



“Improved
earnings
and increased
cash flow”

Q3
SHAREHOLDER INFORMATION
Nine Month Report, January–September 2002

SKANSKA

Nine Month Report

January–September 2002

SEK M	Jul–Sep 2002	Jul–Sep 2001	Jan–Sep 2002	Jan–Sep 2001
■ Net sales	35,532	43,001	107,723	122,384
■ Operating income	876	-763	1,926	685
■ Income after financial items	670	-1,208	1,062	-132
■ Net profit per share, SEK ^{1,3}	-	-	3.90	0.60
■ Cash flow business operations, net	1,124	312	-105	1,042
■ Return on capital employed, % ^{1,2}	-	-	9.9	7.7
■ Return on shareholders' equity ¹	-	-	9.9	1.4
■ Order bookings	33,702	37,344	103,260	130,909
■ Order backlog	145,512	183,553	145,512	183,553

¹ Calculated on a 12 month rolling basis.

² Adjusted for items affecting comparability and sales of shares.

³ Comparative figures are adjusted for Skanska's 4:1 split.

July to September

- Operating income in construction-related services rose to SEK 847 M (-451) and the operating margin amounted to 2.4 (neg) percent.
- All business units in construction-related services, with the exception of Sade Skanska, improved their operating income compared to the same period of last year.
- Operating income in U.S. operations rose by 34 percent.
- Due to the negative trend in stock markets during the third quarter, Skanska made pension provisions of SEK -43 M (-137), which were charged to net financial items.
- Cash flow from business operations improved substantially.
- Increased order bookings in Scandinavia and Europe compared to the same period last year, while order bookings in the "Other markets" segment declined significantly, resulting in an overall negative trend for the Group.
- Order bookings in U.S. operations amounted to SEK 14.5 billion (15.2). Order bookings continued to increase, compared to the earlier quarters of the year. On a Group basis, order bookings totaled SEK 33.7 billion (37.3). Compared to the second quarter of 2002, order bookings declined by 14 percent.
- As a result of the overall decline in commercial construction investments in most of our main markets, we expect the Group's net sales volume to decrease.
- During the third quarter, Skanska carried out no major property divestments. After the close of the report period, it signed a conditional agreement on divestment of the Grävlingen project, at a purchase price of SEK 2,326 M and a capital gain of about SEK 1,150 M.

ORDER BOOKINGS

July to September

Order bookings declined by 10 percent to SEK 33,702 M (37,344), compared to the third quarter of last year. "Other markets," mainly Sade Skanska (South America), explain most of the decline in order bookings. Order bookings fell by 13 percent compared to the second quarter of 2002.

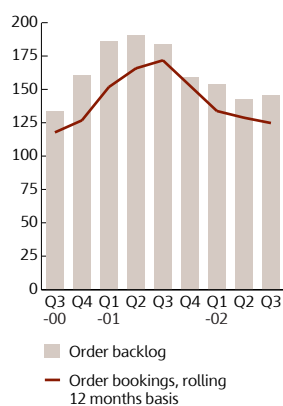
January to September

Order bookings for the first nine months totaled SEK 103,260 M (130,909), a 21 percent decline. Adjusted for currency rate effects, the decline was 19 percent.

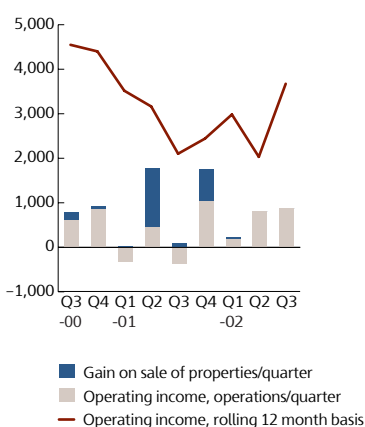
Order backlog

On September 30, 2002, order backlog totaled SEK 145,512 M (183,553), which represented a 21 percent decline. Adjusted for currency rate effects, the decline was 11 percent. Order backlog rose by 1 percent during the third quarter, among other things due to the acquisition of California-based E.L. Yeager Construction (Yeager).

Order bookings and backlog, SEK bn



Operating income, core business, SEK M



NET SALES AND INCOME

Performance analysis

SEK M	Jul-Sep 2002	Jul-Sep 2001	Jan-Sep 2002	Jan-Sep 2001
Construction-related services				
Net sales	35,111	43,006	106,010	121,626
Operating income	847	-451	1,944	-234
Operating margin, %	2.4	neg	1.8	neg
Project Development & BOT				
Net sales	369	346	1,080	1,030
Operating income	223	242	635	1,800
of which gain on sale of properties	1	92	45	1,415
Services (including Telecom)				
Net sales	567	645	1,830	2,173
Operating income	-7	20	-161	113
Operating margin, %	neg	3.1	neg	5.2
Central & Eliminations				
Net sales	-515	-996	-1,197	-2,445
Operating income	-187	-76	-492	-484
Writedown of goodwill, other				
Operating income	-	-498	-	-510
GROUP				
Net sales	35,532	43,001	107,723	122,384
Operating income	876	-763	1,926	685
Operating margin, %	2.5	neg	1.8	0.6
Net interest items	-154	-241	-483	-618
Other financial items, total	-52	-204	-381	-199
Income after financial items	670	-1,208	1,062	-132
Taxes	-346	-492	-526	-950
Minority interests	0	11	-28	-19
Net income for the period	324	-1,689	508	-1,101

July to September

Net sales fell by 17 percent to SEK 35,532 M (43,001). The decrease was largest in those American business units that work in building construction and in "Other markets." Operating income rose to SEK 876 M (-763). Depreciation amounted to SEK -574 M (-745), including goodwill amortization of SEK -145 M (-174). Operating margin amounted to 2.5 percent (neg). Capital gain on sale of properties totaled SEK 1 M (92).

