (SIF), resigned and was replaced by Christina Palm, SIF.

The work of the Board

During 2000, the Board of Directors held six regular meetings plus three extra meetings. At its statutory meeting after the Annual Shareholders' Meeting in May 2000, for the first time the Board appointed an auditing committee, consisting of two Board members. The Board had previously also established a salary committee. The work mechanisms of both committees are regulated by the Board's rules of procedure.

At its October 2000 meeting, the Board visited the Group's operations in Norway, including a field trip to a Selmer Skanska construction site in Oslo.

The Board revised its rules of procedure during the year, among other things due to the establishment of the auditing committee. Other revisions to the rules of procedure mainly concerned what items of business are to be submitted to the Board for decisions.

Research and development

Skanska pursues research and development for the purpose of strengthening strategic knowledge in the Group's fields of operations. Skanska utilizes research and development in a number of ways, for example as:

- A tool for building strategic knowledge in selected fields of operations.
- A way of identifying client requirements, trends and potential service needs.
- A source for the development of new methods, systems and business operations.
- A way of identifying fields of operations and individuals with special knowledge.
- A central point for internal and external networks.
- A tool for raising efficiency by transferring knowledge to Skanska's employees.

Transfer of knowledge occurs via the Skanska Institute of Technology and via six Centers of Excellence. The Skanska Institute of Technology develops and operates various types of courses that are not available in the education

market. These programs are based on new knowledge developed both in research projects and in business operations. In recent years, some fifteen seminars have been organized for about 300 employees. Each Center of Excellence consists of about ten individuals from different business units, who are responsible for various fields of knowledge within a given business.

The build-up of knowledge on general technical matters occurs in national and international research programs, where Skanska employees work as doctoral students and as senior research fellows. Skanska's program for graduate studies has grown rapidly and the number of employees with licentiate or doctoral training has doubled over the past three years. At year-end, about 30 employees were participating in various doctoral studies programs. Four employees are currently working as adjunct professors at universities and institutes of technology.

The build-up of expertise in product-specific areas occurs continuously in Skanska's various construction, project development and service companies. Extensive development efforts are continuously underway in ongoing projects, where specific project-related client needs are resolved.

The environment

In a large proportion of its construction projects, the Group adheres to strict environmental standards, with Skanska or the client having initiated environmental adaptation that is more far-reaching than required by law or by regulatory authorities.

ISO 14001-certified environmental management systems have been implemented throughout the Group. This applies both to Group headquarters and to subsidiaries. Companies acquired by Skanska have two years after the acquisition to introduce and to obtain certification for their environmental management systems.

Follow-ups of these environmental management systems occur, among other things, by means of regular internal and external environmental audits. During 2000, Skanska implemented more than 1,200 internal environmental audits, mainly at the construction project level. The number of external environmental audits carried out by ISO certification organizations totaled 125 during the year. These audits cited no significant deviations.

For more detailed information on Skanska's environmental work, see the 2000 Environmental Report and the environmental information posted on Skanska's Internet web site, www.skanska.com.

Personnel

The average number of employees in the Group during the year was 63,368 (45,063). This included 15,733 (16,050) employees in Sweden. The increase in the number of Group employees was primarily due to acquisitions of companies. Pro forma on a full-year basis, the number of employees is about 85,000. Skanska pursues a number of activities to develop working methods based on management by objectives. Among other things, for some years the Group has worked with a human resource development model in which individual planning discussions are an important element, in order to support efforts to achieve its business objectives.

Skanska conducted its trainee program for undergraduate engineering students, Skanska 21, for the fourth consecutive year and started a new program. The trainee program is part of Skanska's efforts to ensure its future supply of both managers and specialists.

To support Skanska's internationalization, the Group implemented broad-based language training, international introduction programs and international management development programs.

During 2000, about 200 employees participated in various management development activities at the Skanska Management Institute. These activities included the Skanska Leadership Program, which provides basic training for young management candidates; the Skanska Management Program, which provides a strategic and international perspective on the role of managers; and the Skanska Leadership Academy, which enables managers to tailor individual development programs to their own needs.

Proposed dividend

The Board of Directors proposes a regular dividend of SEK 13.50 per share (last year: SEK 12.00 regular dividend + SEK 4.00 extra dividend). This means a dividend amount of SEK 1,438 M (1,822), based on the number of shares outstanding on December 31, 2000 (106.5 million). Skanska's dividend policy states that the dividend shall be equivalent to 35–45 percent of the Group's sustained profit after taxes as estimated by the Board of Directors.

Proposal concerning share buy-backs

The Board of Directors will propose that the Annual Meeting approve a reduction in the Company's capital stock by cancelling the shares that have been repurchased on the date of the official invitation to the Meeting.

New share buy-back program

The Board of Directors will propose that the Annual Meeting authorize the Board to approve buy-backs of Skanska's own shares. It proposes that this new buy-back program encompass a maximum of 10 percent of the number of shares outstanding after the cancellation of shares outstanding. The purpose is to enable the Company to adjust its capital structure.

Proposed share split

The Board of Directors will propose that the Annual Meeting approve a split, whereby 4 new Skanska shares will be received for each old share.

Parent Company

Net profit for the year totaled SEK 3,700 M (1,453). The average number of employees was 49 (63).

Outlook for 2001

Order bookings were strong in most of the Group's domestic markets early in 2001. In light of this, and given the potential that is found in the businesses acquired during 2000 and elsewhere, the outlook for Group operations is considered positive during 2001 as well.

Consolidated income statement

SEK M	Note	2000	1999
Net sales	1	108,022	79,128
Construction, manufacturing and property management expenses	2	-98,502	-71,305
Gross income		9,520	7,823
Selling and administrative expenses	3	-6,949	-5,564
Gain on sale of properties	4	1,907	703
Writedowns/reversals of writedowns	5		-5
Share of income in associated companies	6	299	657
Items affecting comparability	7	2,413	3,287
Operating income	8, 9, 10, 11, 12	7,190	6,901
Share of income in associated companies	14	-27	4
Income from other financial fixed assets	15	2,365	207
Income from financial current assets	16	296	164
Interest expenses and similar items	17	-1,293	-414
Income after financial items		8,531	6,862
Taxes on profit for the year	19	-2,532	-2,483
Minority interests		-46	-98
Net profit for the year		5,953	4,281

Comments on the income statement

Net sales rose by 37 percent to SEK 108.0 billion. The growth rate remained strong and during the past five years, sales have nearly tripled. Net sales in the Group's core business rose by 45 percent and accounted for SEK 105.0 billion, while component operations, which were phased out during the year, accounted for the remaining SEK 3.0 billion.

During 2000, net sales were affected by companies bought or sold, counting from the date of acquisition or divestment. Pro forma, taking into account companies bought and sold on a full-year basis, net sales totaled about SEK 135 billion.

Large companies bought during the year are included in the accounts from the dates indicated and with the net sales stated below:

Company	Included from	Net sales included
Exbud	May 1	SEK 3.9 billion
IPS	July 1	SEK 3.3 billion
Selmer	July 1	SEK 3.7 billion
Barclay White	July 1	SEK 1.3 billion
Kvaerner Construction	November 1	SEK 3.0 billion
Baugh	November 1	SEK 1.0 billion

Elitfönster, Nybron and Poggenpohl were divested during the second quarter and are included in the accounts for a total of SEK 2,714 M.

Operating income

Operating income rose from SEK 6.9 billion to SEK 7.2 billion. Operating income consisted of gross income plus or minus a number of separately reported items. Gross income includes gains on the sale of short-term real estate projects developed under Skanska's own auspices, totaling SEK 550 M (439).

Income from project development, current-asset properties, SEK M

Business area	2000	1999
USA	54	50
Sweden	240	196
Europe	256	187
Other		6
Total	550	439

Gross income also includes income from day-to-day real estate operations, that is, the management of properties intended to be held as part of the more long-term project development operations conducted by the Project Development and Real Estate business area.

The items reported separately in operating income are selling and administrative expenses, gain on sale of properties, write-downs/reversals of writedowns, share of income in associated companies and items affecting comparability.

Selling and administrative expenses also included SEK 312 M in depreciation of goodwill.

Gain on sale of properties refers to divestments in real estate operations. During the year, nearly all holdings in associated companies were divested. Of the SEK 299 M reported as share of income in associated companies, SEK 265 M was related to associated companies that were sold. Share of income in companies that were sold were included in the accounts with the following shares of income and until the quarter stated below:

Piren	Sold Quarter 1, not included	-
JM	Quarter 3	SEK 247 M
Norrporten	Quarter 3	SEK 18 M
		SEK 265 M

Items affecting comparability included capital gains from the sale of associated companies and other businesses, as well as a refund from the retirement insurance company SPP. The business and associated companies that were sold did not belong to Skanska's core business. After the year's divestments, virtually all non-core assets have been divested.

Operating income in Skanska's core business rose to SEK 4,416 M, an increase of 65 percent from SEK 2,677 M in 1999. The increase was due to a faster pace of project development and higher earnings in contracting operations.

Net financial items

Income after financial items rose to SEK 8,531 M (6,862). Net financial items amounted to SEK 1,341 M (-39).

Net financial items changed due to higher net indebtedness, which was partly offset by divestments of shareholdings.

Net financial items were also affected by the sale of Skanska's shareholding in SKF.

Income after financial items in Skanska's core business rose by 68 percent from SEK 2,478 M to SEK 4,175 M.

Net profit for the year

Net profit for the year amounted to SEK 5,953 M (4,281). This signifies a net profit per share of SEK 53.60 (37.60). Taxes amounted to approximately 30 percent (36) of income after financial items. The tax rate for the Group is normally in the 32-34 percent interval, because a growing proportion of the Group's earnings come from countries with a higher tax rate than in Sweden. The year's tax rate is around 30 percent mainly because of a relatively lower tax burden on the capital gain from the sale of SKF shares.

Consolidated balance sheet

SEK M	Note	2000	1999
ASSETS			
Intangible fixed assets	20	7,709	1,966
Tangible fixed assets			
	20		
Properties in real estate operations		10,690	10,236
Other buildings and land		2,585	2,038
Machinery and equipment		5,322	3,415
Other construction in progress		43	92
Total tangible fixed assets		18,640	15,781
Financial fixed assets			
Holdings in associated companies	21, 23	623	2,161
Receivables from associated companies	21	298	282
Other long-term holdings of securities	21, 24	787	494
Other long-term receivables	21	1,263	699
Total financial fixed assets		2,971	3,636
Total fixed assets		29,320	21,383
Current-asset properties			
	20	6,637	3,978
Inventories			
	25	1,035	1,556
Current receivables			
Accounts receivable		26,167	13,772
Current receivables from associated companies		37	616
Other current receivables	26	5,304	3,710
Prepaid expenses and accrued revenues		1,912	740
Total		33,420	18,838
Short-term investments			
		752	1,986
Cash and bank balances			
		6,017	3,597
Total current assets		47,861	29,955
TOTAL ASSETS	27, 35	77,181	51,338

SEK M	Note	2000	1999
SHAREHOLDERS' EQUITY AND LIABILITIES			
Capital stock		1,366	1,366
Restricted reserves		3,354	2,953
Restricted equity		4,720	4,319
Unrestricted equity		7,685	7,791
Net profit for the year		5,953	4,281
Unrestricted equity		13,638	12,072
Total shareholders' equity	28	18,358	16,391
Minority interests		570	292
Provisions			
Provisions for pensions and similar commitments	29	123	2,363
Provisions for taxes	30	3,068	3,270
Other provisions	31	2,725	1,736
Total provisions		5,916	7,369
Liabilities			
	32		
Bond loans		3,498	2,099
Liabilities to credit institutions		7,582	2,730
Advance payments from clients		588	36
Accounts payable		16,794	8,909
Liabilities to associated companies		236	68
Tax liabilities		1,775	1,397
Unearned revenue	33	5,080	4,925
Other liabilities		7,460	3,426
Accrued expenses and prepaid revenue		9,324	3,696
Total liabilities		52,337	27,286
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	34, 35	77,181	51,338
Assets pledged			
	36		
Mortgages and comparable collateral for own liabilities and provisions		904	842
Other asset pledged and comparable collateral		128	167
		1,032	1,009
Contingent liabilities	37	8,812	4,841

Comments on the balance sheet

The balance sheet total rose by about 50 percent to SEK 77.2 billion (51.3). The composition of the balance sheet was greatly affected by the large volume of companies bought and sold that were consolidated or deconsolidated, respectively, during the year.

