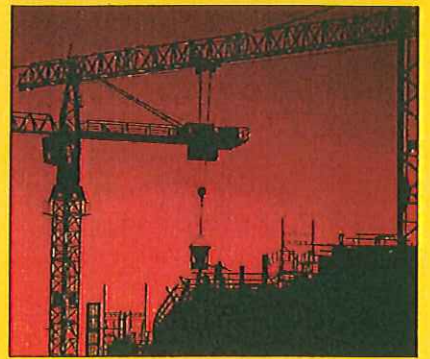


Skanska AB

Annual Report 1991



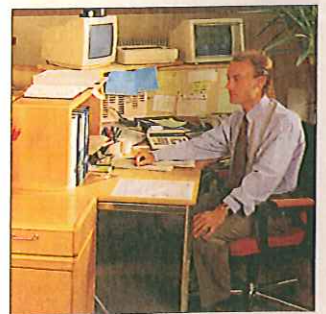
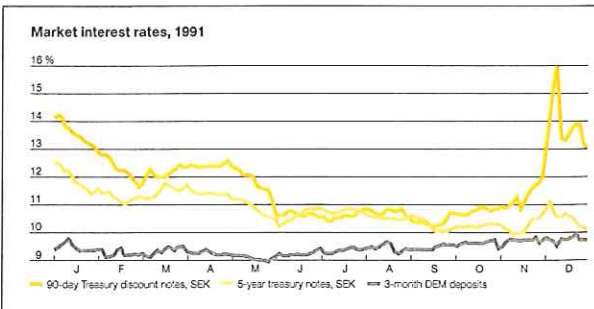
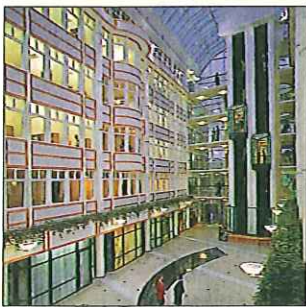
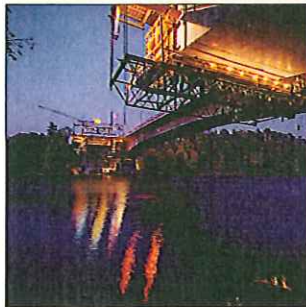
Swedish Construction adapted to a dwindling market. Few of the expected infrastructural projects began, but the Norra Länken bypass around central Stockholm was completed in 1991. At Stockholm-Arlanda Airport, construction continued on SkyCity – one of Skanska's largest projects.

The new Stocksund Bridge near Stockholm and the Nydala Heights residential area in Umeå, northern Sweden, are examples of the growing cooperation between the Technical and Industrial Companies business area and the Group's construction companies.

International Construction remains a key business area, and Group revenues outside Sweden climbed during 1991. The Fortuna Dam extension project in Panama resumed after being suspended due to earlier political instability. Skanska's U.S. subsidiaries won several highly publicized contracts.

The Swedish real estate market deteriorated in 1991. For Skanska, however, rents and property-related earnings rose. The Scandinavian Center in Malmö was completed. The Group continued to expand its international property holdings, including a newly completed hotel in Bremen, Germany.

The Finance business area successfully continued to offer Skanska companies an expanded range of financial, foreign exchange and insurance services. The Group's long-term stock portfolio once again outperformed the *Affärsvärlden* General Index.



Group financial highlights

	1991	1990
Revenues, SEK M	33,550	37,216
of which, construction abroad	4,458	4,231
Income after financial items, SEK M	1,001	2,355
Income before taxes, SEK M	967	2,238
Dividend per share, SEK	3.25	3.13
Net profit per share, SEK	5.50	9.90
Net profit per share after full conversion, SEK	5.35	9.65

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Group Chief Executive's review

As 1991 began, many observers – including some who were knowledgeable about Swedish construction and real estate – declared that they expected a new record-breaking year in these sectors. The prerequisites for continued growth were considered good. Contracting companies were starting out the year with a good order backlog, and construction work was benefiting from yet another mild winter.

Instead, 1991 turned out to be the year when Sweden's lengthy economic expansion ended, to be followed not only by a recession but also by a structural crisis which adversely affected construction and real estate, among other industries.

After several good years of unprecedented expansion in construction and real estate, 1991 was a difficult year. It will be followed by more of the same.

Skanska, too, was hurt by the consequences of the speculative frenzy. For the first time in years, we did not achieve the targets we had established. We were also forced to acknowledge that we had invested in some less than successful projects, for example in England and Norway, on which sizable writedowns of book values were deemed necessary in the 1991 accounts.

Like other construction companies, Skanska suffered a number of losses on unpaid accounts receivable.

Also pulling down earnings were expenses attributable to a degree of overcapacity during the second half of the year and expenses related to reductions in the work force.

Taken together, this meant that earnings were poorer than we had expected, despite the many fine contributions of our employees in most of the Group's companies and projects. Several units in the Swedish Construction business area even reported record-high earnings.