The improvement was attributable to construction-related services, where operating income climbed to SEK 847 M (-451), which was equivalent to an operating margin of 2.4 (neg) percent. During the same period of last year, writedowns, project loss provisions and restructuring expenses of about SEK 1.5 billion were charged to operating income.

The item "central and eliminations," which mainly consisted of corporate overhead, rose to SEK -187 M (-76). The comparative figure for last year was not representative of the annual pace of this cost item.

During the third quarter of 2001, writedown of goodwill amounted to SEK 500 M and was related to Polish operations.

Income after financial items amounted to SEK 670 M (-1,208). Net financial items amounted to SEK -206 M (-445). Net interest items totaled SEK -154 M (-241). During the period, interest payments of about SEK 26 M (0) were capitalized in project development for Skanska's own account.

The item "other financial items, total" amounted to SEK -52 M (-204). Due to a continued negative trend in stock markets, Skanska made provisions of SEK -43 M (-137) to safeguard the commitments specified by the pension plans in force in its Swedish pension funds on September 30, 2002. The provision refers to the estimated full-year effect. The item also included SEK 4 M (0) in gains on the sale of shares and SEK -13 M (-67) in other financial items.

The estimated tax burden totaled SEK -346 M (-492). Net profit was SEK 324 M (-1,689).

January to September

Net sales fell by 12 percent to SEK 107,723 M (122,384). Adjusted for currency rate effects, the decline was 9 percent.

Operating income rose to SEK 1,926 M (685). Depreciation amounted to SEK -1,741 M (-1,954), including goodwill amortization of SEK -446 M (-461). Capital gains on sale of properties were substantially lower than during the same period of last year, amounting to SEK 45 M (1,414). Operating margin amounted to 1.8 (0.6) percent.

More normalized earnings in the Scandinavian and European market areas and a continued improvement in U.S. operations explained the improvement in operating income, even though capital gains on sale of properties were substantially lower than in the year-earlier period. During the report period, writedowns and project loss provisions of about SEK 0.5 billion were charged to operating income, while the corresponding amount last year was SEK 3.1 billion.

The item "central and eliminations" amounted to SEK -492 M (-484).

Income after financial items totaled SEK 1,062 M (-132). Net financial items amounted to SEK -864 M (-817). Net interest items totaled SEK -483 M (-618). During the period, interest payments of about SEK 110 (0) were capitalized in project development for Skanska's own account. Net interest items decreased during the period, even though the Group's average interest-bearing net debt was higher than during the same period of last year. This is an effect of a lower average interest rate on the Group's gross debt.

The item "other financial items, total" amounted to SEK -381 M (-199). Due to the negative trend in stock markets, Skanska made provisions of SEK -377 M (-137) to safeguard the commitments specified by the pension plans in force in its Swedish pension funds on September 30. The provisions refer to the projected full year effect. Capital gains on the sale of shares amounted to SEK 104 M (0). These divestments consisted mainly of shares in the kitchen interior company Nobia and the hotel property company Pandox. After the divestment, Skanska owns 12.5 percent of Nobia. "Other financial items" also included writedowns and currency losses totaling SEK -108 M (-62).

The estimated tax burden totaled SEK -526 M (-950). Net profit amounted to SEK 508 M (1,101). The tax rate amounted to 50 (n.a.) percent. The tax rate was substantially higher than the underlying rate, because Skanska does not believe that the deficits that have occurred in certain countries can be offset against earnings in the next few years.

FINANCIAL RATIOS ON A ROLLING 12 MONTH BASIS

Net profit per share totaled SEK 3.90 (full year 2001: 0.05) Return on capital employed amounted to 10.7 (full year 2001: 8.0) percent.

Adjusted for items affecting comparability and capital gains on the sale of shares, return on capital employed totaled 9.9 (full year 2001: 8.7) percent. Return on shareholders' equity was 10.0 (full year 2001: 0.1) percent.

INVESTMENT AND DIVESTMENTS

Investments	Jul-Sep 2002	Jul-Sep 2001	Jan-Sep 2002	Jan-Sep 2001
SEK M				
Investments				
Acquisitions of subsidiaries	-430	0	-477	-176
Other intangible fixed assets	-8	-200	-70	-823
Tangible fixed assets	-387	-536	-1,123	-1,675
Shares and participations	-323	-146	-494	-420
Properties in real estate operations	-376	-702	-1,202	-2,102
Other current-asset properties	-1,473	-1,220	-3,704	-4,881
Total investments	-2,997	-2,804	-7,070	-10,077
Divestments				
Businesses and shares	-3	3	-3	8
Other intangible fixed assets	0	44	3	105
Tangible fixed assets	173	143	312	247
Shares and participations	69	80	392	138
Properties in real estate operations	25	210	326	3,155
Other current-asset properties	1,530	1,778	4,165	4,965
Total divestments	1,794	2,258	5,195	8,618
Net investments	-1,203	-546	-1,875	-1,459

July to September

Investments totaled SEK -2,997 M (-2,804) and divestments amounted to SEK +1,794 M (+2,258). The net amount of the Group's investments (-) and divestments (+) totaled SEK -1,203 M (-546).

During the report period, SEK 285 M was invested in the Chilean BOT project Autopistas, under the heading "Shares and participations." Skanska also acquired Yeager, with an investment of SEK 430 M (USD 47 M).