Assets with a book value of SEK 27.8 billion were added via acquisitions, while assets with a book value of SEK 6.3 billion were deconsolidated via divestments. The balance sheet was also affected by translation differences of about SEK 3.0 billion.

ASSETS

Intangible fixed assets

Intangible fixed assets, which mainly consist of goodwill, rose by SEK 5.7 billion, from SEK 2.0 billion to SEK 7.7 billion. Through acquisitions, SEK 7.0 billion in goodwill was added, while SEK 1.3 billion in goodwill disappeared by means of divestments.

Tangible fixed assets

Tangible fixed assets rose by 18 percent during the year. Machinery and equipment accounted for 12 percentage points of this increase. Other items showed comparatively small changes in book value. As in prior years, "Properties in real estate operations" and "Other buildings and land" are reported separately in order to make real estate operations more transparent.

Properties in real estate operations

Book value of properties in real estate operations

SEK M	2000	1999
Investment properties	6,389	7,035
Investment properties under construction	2,883	2,173
Development properties	1,418	1,028
Properties in real estate operations	10,690	10,236

The item "Properties in real estate operations," which includes properties in different stages of improvement, from derelict properties to fully developed investment properties, rose by about SEK 0.5 billion to SEK 10.7 billion. The faster pace of project development was reflected in an overall reduction in the book value of fully developed properties and an increase in the book value of properties under development. Investment properties decreased to SEK 6.4 bil-

lion. The book value of properties in various stages of improvement into investment properties rose from SEK 3.2 billion to SEK 4.3 billion.

During the year, about SEK 2.4 billion was invested in real estate operations, while fully improved properties with a book value of about SEK 2.0 billion were sold. Writedowns and translation differences accounted for the remaining SEK 0.1 billion.

Other buildings and land

The item "Other buildings and land" included business properties used in the Group's own operations, mainly factory buildings, warehouses, gravel pits and Group offices.

Machinery and equipment

The increase in "Machinery and equipment" is mainly attributable to acquired companies.

Financial fixed assets

Financial fixed assets, which in 1999 mainly consisted of shares and participations, decreased by a total of about SEK 0.7 billion. Shares and participations with a book value exceeding SEK 2 billion were sold during the year. In terms of value, the largest divestments were the sale of Skanska's holdings in SKF, JM, Piren, Norrporten and Costain.

Long-term holdings of securities rose mainly because of the approximately 19 percent holding in Nobia that arose in connection with the sale of Poggenpohl. Long-term receivables increased during the year, largely due to acquisitions.

Current-asset properties

Current-asset properties comprise project development under Skanska's own auspices intended to be sold near the date of completion. Operations expanded during the year, investments amounted to SEK 5.2 billion and properties with a book value of SEK 3.7 billion were sold. Book value rose from about SEK 4 billion to more than SEK 6.6 billion. Skanska's acquisitions of companies included current-asset properties with a book value of about SEK 1.3 billion.

Book value of current-asset properties, SEK M

Business area	2000	1999
USA	496	435
Sweden	2,461	1,827
Europe	3,680	1,716
Total	6,637	3,978

Current receivables

Current receivables increased by nearly 80 percent compared to 1999. In terms of value, the largest sub-item was accounts receivable, which rose from less than SEK 14 billion to more than SEK 26 billion. Acquisitions and higher volume, as well as currency exchange differences, were the main reasons behind the increase in this item.

Short-term investments and cash and bank balances

Short-term investments and cash and bank balances rose by SEK 1.1 billion to SEK 6.7 billion. The proceeds of a large property divestment received close to year-end, as well as seasonally strong cash flow during the fourth quarter, contributed to the increase.

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity

Shareholders' equity amounted to SEK 18.4 billion at year-end. Of this, SEK 13.6 billion consisted of unrestricted equity. During the year, about SEK 1.8 billion was distributed to shareholders, and Skanska bought back about SEK 2.6 billion worth of its own shares. Net profit for the year amounted to nearly SEK 6.0 billion.

Provisions

Provisions decreased by about SEK 1.5 billion to about SEK 5.9 billion. The main reason for the decrease was the transfer of the amount charged to pension liabilities to Skanska's pension funds.

Part of the increase in "Other provisions" by about SEK 1 billion was volume-related, and part was due to acquired companies.

Liabilities

The item "Liabilities" rose by about SEK 25.0 billion to about SEK 52.3 billion (27.3). Interest-bearing liabilities increased by about SEK 7.6 billion, while interest-free liabilities rose by SEK 17.5 billion. The increase was due to acquired companies, translation differences as well as volume changes in the operations included.

Consolidated cash flow statement

SEK M	Note	2000	1999
Business operations	38		
Income after financial items		8,531	6,862
Adjustment for items not included in cash flow	39	-4,361	-3,367
Taxes paid	40	-1,021	-596
Cash flow from business operations before change in working capital		3,149	2,899
Cash flow from change in working capital			
Change in inventories and operating receivables		-4,058	-1,696
Change in operating liabilities		2,256	1,400
Cash flow from business operations		1,347	2,603
Investment operations			
Acquisitions of properties in real estate operations		-2,419	-2,398
Acquisitions of current-asset properties		-5,172	-3,310
Acquisitions of Group companies	41	-6,010	-1,376
Acquisitions of other fixed assets excluding receivables		-2,876	-1,618
Increase in receivables – loans provided		-1,031	-250
Divestments of properties in real estate operations		4,185	698
Divestments of current-asset properties		4,134	2,223
Divestments of businesses and shares	42	8,813	8,334
Divestments of other fixed assets excluding receivables		444	257
Decrease in receivables – repayment of loans provided		219	364
Taxes paid	40	-880	-1,090
Cash flow from investment operations		-593	1,834
Financing operations			
Dividend paid		-1,822	-1,366
Buy-backs of Skanska's own shares		-2,608	
Loans raised		6,372	2,639
Payments of loan principal		-1,593	-3,531
Distributed to/paid by minority interests		-229	-91
Cash flow from financing operations		120	-2,349
Cash flow for the year		874	2,088
Liquid assets on January 1		5,583	3,505
Exchange rate difference in liquid assets		312	-10
Liquid assets on December 31	43	6,769	5,583

Parent Company income statement

SEK M	Note	2000	1999
Net sales	1	254	122
Construction, manufacturing and property management expenses			
Gross income		254	122
Selling and administrative expenses		-465	-406
Items affecting comparability	7	138	
Operating income	8, 10, 11	-73	-284
Share of income in Group companies	13	4,012	2,301
Income from other financial fixed assets	15	615	389
Income from financial current assets	16	17	1
Interest expenses and similar items	17	-842	-720
Income after financial items		3,729	1,687
Allocations	18	-13	-10
Taxes on profit for the year	19	-16	-224
Profit for the year		3,700	1,453

Parent Company balance sheet

SEK M	Note	2000	1999
ASSETS			
Intangible fixed assets	20	22	14
Tangible fixed assets			
Buildings and land	20	25	105
Machinery and equipment	20	6	11
		31	116
Financial fixed assets			
Holdings in Group companies	21, 22	12,440	12,443
Holdings in associated companies	21, 23	19	
Receivables from Group companies	21	8,024	8,505
Other long-term holdings of securities	21		1
Other long-term receivables	21	34	28
		20,517	20,977
Total fixed assets		20,570	21,107
Current receivables			
Accounts receivable			1
Current receivables from Group companies		15	130
Other current receivables	26	21	277
Prepaid expenses and accrued revenues		254	9
		290	417
Cash and bank balances			185
Total current assets		290	602
TOTAL ASSETS		20,860	21,709

SEK M	Note	2000	1999
SHAREHOLDERS' EQUITY AND LIABILITIES			
Capital stock		1,366	1,366
Restricted reserves		488	488
Restricted equity		1,854	1,854
Retained earnings		4,678	6,038
Net profit for the year		3,700	1,453
Unrestricted equity		8,378	7,491
Total shareholders' equity	28	10,232	9,345
Untaxes reserves	18	994	981
Provisions			
Provisions for pensions and similar commitments	29	90	1,009
Other provisions, Note 31	31	61	10
		151	1,019
Liabilities			
	32		
Bond loans			415
Liabilities to credit institutions		322	435
Accounts payable		12	5
Liabilities to Group companies		8,293	8,863
Tax liabilities		462	256
Other liabilities		121	251
Accrued expenses and prepaid revenue		273	139
		9,483	10,364
SHAREHOLDERS' EQUITY AND LIABILITIES		20,860	21,709
Assets pledged		33	28
Contingent liabilities	37	46,926	20,087

Parent Company cash flow statement

SEK M	Note	2000	1999
Business operations	38		
Income after financial items		3,729	1,687
Adjustment for items not included in cash flow	39	43	-928
Taxes paid		-426	-347
Cash flow from business operations before change in working capital		3,346	412
Cash flow from change in working capital			
Change in inventories and operating receivables		-133	-101
Change in operating liabilities including provisions		12	295
Cash flow from business operations		3,225	606
Investment operations			
Acquisitions of shares and participations		-19	-544
Acquisitions of other fixed assets		-12	-18
Increase in financial receivables		-2	
Divestments of shares and participations		13	28
Divestments of other fixed assets		84	20
Decrease in financial receivables			1
Cash flow from investment operations		64	-513
Financing operations			
Dividend paid		-1,822	-1,366
Buy-backs of Skanska's own shares		-2,608	
Net financial transactions with subsidiaries		196	630
Group contributions/shareholder contributions		2,209	623
Loans raised			66
Payments of loan principal		-1,449	-88
Cash flow from financing operations		-3,474	-135
Cash flow for the year		-185	-42
Liquid assets on January 1		185	227
Liquid assets on December 31		0	185

Annual Accounting Act, new developments, principles of consolidation etc.

Annual Accounts Act and industry-wide recommendation

The Annual report has been prepared in compliance with the provisions of the Swedish Annual Accounts Act. It has mainly been adapted to the industry-wide principles stated by the Swedish Construction Federation. The Annual Report complies with the Federation's recommendation that revenue recognition in contracting operations take place on a percentage of completion basis.

New developments

The following change has occurred:

- expanded information on leasing in Note 2 due to Recommendation No. 6:99 on leasing contracts by the Swedish Financial Accounting Standards Council.

Principles of consolidation

The consolidated financial statements encompass the accounts of the Parent Company and those companies in which the Parent Company, directly or indirectly, has a decisive influence. This normally requires ownership of more than 50 percent of the voting power of all participations. In cases where holdings are intended for divestment within a short time after acquisition, the company is not consolidated.

Skanska has applied Recommendation No. 1 of the Swedish Financial Accounting Standards Council in drawing up its consolidated financial statements. Shareholdings in Group companies have been eliminated according to the purchase method of accounting. Acquired and divested companies have been consolidated or deconsolidated, respectively, from the date of the acquisition/divestment.

The principles for the translation of the financial statements of foreign subsidiaries comply with Recommendation No. 8 of the Swedish Financial Accounting Standards Council, "Reporting of Effects of Changes in

Exchange Rates." In the consolidated financial statements, the income statements of foreign subsidiaries have been included at the average exchange rate for the year and their balance sheets at the year-end exchange rate (current method). The change in initial shareholders' equity that is due to the change in exchange rate from prior years is reported as an exchange rate difference directly under shareholders' equity. In cases where a loan corresponding to the investment has been taken out for hedging purposes, the exchange rate adjustment in the loan taking into account tax effects has been reported directly under shareholders' equity. Skanska has applied the transition rule in the recommendation on accumulated exchange rate differences reported before 1999.

Associated companies

Associated companies are defined as companies in which the Skanska Group's share of voting power amounts to a minimum of 20 percent and a maximum of 50 percent, and where ownership is one element of a long-term connection. Associated companies are normally reported according to the equity method of accounting.

Consortia (joint ventures)

Companies that were established to carry out specific contracting projects together with other construction companies are consolidated according to the proportional method of accounting.

Receivables and liabilities in foreign currencies

Receivables and liabilities in foreign currencies have been valued at the exchange rate prevailing on the balance sheet date or the exchange rate according to forward contracts.

Offsetting of balance sheet items

The offsetting of receivables against liabilities occurs only in cases where legislation permits offsetting of payments. The offsetting of deferred tax liabilities in one company against

deferred tax claims in another company presupposes, in addition to matching time periods, that the companies are entitled to such tax-related equalizations.

Published Annual Report

This published Annual Report presents figures on the number of employees and wages and salaries in abbreviated form. Complete figures are found in the version of the Annual Report submitted to the Swedish Patent and Registration Office.