After a long period of high consumption, high taxes and expensive, heavily used social insurance systems, 1991 witnessed a reorientation of Swedish domestic and foreign policies.

Greater reliance on the market economy and the new policy of re-examining large portions of the public sector will obviously bring dramatic changes in various industries – especially construction and real estate – which will contribute to higher unemployment in the short term. However, this is probably the price we must pay on our way back to normal economic conditions.

During 1991, Europe strengthened its position as one of the three leading blocs in the world economy. We can foresee strong growth for the European Community bloc in the late 1990s, and the shift in Sweden's attitude toward future membership in the EC is therefore gratifying. Swedish EC membership will give major construction companies a broader market as well as opportunities to purchase materials on more favorable terms.

In Sweden the construction industry will have to live with the current market situation for another 3–4 years. We can begin to understand what this may mean by studying developments in such countries as Norway, Great Britain and the United States. Over the next few years, we in Sweden will face the kind of problems that have affected the construction industry in these countries – and they are not the usual recession-related problems.

The investment surge of recent years has slowed – a trend that will be accentuated by Sweden's shift in political direction. In the housing field, we have reason to fear a 2/3 reduction in new construction over the next few years, which will further exacerbate the crisis in the construction industry.

An increase of SEK 8–10 billion in annual expenditures for transportation infrastructure, which would mean a doubling of these investments, would only offset a small fraction of the shortfall in housing and commercial real estate construction. Yet these infrastructural projects, which are macro-economically well-justified and were neglected during the 1980s, are much-needed as reference projects for the international operations of Sweden's civil engineering industry.

The real estate market, too, faces another 4–5 difficult years. In the early stages of the economic downturn, many real estate companies already find themselves in a liquidity crisis, which is not being eased by high interest rates and the continued levying of a real estate tax on commercial properties that was originally imposed to cool an overheated market. A gradual increase in the supply of office space and the resulting decline in rents will lead to growing problems in the future.

A rapid stabilization of the real estate industry is especially crucial to the banking system. Moreover, the large soft loans and the renegotiated interest rates that banks have granted to a number of crisis-ridden real estate companies distort the competitive structure of the construction and real estate sector and delay necessary restructuring measures.

Despite these gloomy future prospects, the new situation in Skanska's main markets will not only mean difficulties, but also opportunities. We have launched an extensive cost-cutting and efficiency-raising program and are now vigorously implementing it throughout the Group. In this way, we will maintain our competitiveness.

Through Operation 3 T – Total Time Thinking – Skanska has become the first construction company in Sweden to initiate a far-reaching process of change. This will increase our operational efficiency, while at the same time giving our clients greater value for money.

In recent years, Skanska has continued to invest in real estate. For the past few years, however, we have been highly restrictive in evaluating potential new investments. We will continue to use this approach over the next few years as well.

Today our large future-oriented projects are in Germany, Luxembourg and Denmark – markets that are considered stable.

Our international ambitions remain firm. We have also been successful in the international construction sector, especially in the United States. Our investments in these operations will become even more essential, given the current weak market outlook in Sweden.

We hope to increase our project exports in the civil engineering field. This is important because of the new situation in Europe. It is therefore crucial for the government – through the Export Credits Guarantee Board, the Swedish International Development Authority and the Agency for International Technical and Economic Cooperation – to take into account the benefits that these exports provide to many small and medium-sized Swedish companies in the form of jobs. Through our international projects, we can also gain experience that will contribute to innovation and development in the Swedish construction industry and in the Swedish business sector generally.

Skanska is a financially stable company with continued high liquidity. Its contracting operations have strong local roots throughout Sweden, and some of them also enjoy a good international platform. With our own broad range of resources, we can assume responsibility for all phases of design and construction, even in very large projects.

Over the past two years, we have warned of the change we are now experiencing. We have built up emergency reserves to deal with it, and we are now fine-tuning our organization and adjusting our resources to the new situation.

Skanska has a well-trained management team and a highly motivated corps of employees and is traditionally strong in economic downturns. I am convinced that Skanska will not only survive the crisis of the next few years but will also emerge from it strengthened.



Lars-Ove Håkansson



"Over the past two years, we have warned of the change we are now experiencing. We have built up emergency reserves to deal with it, and we are now fine-tuning our organization and adjusting our resources to the new situation."

President's review

The sharply weaker market in our industry has led us into the longest and deepest economic slump since World War II. The downturn in the construction sector is not only cyclical, but is also influenced by structurally related factors.

The market

Overregulation in certain sectors, too small an element of a market economy, low productivity growth and the prioritization of private consumption during the 1980s at the expense of long-term investments – these are a few examples of the systemic failures which must now be corrected.

Previous economic downturns have been relatively brief and not as deep as the one we are now experiencing. Various temporary measures have been possible as a means of bridging over recessions. For example, at Skanska we were able to increase our investments in Sweden in real estate projects for our own account, while working successfully in the international contracting market.

Today we do not have as many options to offset the recession, although we will continue to intensify our international efforts.