Skanska's investment volume in projects developed for its own account, both residential and commercial, rose during the third quarter compared to the same period of 2001. The increased volume of residential properties in Finland and the Czech Republic developed for Skanska's own account explained the increased investments in current-asset properties. The Group's investments in projects developed for its own account totaled SEK -1,796 M (-1,366). During the report period, projects with a value of SEK +1,599 (+1,858) were sold, yielding capital gains of SEK +228 M (+28).

January to September

Investments totaled SEK -7,070 M (-10,077) and divestments amounted to SEK +5,195 M (+8,618). The net amount of the Group's investments (-) and divestments (+) was SEK -1,875 M (-1,459).

The Group's investments in projects developed for its own account totaled SEK -4,198 M (-5,301). During the report period, projects with a value of SEK +4,557 M (+5,103) were sold, yielding capital gains of SEK +476 M (+154). The pre-sales level in Skanska's own residential

developments rose during the report period to 63 percent, compared to 54 percent at the beginning of 2002. Generally speaking, a high pre-sales level is required before residential projects for Skanska's own account are allowed to start.

CASH FLOW

Cash flow	Jul-Sep 2002	Jul-Sep 2001	Jan-Sep 2002	Jan-Sep 2001
SEK M				
From business operations	1,317	642	338	1,541
Taxes	-193	-330	-443	-499
From business operations, net	1,124	312	-105	1,042
Net investments	-1,203	-546	-1,875	-1,459
of which, not affecting cash flow	-47	68	1,147	-2,502
Changes in financial receivables	-85	-125	-29	-75
Taxes	-211	-250	-1,701	-1,666
From investment operations, net	-1,546	-853	-2,458	-5,702
Dividend	0	0	-1,256	-1,413
Buy-backs of Skanska's own shares	0	0	0	-749
Change in financial liabilities	425	250	1,397	5,746
Net change in minority share	-13	-5	-12	-130
From financing operations, net	412	245	129	3,454
Cash flow for the period	-10	-296	-2,434	-1,206

July to September

Cash flow from business operations continued to improve, against the backdrop of more normalized earnings, and totaled SEK 1,124 M (312). Cash flow from investment operations amounted to SEK -1,546 M (-853). Cash flow for the period totaled SEK -10 M (-296).

January to September

Cash flow from business operations totaled SEK -105 M (1,042). Cash flow from business operations was influenced by an exceptional negative effect on working capital during the first quarter, which totaled about SEK 700 M (see the Skanska Six Month Report for January to June 2002 for an explanation).

Cash flow from investment operations amounted to SEK -2,458 M (-5,702). Cash flow from investment operations, both during the report period and the comparative period of 2001, included large tax payments related to divestments of shares and businesses carried out earlier.

Cash flow for the report period totaled SEK -2,434 M (-1,206).

FINANCIAL POSITION

Total assets in the balance sheet declined to SEK 85 billion from SEK 93 billion at year-end 2001. Currency rate effects explained about SEK 4.9 billion of this decline. Yeager, which was consolidated from September 1, had total assets of about SEK 800 M, including SEK 137 M in goodwill.

Exchange rates for the most important currencies, SEK

	Average exchange rates		Exchange rates on the balance sheet date		
	Jan-Sep 2002	Jan-Sep 2001	Sep 30, 2002	Sep 30, 2001	Dec 31, 2001
U.S. dollar	9.94	10.25	9.29	10.65	10.58
British pound	14.67	14.74	14.53	15.65	15.33
Euro	9.18	9.18	9.15	9.76	9.33

Liquid assets and interest-bearing receivables fell by SEK 3,113 M to SEK 8,168 M (11,281). Interest-bearing liabilities and provisions rose by SEK 1,524 M to SEK 19,617 M (18,093). Altogether, net interest-bearing liabilities rose by SEK 4,637 M to SEK 11,449 M (6,812).

During the third quarter, net interest-bearing liabilities rose by SEK 494 M. The acquisition of Yeager increased net liabilities by SEK 671 M, of which SEK 239 M was acquired liabilities.

At the end of the report period, shareholders' equity in American operations was hedged. Changes in the SEK/USD exchange rate during the life of the currency hedge will thus not have any effect on shareholders' equity in the consolidated accounts.

The visible equity/assets ratio amounted to 19.0 (19.8) percent and the debt/equity ratio stood at 0.7 (0.4).

Shareholders' equity amounted to SEK 15,811 M (17,871). Currency rate effects reduced shareholders' equity by SEK 1.3 billion in net translation differences during the period January to September, with only a small portion of this reduction occurring during the third quarter.

ACCOUNTING PRINCIPLES AND CHANGES IN ACCOUNTING PRACTICES

This Interim Report was prepared in compliance with Recommendation RR20 on interim reporting of the Swedish Financial Accounting Standards Council. The reclassification of properties and capitalization of interest expenses in project development for Skanska's own account described in Skanska's press release of April 18, 2002 and in the Interim Report for the first quarter of 2002 occurred after the Annual Report for 2001 was published. Otherwise the same accounting principles and calculation methods are used as in the latest Annual Report.

Effect of change in accounting principles

	Operating income		Income after financial items	
	Jul-Sep 2002	Jan-Sep 2002	Jul-Sep 2002	Jan-Sep 2002
Reclassification of properties				
in real estate operations	53	157	53	157
Capitalization of interest expenses	-4	-27	21	83
Total	49	130	74	240

TERMS OF EMPLOYMENT FOR SKANSKA'S NEW PRESIDENT AND CEO

In compliance with the new recommendations from the Swedish Industry and Commerce Stock Exchange Committee regarding changes in benefits for senior executives, Skanska is specifying the terms of employment for its new President and Chief Executive Officer.

