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Financing secured for Walsall Hospital PFI Healthcare scheme - Skanska invests GBP 8.2 million, approximately SEK 110 million, and receives construction contract worth GBP 174 million, corresponding SEK 2.4 billion

Skanska has reached financial close for the delivery of a 33-year PFI scheme to design, build, finance and operate a major healthcare development – Manor Hospital for the Walsall Hospitals NHS Trust in Walsall, UK. For Skanska, this means:

- receiving a construction contract worth around GBP 174 million, about SEK 2.4 billion, which is to be included in order bookings for the construction operation for the fourth quarter of 2007
- receiving a facilities management contract valued at around GBP 2.3 million, about SEK 30 million, per year for the entire period. GBP 4.6 million, SEK 60 million, hereof will be included in order bookings for the fourth quarter
- investing GBP 8.2 million, approximately SEK 110 million, corresponding to a 50 percent interest in the project company co-owned with Innisfree which also holds a 50 percent share of the project company.

The signed financial close provides for a net cash flow for the Skanska Group of about SEK 345 million in the fourth quarter. This relates largely to advance works and development costs incurred to date. An earnings effect of approximately SEK 40 million arises on the portion of development costs that were previously expensed rather than capitalized. The main portion of the cash flow and the earnings effect is reported in the UK construction operations.

The redevelopment of Manor Hospital will include 40,000 square meter of new accommodation, including a modular ward block containing 136 beds. This unit will complement the existing facilities, some of which are to be refurbished, to provide a total of 558 inpatient beds at completion of the scheme.

Also, the hospital project will include the extensive rejuvenation of the existing facilities to create a single unified hospital. The current, outdated buildings will be replaced; a new state-of-the-art Diagnostic and Treatment Centre will be created along with a new Women, Children and Young

Peoples Centre linked to the existing Maternity Unit. A new Multi-Professional Education Centre will provide training facilities integrated within the mainstream hospital environment.

Preparatory works have been completed and main construction will begin this month with the completion of all new accommodation set for the autumn of 2010 and full completion of the scheme in the summer of 2011. Throughout the phased construction period, all existing healthcare facilities will remain fully operational.

Skanska is a leading Private Public Partnership (PPP) company in the United Kingdom. Work on the largest project to date – development of the Barts and The London hospitals, for which the construction contract amount to approximately GBP 1 billion – is under way. Please, also see www.skanska.com/id

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

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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 SEK 126 billion.