

October 19, 2007  
08:30 am CET

### **Skanska's Board of Directors proposes long-term employee ownership program for the Group**

Skanska's Board of Directors is proposing a long-term ownership program for all permanent employees in the Skanska Group.

The purpose of the program is to strengthen incentives for retaining and recruiting qualified personnel and to align employees more closely to the shareholders. In the coming years, Skanska is facing significant needs around the world for new personnel and the opportunity to offer ownership is of great importance to strengthen the attractiveness of the company.

Against this background, the Board of Directors considers that the program will have a positive impact on the Group's continued development and thus benefit both Skanska's employees and the company's shareholders. During the preparations of the proposal, comments from major institutional shareholders have been taken into consideration.

The program provides employees the opportunity to invest in Skanska shares and at the same time they get incentives of potential allotment of further shares. The allotment is mainly based on performance and the program includes ceilings that limit the costs for Skanska.

"It is very gratifying that we are now able to propose a program in which Skanska employees will have an opportunity to participate in the company's development and future value growth. We also expect that this will benefit the company and its shareholders," says Sverker Martin-Löf, Chairman of the Board of Skanska.

#### **Brief description of the program**

The new program is proposed to contain no more than 13,500,000 Series B shares and will be offered to all the approximately 47,000 permanent employees in the Group, including some 2,000 key employees and 300 senior executives.

In brief, the program will mean that these employee groups will be offered an opportunity to invest in Skanska Series B shares. The investment is maximized to 5, 7.5 and 10 percent, respectively, of gross salary for the employee groups. For each four Series B shares acquired, the employee will be offered one "matching" share without consideration. Moreover, the employee could for every four Series B shares receive an additional 3-15 "performance" shares, according to job position and based solely on how

earnings-based performance terms are met. These terms are based on so called financial Outperform targets to be established annually by Skanska's Board of Directors. The Board of Directors will also be able to reduce the allotment of shares.

The program is proposed to extend for three years from 2008 to 2010, with allotment of shares earned by the employees not taking place until after a three-year vesting period, meaning from 2011 to 2013. In order to be able to earn matching and performance shares, employees must be employed during the entire vesting period and have retained their purchased shares.

The proposed program is intended to replace such programs as the three-year share incentive program for senior executives and other key persons within Skanska that was approved by the 2005 Annual Shareholders' Meeting and which will expire during 2007. It will also replace The Profit-Sharing Foundation for employees in Skanska's Swedish units and the incentive program for certain employees in the US units.

Skanska's costs for the program will be limited by ceilings, meaning that Skanska's total cost for each year's program will not exceed 15 percent of EBIT or no more than SEK 630 M. The programs that it will replace have a total maximum annual cost of SEK 495 M.

The Board of Directors will convene an Extraordinary Shareholders' Meeting in Skanska to decide on the ownership program. The meeting is planned for 4pm, November 29, 2007 at Skanska's Head Office, Råsundavägen 2 in Solna, Sweden.

The Board of Directors' full proposal will be published on the Skanska Group website [www.skanska.com](http://www.skanska.com) from November 2.

---

**For further information please contact:**

Sverker Martin-Löf, Chairman of the Board, Skanska AB, tel +46 8 788 51 51.

Stuart Graham, President and CEO, Skanska AB, tel +46 8 753 88 00.

Peter Gimbe, Press Officer, Skanska AB, tel: +46 8 753 88 38. Direct line for media: tel: +46 8 753 88 99.

*This and previous releases can also be found at [www.skanska.com](http://www.skanska.com)*

*This is the type of information that Skanska AB may be obligated to disclose in accordance with the Swedish Securities Exchange and Clearing Operations Act and/or the Financial Instruments Trading Act.*

*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 56,000 employees in selected home markets in Europe, in the US and Latin America. Headquartered in Stockholm, Sweden and listed on the Stockholm Stock Exchange, Skanska's sales in 2006 totaled USD 17 billion.*