Stuart Graham has a fixed annual salary equivalent to USD 800,000 and the right to housing supplied by Skanska. Mr. Graham is also entitled to an annual bonus based on the Group's fulfillment of its financial targets, equivalent to a maximum of 50 percent of his annual salary. Mr. Graham can receive a pension from age 61 at the earliest. A full pension equivalent to about 50 percent of fixed salary will be received from age 65. There is a mutual termination period of six months, with retention of salary and other benefits. In case of termination by the Company, after the termination period Mr. Graham will receive 30 months of severance pay equivalent to his fixed salary, with a certain obligation to subtract income derived from other employment during the period in

question. Mr. Graham was previously allotted 200,000 employee stock options according to the Company's special program and has also participated in the Company's rolling one-year bonus program. No commitments concerning additional allocations under these programs have been made in conjunction with his employment as President and CEO.

SKANSKA SHARE DATA

The market price of a Skanska share was SEK 44.10 on October 28. This represented a 36 percent decrease since year-end 2001. The Stockholm All Share Index fell by 36 percent during the same period. Since year-end 2001, the highest quotation for a Skanska share has been SEK 83.50 and the lowest SEK 42.40.

PERSONNEL

The number of employees in the Group was 75,338 (full year 2001: 79,924), measured as the average number of employees during the report period. The decrease was an effect of lower business volume and of the restructuring measures initiated in 2001.

MARKET OUTLOOK

The total volume of construction investments is expected to shrink during the next year in Skanska's main markets.

Pent-up demand, low residential mortgage interest rates and increased housing subsidies are resulting in continued strong residential construction in the Nordic markets and in the Czech Republic. In Sweden, demand for housing in the more expensive segment has declined, while demand is good in other segments.

Commercial construction – office and industrial premises – is declining overall. In the U.S. market, construction in the healthcare and educational segment (institutional construction) is stable. American investments in increased security in public premises and at airports are expected to grow during the coming years.

Infrastructure investments are expected to increase in the coming year. The investment volume in the American market is expected to be stable. The growth rate in the Nordic markets is low today but is expected to accelerate during 2003. The greatest potential in a somewhat longer perspective is found in the Czech Republic and Poland, especially in light of the European Union enlargement.

The markets where Skanska is active in commercial project development are expected to show a weak performance, with the consequence that fewer new projects will start up during 2003.

COMMENTS BY MARKET AND SEGMENT

The organization is divided into 16 business units, after Skanska merged two U.S. business units, USA Building and Beers, into Skanska USA Building, during the third quarter. Results are reported in three main segments: Construction-related Services, Project Development & BOT and Services. The financial ratio "return on capital employed" (ROCE) is calculated on a rolling twelve month basis.

Construction-related services

Scandinavia

Consists of construction-related services in Sweden, Norway and Denmark

Scandinavia

SEK M	Jul-Sep 2002	Jul-Sep 2001	Jan-Sep 2002	Jan-Sep 2001	Oct 2001– Sep 2002	Jan-Dec 2001
Net sales	9,450	11,669	28,371	33,334	38,304	43,267
EBITA ¹	209	-321	434	-389	610	-213
EBITA margin, %	2.2	neg	1.5	neg	1.6	neg
EBIT ²	161	-370	294	-515	396	-413
EBIT margin, %	1.7	neg	1.0	neg	1.0	neg
ROCE, % ³	5.5	neg	5.5	neg	5.5	neg
Capital employed, last day of period	9,731	8,297	9,731	8,297	9,731	9,060
Order bookings	9,439	9,371	28,826	32,531	37,448	41,153
Order backlog, last day of period	24,329	25,714	24,329	25,714	24,329	23,985

¹ Excluding goodwill amortization and writedowns.

² Operating income.

³ Return on capital employed, rolling 12 month basis.

Altogether, construction investments in the Norwegian market remained at a high level, while investment volume in Sweden and Denmark fell.

July to September

Order bookings rose by 1 percent and totaled SEK 9,439 M (9,371). The increase was mainly attributable to Swedish operations.

Net sales declined by 19 percent to SEK 9,450 M (11,669). Operating income improved to SEK 161 M (-370). Operating margin amounted to 1.7 (neg) percent. Last year, project loss provisions and restructuring expenses of about SEK 600 M were charged to third quarter earnings.

January to September

Order bookings decreased by 11 percent and amounted to SEK 28,826 M (32,531). Order backlog declined by 5 percent to SEK 24,329 M (25,714). Adjusted for currency rate effects, the decline was 13 percent in order bookings and 5 percent in order backlog, respectively.

Net sales declined by 15 percent to SEK 28,371 M (33,334). Operating income improved to SEK 294 M (-515). Operating margin amounted to 1.0 (neg) percent. During the report period, project loss provisions (first quarter) of about SEK 200 M were charged to operating income, while the corresponding amount last year was SEK 1,100 M.