Certain sectors of the economy may turn around late in 1992, but there are many indications that the recovery will be weak and that Swedish industry will continue to lose international market share. Furthermore, construction follows a business cycle that lags about one year behind other industries. This will mean, for instance, continued high unemployment in the building trade; construction workers are currently reporting jobless rates of more than 17 percent.

Organizational structure

As part of our adjustment to the new market situation, and in order to take advantage of the potential for improvements identified by Operation 3 T, we have reviewed Skanska's organizational structure at all levels, especially in our construction and industrial companies.

Restructuring measures are being implemented. These include greater product specialization, a new departmental and project structure and changes in support and control systems.

To give greater visibility to the civil engineering sector, which will grow over the next few years, the road and civil engineering departments of our Swedish construction companies have been divisionalized.

In order to achieve better product specialization in Swedish building construction operations, we have decided to increase specialization in a number of product categories, grouped into two main areas: residential construction and renovation, and other building construction.

The changes that we have implemented or approved are intended to strengthen marketing, bolster cooperation among all units in the Group and make the distribution of responsibilities more clear. By raising efficiency and improving quality, we will maintain our profitability.

Cost-consciousness

At Skanska we have been ready for the current downturn since late 1989. We have thus been mentally prepared and have managed to take a number of steps in response to market changes, but also to seize the opportunities to increase efficiency in the construction process that these changes offer.

Among the measures that are crucial to our competitiveness, throughout our organization we have stressed the need to re-create the cost-consciousness that was partially lost during the boom years. Numerous examples of potential savings have been identified. The guidelines that should be applied have also been communicated to all employees.

All experience indicates that those who make consistent, systematic adjustments to obtain the most favorable cost situation have a chance to compete successfully in the market and emerge from the recession with enhanced competitiveness.



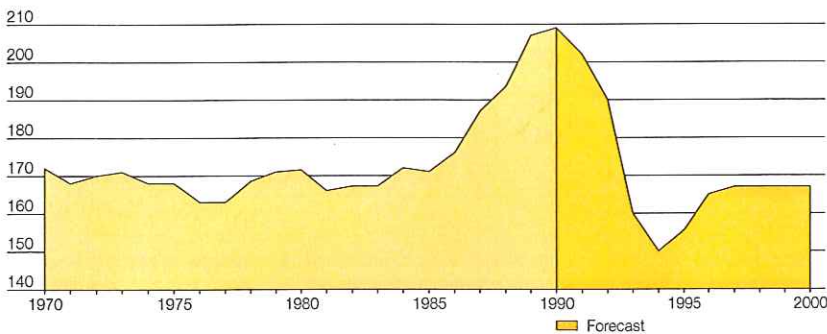
Sven-Eric Hersvall



"Greater specialization, more vigorous marketing, strengthened cooperation, higher efficiency and improved quality are steps to maintain profitability."

The construction market, 1970-2000

220 SEK billion, 1990 prices



Report of the Directors

The Board of Directors and the President of Skanska AB herewith present their report on the Company's operations during 1991.

Organizational structure

Since June 1, 1991 the Skanska Group has been organized into a Group Management, Group staff units and five business areas. See the organizational chart on page 30. During 1991 the companies in the Swedish Construction business area – except Ohlsson & Skarne AB – plus Skanska Maskin AB and Skanska Prefab AB operated on a commission basis for the Parent Company. The construction and real estate subsidiary JM Byggnads och Fastighets AB, whose shares are listed on the Stockholm Stock Exchange, is reported in the consolidated financial statements as a separate unit.

Invoiced sales and operating income

The Group. During 1991 the Skanska Group's consolidated invoiced sales, including all rental revenues but excluding real estate sales, amounted to SEK 33,550 M (37,216), down 10 percent (+25) on a current price basis. Invoiced sales outside Sweden rose to SEK 4,458 M (4,231), or 13 percent (11) of total invoicing.

Invoiced sales on contracts credited to income fell by 12 percent (+5) to SEK 29,159 M (33,148). This meant that invoicing on contracts credited to income reached 96 percent (95).

The Group's operating income after depreciation – i.e. income before financial items – fell to SEK

1,801 M (2,685). Operating income was adversely affected by SEK 1,467 M (177) in writedowns on shares and properties.

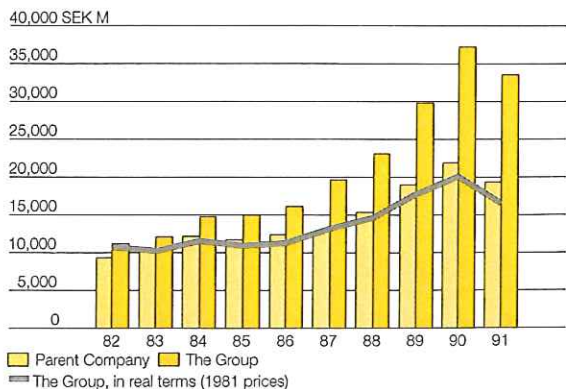
Parent Company. The operations of the Parent Company consist of parts of three out of five Group business areas. Invoiced sales, earnings, internal purchases and sales etc. are presented in the income statements and balance sheets that begin on page 14.