Income statement

Net sales

The year's project revenues, deliveries of materials and merchandise, sales of investment properties, rental revenues and other operating revenues that are not reported separately on their own line are reported as net sales.

Project revenues are reported according to the percentage of completion method, in compliance with the industry-wide recommendation of the Swedish Construction Federation on revenue recognition of contracting assignments. This means that operating income is reported successively as a project accrues over time, instead of being listed as a balance sheet item until the project is completed and a final financial settlement with the client has been reached.

The sale of investment and development properties is normally reported as a revenue item in the year when a binding agreement on the sale is reached.

The operating lease amounts stated in Note 2 do not include rents from current-asset properties, since these properties are intended for divestment in connection with the completion of the contracting project.

Construction, manufacturing and property management expenses

Construction, manufacturing and property management expenses include direct and indirect manufacturing expenses, loss provisions, bad debt losses and warranty expenses.

They also include depreciation on fixed assets used for construction, manufacturing and property management. Skanska applies straight-line depreciation based on the estimated service life of the assets.

Information on expenses for operating leases includes contracts with remaining fees of at least SEK 10 M.

Selling and administrative expenses

In conformity with an industry-wide recommendation from the Swedish Construction Federation, selling and administrative expenses are reported as one item. This includes customary administrative expenses, technical expenses, selling expenses and depreciation on machinery and equipment that have been used for sales and administration.

Depreciation of goodwill that has arisen from the acquisition of subsidiaries is also reported as a selling and administrative expense. The depreciation period has been decided after individual examination and varies between 5 and 20 years.

Research and development expenses are not capitalized, but instead are reported in the same year that the expenses occurred.

Separately reported operating items

Only divestments, writedowns and reversals of writedowns on properties that belong to the Group's real estate operations are separately reported.

Share of income in associated companies is apportioned in the consolidated income statement among "Operating income" (share of income after financial items), "Taxes" and "Minority interests." Share of income in partnerships and limited partnerships, including their foreign counterparts, is reported in its entirety under operating income, except for a small number of holdings in limited partnerships that are reported under net financial items.

Taxes on profit for the year

Taxes based on net profit are reported as "Taxes on profit for the year." Deferred tax lia-

bilities are estimated on the basis of the applicable tax rate in each respective country.

Balance sheet

Intangible fixed assets

Intangible fixed assets are reported at acquisition cost minus accumulated depreciation. In case of a permanent reduction in value, they are written down to estimated actual value.

Tangible fixed assets

Tangible fixed assets are reported at acquisition cost minus accumulated depreciation. They are written down in case of a permanent reduction in value. The writedown is reversed when the basis for the writedown has wholly or partially ceased to exist.

Investment properties

In estimating the actual value of investment properties, Skanska has used the prevailing levels of return required in each respective market as its basis.

To permit as correct a comparison as possible between income from property management and the value of completed investment properties, completed properties are not normally reclassified as "Investment properties" until January 1 of the year after the year of completion. However, completed current-asset properties are only reclassified as "Investment properties" if divestment has not occurred by the end of the year following the year of completion.

Properties constructed by the Group and booked during the year as completed properties have been valued in the consolidated accounts at incurred costs plus a fair proportion of indirect costs.

Interest expenses during the construction period are not capitalized, but are booked as expenses in each respective year.

Financial leasing contracts

In compliance with Recommendation No. 6 of the Swedish Financial Accounting Standards Council, financial leasing contracts are

reported when the investment is equivalent to at least SEK 50 M.

Financial fixed assets

Financial fixed assets are normally reported at acquisition cost. In case of reduction in value, however, they are written down to their actual value. Deferred tax claims are estimated on the basis of the appropriate tax rate in each country.

Holdings in associated companies are reported according to the equity method of accounting.

Current assets

Current assets have been valued according to the lower value principle.

Properties intended to be divested in connection with contracting projects are reported as current assets. The same applies to holdings in property management companies if the properties belonging to these companies would have been reported the same way if Skanska owned them directly.

In valuation of inventories, Recommendation No. 2 of the Swedish Financial Accounting Standards Council has been applied.

Shareholders' equity

If a revenue item has been reported earlier in the consolidated accounts than in the accounts of an individual company, due to different valuation principles, it is transferred from "Unrestricted reserves" to "Restricted reserves," taking taxation into account.

Group contributions, taxes attributable to these and shareholder contributions provided when receiving Group contributions are directly reported in the Parent Company accounts under "Retained earnings."

Provisions

Provisions for deferred taxes on untaxed reserves have been reported at the applicable tax rate in each country. The corresponding provisions have also been made if a profit is reported in the consolidated accounts earlier than it is reported at the company level.

Provisions for deferred taxes on surplus values in the consolidated accounts resulting have been made at the applicable tax rate in each country.

Skanska makes provisions for future expenses due to warranty obligations. The estimate is based on expenditures during the financial year for similar obligations or projected expenses for each project.

Pension obligations secured by pension fund assets are not reported in the balance sheet.

Liabilities

Liabilities are normally reported at their nominal value. In the case of substantial individual amounts, Skanska applies Recommendation No. 3 of the Swedish Financial Accounting Standards Council, "Reporting of Receivables and Liabilities With Respect to Interest Rate Terms and Hidden Interest Compensation."

The difference between an invoiced amount and unearned project revenue is reported as a liability according to the percentage of completion method.

Cash flow statement

In drawing up its cash flow statement, Skanska applies the indirect method according to Recommendation No. 7 of the Swedish Financial Accounting Standards Council, "Reporting of Cash Flows." Aside from cash and bank balances, liquid assets are to include short-term investments whose transformation into bank balances may occur in an amount that is mainly known in advance. Short-term investments with maturities of less than three months are always regarded as liquid assets.

The year's tax payments have been allocated between business operations and investment operations. The portion belonging to business operations has been calculated on a standardized basis, using the tax rate in each country.

Contingent liabilities

A contract fulfillment guarantee issued by the Parent Company on behalf of a Group company is calculated either on the basis of all or part of the contract sum of each respective assignment, depending on the terms of the agreement, without being offset against still unreceived compensation from the client.

In connection with contracting assignments, security is often provided in the form of a completion guarantee from a bank or insurance institution. The issuer of the guarantee, in turn, normally receives an indemnity from the contracting company or other Group company. In compliance with industry custom, such indemnities related to the Group's own contracting assignments are not reported as contingent liabilities, since they do not involve any increased liability compared to the contracting commitment.

Order bookings and order backlog

The order backlog in the accounts of acquired companies on the date of acquisition are not reported as order bookings, but is included in order backlog amounts.

Exchange rates, 2000

Currency	Country/zone	Year-end exchange rate		Average exchange	
		2000	1999	2000	1999
ARS	Argentina	9.60	8.57	9.28	8.30
CZK	Czech Republic	0.25	0.24	0.24	0.24
DEM	Germany	4.52	4.38	4.32	4.51
DKK	Denmark	1.18	1.15	1.13	1.18
EUR	EMU	8.84	8.56	8.45	8.81
FIM	Finland	1.49	1.44	1.42	1.48
GBP	Great Britain	14.17	13.80	13.86	13.37
HKD	Hong Kong	1.22	1.10	1.18	1.06
NOK	Norway	1.07	1.06	1.04	1.06
PLZ	Poland	2.29	2.06	2.11	2.09
USD	United States	9.50	8.52	9.16	8.26

Swedish kronor per unit of each currency.

Notes to the financial statements

Amounts in SEK M unless otherwise specified.

Note 1 Net sales

Skanska's own expenses of SEK 1,583 M (1,419) for construction of properties in real estate operations were capitalized. This amount was eliminated in "Net sales."

Distribution of net sales

A. Net sales by business area

	2000	1999
Core business		
USA	49,356	35,437
Sweden	24,630	23,561
Europe, construction	30,184	14,241
Services	1,867	
Project Development and Real Estate	1,387	1,309
Other operations, elimination of intra-Group transactions	-2,452	-2,138
Total net sales, core business	104,972	72,410
Non-core business		
Europe, components	3,050	6,718
Total net sales, non-core business	3,050	6,718
TOTAL NET SALES, GROUP	108,022	79,128

B. Net sales by geographic area

	2000	1999
Sweden	24,841	22,214
Other Nordic countries	16,585	11,963
Other Europe	14,063	7,687
North America	46,678	32,896
Other countries	5,855	4,368
Total net sales	108,022	79,128

Parent Company

The amount included SEK 254 M (103) worth of sales to subsidiaries.

The Parent Company's purchases from subsidiaries amounted to SEK 118 M (85).

Note 2 Leasing

A. Lessee information

The Group's leasing expenses related to operating leases for the year amounted to SEK 79 M and refer only to minimum lease payments.

The due dates of future minimum lease payments for non-cancellable operating lease contracts were distributed as follows:

	Expenses
Within one year	103
Later than one year but within five years	379
Later than five years	371
Total	853

B. Lessor information

In 2000, the Group's variable leasing income related to operating lease contracts amounted to SEK 7 M and consisted of sales-based rents for commercial space.

The due dates of future minimum lease payments for non-cancellable operating lease contracts were distributed as follows:

	Revenue
Within one year	1,268
Later than one year but within five years	3,613
Later than five years	1,257
Total	6,138

As for acquisition values, book values etc. for the Group's properties in real estate operations, which comprise leasing operations according to the definition in Recommendation No. 6 of the Swedish Financial Accounting Standards Council, see Note 20.

Note 3 Selling and administrative expenses

In compliance with an industry-wide recommendation from the Swedish Construction Federation, the accounts of construction companies report selling and administrative expenses as one item. See "Accounting and valuation principles".

Distribution of selling and administrative expenses by business area

	2000	1999
Core business		
USA	1,223	923
Sweden	1,937	1,731
Europe, construction	2,106	752
Services ¹	622	
Project Development and Real Estate	246	161
Other ¹	128	615
Total, core business	6,262	4,182
Non-core business		
Europe, components	687	1,382
Total, Group	6,949	5,564

¹ During 2000, the service companies Skanska Teknik AB and Skanska IT Solutions AB were transferred to the Services business area from "Other."

Note 4 Gain on sale of properties in real estate operations

	Investment properties		Other properties		Total	
	2000	1999	2000	1999	2000	1999
Sales revenue	2,961	769	957	607	3,918	1,376
Book value	-1,536	-244	-475	-429	-2,011	-673
Capital gain	1,425	525	482	178	1,907	703

Note 5 Writedowns/reversals of writedowns on properties in real estate operations

During 2000, no writedowns or reversals of writedowns were made in real estate operations.

In 1999, writedowns were 46 and reversals of writedowns 41, for a net amount of -5 in the income statement.

Note 6 Distribution of income from associated companies

Skanska's share of the income and equity of associated companies is reported according to the equity method, as described in the accounting principles on page 18. The effect of its share of income on different items in the income statement can be seen below.

Associated companies	Operating income	Taxes	Net amount
Rörvik Timber ¹	11	-4	7
JM ^{1,2}	248	-73	175
Piren ³			0
Norrporten ⁴	17	-4	13
Others	23	-10	13
Total	299	-91	208

¹Rörvik Timber and JM were reported with a delay of one quarter.

²Skanska's holding in JM was divested during the fourth quarter of 2000.

³Skanska's holding in Piren was divested during the first quarter of 2000.

⁴Skanska's holding in Norrporten was divested during the fourth quarter of 2000.

Note 7 Items affecting comparability

Group	2000	1999
Gain on sale of shareholding in Piren	646	
Gain on sale of shareholding in JM	889	
Gain on sale of shareholding in Norrporten	112	
Gain on sale of component operations	337	
Refund from the retirement insurance company SPP	429	
Gain on sale of shareholding in Scancem		3,287
Total	2,413	3,287
Parent Company	2000	1999
Refund from the retirement insurance company SPP	138	
Total	138	0

Note 8 Depreciation

A. By business area

	Construction, manufacturing and property management		Selling and administration		Total	
	2000	1999	2000	1999	2000	1999
Core business						
USA	183	151	107	69	290	220
Sweden	426	362	29	38	455	400
Europe, construction	357	96	274	96	631	192
Services	2		32		34	
Project Development and Real Estate	194	174	1	1	195	175
Other	-2	-5	3	11	1	6
Total, core business	1,160	778	446	215	1,606	993
Non-core business						
Europe, components	99	213	82	171	181	384
TOTAL, GROUP	1,259	991	528	386	1,787	1,377

B. By type of asset

	2000	1999
Intangible assets	326	236
Properties in real estate operations		
Investment properties	174	158
Investment properties under construction	17	11
Development properties	4	7
Other buildings and land	108	83
Machinery and equipment	1,158	882
Total	1,787	1,377

Depreciation in the Parent Company amounted to SEK 6 M (10).