Europe

Consists of construction-related operations in Finland (including operations in Russia, Hungary and the Baltic countries of Estonia, Latvia and Lithuania), Poland, the Czech Republic and Great Britain

Europe

SEK M	Jul-Sep 2002	Jul-Sep 2001	Jan-Sep 2002	Jan-Sep 2001	Oct 2001-Sep 2002	Jan-Dec 2001
Net sales	10,303	11,624	28,323	29,163	39,040	39,880
EBITA	302	-346	590	-470	819	-241
EBITA margin, %	2.9	neg	2.1	neg	2.1	neg
EBIT	240	-435	380	-701	477	-604
EBIT margin, %	2.3	neg	1.3	neg	1.2	neg
ROCE, %	7.0	neg	7.0	neg	7.0	neg
Capital employed, last day of period	10,173	10,268	10,173	10,268	10,173	9,205
Order bookings	8,839	8,653	25,978	31,456	36,608	42,086
Order backlog, last day of period	32,789	37,890	32,789	37,890	32,789	36,131

Of the segments where Skanska is active in the Europe market area, investments in infrastructure and housing were growing, while commercial construction was declining. The Polish market situation remained weak.

July to September

Order bookings rose by 2 percent and amounted to SEK 8,839 M (8,653). Czech and Finnish operations were the reason for the increase.

Net sales declined by 11 percent to SEK 10,303 M (11,624). Operating income improved to SEK 240 M (-435). Operating margin amounted to 2.3 (neg) percent. Operating income improved in all business units. Polish operations still operated at a loss, among other things due to non-core businesses that will be divested. During the third quarter of last year, project loss provisions, writedowns and restructuring expenses of about SEK 900 M were charged to earnings. In addition, the goodwill value of Polish operations was written down by SEK 500 M.

January to September

Order bookings declined by 17 percent and amounted to SEK 25,978 M (31,456). Order backlog declined by 13 percent to SEK 32,789 M (37,890). Adjusted for currency rate effects, the decline was 19 percent for order bookings and 9 percent for order backlog, respectively.

Net sales declined by 3 percent to SEK 28,323 M (29,163). Operating income improved to SEK 380 M (-701). Operating margin amounted to 1.3 (neg) percent. Writedowns of SEK 51 M (second quarter) on current-asset properties were charged to earnings during the report period. During the year-earlier period, the amount of project loss provisions, writedowns and restructuring expenses totaled about SEK 1,300 M (of which first quarter SEK 200 M, second quarter SEK 200 M and third quarter SEK 900 M). In addition, the goodwill value of Polish operations was written down by SEK 500 M.

USA

Consists of construction-related operations in the United States

USA

SEK M	Jul-Sep 2002	Jul-Sep 2001	Jan-Sep 2002	Jan-Sep 2001	Oct 2001-Sep 2002	Jan-Dec 2001
Net sales	13,461	17,006	42,790	51,389	60,343	68,942
EBITA	394	297	1,209	918	1,538	1,247
EBITA margin, %	2.9	1.7	2.8	1.8	2.5	1.8
EBIT	373	275	1,155	863	1,465	1,173
EBIT margin, %	2.8	1.6	2.7	1.7	2.4	1.7
ROCE, %	31.8	34.6	31.8	34.6	31.8	34.2
Capital employed, last day of period	5,045	4,626	5,045	4,626	5,045	4,473
Order bookings	14,502	15,157	41,357	53,866	41,352	53,861
Order backlog, last day of period	75,635	102,270	75,635	102,270	75,635	83,595

Infrastructure construction grew in the geographic markets where Skanska works, while commercial construction continued to decline, with the exception of institutional construction. Through its acquisition of Yeager, Skanska is becoming one of few US infrastructure builders with nationwide coverage.

July to September

Order bookings declined by 4 percent and amounted to SEK 14,502 M (15,157). However, Skanska USA is continuing to increase its order bookings compared to the earlier quarters of the year. Skanska USA Civil (infrastructure construction) increased its order bookings by 4 percent, while Skanska USA Building (building construction) showed a decline of 7 percent, compared to the third quarter of last year.

Net sales decreased by 21 percent to SEK 13,461 M (17,007). Operating income rose by 36 percent to SEK 373 M (275). Operating margin amounted to 2.8 (1.6) percent.

January to September

Order bookings fell by 23 percent and amounted to SEK 41,357 M (53,866). Order backlog shrank by 26 percent to SEK 75,635 M (102,270). Adjusted for currency rate effects, the decline was 21 percent for order bookings and 15 percent for order backlog, respectively.

Infrastructure construction continued to increase as a proportion of total order backlog, amounting to 33 percent by the close of the report period. At the beginning of 2002, infrastructure represented 25 percent of backlog. Yeager was consolidated in the Skanska Group accounts effective from September 1, with an order backlog amounting to SEK 3.8 billion.

Net sales declined by 17 percent to SEK 42,790 M (51,389). Operating income rose by 34 percent to SEK 1,155 M (863). Operating margin amounted to 2.7 (1.7) percent. The improvement in margin was not only due to the increasing proportion of infrastructure contracts in the contract mix, but also to a number of very successful projects that were completed during the third quarter. Last year, discontinuation expenses of SEK 150 M were charged to operating income (second quarter).

Other markets

Consists of construction-related operations in South America, Hong Kong and India, as well as project exports in various countries

Other markets

SEK M	Jul-Sep 2002	Jul-Sep 2001	Jan-Sep 2002	Jan-Sep 2001	Oct 2001-Sep 2002	Jan-Dec 2001
Net sales	1,897	2,707	6,526	7,740	10,120	11,334
EBITA	80	89	140	146	244	250
EBITA margin, %	4.2	3.3	2.1	1.9	2.4	2.2
EBIT	73	79	115	119	210	214
EBIT margin, %	3.8	2.9	1.8	1.5	2.1	1.9
ROCE, %	8.6	6.3	8.6	6.3	8.6	8.8
Capital employed, last day of period	2,275	3,384	2,275	3,384	2,275	2,785
Order bookings	379	3,339	4,065	10,600	5,455	11,990
Order backlog, last day of period	9,713	17,358	9,713	17,358	9,713	14,639

Sade Skanska continued to obtain contracts in the South American oil and gas sector, and the company's operations outside Argentina now account for about 90 percent of its total volume. The market in Hong Kong was weak, while in India the construction market was stable.