In the following sections, the invoiced sales, earnings and other figures from the Parent Company and other Group companies are discussed on the basis of their distribution by respective business areas. In this way, the accounts have been adapted to the structure of the Group.

JM Byggnads och Fastighets AB. Skanska's shareholding in JM booked as fixed assets increased marginally during 1991 to 82.3 percent of voting power and 64.6 percent of capital stock because a small block of shares was transferred from Skanska Kapitalförvaltning AB to the Parent Company. At the end of 1991, the book value of Skanska's shares in JM exceeded their market value by about SEK 450 M. Since this holding is long-term, no write-down occurred. JM's net asset value per share was stated in that company's annual report as being just over SEK 120. Skanska assigns them a book value of about SEK 113 per share.

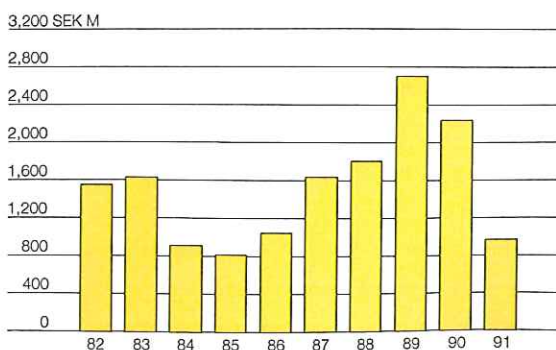
During 1991, JM's invoiced sales including rental revenues fell to SEK 4,631 M (5,406). Income after financial items was SEK 273 M (326). JM's earnings

The Group: Revenues



For the first time since the Company's shares were floated on the Stockholm Stock Exchange in 1965, revenues fell both in current prices and in real terms.

The Group: Income before taxes



Due to large writedowns, 1991 income fell to the same level as in the mid-1980s.

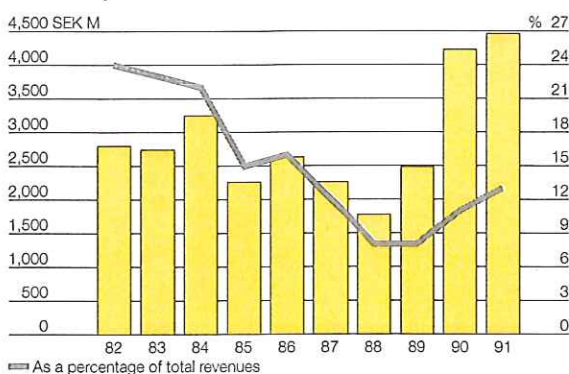
were adversely affected by writedowns of SEK 102 M. Before interest expenses, the earnings margin in construction operations climbed to 5.3 percent (4.0).

Swedish Construction. Revenues of this business area fell by 12 percent (+17) to SEK 19,614 M (22,246). Invoicing for contracts credited to income fell by 19 percent (+41) to SEK 17,147 M (21,061). In proportion to sales, it stood at 87 percent (95). Operating income after depreciation – no writedowns occurred in this business area – was SEK 718 M (895), which meant a largely unchanged earnings margin of 4.2 percent (4.3) before interest items. Losses of SEK 185 M on accounts receivable were charged to the year's income.

In current prices, the year's order bookings fell by 33 percent (+17) to SEK 15,500 M (23,395). At year-end 1991, the order backlog stood at about SEK 13 billion (17). A more detailed presentation of this business area is found on page 32.

Technical and Industrial Companies. During 1991 the former Technology and Services, Specialized Companies and Industrial Companies business segments were combined to form this business area. Revenues fell to SEK 6,057 M (6,567), while invoicing for contracts credited to income climbed to SEK 6,570 M (6,003). Primarily due to restructuring costs in anticipation of an expected decline in volume over the next few years, operating income after depreciation fell to SEK 292 M (450). The year-end order backlog was SEK 2.6 billion (2.9). A more detailed presentation of this business area is found on page 38.

The Group: Revenues outside Sweden



Revenues from outside Sweden rose for the third consecutive year, both in absolute terms and as a percentage of total revenues.

International Construction. Of the Group's SEK 4,458 M (4,231) in total invoicing outside Sweden, including rental revenues, the International Construction business area accounted for SEK 3,625 M (3,758). The remaining invoiced sales abroad of SEK 833 M (473) were distributed among three business areas: Swedish Construction, Technical and Industrial Companies plus Properties. Skanska (USA) Inc. in the United States and C G Jensen A/S in Denmark accounted for more than 80 percent (63) of International Construction revenues. U.S. contracting operations continued to perform very well, while C G Jensen showed poorer earnings. During 1991 International Construction completed a real estate project in Hungary and a hydroelectric power project in Peru, both with satisfactory earnings.

International Construction's income after depreciation dropped to SEK 209 M (259). Year-end order backlog amounted to slightly more than SEK 7 billion (6.3).