Note 9 Distribution of consolidated operating income

Business area	2000	1999
Core business		
USA	1,004	851
Sweden	1,002	737
Europe, construction	400	355
Services	82	
Project Development and Real Estate	2,386	1,390
Other	-458	-656
Total operating income, core business	4,416	2,677
Non-core business		
Europe, components	85	319
Listed associated companies	276	618
Items affecting comparability	2,413	3,287
Total operating income, non-core business	2,774	4,224
TOTAL OPERATING INCOME, GROUP	7,190	6,901

Note 10 Personnel expenses

Wages, salaries and other remuneration by geographic area and divided between Board members etc. and other employees

	2000			1999		
	Board members, Presidents, Executive Vice Presidents	Other employees	Total	Board members, Presidents, Executive Vice Presidents	Other employees	Total
Parent Company						
Sweden ¹	15	187	202	17	31	48
(of which, bonuses)			0			0
Subsidiaries						
Sweden	46	4,539	4,585	42	4,229	4,271
(of which, bonuses)	15		15	9		9
Other Nordic countries	34	2,478	2,512	24	2,013	2,037
(of which, bonuses)	2		2	1		1
Other Europe	62	1,712	1,774	27	926	953
(of which, bonuses)	3		3	2		2
North America	6	4,147	4,153	7	3,112	3,119
(of which, bonuses)	1		1	1		1
Other countries	1	1,187	1,188	1	1,016	1,017
(of which, bonuses)			0			0
Total	164	14,250	14,414	118	11,327	11,445
(of which, bonuses)	21	0	21	13	0	13

The amount related to Board members, Presidents and Executive Vice Presidents includes compensation to former Board members, Presidents and Executive Vice Presidents during the financial year.

Wages, salaries, other remuneration and social welfare contributions

	2000		1999	
	Wages, salaries, other remuneration	Social welfare contributions	Wages, salaries, other remuneration	Social welfare contributions
Parent Company ¹	202	140	48	100
(of which, non-statutory pensions)		69		76
Subsidiaries	14,212	3,950	11,397	3,503
(of which, non-statutory pensions)		1,104		938
Group total	14,414	4,090	11,445	3,603
(of which, non-statutory pensions)		1,173		1,014

¹In 2000, the sum for Parent Company wages, salaries and remuneration included SEK 162 M and the sum for Parent Company social welfare contributions included SEK 53 M related to the Groupwide 1995–1999 bonus program, which also included employees of subsidiaries.

Of the Parent Company's non-statutory pension expenses, SEK 14.7 M (5.3) were related to the category "Board members, Presidents and Executive Vice Presidents." The amount includes payments to former Board members, Presidents and Executive Vice Presidents.

The Company's outstanding non-statutory pension commitments to these persons amounted to SEK 71.8 M (62.8). Of the Group's non-statutory pension expenses, SEK 30.7 M (19.3) were related to the category "Board members, Presidents and Executive Vice Presidents."

This amount includes payments to former Board members, Presidents and Executive Vice Presidents.

The expense for a provision to the employee profit-sharing foundation amounted to SEK 117 M (119).

Terms of employment and remuneration to the Chairman of the Board, President, Executive Vice Presidents and other members of Group Management

A. Chairman of the Board

During 2000 the Chairman of the Board, Bo Rydin, received a director's fee of SEK 750,000. The Board approved this amount as part of the total amount of directors' fees adopted by the Annual Meeting of Shareholders.

B. The Company's President and Chief Executive Officer

During 2000, Claes Björk received a salary, fees and other remuneration from Group companies in the amount of SEK 6,442,758, plus a bonus of SEK 12,602,747, of which SEK 7,761,000 was withdrawn as a pension benefit vested in Skanska's pension funds.

Mr. Björk is also entitled to a rolling one-year bonus as described in point D below and has also been allotted employee stock options as described in point E below.

Mr. Björk may receive a pension from age 58 at the earliest and for 20 years in an amount of about SEK 2,550,000 per year. He is also covered by Skanska USA's general pension plan, where after 30 years' employment he will receive a lump sum with a current value (2000) of about SEK 8,200,000.

The special pension obligation reported in prior years has been transformed into a special bonus with a current value (2000) of about SEK 19,700,000 to be disbursed during the period 2002–2005.

In case of termination of his employment contract by the Company, Mr. Björk is entitled to his salary and other employment benefits for 24 months.

C. Executive Vice Presidents and other members of Group Management

Members of Group Management are normally entitled to annual pension premium payments, mainly according to the applicable ITP occupational pension plan. This pension guarantees a pension entitlement based on final salary. The pension entitlement is 10 percent of final salary for portions of salary up to SEK 274,500, 65 percent

of final salary for portions of salary between SEK 274,500 and SEK 732,000 and 32.5 percent of final salary for portions of salary between SEK 732,000 and SEK 1,098,000.

Members of Group Management normally have an agreement with the Company entitling them to a pension from the age of 60. This pension benefit applies between the ages of 60 and 65 and amounts to 70 percent of salary. From age 65, a pension is payable according to an ITP plan, with pension entitlements according to the above amounts. In case of termination by the Company, notice periods range from six months to twelve months, with entitlements to salaries and benefits that vary from 18 to 24 months. When benefits are paid after the notice period, other income must normally be subtracted from the amount payable.

D. Rolling 1-year bonus, 2000

The rolling one-year bonus program includes the Group Management plus about 230 other senior executives in the Group.

The bonus program is based on the price movement of Skanska's Series B share, including dividend, in relation to a comparative index. One third of this comparative index consists of the SIX Total Return Index and two thirds consists of the Dow Jones Heavy Construction Total Return Index.

During the 2000 rolling one-year bonus program, the price of a Skanska Series B share calculated as above rose by SEK 101.10.

One third of the bonus amount will be paid each year during a three-year period, assuming continued employment at Skanska.

The maximum bonus payment is 6 months' salary per year. The Parent Company accounts reported expenses and liabilities for this bonus program, including social welfare contributions, of SEK 22.8 M, and the accounts of other Group companies reported SEK 175 M, for a total of SEK 197.8 M.

E. Employee stock options, 2000–2005

Skanska's Board of Directors has decided to allot a total of 354,000 stock options to 12 individuals in the Group Management of Skanska. Claes Björk, President and CEO, received 60,000 options.

The option program encompasses synthetic options and settlement will take place in cash.

The exercise price of the options amounts to 125 percent of the average market price, SEK 302, of a Skanska Series B share during the period February 28, 2000–March 3, 2000.

The options may be exercised during the period March 3, 2003–March 31, 2005.

The options were provided free of cost and may only be exercised on the condition that the person is still employed by Skanska on the exercise date. Those who have been allotted stock options may not transfer the right to exercise them. The Company has ensured the obligations that it may incur in case of Skanska share price increases.

Note 11 Average number of employees

	2000		1999	
		Of whom men		Of whom men
Parent Company				
Sweden	49	21	63	35
Subsidiaries				
Sweden	15,684	13,909	15,987	14,117
Other Nordic countries	9,506	8,626	6,377	5,752
Other Europe	18,177	15,200	5,552	4,386
North America	10,763	9,934	8,446	7,475
Other countries	9,189	8,531	8,638	8,354
Total	63,368	56,221	45,063	40,119

Note 12 Fees and other remuneration to auditors		
Group	2000	1999
KPMG		
Auditing assignments	6	5
Other assignments	5	3
Ernst & Young		
Auditing assignments	21	23
Other assignments	18	11
Other auditors		
Auditing assignments	8	2
Other assignments	3	2
Total	61	46

"Auditing assignments" refer to examination of the Annual Report as well as the administration of the Board of Directors and the President, other tasks that are incumbent upon the Company's auditors to perform, as well as advisory services or other assistance occasioned by observations during such examination or the completion of such other tasks. Everything else is "Other assignments."

Note 13 Share of income in Group companies		
Parent Company	2000	1999
Dividends	4,012	1,500
Merger gains		845
Writedowns		-44
Total	4,012	2,301

Note 14 Share of income in associated companies		
Group	2000	1999
Share of income	3	4
Writedowns	-30	
Total	-27	4

Note 15 Income from other financial fixed assets				
	Group		Parent Company	
	2000	1999	2000	1999
Dividends	41	282		1
Interest revenues	228	86	606	361
Exchange rate differences	413	-184		
Capital gains	1,682	27	9	27
Writedowns	-2	-4		
Other income	3			
Total	2,365	207	615	389

In the Parent Company accounts, SEK 606 M (360) of interest revenues were related to Group companies.

Note 16 Income from financial current assets				
	Group		Parent Company	
	2000	1999	2000	1999
Interest revenues	279	226	8	1
Exchange rate differences	15	-62	9	
Other income	2			
Total	296	164	17	1

Note 17 Interest expenses and similar items				
	Group		Parent Company	
	2000	1999	2000	1999
Interest expenses	-904	-650	-820	-595
Exchange rate differences	-389	236	-22	-125
Total	-1,293	-414	-842	-720

In the Parent Company accounts, SEK 753 M (483) of interest expenses were related to Group companies.

Note 18 Allocations and untaxed reserves				
Parent Company	Allocations		Untaxed reserves	
	2000	1999	2000	1999
Extra depreciation				
Machinery and equipment		-1	1	1
Buildings and land	12	8	3	15
Tax allocation reserve	-25	-17	990	965
Total	-13	-10	994	981

Note 19 Taxes on profit for the year				
	Group		Parent Company	
	2000	1999	2000	1999
Change in provision for taxes	-296	-316		
Taxes in associated companies	-91	-146		
Income taxes	-2,145	-2,021	-16	-224
Total	-2,532	-2,483	-16	-224

The year's tax expenses, SEK 2,532 M, amounted to 30 percent (36) of consolidated income after financial items. Nominal tax rates in the Group's domestic markets are 28 percent at the lowest and 45 percent at the highest. The year's relative tax expense was favorably affected by the difference between capital gain for tax purposes and in book value terms related to the sale of shares in SKF.

Note 20 Tangible and intangible fixed assets and current-asset properties					
A. Properties in real estate operations and current-asset properties					
Group	Investment properties	Investment properties under construction	Development properties	Total properties in real estate operations	Current asset properties
Accumulated acquisition value					
On January 1	11,159	2,217	1,169	14,545	4,288
New acquisitions	51	385	427	863	4,189
Capitalized expenses for materials and own labor	52	1,417	114	1,583	1,030
Acquisitions of companies					1,281
Divestments	-2,693	-453	-52	-3,198	-3,720
Reclassifications	835	-589	-142	104	-279
Exchange rate differences for the year	87	29	22	138	203
Total	9,491	3,006	1,538	14,035	6,992
Accumulated depreciation					
On January 1	1,277	14	42	1,333	
Divestments and disposals	-199	-8	-22	-229	
Reclassifications	-55	70	-4	11	
Writedowns for the year	174	17	4	195	
Exchange rate differences for the year	4		1	5	
Total	1,201	93	21	1,315	0

Accumulated writedowns					
On January 1	2,847	30	99	2,976	310
Divestments and disposals	-958			-958	-10
Reclassifications	-2			-2	44
Writedowns for the year				0	7
Exchange differences for the year	14			14	4
Total	1,901	30	99	2,030	355

Residual value on December 31					
Residual value on January 1	7,035	2,173	1,028	10,236	3,978
Assessed value for tax purposes, Sweden	5,193	927	357	6,477	505
Corresponding residual value, Sweden	4,850	2,181	816	7,847	2,459

B. Intangible fixed assets and other fixed assets

Group	Intangible fixed assets	Other buildings and land	Machinery and equipment	Other construction in progress
Accumulated acquisition value				
On January 1	2,627	3,056	8,987	92
New acquisitions	6,100	481	1,388	156
Capitalized expenses for materials and own labor			152	2
Acquisitions of companies	1,173	1,623	5,137	
Divestments	-1,699	-1,717	-3,352	-76
Disposals/Writeoffs	-49		-258	
Reclassifications		-135	208	-131
Exchange rate differences for the year	227	190	574	
Total	8,379	3,498	12,836	43

Accumulated depreciation				
On January 1	661	994	5,572	
Acquisitions of companies	118	345	2,770	
Divestments and disposals	-452	-545	-2,373	
Reclassifications		-76	159	
Depreciation for the year	326	108	1,158	
Exchange rate differences for the year	17	63	228	
Total	670	889	7,514	0

Accumulated revaluations				
On January 1		13		
Total	0	13	0	0

Accumulated writedowns				
On January 1		37		
Reclassifications		-21		
Writedowns for the year		22		
Exchange rate differences for the year		-1		
Total	0	37	0	0

Residual value on December 31				
Residual value on January 1	1,966	2,038	3,415	92
Assessed value for tax purposes		897		
Corresponding book value, Sweden		544		

The item "Intangible assets" included SEK 7,510 M in goodwill.