July to September

Order bookings plummeted by 89 percent and amounted to SEK 379 M (3,339). Comparisons to last year are made difficult by negative translation effects at Sade Skanska due to the sharp depreciation of the Argentine peso and by the fact that Indian operations obtained a number of large road projects during the comparative period.

Net sales declined by 30 percent to SEK 1,897 M (2,707). Operating income fell by 8 percent to SEK 73 M (79). Operating margin amounted to 3.8 (2.9) percent.

January to September

Order bookings decreased by 62 percent to SEK 4,065 M (10,600). Order backlog fell by 44 percent to SEK 9,713 M (17,358). Adjusted for currency rate effects, the decline was 36 percent for order bookings and 15 percent for order backlog, respectively.

Net sales fell by 16 percent to SEK 6,526 M (7,740). Operating income declined by 3 percent to SEK 115 M (119). Operating margin amounted to 1.8 (1.5) percent. Restructuring expenses of SEK 37 M (80) related to international project operations during the first and second quarters were charged to operating income in the report period. Sade Skanska's profit is positive and the decline compared to last year is due to the sharp devaluation of the Argentinean peso and inflationary adjustments, not to operating problems.

Project Development & BOT

Consists of commercial project development for Skanska's own account and BOT (Build-Operate-Transfer, privately financed infrastructure projects)

Project Development & BOT

SEK M	Jul-Sep 2002	Jul-Sep 2001	Jan-Sep 2002	Jan-Sep 2001	Oct 2001-Sep 2002	Jan-Dec 2001
Net sales	369	346	1,080	1,030	1,437	1,387
EBITA	223	242	635	1,800	2,018	3,183
EBIT						
Property management	200	174	591	500	666	575
Other real estate business	22	-25	-1	-115	147	33
Gain on sale of properties	1	93	45	1,415	770	2,140
Items affecting comparability						
Reversal of writedown	0	0	0	0	435	435
EBIT	223	242	635	1,800	2,018	3,183
ROCE, %	15.1	15.8	15.1	15.8	15.1	25.9
Capital employed, last day of period	13,287	14,113	13,287	14,113	13,287	14,064
Completed properties (earlier Investment properties)						
Rental revenues	281	235	848	810	1,156	1,118
Operating net	200	161	591	555	810	774
Book value, last day of the period	7,419	4,856	7,419	4,856	7,419	4,581
Occupancy rate, rent, %	86	94	86	94	86	93

Skanska's holdings of completed properties and ongoing projects are well-situated, have a high occupancy level and a good tenant structure, with long-term leases. Because the interest in this type of properties remained good, the potential for maintaining a high turnover rate in project development operations is expected to be good.

Skanska Project Development has a total of 19 projects underway, 14 of them in Sweden. During the third quarter, no new projects were initiated. Ongoing projects represent leasable space of 248,000 sq. m (2.67 million sq. ft.). On September 30, 2002, 86 percent of the space in these projects had been pre-leased. The pre-leasing rate was 86 percent in the projects located in Sweden. Ongoing projects had a book value of SEK 3,091 M at the end of the report period. Their book value is expected to total about SEK 4.0 billion upon completion. Their estimated market value upon completion amounts to SEK 6.0 billion.

Skanska BOT has a portfolio of 7 projects, of which 2 are in operation. At the close of the report period, outstanding commitments and the total book value of shares, participations and subordinated receivables amounted to about SEK 1.9 billion.

Operating income for the period July to September amounted to SEK 223 M (242). Operating income for January to September amounted to SEK 635 M (1,800), with the gain on sale of properties amounting to SEK 45 M (1,415). Skanska is carrying out no depreciation of its property portfolio effective from January 1, 2002, because the property portfolio has been reclassified as current-asset properties. In January-September 2001, depreciation on properties totaled SEK 145 M, including SEK 50 M during the third quarter.

Services

Consists of Skanska's facilities management operations (workplace, IT and property-related services) and Skanska Telecom Networks

Services

SEK M	Jul-Sep 2002	Jul-Sep 2001	Jan-Sep 2002	Jan-Sep 2001	Oct 2001- Sep 2002	Jan-Dec 2001
Net sales	567	645	1,830	2,173	2,718	3,061
EBITA	-2	27	-51	135	-45	141
EBITA margin, %	neg	4.2	neg	6.2	neg	4.6
EBIT	-7	20	-161	113	-162	112
EBIT margin, %	neg	3.1	neg	5.2	neg	3.7
ROCE, %	neg	34.9	neg	34.9	neg	23.0
Capital employed, last day of period	205	636	205	636	205	453
Order bookings	400	661	2,581	1,974	3,422	2,815
Order backlog, last day of period	2,948	231	2,948	231	2,948	213

The main business of Skanska Services, facilities management, was stable. The average fixed contract period was three years. The operations of Skanska Telecom Networks were cut back during the autumn of 2001, and the remaining portions were merged with Skanska Services on January 1, 2002. During 2002, conditions continued to deteriorate in the telecom industry. For this reason, a decision was made to discontinue the entire telecom operations in August. A total of SEK 240 M (43) for telecom operations was charged to operating income during the period January to September. During the third quarter of 2002, further discontinuation expenses of SEK -36 M were added.