Properties. Effective from 1991, the Properties business area also includes properties abroad (International Properties), except that properties in the U.S. and Denmark are reported under the International Construction business area. JM's properties are reported together with JM's other operations.

In 1991 rental revenues of the Properties business area increased to SEK 2,530 M (1,955). Properties in Sweden accounted for SEK 2,344 M (1,923) of this and properties abroad for SEK 186 M (32).

The occupancy rate in the Group's Swedish investment properties is still good, considering the real estate market situation. At the end of 1991, 95 percent (98) of the available space was occupied. In London and Oslo, however, the occupancy situation remained unsatisfactory.

The operating income of the Properties business area before interest items and writedowns (see below) amounted to SEK 1,460 M (923). This included SEK 130 M (83) in capital gains on the sale of properties.

Additional information on Skanska's properties is provided on page 49 as well as in a separate Swedish-language booklet entitled *Skanskas Fastigheter 1992* and as part of the excerpts from the 1992 Annual Report published in English, French, Spanish and German.

Writedowns. Events in the real estate market during 1991 – both in Sweden and abroad – underscored the need for a careful estimate of the actual values of the Group's investment and development

SEK M	Development properties		Investment properties		Shares and participations in non-property-related operations		Total	
	1991	1990	1991	1990	1991	1990	1991	1990
Technical and Industrial Companies	-	-	4	-	-	-	4	-
International Construction	-	50	-	100	13	-	13	150
Properties Sweden	360 ¹⁾	-	121 ¹⁾	-	-	-	481	-
International Properties	564	16	-	-	-	-	564	16
JM	-	-	102	-	-	-	102	-
Other operations	-	-	-	-	303 ²⁾	11	303	11
Total	924	66	227	100	316	11	1,467	177

1) These amounts include SEK 63 M attributable to minority interests.

2) The bulk of this, or SEK 297 M, was attributable to a loss on the Group's shareholding in Selmer A.S., Norway.

properties, in relation to their book values. This was especially true of newly constructed and purchased properties. The valuation principles employed are discussed on page 13.

Writedowns in the Group totaled SEK 1,467 M (177) and were distributed as shown in the above table.

Finance. The overall income of this business area was SEK 305 M (15). A deficit of SEK 37 M – mainly administrative expenses and depreciation – was part of the Group's operating income, while a profit of SEK 342 M affected net financial items. Of the latter amount, Skanska Finance B.V. accounted for SEK 199 M, while Skanska Kapitalförvaltning AB

contributed SEK 63 M after a previous provision of SEK 154 M to a risk reserve was withdrawn. The remaining SEK 80 M is distributed among the other companies in the business area. For further comments, see page 54.

Invoiced sales and earnings. The table below presents Group revenues, invoiced sales on contracts credited to income and operating income after depreciation, distributed among the Group's business areas. (Comparative figures from 1990 have been adjusted to reflect the change in organizational structure.)

SEK M	Revenues including rents		Invoiced sales on contracts credited to income (excl. rents)		Operating income after depreciation	
	1991	1990	1991	1990	1991	1990
Swedish Construction	19,614	22,246	17,147	21,061	718	895
Technical and Industrial Companies	6,057	6,567	6,570	6,003	292	450
International Construction	3,625	3,758	3,411	3,813	209	259
Properties	2,530	1,955	-	-	1,460	923
JM	4,631	5,406	4,595	4,145	600	468
Writedowns					-1,467	-177
Elimination of intra-Group invoicing, internal profits etc.	-2,907	-2,716	-2,564	-1,874	-11	-133
Total revenues/operating income	33,550	37,216	29,159	33,148	1,801	2,685
Finance business area					342	40
Other financial items					-1,142	-370
Income after financial items					1,001	2,355

Sales of investment and development properties

During 1991 sales of investment and development properties totaled SEK 383 M (570). Of this, SEK 227 M (106) consisted of investment properties while SEK 156 M (464) consisted of undeveloped land and development properties. These divestments resulted in an income of SEK 141 M (95).

The largest sales consisted of a property in Skövde and one in Östrand, which resulted in sales revenues of SEK 135 M.

Sales of properties abroad totaled SEK 45 M (318) and yielded an income of SEK 4 M (11).

Financial items

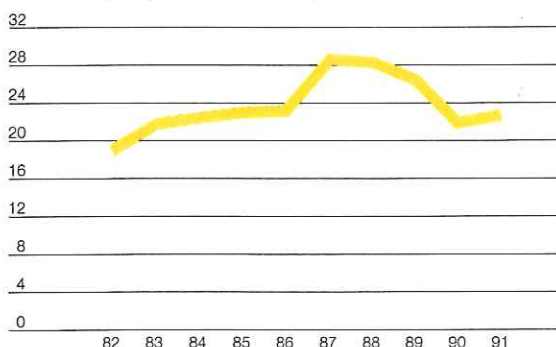
Most of the Group's financial assets are managed by Skanska Kapitalförvaltning AB and Skanska Finance B.V.