"Other construction in progress" mainly includes Skanska's own office space under construction.

C. Parent Company

Parent Company	Intangible fixed assets	Buildings and land	Machinery and equipment
Accumulated acquisition value			
On January 1	21	290	20
New acquisitions	11		1
Divestments	-7	-234	-5
Disposals			-5
Total	25	56	11

Accumulated depreciation			
On January 1	7	182	9
Divestments and disposals	-5	-152	-6
Depreciation for the year	1	1	2
Total	3	31	5

Parent Company	Intangible fixed assets	Buildings and land	Machinery and equipment
Accumulated writedowns			
On January 1		3	
Divestments		-3	
Total	0	0	0
Residual value on December 31			
Residual value on January 1	14	105	11
Assessment value for tax purposes		52	
Corresponding book value, Sweden		25	

The item "Intangible assets" consists of extraction rights. During the year, the Parent Company sold most of its holdings of buildings and land to Group companies.

Note 21 Financial fixed assets

Holdings	Group		Parent Company		
	In associated companies	Other long-term holdings of securities	In Group companies	In associated companies	Other long-term holdings of securities
Accumulated acquisition value					
On January 1	2,404	1,006	13,574		432
Purchases	181	634		19	
Acquisitions of companies	43	42			
Divestments	-2,261	-830	-3		-432
Reclassifications	48	-32			
Exchange rate differences for the year	5	2			
Change in share of income in associated companies for the year	227				
	647	822	13,571	19	0
Accumulated writedowns					
On January 1	243	512	1,131		431
Divestments	-209	-503			-431
Writedowns for the year	-8	33			
Reclassifications	-2	-7			
	24	35	1,131	0	0
Residual book value on December 31	623	787	12,440	19	0

Of 787 in total book value of long-term holdings of securities, 782 consisted of shares.

Receivables	Group		Parent Company	
	From associated companies	Other long-term receivables	From Group companies	Other long-term receivables
Accumulated acquisition value/book value				
On January 1	302	706	8,505	28
Additional/settled receivables	29	565	-481	6
	331	1,271	8,024	34
Accumulated writedowns				
On January 1	20	7		
Writedowns for the year	13	1		
	33	8		
Residual book value on December 31	298	1,263	8,024	34

Note 22 Specification of the Parent Company's holdings of shares and participations in Group companies

Company	Corporate identity number	Registered office	Number of participations	Book value
Swedish subsidiaries				
AB Svenska Aktier	556104-7589	Stockholm	1,000	0
Hexabar Komblå AB	556556-6642	Stockholm	1,000	0
SCG Byggnads AB	556250-4224	Stockholm	1,000	0
Skanska Sparfond Förvaltnings AB	556036-3128	Malmö	2,000	1
Skanska Sverige AB	556033-9086	Malmö	600,000	521
Skanska Entreprenad AB	556011-4208	Stockholm	125,923,860	2
Skanska Export AB	556171-6290	Stockholm	1,000	12
Skanska Financial Services AB	556106-3834	Stockholm	500,000	65
Skanska Holding AB	556085-7939	Stockholm	1,000	0
Skanska Kraft AB	556118-0943	Stockholm	1,000	10,500
Skanska Projektutveckling och Fastigheter AB	556556-6493	Stockholm	1,000	34
Skanska Turbo AB	556353-0293	Stockholm	1,000	0
Total Swedish subsidiaries				11,135

Foreign subsidiaries

Sade Ingeneneria y Construciones S.A		Argentina	305 849 190	500
Skanska (USA) Inc.		United States	22,298	221
Skanska Property GmbH in liquidation		Germany	10,000	584
Total foreign subsidiaries				1,305
GRAND TOTAL				12,440

All the above subsidiaries are 100 percent owned by the Parent Company.

Listed Group companies

Company	Country	% of capital stock	% of voting power if different from % of capital
Exbud SA	Poland	94	
GPRD S.A.	Poland	82	88
IPS a.s	Czech Republic	90.5	
Kvaerner Cementation India Ltd	India	64	
Odlewnie Polskie S.A.	Poland	62	
The Cementation Company (Africa) Ltd	South Africa	50.1	

Note 23 Specification of the Group's and the Parent Company's holdings of shares and participations in associated companies

Group Company	Corporate identity number	Registered office	% of capital stock	Book value in consolidated accounts	Market capitalization
Listed Swedish associated companies					
Rörvik Timber AB	556541-2086	Vetlanda	40	46	46
Total				46	46

Group Company	Corporate identity number	Registered office	% of capital stock	Book value in consolidated accounts
Other Swedish holdings				
AB Sydsten	556108-2990	Malmö	50	53
Sundlink Contractors HB	969620-7134	Malmö	37	19
Other				173
Total				245

Foreign holdings

Cahua S.A		Peru	40	79
Honkavaaran Maastorakennus Oy		Finland	45	12
Tiehtiö Nelostie Oy		Finland	41	2
Other				239
Total				332
GRAND TOTAL				623

Parent Company

Company	Corporate identity number	Registered office	% of capital stock	Book value
Sundlink Contractors HB	969620-7134	Malmö	37	19
Total				19

Note 24 Other long-term holdings of securities

Group Company	Number of participations	% of capital stock	Market capitalization	Book value
Swedish listed companies				
Sweco AB	8,000	<1	1	0
Pandox AB	1,500,000	10	100	78
Total			101	78
Other				
Nobia AB		19		575
Miscellaneous holdings				134
Total				709
GRAND TOTAL				787

Note 25 Inventories etc.

Group	2000	1999
Raw materials and supplies	423	644
Products being manufactured	80	201
Finished products and merchandise	437	705
Advance payments to suppliers	95	6
Total	1,035	1,556

Note 26 Other current receivables

	Group		Parent Company	
	2000	1999	2000	1999
Short-term portion of long-term receivables	22	13		
Tax claim	310	407		261
Other short-term receivables	4,972	3,290	21	16
Total	5,304	3,710	21	277

Note 27 Distribution of interest-bearing and non-interest-bearing receivables among balance sheet items

Group	2000			1999		
	Interest-bearing	Non-interest-bearing	Total	Interest-bearing	Non-interest-bearing	Total
Financial fixed assets	895	2,076	2,971	791	2,845	3,636
Short-term receivables	2,455	30,965	33,420	1,401	17,437	18,838
Short-term investments	752		752	1,986		1,986
Cash and bank balances	6,017		6,017	3,597		3,597
Other fixed and current assets		34,021	34,021		23,281	23,281
Total	10,119	67,062	77,181	7,775	43,563	51,338

Note 28 Change in shareholders' equity

Group	Capital stock	Restricted reserves	Un-restricted reserves	Net profit for the year	Total shareh. equity
Opening balance, Jan. 1, 2000	1,366	2,953	7,791	4,281	16,391
Transfer of net profit for 1999			4,281	-4,281	0
Dividend			-1,822		-1,822
Share buy-backs			-2,608		-2,608
Exchange rate differences			444		444
Transfer between restricted and unrestricted equity		401	-401		0
Net profit for 2000				5,953	5,953
Closing balance, Dec. 31, 2000	1,366	3,354	7,685	5,953	18,358

During the financial year, exchange rate differences of SEK +524 M were reported directly under shareholders' equity.

The amount consisted mainly of positive exchange rate differences in USD, PLZ, NOK, GBP and DEM.

The year's exchange rate differences were reduced by SEK 80 M through hedging activities.

Accumulated exchange rate differences included in shareholders' equity totaled SEK 401 M (-43).

Parent Company	Capital stock	Restricted reserves	Un-restricted reserves	Net profit for the year	Total shareh. equity
Opening balance, Jan. 1, 2000	1,366	488	6,038	1,453	9,345
Transfer of net profit for 1999			1,453	-1,453	0
Group contributions			2,420		2,420
Tax on Group contributions			-592		-592
Shareholder contribution			-211		-211
Dividend			-1,822		-1,822
Share buy-backs			-2,608		-2,608
Net profit for 2000				3,700	3,700
Closing balance, Dec. 31, 2000	1,366	488	4,678	3,700	10,232

The number of shares was 106,536,268, divided into 9,100,740 Series A shares and 104,754,228 Series B shares. The par value per share is SEK 12.

Skanska has repurchased 7,318,700 Series B shares as part of the Company's ongoing buy-back program.

After subtracting taxes, Group contributions received, along with shareholder contributions provided, were reported directly under retained earnings.

Note 29 Provisions for pensions and similar commitments

	Group		Parent Company	
	2000	1999	2000	1999
PRI liability	7	2,072		871
Other pension obligations	116	291	90	138
Total	123	2,363	90	1,009

At the beginning of 2000, most of the amount reported among liabilities in connection with provisions for pensions was transferred to Skanska's pension funds. The amounts transferred included the reported liability for obligations under the PRI occupational pension system. Of the SEK 90 M for "Other pension obligations" in the Parent Company accounts, SEK 25 M was related to obligations outside the scope of the law on safeguarding of pension commitments.

Note 30 Provisions for taxes

Group	2000	1999
	Deferred tax on untaxed reserves etc.	2,011
Deferred taxes on surplus values	106	131
Other provisions for taxes	951	1,216
Total	3,068	3,270

During 1988-1990 the Skanska Group, through partly owned companies, purchased participations in aircraft. The tax authorities questioned the depreciation deductions related to most of these transactions. In light of ongoing tax adjudication, Skanska made a provision in its accounts for possible additional taxes, fees and interest.

The 1987 and 1988 tax assessments regarding the subsidiary Skanska Europe AB (formerly Skåne-Gripen AB) were finally decided early in 2000 by a ruling of the Supreme Administrative Court. The case involved a dividend from the then-subsiary AB Järnbron, which the company deemed tax-exempt. Under the ruling of the Supreme Administrative Court, the company was charged an additional SEK 354 M in taxes, fees and interest, for which a provision had been made in the 1999 consolidated accounts.

Note 31 Other provisions

	Group		Parent Company	
	2000	1999	2000	1999
Warranty obligations	228	171		
Other provisions	2,497	1,565	61	10
Total	2,725	1,736	61	10

"Other provisions" included provisions for the employee profit-sharing foundation, restructuring measures, disputes, bonuses and other earnings-related compensation and restoration expenses for gravel pits.

