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Skanska sells holding in UK PPP project for GBP 3.8 million, SEK 52 million

Skanska is selling its nine-percent holding in the UK Public Private Partnership (PPP) project HMS Bridgend Prison Parc in Wales. The selling price is GBP 3.8 million, SEK 52 million, and the capital gain amounts to GBP 2.65 million, SEK 36 million, which will be included in earnings for the second quarter. The selling price exceeds the market value assessed by Skanska at year-end 2005 by 15 percent. The buyer is the investment fund Innisfree, who is already a considerable owner.

Skanska developed, built and operated the prison within the framework of the UK PFI scheme for Public Private Partnerships. The prison, which has been in service since 1997, is one of the most modern and secure facilities in the United Kingdom and was Skanska's first PPP project. The sale at a price representing 3.3 times Skanska's original investment means that the project has generated an average annual return of about 30 percent since the investment was made.

"The sale is in line with our strategy of selling projects that, considered from our viewpoint, have been completed. In the market for Public Private Partnership projects, we are primarily focusing on hospitals, schools and transport infrastructure. Within these sectors, we see strong future prospects of securing new projects and can improve our service to customers and users by capitalizing on synergism and experiences from a large series of projects", says Simon Hipperson, President of Skanska Infrastructure Development.

Skanska is a leading Public Private Partnership (PPP) company in the United Kingdom. Skanska is responsible for the development of the Barts and The London new hospitals program, for which the construction contracts amount to approximately GBP 1 billion, about 13.6 billion – construction work started this spring.

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This and previous releases can also be found at www.skanska.com

Skanska is one of the world's leading construction groups with expertise in construction, development of commercial and residential projects and public-private partnerships. The Group currently has 54,000 employees in selected home markets in Europe, in the US and Latin America. Sales in 2004 totaled SEK 121 billion, USD 17 billion.