In prior years, interest expenses on loans secured by real estate were charged to the earnings of development and investment properties. Because such borrowing accounts for a dwindling percentage of the book value of these properties, effective from 1991 all interest expenses are being reported under "Financial items" in the income statement. Compared with the 1990 accounts – which have been adjusted accordingly – the Group's net financial items deteriorated by SEK 470 M. The deterioration in net interest items was larger, totaling SEK 537 M. The main reason was that the Group financed more than SEK 5 billion in net capital expenditures on investment and development properties. In addition, the early 1992 settlement of a dispute concerning the purchase of the Oslo City property in Norway required Skanska to pay a penalty interest sum retroactive to October 1990. Of "Interest expenses" in the 1991 income statement, SEK 60 M should therefore have been charged to 1990 net financial items. In that case, the deterioration in net interest items would have been only SEK 417 M, since the provision for this purpose made in the 1990 accounts was not reported as an interest expense.

The Group's dividend revenues from outside companies rose to SEK 371 M (325), i.e. by 14 percent. Of these dividends, SEK 233 M (202) came from companies classified as long-term investments. In such cases, their dividends are exempt from taxation.

A number of financially related items are reported under the heading "Other financial items." The largest such item, SEK -116 M, consisted of a deficit in partly owned limited partnership companies mainly engaged in the leasing of aircraft.

The Group: Equity/assets ratio, %



Mainly due to a decline in total assets, in 1991 the visible equity/assets ratio climbed for the first time since 1987. It rose by nearly one percentage point to 22.7 percent.

Profitability ratios and equity/assets ratio

Visible return on capital employed fell to 10.8 percent (14.6). Before writedowns, return on capital employed was unchanged at just over 15 percent. Return on shareholders' equity fell to 6.5 percent (12.5). This decline was primarily due to the sizable writedowns included in the 1991 accounts. Without writedowns, return on equity would have increased to 15.1 percent (13.6), partly due to a lower tax burden.

Mainly because of falling total assets, the equity/assets ratio climbed to 22.7 percent (21.9). The debt/equity ratio – interest-bearing liabilities divided by visible shareholders' equity – was unchanged at 1.9.

In these calculations – as in prior years – the Group's real estate and shareholdings have been reported at their book values. Consequently, only those changes in value that have resulted in writedowns have affected the reported values.

Personnel

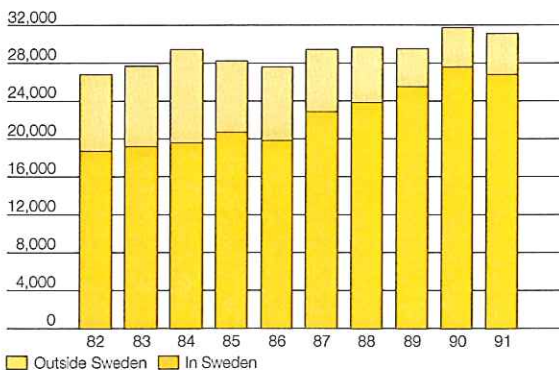
The level of activity in the Swedish construction market gradually declined during 1991. Unemployment among construction workers, which was less than 5 percent at the beginning of the year, climbed above 15 percent. This trend continued during 1992. The number of termination notices and the unemployment levels also increased in the white collar and supervisor categories.

The work force in the Skanska Group decreased during 1991 in most business areas. The average

number of employees in the Group fell to 31,077 (31,746). This included an average of 4,289 (4,130) employees abroad. The hiring freeze introduced in November 1990 was accompanied by a gradual cut-back in Swedish operations, mainly in construction. One contributing factor was that at the end of the year, about 150 white collar employees accepted an offer of a negotiated retirement package. An account of the average number of employees and the size of payrolls is provided in Note 4 to the consolidated financial statements.

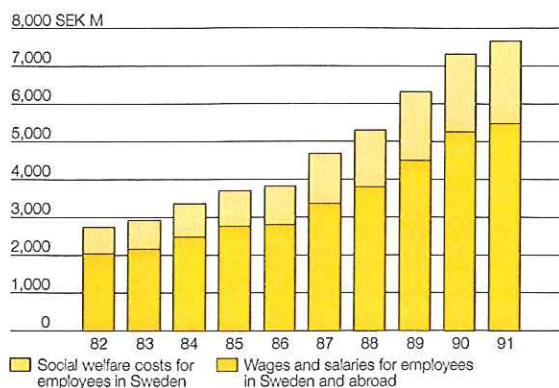
The Group's management development program and internal training work were implemented on the same scale as in 1990.

The Group: Number of employees



The average number of employees fell by 2 percent in 1991. In Sweden the decline was 3 percent.

The Group: Wages, salaries and social welfare costs



Mandatory employer social welfare contributions and negotiated pension benefits totaled 40 percent (39) of wages, salaries and other remuneration in 1991.

Capital expenditures

Group companies. During 1991 the Skanska Group added a few operating companies. This was mainly done by purchasing shares from outside parties. For example, the real estate subsidiary AB Drott bought all shares in AB Tanto, whose holdings include four commercial properties in Malmö.