Note 32 Maturity dates of liabilities

Group	> 5 years		< 5 years> 1 year		< 1 year		Total	
	2000	1999	2000	1999	2000	1999	2000	1999
Bond loans	560	517	2,045	959	893	623	3,498	2,099
Liabilities to credit institutions	728	730	2,008	1,174	4,846	826	7,582	2,730
Advance payments from clients	10	4	21	17	557	15	588	36
Accounts payable					16,794	8,909	16,794	8,909
Liabilities to associated companies	5	11	2	1	229	56	236	68
Tax liabilities					1,775	1,397	1,775	1,397
Unearned revenue					5,080	4,925	5,080	4,925
Other liabilities	81	89	312	339	7,067	2,998	7,460	3,426
Accrued expenses and prepaid revenues					9,324	3,696	9,324	3,696
Total	1,384	1,351	4,388	2,490	46,565	23,445	52,337	27,286

Parent Company	> 5 years		< 5 years> 1 year		< 1 year		Total	
	2000	1999	2000	1999	2000	1999	2000	1999
Bond loans		415						415
Liabilities to credit institutions	322	347		88			322	435
Accounts payable					12	5	12	5
Liabilities to Group companies	8,293	8,863					8,293	8,863
Tax liabilities					462	256	462	256
Other liabilities					121	251	121	251
Accrued expenses and prepaid revenues					273	139	273	139
Total	8,615	9,625	0	88	868	651	9,483	10,364

Note 33 Unearned revenue

Group	2000	1999
Invoiced sales		191,509
Unearned revenue		-186,429
Balance	5,080	4,925

Note 34 Distribution of interest-bearing and non-interest-bearing liabilities and provisions

Group	2000			1999		
	Interest-bearing	Non-interest-bearing	Total	Interest-bearing	Non-interest-bearing	Total
Liabilities to credit institutions	7,582		7,582	2,730		2,730
Other liabilities	5,402	39,353	44,755	2,698	21,858	24,556
Provisions	813	5,103	5,916	2,962	4,407	7,369
Minority interests and shareholders' equity		18,928	18,928		16,683	16,683
Total	13,797	63,384	77,181	8,390	42,948	51,338

Note 35 Change in interest-bearing net indebtedness

Group	2000	1999
Net indebtedness on January 1	-615	-1,978
Cash flow from business operations	1,347	2,603
Cash flow from investment operations	-593	1,834
Minus change in interest-bearing financial receivables	812	-137
Dividend and share buy-backs	-4,430	-1,366
Received from/distributed to minority interests	-229	-91
Acquired/divested interest-bearing liabilities/receivables	72	-558
Other	-42	-922
Net indebtedness on December 31	-3,678	-615

Note 36 Assets pledged for liabilities/provisions

Group	Property mortgages		Chattel mortgages		Restricted bank deposits		Total	
	2000	1999	2000	1999	2000	1999	2000	1999
Own obligations								
Liabilities to credit institutions	475	520	141	50	116	81	732	651
Other liabilities	41	43			131	148	172	191
Total own obligations								
	516	563	141	50	247	229	904	842
Other obligations	84	117		5	44	45	128	167
Total	600	680	141	55	291	274	1,032	1,009

Note 37 Contingent liabilities

	Group		Parent Company	
	2000	1999	2000	1999
Pension commitments not included among liabilities/provisions		5		
Contingent liabilities on behalf of Group companies			41,036	19,202
Other contingent liabilities	8,807	4,841	5,890	885
Total	8,812	4,841	46,926	20,087

Of the Group's contingent liabilities, about SEK 8 billion consists of the portion of the joint and several liability of outside members of consortia for the obligations of construction consortia. Such liability is often required by the client. To the extent it is deemed likely that Skanska will be subject to liability claims, the obligation is reported as a liability/provision in the balance sheet.

Of the Parent Company's contingent liabilities, SEK 30.8 billion was related to contracting obligations made by subsidiaries. To the Group, commitments issued by the Parent Company do not comprise any greater liability than the contracting obligations.

The increase in "Contingent liabilities on behalf of Group companies" was mainly attributable to the acquisition of Kvaerner Construction Group Ltd, increased borrowing by the subsidiary Skanska Financial Services AB and guarantees issued in connection with contracting work in Great Britain in consortium with Costain.

The increase in "Other contingent liabilities" was mainly related to guarantees issued in connection with contracting work in consortium with Costain, to the extent they were not assumed by subsidiaries. Like Bombardier Inc., Skanska is jointly and severally liable to the client, the Port Authority of New York and New Jersey, for the Air Transit Consortium's completion of the JFK Airport railroad contract.

Bombardier Inc., whose subsidiary Bombardier Transit Corporation is responsible for the portion of the contract related to trains and operation, has issued a guarantee to Skanska that relieves Skanska from liability in relation to Bombardier Inc. for this portion of the contract, which totals more than SEK 2.6 billion, excluding any five- or ten-year extension. Given Bombardier Inc.'s commitment, no contingent liability for this portion of the contract has been reported in the accounts. In corresponding fashion, Skanska AB has relieved Bombardier Inc. of liability for the construction portion.

Skanska has issued call options for shares in the real estate company Pandox AB (79,920) to senior executives of that company. The options have a duration of five years and entitle the holders to buy shares at a price of SEK 72.10 no later than September 2, 2002.

When it sold shares in the construction and real estate company JMAB (150,000 Series B shares) to senior executives of the latter company, Skanska Invest AB issued an option to the buyers to sell the shares at SEK 116 apiece during two days in March 2002, in exchange for additional compensation of SEK 3 per share.

Note 38 Interest and dividend information

	Group		Parent Company	
	2000	1999	2000	1999
Interest revenue received during the year	520	296	615	632
Interest expenses paid during the year	-811	-518	-825	-757
Dividends received during the year	136	368	12	1,088

Note 39 Adjustment for items not included in cash flow

Group	2000	1999
Depreciation and writedowns plus reversals of writedowns	1,850	1,410
Gain on sale of fixed assets, current-asset properties and businesses	-6,240	-4,523
Change among provisions not belonging to working capital	166	-143
Income after financial items from associated companies	-282	-657
Dividends from associated companies	96	86
Other items from business operations not affecting cash flow	49	460
Total	-4,361	-3,367

Parent Company	2000	1999
Depreciation and writedowns plus reversals of writedowns	1	54
Gain on sale of fixed assets	-9	-21
Merger losses		-846
Change among provisions not belonging to working capital	51	-199
Portion of pension liability reported as an expense for the year		93
Other items from business operations not affecting cash flow		-9
Total	43	-928

Note 40 Taxes paid

Taxes paid are allocated between business operations and investment operations. Total taxes paid by the Group during 2000 were SEK 1,901 M (1,686).

Note 41 Acquisitions of Group companies

Acquired assets and liabilities in 2000 according to the acquisition balance sheets were

Assets	
Intangible fixed assets	7,155
Tangible fixed assets	3,645
Shares and participations	85
Financial receivables	253
Current-asset properties	1,281
Inventories and operating receivables	11,934
Liquid assets	3,478
Total	27,831

Shareholders' equity and liabilities	
Minority interests	517
Borrowings	2,391
Non-interest-bearing provisions and operating liabilities	15,435
Total	18,343

Purchase price paid	-9,488
Liquid assets in acquired companies	3,478
Effect on the Group's liquid assets	-6,010

Note 42 Divestment of businesses and shares

During 2000, total cash flow from businesses and shares sold was SEK 8,813 M, of which SEK 2,915 M was due to divested Group companies. The effect on divested Group companies on the balance sheet on the sale date was:

Assets	
Intangible fixed assets	-1,325
Tangible fixed assets	-2,055
Financial receivables	-35
Current-asset properties	-36
Inventories and operating receivables	-2,682
Liquid assets	-140
Total	-6,273

Shareholders' equity and liabilities	
Gain on sale of subsidiaries	392
Minority interests	-8
Borrowings	-2,245
Non-interest-bearing provisions and operating liabilities	-1,321
Total	-3,182

Purchase price paid	3,091
Liquid assets in acquired companies	-140
Effect on the Group's liquid assets from companies sold	2,951

Note 43 Liquid assets

	Group		Parent Company	
	2000	1999	2000	1999
Cash and bank balances	6,017	3,597		185
Short-term investments	752	1,986		
Total	6,769	5,583	0	185

Short-term investments according to the balance sheet match the short-term investments reported among liquid assets in the cash flow statement.

The Group's unutilized credit facilities amounted to SEK 3,099 M (3,029) at year-end.

Consolidated quarterly results

SEK M	2000				1999			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
GROUP								
Order bookings	40,611	31,655	30,559	24,206	32,270	17,878	28,673	18,511
FROM THE INCOME STATEMENTS								
Net sales	37,563	28,638	23,226	18,595	22,289	19,595	21,756	15,488
Operating expenses	-36,721	-28,013	-22,471	-18,246	-21,547	-18,979	-21,004	-15,339
Gross Income	842	625	755	349	742	616	752	149
Gain on sale of properties	58	180	1,424	245	448	49	-4	210
Writedowns/reversals of writedowns	0	0	0	0	-5	0	0	0
Share of income in associated companies	10	166	27	96	98	74	110	375
Items affecting comparability	1,373	80	314	646	7	0	3,280	0
Operating income	2,283	1,051	2,520	1,336	1,290	739	4,138	734
Dividends	0	0	40	1	0	0	281	1
Net interest items	-127	-140	-106	-24	-91	-63	-106	-78
Gain on sale of shares and participations	-34	0	10	1,706	0	0	27	0
Other financial items	-40	29	-2	28	41	12	-86	23
Income after financial items	2,082	940	2,462	3,047	1,240	688	4,254	680
Taxes	-656	-278	-712	-886	-347	-266	-1,625	-245
Minority interests	-15	-19	1	-13	-30	-35	-10	-23
Net profit for the period	1,411	643	1,751	2,148	863	387	2,619	412
Order backlog	160,675	133,770	111,644	100,383	93,686	82,421	86,383	75,066
Capital employed	32,725	30,686	28,720	25,221	25,073	24,662	29,089	24,680
Interest-bearing net indebtedness	3,678	5,176	4,731	-1,918	615	401	8,322	5,482
Equity/assets ratio, %	24,5	28,4	31,7	36,1	32,5	31,1	27,5	29,8
Return on capital employed, %	32,3	30,1	27,6	39,2	31,5	29,9	29,1	20,6
CASH FLOW								
From business operations	1,639	579	-715	-156	1,832	571	180	20
From investment operations	949	-2,374	-1,830	2,662	-1,957	7,769	-2,281	-1,697
From financing operations	83	1,975	-140	-1,798	-879	-4,835	2,302	1,063
Cash flow for the period	2,671	180	-2,685	708	-1,004	3,505	201	-614

SEK M	2000				1999			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
BUSINESS AREAS								
ORDER BOOKINGS								
USA	21,149	15,642	12,437	10,982	18,094	7,639	17,416	7,567
Sweden	7,818	6,404	8,713	7,119	6,102	5,735	5,864	5,729
Europe, construction	10,724	9,015	7,354	4,555	6,604	2,764	3,571	3,605
Europe, components	88	80	1,440	1,530	1,470	1,740	1,822	1,610
Services	832	514	615	20				
Total	40,611	31,655	30,559	24,206	32,270	17,878	28,673	18,511
NET SALES								
USA	16,557	13,720	10,026	9,053	9,423	9,565	9,723	6,726
Sweden	7,517	5,843	6,482	4,788	7,415	5,298	6,274	4,574
Europe, construction	13,114	8,643	5,270	3,157	4,253	3,079	3,995	2,914
Europe, components	88	80	1,440	1,442	1,686	1,727	1,809	1,496
Project Development and Real Estate	353	332	348	354	345	341	321	302
Services	652	566	629	20				
Other and eliminations	-718	-546	-969	-219	-833	-415	-366	-524
Total	37,563	28,638	23,226	18,595	22,289	19,595	21,756	15,488
INCOME AFTER FINANCIAL ITEMS								
USA	306	292	275	170	263	207	247	164
Sweden	328	242	320	125	236	194	304	18
Europe, construction	130	-117	15	-5	163	91	49	-7
Europe, components	-53	39	3	-18	76	56	55	-17
Project Development and Real Estate	94	219	1,472	312	539	159	80	373
Services	35	26	23	-8				
Share portfolio management	-61	0	50	1,707	0	0	308	1
Items affecting comparability	1,373	80	314	646	7	0	3,280	0
Listed associated companies	-2	162	27	89	93	56	94	375
Other and eliminations	-68	-3	-37	29	-137	-75	-163	-227
Total	2,082	940	2,462	3,047	1,240	688	4,254	680

Proposed allocation of earnings

The Board of Directors and the President of Skanska AB propose that the net profit for 2000, SEK 3,699,846,467, plus the retained earnings of SEK 4,677,967,023, totaling SEK 8,377,813,490, brought forward from the preceding year, be allocated as follows:

A dividend to the shareholders of SEK 13.50 per share	SEK 1,438,239,618 ¹
To be carried forward	SEK 6,939,573,872
Total	SEK 8,377,813,490

Stockholm, February 21, 2001

Bo Rydin
Chairman

Per-Olof Eriksson

Roger Flanagan

Sören Gyll

Finn Johnsson

Clas Reuterskiöld

Eliot R. Cutler

Folmer Knudsen

Ivan Karlsson

Nils-Erik Pettersson

Claes Björk
President

¹ The total dividend amount may change by the final settlement date, depending on share buy-backs.

*To the Annual Meeting of the shareholders of Skanska AB (publ),
corporate identity number 5560-4615*

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the President of Skanska AB for the year 2000. These accounts and the administration of the Company are the responsibility of the Board of Directors and the President. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts, and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts, are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the President, as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the Company in order to be able to determine the liability, if any, to the Company of any Board member or the President. We also examined whether any Board member or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and, thereby, give a true and fair view of the Company's and the Group's financial position and results of operations in accordance with generally accepted accounting principles in Sweden.