SKANSKA SERVICES EXCLUDING SKANSKA TELECOM NETWORKS July to September

Order bookings declined by 36 percent to SEK 409 M (638). Net sales amounted to SEK 577 M (601). Operating income totaled SEK 29 M (20) and operating margin was 4.9 (3.3) percent.

January to September

Order bookings rose by 32 percent to SEK 2,565 M (1,950). Order backlog amounted to SEK 2,948 M (223). Net sales were SEK 1,814 M (1,864). Operating income amounted to SEK 78 M (71) and operating margin was 4.3 (3.8) percent. Return on capital employed, on a rolling twelve month basis, amounted to 32.2 (26.1) percent.

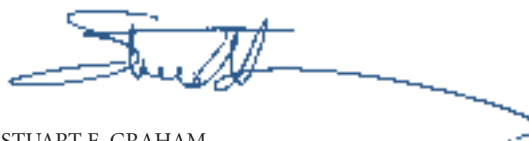
EVENTS AFTER THE CLOSE OF THE REPORT PERIOD

Skanska signs a conditional agreement on divestment of the ongoing Grävlingen project for SEK 2.3 billion

Skanska has signed a conditional agreement on the divestment of the Grävlingen city block, an ongoing commercial and residential project in downtown Stockholm. The purchase price amounts to SEK 2,326 M and the capital gain about SEK 1,150 M. The purchaser is the German real estate fund DEKA.

The divestment will depend on the fulfillment of certain conditions, and Skanska expects to report the capital gain either in the fourth quarter of 2002 or during the first half of 2003. The closing is expected to occur in June 2003, after all ongoing construction has been completed. For further information, see the separate press release.

Stockholm, October 30, 2002
SKANSKA AB (publ)



STUART E. GRAHAM
President and CEO

This Interim Report has not been subjected to separate examination by the Company's auditors.

The Skanska Group's Year-end Report for 2002 will be published on February 13, 2003.

Consolidated Financial Statements

INCOME STATEMENT

SEK M	Jul-Sep 2002	Jul-Sep 2001	Jan-Sep 2002	Jan-Sep 2001	Oct 2001 – Sep 2002	Jan-Dec 2001
Net sales	35,532	43,001	107,723	122,384	150,276	164,937
Operating expenses ^{1,2}	-32,482	-41,005	-99,047	-115,891	-138,697	-155,541
Selling and administrative expenses ^{1,2}	-2,165	-2,352	-6,829	-6,715	-9,177	-9,063
Operations, gross ³	885	-356	1,847	-222	2,402	333
Gain on sale of properties	1	92	45	1,414	786	2,155
Share of income in associated companies	-10	5	34	9	60	35
Items affecting comparability	0	-504	0	-516	286	-230
Operating income	876	-763	1,926	685	3,534	2,293
Net interest items	-154	-241	-483	-618	-789	-924
Gain on sale of shares and participations ⁴	4	0	104	0	104	0
Other financial items ⁵	-56	-204	-485	-199	-539	-253
Net financial items	-206	-445	-864	-817	-1,224	-1,177
Income after financial items	670	-1,208	1,062	-132	2,310	1,116
Taxes	-346	-492	-526	-950	-670	-1,094
Minority interests	0	11	-28	-19	-9	0
Net profit for the period	324	-1,689	508	-1,101	1,631	22

CASH FLOW

SEK M	Jul-Sep 2002	Jul-Sep 2001	Jan-Sep 2002	Jan-Sep 2001	Oct 2001 – Sep 2002	Jan-Dec 2001
Cash flow from business operations	1,124	312	-105	1,042	2,367	3,514
Cash flow from investment operations	-1,546	-853	-2,458	-5,702	1,036	-2,208
Cash flow from financing operations	412	245	129	3,454	-2,695	630
Cash flow from the period	-10	-296	-2,434	-1,206	708	1,936

BALANCE SHEET

SEK M	Sep 30, 2002	Dec 31, 2001	SEK M	Sep 30, 2002	Dec 31, 2001
Assets			Shareholders' equity and liabilities		
Intangible fixed assets	7,858	8,482	Shareholders' equity ¹⁰	15,811	17,871
Other fixed assets	8,503	8,754	Minority interests	387	515
Shares and participations	1,451	1,427	Interest-bearing liabilities and provisions ⁶	19,617	18,093
Interest-bearing receivables	1,912	1,946	Non-interest bearing liabilities and provisions ⁶	49,261	56,605
Non-interest bearing receivables	39,667	44,350			
Properties in real estate operations	12,469	11,991			
Current-asset properties	6,960	6,799			
Bank balances and short-term investments	6,256	9,335			
Total assets	85,076	93,084	Total shareholders equity and liabilities	85,076	93,084

Contingent liabilities

The Group's contingent liabilities decreased by SEK 1.4 bn to SEK 15.2 bn during the period (16.6 as per December 31, 2001),

FINANCIAL RATIOS ETC. ⁷

	Sep 30, 2002	Sep 30, 2001	Dec 31, 2001
Interest-bearing net debt, SEK M	11,449	10,734	6,812
Net profit per share, SEK ^{8,9}	3.90	0.60	0.05
Equity/asset ratio, %	19.0	18.5	19.8
Debt/equity ratio	0.7	0.6	0.4
Return on shareholders' equity, % ⁸	9.9	1.4	0.1
Return on capital employed, % ⁸	10.7	10.0	8.0
Same adjusted for items affecting comparability and sales of shares, % ⁸	9.9	7.7	8.7
Equity per share, SEK ⁹	37.80	41.00	42.70
Average number of employees	75,338	85,761	79,924

¹ Of which, depreciation Jul-Sep 2002: SEK -574 M, Jul-Sep 2001: SEK -745 M, Jan-Sep 2002: SEK -1,741 M, Jan-Sep 2001: SEK -1,954 M, Jan-Dec 2001: SEK -2,613 M.