Substantial increases in the capital stock of several real estate-owning companies outside Sweden were implemented. Skanska thus invested a total of SEK 2,665 M in Trinity Tower Property Co. Ltd. and Marktune Ltd. in London and in Skanska Norge A.S. in Norway. These new share issues made possible a sharp reduction in outside borrowing on the properties of these companies.

During 1991 a total of SEK 3,074 M was invested in shares and participations in Group companies.

No Group company with operations of any significance was divested during the year.

Investment and development properties. The Group's capital spending in the construction and renovation of investment properties were affected by the sagging property market. The year's spending for these purposes was thus only SEK 3.0 billion (3.6), of which SEK 2.6 billion (2.2) was in Sweden. The volume of spending rose in Sweden, among other things because the JM Group completed its major investment in the Täby Centrum suburban shopping mall during the late fall and because of the rapid pace of investment in the Eurostop highway service center at Arlanda.

During 1991 newly constructed buildings worth SEK 3,032 M (911) were booked as investment properties. Most of these – worth SEK 3,012 M (832) – were in Sweden. The two largest were the above-mentioned Täby Centrum, which is JM's largest investment property, and the Lilla Bommen office building in Gothenburg.

The largest single purchase in 1991 was the Oslo City retail and office complex in Norway. A purchase agreement was signed in 1990, but after a dispute arose, Skanska did not take title and add the property to its books until February 1991. Through an arbitration procedure whose outcome was announced in February 1992, the purchase price was fixed at NOK 1,480 M. Because substantial renovation work will be carried out, the property was reported in the balance sheet among "Investment and development properties under construction." Another major purchase in 1991 was the Siemens Nixdorf office property in Berlin, where the land was bought during the fall and the buildings will be acquired during 1992.

Purchases of completed investment properties from outside parties amounted to SEK 43 M (220).

Property divestments were described above under the heading "Sales of investment and development properties."

At year-end, the book value of all investment and development properties amounted to SEK 22,916 M (18,885). Completed investment properties accounted for SEK 12,998 M (10,521) of this, development properties SEK 2,012 M (1,750) and investment and development properties under construction SEK 7,906 M (6,614).

Shares and participations. The Group's portfolio of shares and participations classified as long-term in character and therefore booked as fixed assets continued to expand somewhat during 1991. Purchases totaled SEK 636 M (580), while sales amounted to SEK 239 M (13). The book value of shares sold was SEK 175 M (11).

Skanska expanded its portfolio of listed shares by making purchases totaling SEK 270 M. The largest single block purchased consisted of 317,000 Series B shares in Sandvik, of which about 120,000 were sold later in the year, however. The Group also added to its previous holdings in such companies as Euroc AB and AB Industrivärden.

A total of SEK 165 M worth of listed shares were divested. Aside from the above-mentioned shares in Sandvik, Skanska also sold about 800,000 Series B shares in AB SKF and about 300,000 shares in Seco Tools AB. The resulting capital gain of SEK 61 M was reported under "Financial items."

Among purchases of unlisted shares, it is worth mentioning that during the spring, the Company participated in a new share issue in the Norwegian construction company Selmer A.S., which entailed an investment of SEK 46.4 M. Selmer's earnings deteriorated dramatically late in the year, however. Declaring that the shareholders' equity of the company had been exhausted, the majority shareholders in the company consequently voted to write down the value of its previous capital stock to zero and implement a special issue of new shares. Skanska's Board of Directors decided not to participate in this issue. The Group's shareholding in Selmer – which had carried a book value of SEK 297 M – was written down to zero in the 1991 accounts due to the incurred loss.

Among other changes, Skanska's 25 percent holding in Atrium Fastighets AB was transferred to Fastighetspartner NF AB in a non-cash exchange for additional shares in this company.

At year-end, Skanska Kapitalförvaltning AB,

which carries out securities trading and therefore reports its holdings of securities as current assets, owned shares with a book value of SEK 148 M (305).

The Group's total portfolio of listed securities had a year-end book value of SEK 4,832 M (4,766). On the same date, the market value of this portfolio was SEK 8,977 M (8,343). During 1992 some major divestments were carried out. All shares in Investment AB Öresund and Seco Tools AB were thus sold. At the end of March 1992 the difference between the market value – SEK 9,718 M – and the book value of the portfolio was SEK 5,389 M. Skanska's holdings in Graningeverkens AB, a forest product and hydroelectric power company, and in JM were not included in these amounts. Since January 16, 1992, the shares of Graningeverken have been quoted on the O-list at the Stockholm Stock Exchange. If Skanska's shares in Graningeverken are included, the difference between the market value and book value of the portfolio at the end of March increases to SEK 6,106 M.

Machinery and equipment. The Group's purchases of machinery and equipment intended for use in its operations decreased to SEK 491 M (787). The Parent Company accounted for SEK 145 M (386) of this. Machinery and equipment with a book value of SEK 56 M (45) were sold by the Group.