We recommend to the Annual Meeting of Shareholders that the income statements and balance sheets of the Parent Company and Group be adopted, that the profit for the Parent Company be dealt with in accordance with the proposal in the Report of the Directors and that the members of the Board of Directors and the President be discharged from liability for the financial year.

Stockholm, February 24, 2001

Anders Scherman
Authorized Public Accountant

Bernhard Öhrn
Authorized Public Accountant

Project Development and Real Estate

The business area's properties

SEK M	Book values	
	2000	1999
Investment properties	6,260	6,919
Investment properties under construction	2,883	2,173
Undeveloped land and development properties	1,418	1,028
Total	10,561	10,120

Properties sold during 2000

SEK M	Sales price	Book value	Capital gain
Stockholm	1,853	700	1,153
Øresund	500	376	124
Gothenburg	643	399	244
Europe	954	599	355
Total	3,950	2,074	1,876

Unutilized building rights, Dec. 31, 2000

(incl. Skanska's share in partly owned companies)
000 sq m

Stockholm, central	70
Stockholm, northern	90
Stockholm, southern	80
Total Stockholm	240

Total Gothenburg 100

Øresund Malmö	50
Øresund Copenhagen	110
Total Øresund	160

Budapest, Hungary	80
Munich, Germany	60
Oslo, Norway	10
Prague, Czech Republic	20
Total Europe	170

Buenos Aires, Argentina 50
TOTAL 720

Project operations, 2000

Completed projects, SEK M ¹		Ongoing projects, SEK M	
Book value, December 31, 2000	157	Estimated book value at completion	5,681
Estimated operating net, fully leased	22.5	Estimated operating net, fully leased	644.4
Return on book value	14.3%	Return on book value	11.3%
Economic occupancy rate	65%	Economic occupancy rate	57%
Occupancy rate (space)	67%	Occupancy rate (space)	59%

¹ Excluding the Trekanten 2, Danderyd and Gårda 13:3, Gothenburg projects, which were both completed and sold during 2000. The book value of these projects totaled about SEK 450 M upon completion.

Investment properties under construction

SEK M	Leasable space, 000 sq m	Estimated rental value, fully leased	Estimated operating net, fully leased	Economic occupancy rate, %	Estimated book value, completed	Book value, Dec. 31, 2000
Real estate projects completed during 2000						
Stockholm	3	5.2	4.9	100	-	44
Europe	10	20.3	17.6	56	-	113
Total	13	25.5	22.5	65	-	157

Ongoing real estate projects, Dec. 31, 2000

Stockholm	196	437.8	397.3	74	3,528	1,788
Øresund	100	141.5	127.6	57	1,214	503
Gothenburg	17	28.8	25.6	30	271	115
Europe	39	106.9	93.9	0	668	320
Total	352	715.0	644.4	57	5,681	2,726

INVESTMENT PROPERTIES UNDER CONSTRUCTION

2,883

Investment properties, December 31, 2000, on an annual basis

SEK M	Number of properties	Leasable area, 000 sq m	Rental revenues, 2000	Operating expenses	Maintenance, adaptation to tenants	Real estate tax	Ground rent	Property administration	Operating surplus	Book value	Yield on book value, %	Rental value, 2001 ¹	Economic occupancy rate, %	Estimated market value
Stockholm	33	413	475	43	51	21	45	13	302	2,723	11.1%	529	93%	5,400
Øresund	27	225	197	29	32	11	2	10	113	1,065	10.6%	220	96%	2,200
Gothenburg	22	253	204	34	16	10	0	11	133	1,068	12.5%	222	98%	2,400
Europe	5	71	182	3	3	1	5	7	163	1,404	11.6%	205	94%	2,200
Total	87	962	1,058	109	102	43	52	41	711	6,260	11.4%	1,176	95%	12,200

Central company and business area overhead

-56

Operating net after central overhead on annual basis

655

10.5%

Added back to adjust for acquisitions, divestments and reclassifications during 2000

152

Operating net after central overhead according to income statement

807

12.9%

¹ The sum of contracted rent and estimated market rent for unleased space.

Skanska Project Development and Real Estate, investment properties

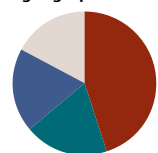
SEK M	2000	1999
Book value	6,260 ¹	6,919 ¹
Rental revenues	1 251	1 184
Operating net before central overhead	863	826
Central company and business area overhead	56	48
Operating net after central overhead	807	778
Return on book value, %	12,9	11,2
Leasable space, 000 sq m	962	1 055
Residential	18	27
Retail	111	103
Office	522	591
Other	311	334
Economic occupancy rate, %	95	94

¹ After eliminating intra-Group profits, SEK 207 M (235).

Investment properties, January 1, 2001

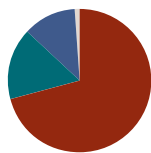
SEK M	Number of properties	Leasable space, sq m	Book value	Rental value, 2001
Investment properties, December 31, 2000	87	962	6,260	1,176
Investment properties completed during 2000	2	13	157	25
Investment properties, January 1, 2001	89	975	6,417	1,201

Rental value by geographic area



Stockholm	45%
Gothenburg	19%
Øresund	19%
Europe	17%

Rental value by type of space



Office	71%
Other	16%
Retail	12%
Residential	1%

Percentage of rental revenues

Percentage of rental revenues	Sweden	Europe	Total
2001	13	4	11
2002	16	4	14
2003	14	5	12
2004 and later	51	84	58
Residential	2		1
Parking facilities	4	3	4
Total	100	100	100

Property list

Property list on December 31, 2000¹

County, municipality, property designation, street address	Year built/ renovated	Leasable space, sq m				Rental value 2001, SEK M	Site	
		Residential	Retail	Office	Other		Total	leasehold
STOCKHOLM								
Stockholm County								
Botkyrka								
Trädgårdsmästaren 14, Gröndalsv 20	1978			4,926	336	5,262	5.3	S
Huddinge								
Myren 1, Häradsv 253	1993			950	5,460	6,410	9.4	S
Järfälla								
Jakobsberg 2:2583, Järfällav 102-104	1982			15,064	7,024	22,088	18.5	N
Nacka								
Sicklaön 354:1-2, Ektorps Centrum, Ektorpsv 2-6	1979		3,003	13,065	2,518	18,586	17.6	S
Nynäshamn								
Alkotten 2, Lövlundsv 3	1984			1,792	2,232	4,024	5.9	S
Solna								
Apelsinen 5, Vretenv 13	1972			12,709	8,213	20,922	23.1	N
Puman 1, Bang 21, Storg 28	1972			1,784	406	2,190	2.1	N
Gelbgjutaren 3, 14, 17, Industriv, Äldermansv	1946/-89			7,850	4,937	12,787	11.4	T N
Stockholm								
Alptanäs 1, Haukdalsgatan 3	1980			2,436	6,040	8,476	9.0	T N
Blekholmen 1, Klara Strand, Klarabergsviadukten 90	1994		440	25,978	9,388	35,806	64.6	T C
Dykaren 10, Alströmerg 39	1900/-87			11,385	768	12,153	22.3	C
Gångaren 11, Lindhagensg 80	1989			11,295	3,028	14,323	20.7	T C
Gångaren 12 (part of), Lindhagensg 90-92	1983			4,343	8,253	12,596	16.5	C
Gångaren 13, S:t Göransg 143	1999			28,881	6,958	35,839	56.0	C
Gångaren 14, Lindhagensg 100	1999			11,135	525	11,660	21.8	C
Görväln 2, Bränningev 10-24	1963				7,279	7,279	4.7	T S
Instrumentet 17, Jakobsdalsv 13-15	1948			686	3,938	4,624	2.5	S
Järnplåten 29, Malmskillnadsg 35	1971		524	2,507	309	3,340	11.6	T C
Lammet 17, Bryggarg 4, Ga Brog 13	1980/-94			2,280	4,454	6,734	11.5	T C
Prästgårdsängen 3, Götalandsv 218, Älvsjö	1986		112	6,237	53	6,402	7.0	T S
Singeln 4, Sorterarg 14-16, Vällingby	1964			2,225	1,061	3,286	2.2	T N
Singeln 9, Sorterarg 8, Vällingby	1970			3,869	1,463	5,332	3.7	T N
Skalholt 1, Isafjordsg 23-25, Kista	1985		2,950	32,453	4,198	39,601	55.5	T N
Storsätra 1, Storsätragr 4-26	1972			16,811	15,161	31,972	27.4	T S
Torkhuset 1, Hammarbyv 76	1949/-65			1,649	5,187	6,836	3.8	T S
Trädgården 8, 9, Sköldungag 1-5	1910			1,544		1,544	2.8	C
Valnöten 8, Scheeleg 1, Hantverkarg 26	1930	325	761	1,543	292	2,921	4.5	C
Vattenkraften 1, Skrubba, Solkraftsv 13, Skrubba Malmv	1990			4,928	5,495	10,423	8.1	T S
Vinkelhaken 12, Drottningg 80	1929/-86	269	318	900	40	1,527	2.4	C
Sundbyberg								
Atleten 5, Landsv 39	1999		142	6,754	416	7,312	11.5	N
Eken 6, Allén 5	1997/99			31,370		31,370	47.9	N
Sprängaren 8, Vinterg 1	1970			6,307	5,559	11,866	9.3	N
Upplands Väsby								
Vilunda 16:57, Korpkulla, Centralv 1	1990		923	5,889	336	7,148	8.4	N
TOTAL STOCKHOLM		594	9,173	281,545	121,327	412,639	529.0	

Total book value on December 31, 2000: SEK 2,723 M. Projected rents for 2001 include SEK 490 M in contracted rents and SEK 39 M in estimated market rents for unoccupied commercial and residential premises.

¹ Refers to Skanska Project Development and Real Estate.

² Location refers to central Stockholm (C), north of central Stockholm (N) or south of central Stockholm (S).

County, municipality, property designation, street address	Year built/ renovated	Leasable space, sq m				Rental value 2001, SEK M	Site leasehold	Location ¹
		Residential	Retail	Office	Other			
ØRESUND								
Skåne County								
Klippan								
Hjälmen 22, Storg 24-26, N Skolg 2, Stenbocksg 2	1977/-91			3,566	94	3,660	3.1	C
Helsingborg								
Danmark 29, Söderg 39	1970/-99	1,912	3,336	5,695	183	11,126	10.5	C
Kolonien 27 & 28, Carl Krooksg 30-32, Wetterlingsg 2	1988	2,666	3,078	3,237	260	9,241	9.7	C
Lund								
Flintan 3, Skifferv 24	1985/-99				5,979	5,979	4.2	O
Väduren 9, Dalbyv 22, Jupiterg 4, Tellusg 5	1963/-92	115		736	624	1,475	1.2	O
Välten 10, Traktorv 4	1991		2,344			2,344	2.7	O
Vätet 3, Ole Römerv 5A	1991				335	335	0.6	O
Malmö								
Bohus 7, Per Albin Hanssons v 4-16	1966	8,672	500	4,251	4,798	18,221	12.4	C
Domarringen 1, Boplatsgatan 2	1976/-83			675	950	1,625	1.3	O
Flygbasen 1, Höjdroderg 23	1989			1,125	1,631	2,756	1.5	O
Gamen 15, Ö Kanal 6, Storg 5	1981			4,128	191	4,319	4.7	C
Gäddan 2, Citadellsv 17, S Neptunig 16	1962/-81			1,941	365	2,306	1.9	T O
Gäddan 3, Citadellsv 15 B	1961			1,525		1,525	0.3	T O
Hans Michelsen 10, Adelg 5, N Vallg 54	1903/-88		400	2,831	394	3,625	4.6	C
Husaren 9, Husarg 5, Ö Promenaden 3-5, Ö Tullg 1-3	1957/-80	4,426	691	4,856	282	10,255	10.2	C
Landshövdingen 1, RoCent, Wachtmeisters väg 5	1970/-87		19,653	2,008	5,794	27,455	19.5	T O
Residenset 3, Adelg 8	1879/1981			1,200		1,200	1.0	C
Sirius 1 och 2, Jörgen Kocksg 9	1992			7,215	251	7,466	9.6	O
Scylla 2, Nordenskiöldsg 2-4, 6	1955/-59/-78			4,574		4,574	5.3	C
Spinneriet 8, Baltzarsg 20-22, Kalendeg 22-20, Djåkneg 29-31, St Nyg 29-31	1957		2,372	12,883	26,223	41,478	42.9	C
Trollhättan 4 and 7, Nordenskiöldsg 7-11, Beijerskajen 6-8	1959/-66/-98			10,111		10,111	15.8	T C
Trollhättan 6, Nordenskiöldsg 13, Ankargripsg 4	1959/-66/-98			4,498	10,175	14,673	6.8	T C
Våktaren 3, Scandinavian Center, Hjålmareg 3	1991			8,131		8,131	14.3	C
Denmark								
Ballerup								
Baltorpvej 154-158	1969/-76/-80/-89/-99			10,954	2,819	13,773	13.2	O
Copenhagen								
Holbergsgade 2	1908/-46/-96			7,485	1,792	9,277	12.7	C
Niels Juels Gade 5	1870/1998			1,543	130	1,673	2.6	C
Tordenskiöldsgade 20-24	1870/-71/1996			5,643	1,112	6,755	7.2	C
TOTAL ØRESUND		17,791	32,374	110,811	64,382	225,358	219.8	

Total book value on December 31, 1999: SEK 1,065 M. Projected rents for 2001 include SEK 211 M in contracted rents and SEK 9 M in estimated market rents for unoccupied commercial and residential premises.