² Of which writedown goodwill in Telecom Jan-Sep 2002: SEK -95 M and write-down current-asset properties Jul-Sep 2002: SEK -33 M, Jul-Sep 2001: SEK -322 M, Jan-Sep 2002: SEK -33 M, Jan-Sep 2001: SEK -352 M, Jan-Dec 2001: SEK -549 M.

³ Of which income from project development in construction operations after writedowns Jul-Sep 2002: SEK 227 M, Jul-Sep 2001: SEK -61 M, Jan-Sep 2002: SEK 475 M, Jan-Sep 2001: SEK 62 M, Jan-Dec 2001: SEK 114 M.

¹⁰ Shareholders' equity

Closing balance, Dec 31, 2001	17,871
Dividend	-1,256
Translation differences etc.	-1,312
Net profit for the period	508
Closing balance, Sep 30, 2002	15,811

⁴ Of which sale of shares Jan-Sep 2002 in Pandox: SEK 47 M and in Nobia SEK 36 M.

⁵ Of which changes of value in pension fund assets Jul-Sep 2002: SEK -43 M, Jul-Sep 2001: SEK -137 M, Jan-Sep 2002: SEK -377 M, Jan-Sep 2001: SEK -137 M, Jan-Dec 2001: SEK -170 M.

⁶ Provisions on Sep 30, 2002 totaled SEK 5.6 bn, of which SEK 0.6 bn was reported as interest-bearing.

⁷ The definitions of the financial ratios can be found in the Annual Report for 2001

⁸ The calculation is based on the past four quarters

⁹ Total number of shares: Sep 30; 418,553,072 (418,553,072). Average number of shares Oct 2001-Sep 2002; 418,553,072 (423,757,734), Jan-Dec 2001; 419,981,149.

Markets and segments in brief

NET SALES AND OPERATING INCOME

SEK M	Net sales						Operating income					
	Jul-Sep 2002	Jul-Sep 2001	Jan-Sep 2002	Jan-Sep 2001	Oct 2001-Sep 2002	Jan-Dec 2001	Jul-Sep 2002	Jul-Sep 2001	Jan-Sep 2002	Jan-Sep 2001	Oct 2001-Sep 2002	Jan-Dec 2001
Core business												
Scandinavia	9,450	11,669	28,371	33,334	38,304	43,267	161	-370	294	-515	396	-413
Europe	10,303	11,624	28,323	29,163	39,040	39,880	240	-435	380	-701	477	-604
USA	13,461	17,006	42,790	51,389	60,343	68,942	373	275	1,155	863	1,465	1,173
Other markets	1,897	2,707	6,526	7,740	10,120	11,334	73	79	115	119	210	214
Total construction-related services	35,111	43,006	106,010	121,626	147,807	163,423	847	-451	1,944	-234	2,548	370
Project Development & BOT	369	346	1,080	1,030	1,437	1,387	223	242	635	1,800	1,583	2,748
Services	567	645	1,830	2,173	2,718	3,061	-7	20	-161	113	-162	112
Corporate and eliminations	-515	-996	-1,197	-2,445	-1,686	-2,934	-187	-76	-492	-484	-715	-707
	32,532	43,001	107,723	122,384	150,276	164,937	876	-265	1,926	1,195	3,254	2,523
Items affecting comparability												
Writedown of goodwill	-	-	-	-	-	-	-	-500	-	-500	-	-500
Reversal of writedown	-	-	-	-	-	-	-	-	-	-	435	435
Total core business	35,532	43,001	107,723	122,384	150,276	164,937	876	-765	1,926	695	3,689	2,458
Non-core business	-	-	-	-	-	-	-	2	-	-10	-155	-165
Total Group	35,532	43,001	107,723	122,384	150,276	164,937	876	-763	1,926	685	3,534	2,293

ORDER BOOKINGS AND ORDER BACKLOG

SEK M	Order bookings						Order backlog, last day of period					
	Jul-Sep 2002	Jul-Sep 2001	Jan-Sep 2002	Jan-Sep 2001	Oct 2001-Sep 2002	Jan-Dec 2001	Jul-Sep 2002	Jul-Sep 2001	Jan-Sep 2002	Jan-Sep 2001	Oct 2001-Sep 2002	Jan-Dec 2001
Scandinavia	9,439	9,371	28,826	32,531	37,448	41,153	24,329	25,714	24,329	25,714	24,329	23,985
Europe	8,839	8,653	25,978	31,456	36,608	42,086	32,789	37,890	32,789	37,890	32,789	36,131
USA	14,502	15,157	41,357	53,866	41,352	53,861	75,635	102,270	75,635	102,270	75,635	83,595
Other markets	379	3,339	4,065	10,600	5,455	11,990	9,713	17,358	9,713	17,358	9,713	14,639
Total construction-related services	33,159	36,520	100,226	128,453	120,863	149,090	142,466	183,232	142,466	183,232	142,466	158,350
Services	400	661	2,581	1,974	3,422	2,815	2,948	231	2,948	231	2,948	213
Corporate and eliminations	143	163	453	482	573	602	98	90	98	90	98	80
Total Group	33,702	37,344	103,260	130,909	124,858	152,507	145,512	183,553	145,512	183,553	145,512	158,643

SKANSKA