¹ Refers to central (C) or other (O) locations.

County, municipality, property designation, street address	Year built/ renovated	Leasable space, sq m					Rental value 2001, SEK M	Site leasehold	Location ¹
		Residential	Retail	Office	Other	Total			
GOTHENBURG									
Västra Götaland County									
Backa 30:3, Importgatan 23-33	1969/-96		740	2,865	38,537	42,142	11.6		O
Gullbergsvass 1:5-6, Lilla Bommen	1990		621	26,416	5,431	32,468	52.5		C
Gullbergsvass 5:2, Kilsgratan 10	1880/1989		304	893	72	1,269	1.4		O
Gullbergsvass 703:52-53, P-huset Silvret, Lilla Bommen	1991				19,000	19,000	13.0		C
Inom Vallgraven 4:5, Stora Nyg 23-25	1906/-89			2,735	665	3,400	4.6		C
Inom Vallgraven 16:6, Södra Hamng 17-23	1892/-99		180	4,866	309	5,355	8.0		C
Kobbegården 6:249, Datavägen 27	1976			2,299	4,867	7,166	5.1		O
Krokslätt 185:1, Sven Hultins gata 9	1996-1997		123	8,861	1,514	10,498	16.3		O
Masthugget 10:16, Första Långg 24-26	1962/-91		575	6,368	396	7,339	10.5		C
Masthugget 10:19, Värmlandsg 16	ca 1900/-91		270	1,360	40	1,670	1.2		C
Möndal									
Kryptongasen 4, Kryptogatan 20	1982			1,700	6,500	8,200	4.3		O
Vämmedal 2:158, Källered	1998		5,150			5,150	6.4		O
Vämmedal 2:162, Källered	1983/90/99		4,757	102	401	5,260	7.0		O
Borås									
Armbåga 3, Ålgårdsv 11	1965/-98		12,948	700	6,815	20,463	15.8		O
Kyllared 1:101, 1:126 (50%), Tvinnareg 4	1979			700	6,300	7,000	1.6		O
Ventilen 1, Industrig 4	1975			1,420	5,900	7,320	3.2		O
Trollhättan									
Nohab 1, part of (Wärtsilä), Nohab Industriområde	1949/-97			2,285	17,760	20,045	7.2		O
Oden 7, Kungsg 32	1976		4,503	729	1,190	6,422	6.6		C
Oden 8, Kungsg 30	1976		9,201	98	6,443	15,742	14.1		C
Skåne County									
Helsingborg²									
Marknaden 2, Björka vägen Väla	1995/-97		6,389			6,389	6.3		O
Marknaden 3, Björka vägen Väla	1996		8,619			8,619	8.7		O
Stockholm County									
Järfälla²									
Säby 3:22, Barkaby Handelscentrum, Phase I	1999		11,046		382	11,428	16.8		O
TOTAL GOTHENBURG			65,426	64,397	122,522	252,345	222.2		

Total book value on December 31, 2000: SEK 1,068 M. Projected rents for 2001 include SEK 218 M in contracted rents and SEK 4 M in estimated market rents for unoccupied commercial and residential premises.

¹ Refers to central (C) or other (O) locations.

² Refers to outlet mall, which Gothenburg is responsible for.

County, municipality, property designation, street address	Year built/ renovated	Leasable space, sq m					Rental value 2001, SEK M	Site leasehold	Location ²
		Residential	Retail	Office	Other	Total			
EUROPE									
Great Britain									
London									
Thomas More Square	1991			21,738		21,738	65.0	T	O
55, King William Street	1991		292	5,206	337	5,835	32.0	T	C
Hungary									
Budapest									
East West Business Center, Rákóczi ut 1-3	1991		1,635	17,864	872	20,371	39.0		C
West End Business Center, Phase I, Váci ut 20-26	1999		770	7,659	214	8,643	15.0		C
Poland									
Warsaw									
Atrium Plaza, Al Jana Pawla II 29	1998		1,332	12,550	572	14,454	54.0		C
TOTAL EUROPE			4,029	65,017	1,995	71,041	205.0		

Total book value on December 31, 2000: SEK 1,404 M. Projected rents for 2001 include SEK 193 M in contracted rents and SEK 12 M in estimated market rents for unoccupied commercial and residential premises.

¹ Refers to central (C) or other (O) locations.

Investment properties in partly owned partnerships and limited partnerships, December 31, 2000

All figures refer to Skanska's holding.

County, municipality, property designation, street address	Year built/ renovated	Leasable space, sq m				Total	Rental value 2001, SEK M	Site leasehold	Location ¹
		Residential	Retail	Office	Other				
Stockholm									
Tryckeriet 13 etc. (50%), Trekantsv 1,3,5	1965			15,130	9,548	24,678	22.2		S
Gothenburg									
Lorensberg 45:19 (50%), Kungsporthavenyn 10-12	1971		918	906	94	1,918	5.0		C
Total			918	16,036	9,642	26,596	27.2		

Total book value on December 31, 2000: SEK 16 M. Projected rents for 2001 include SEK 26 M in contracted rents and SEK 1 M in estimated market rents for unoccupied commercial and residential premises.

¹ Refers to central (C) or other (O) locations, south of central Stockholm (S).

Completed real estate projects

Responsible unit, property designation, municipality	Leasable space, sq m				Total	Projected rental value, SEK M ¹	Projected operating net, fully leased, SEK M
	Residential	Retail	Office	Other			
Stockholm							
Säby 3:22, Barkarby Handelscentrum, Phase II, Järfälla		3,011		470	3,481	5.2	4.9
Total, Project Development Sweden		3,011		470	3,481	5.2	4.9
Europe							
West End Business Center, Phase II, Budapest		487	9,758	183	10,428	20.3	17.6
Total, Project Development Europe		487	9,758	183	10,428	20.3	17.6
TOTAL, COMPLETED REAL ESTATE PROJECTS							
SKANSKA PROJECT DEVELOPMENT AND REAL ESTATE		3,498	9,758	653	13,909	25.5	22.5

	Sweden	Europe	Total
Book value on December 31, 2000, SEK M	44	113	157
Economic occupancy rate, December 31, 2000, %	100%	56%	65%

¹ Projected rental value refers to estimated annual rent, fully leased, when each property is completed.

Ongoing real estate projects

Responsible unit, property designation, municipality	Projected completion month/year	Leasable space				Total	Projected rental value, SEK M ¹	Projected operating net, fully leased, SEK M	Site ²
		Residential	Retail	Office	Other				
Project Development Sweden									
Stockholm									
Grävlingen 12, CityCronan, Stockholm	Mar 03	3 379	4,599	27,120	6,771	41,869	152.3	142.1	C
Brahelund 2, Hagaporten, Phase I, Solna	Apr 01			40,428	4,815	45,243	87.5	80.9	N
Brahelund 2, Hagaporten, Phase II, Solna	Jan 02			9,897	479	10,376	24.0	22.0	N
Knarranäs 2, Kista Entré, Phase I, Stockholm	Feb 02		2,100	19,559	1,058	22,717	46.1	39.6	N
Årstaäng 4, Liljeholmen, Stockholm	Mar 02			31,422	3,425	34,847	49.9	40.1	S
Gångaren 15, Stockholm	Oct 01			11,305		11,305	24.2	22.6	C
Grönlandet Södra 13, Stockholm	Oct 01	70		6,285	1,829	8,184	22.3	20.3	C
Trucken 1, Länna Handelscentrum, Huddinge	Oct 01		15,451		1,772	17,223	23.9	22.5	S
Säby 3:22, Barkarby Handelscentrum, Phase III, Järfälla	Oct 01		3,841		554	4,395	7.6	7.2	N
Øresund									
Nya Vattentornet 4, Lund	Apr 02			24,350		24,350	35.0	30.5	O
Kalvebod Brygge 43 & 45, Copenhagen	Jun 01			14,600	500	15,100	29.7	27.8	C
S:t Jörgen 21 part of, Butterick's, Malmö	Jun 02		3,096	7,982		11,078	24.6	23.0	C
Katrinelund 25, Malmö	Dec 01		11,524	7,500		19,024	18.1	15.3	O
Peblingehus, Copenhagen	Aug 01			11,000	4,150	15,150	15.7	14.4	C
Östersjön 1, Malmö	Jun 01		8,183			8,183	13.1	11.9	C
Marknaden 4, Väla, Helsingborg	May 01		6,756			6,756	5.3	4.7	O
Gothenburg									
Tennet 5:26, Gothenburg	Nov 01			7,833		7,833	13.3	11.5	O
Inom Vallgraven 15:2, former Riksbank Building, Gothenburg	Jan 02		963	3,342		4,305	8.9	8.0	C
Evedal 1, Knalleland, Borås	Aug 01		4,675		420	5,095	6.6	6.1	O
Total, Project Development Sweden		3,449	61,188	222,623	25,773	313,033	608.1	550.5	
Project Development Europe									
Poland									
Atrium Centrum, Phase I, Warsaw	Sep 01		1,030	7,044		8,074	30.4	27.6	C
Atrium Centrum, Phase II, Warsaw	Sep 01		1,260	7,030		8,290	28.5	25.6	C
Czech Republic									
Bredovski Dvur, Prague	Jul 01	876	1,836	10,433		13,145	29.9	25.3	C
Hungary									
West End Business Center, Phase III, Budapest	Apr 01		356	8,694		9,050	18.1	15.4	C
Total, Project Development Europe		876	4,482	33,201		38,559	106.9	93.9	
TOTAL, ONGOING REAL ESTATE PROJECTS		4,325	65,670	255,824	25,773	351,592	715.0	644.4	
		Sweden		Europe		Total			
Projected book value on completion, SEK M		5,013		668		5,681			
Book value, December 31, 2000, SEK M		2,406		320		2,726			
Economic occupancy rate, December 31, 2000, %		67%		0%		57%			
Occupancy rate (space), December 31, 2000, %		66%		0%		59%			

¹ Projected rental value refers to estimated annual rent, fully leased, when each property is completed.

² Refers to central (C) or other (O) locations. In Stockholm, refers to central Stockholm (C), north of central Stockholm (N) or south of central Stockholm (S).

The property list is continuously updated on Skanska's web site, www.skanska.com

Definitions

Definitions

Capital employed	Visible shareholders' equity, minority interests plus interest-bearing liabilities and provisions.
Debt/equity ratio	Interest-bearing net indebtedness divided by visible shareholders' equity including minority interests.
Equity/assets ratio	Visible shareholders' equity including minority interests as a percentage of total assets.
Equity per share	Visible shareholders' equity divided by the number of shares on the balance sheet date.
Interest-bearing net indebtedness	Interest-bearing liabilities and provisions minus liquid assets and interest-bearing receivables.
Interest cover	Operating income, financial revenues and net holdings in associated companies, as a percentage of average capital employed.
Net profit per share	Net profit for the year divided by the average number of shares.
Number of shares outstanding	Weighted average number of shares in 2000: 111,157,356. Total number of shares at each year-end: 2000: 106,536,268. 1997-1999: 113,854,968. 1996: 125,923,860.
Operating net margin	Operating net as a percentage of rental revenues.
Operating net on properties	Rental revenues and interest subsidies minus operating, maintenance and administrative expenses as well as real estate tax. Site leasehold rent is included in operating expenses.
Return on capital employed	Operating income, financial revenues and net holdings in associated companies, as a percentage of average capital employed.
Return on shareholders' equity	Net profit for the year as a percentage of average visible shareholders' equity.
Yield on properties	Operating net divided by year-end book value.

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