Fixed-asset properties. Real estate used or intended for use in a company's own operations has been booked as fixed-asset properties. Most of these items consist of office buildings, industrial properties and hydroelectric power plants. In the 1991 balance sheet, such properties were booked at a residual value of SEK 1,057 M (1,029), following depreciation of SEK 39 M (42). In addition, there were properties under construction booked at SEK 66 M (88).

During the year fixed-asset properties increased by SEK 91 M (132) by means of new construction and purchases. The largest single investment was the acquisition of a gravel pit costing SEK 15 M. Most of the remaining amount consisted of expansions of a number of existing crushing and asphalt plants in the Parent Company and industrial units owned by Skanska Prefab and the Myresjö group.

Holdings of timberland, including 47,000 hectares (122,000 acres) of productive forests, were booked at an unchanged SEK 333 M and were not included in the above-stated amounts.

Fixed-asset properties with a book value of SEK 9 M (13) were divested during the year.

Changes in the Parent Company's Board and management

In connection with the 1991 Annual Meeting of Shareholders, a number of changes occurred in the Company's Board of Directors and management. The Annual Meeting approved a reduction in the number of regular Board members by one. Bengt Haak and Lennart Johansson resigned as regular members, and the Annual Meeting elected Gudrun Norberg, formerly a deputy member, as a new regular member. Bengt Haak was succeeded as Chairman of the Board by Lars-Ove Håkansson, who remains Group Chief Executive. Percy Barnevik was appointed Vice Chairman.

Sven-Eric Hersvall, a former Executive Vice President, succeeded Lars-Ove Håkansson as President and was also elected as a deputy member of the Board.

In connection with the resignation of Mr. Haak, the Board decided to honor him by allocating SEK 25 M to a fund called the Bengt Haak Fund for Executive Training.

During the first half of 1991 there were also changes in the Board representatives appointed by employee unions. Christer Jönsson, a regular member, as well as two deputy members, Hans Eriksson and Gunnar Åberg, resigned. Bengt Järrestedt was appointed as a new deputy member.

As indicated in earlier sections, effective on June 1, 1991 certain changes occurred in the organizational structure of the Group. Sven-Åke Johansson, Executive Vice President, left his position in the Group. Tommy Sernelin and Lars Wiklander were appointed as new members of the Group Management.

Shareholders' equity

According to the consolidated balance sheet, the Group's unrestricted equity amounts to SEK 3,769 M (4,169), of which SEK 691 M (606) is attributable to 1991 earnings. If the Annual Meeting approves the dividend proposed by the Board, SEK 409 M (394), the Group's unrestricted equity will have decreased by 11 percent (+6) after the dividend. Proposed appropriations to restricted equity total SEK 1 M (16).

The Annual Meeting of Shareholders in May 1991 approved a stock dividend (bonus issue) in which shareholders would receive one new share for each old share. This issue was recorded on June 19, 1991. Capital stock was thereby raised from SEK 629,615,850 to SEK 1,259,231,700. The new

shares entitle the holder to dividends effective from the 1991 financial year.

Convertible debenture loans issued by Skanska and JM

The subscription period for Skanska AB's convertible debenture loan ended on December 23, 1988. Employees subscribed for debentures with a par value of SEK 844,679,300, equivalent to 3,594,380 shares after full conversion. Conversion of debentures may occur during the period February 18, 1991 to February 15, 1994. No conversion has occurred so far. The loan has been listed on the Stockholm Stock Exchange since January 2, 1991.

Because of the prior option of purchase that existed during the first two years of the loan, at year-end 1991 Skanska Kapitalförvaltning AB owned convertible debentures with a par value of SEK 60,648,800. From the standpoint of the Group, the loan liability at year-end thereby amounted to SEK 784,030,500. In the Parent Company's balance sheet, however, the liability stood at its original amount. Note 20 to the financial statements and page 26, "Data on Skanska shares," provide further information.

Employees of the JM Group, who were not included in Skanska's offer, were offered the opportunity to subscribe for convertible debentures in JM at the same time. Further information on this loan is provided in Note 20 of the consolidated financial statements and in JM's own annual report.

Forecast

The markets for the Group's most important business areas – Swedish Construction and Properties – are expected to deteriorate further. This means both lower demand and the risk of continued losses on accounts payable and rents. Infrastructural investments will not, in any event, affect Group earnings in 1992 and 1993. The need for additional write-downs on properties cannot be ruled out.

Under current market conditions, any forecast is uncertain. However, Group income after financial items in 1992 is not expected to be below 1991 income.

Accounting and valuation principles

Changes in principles

Consolidated financial items

Effective from 1991, all interest items – thus also including interest items in property operations – are being reported as part of the Group's net financial items. Earnings from the Finance business area's operations – mainly trading in equities, foreign exchange and interest-bearing securities – as well as the same business area's interest items for loans and investments, are included in their entirety in consolidated financial items.

Extraordinary items

Effective in 1991, Skanska has adopted a more restrictive approach to defining "Extraordinary items." Gains and losses on the sale of machinery and equipment as well as fixed-asset properties will thus be classified under business operations, while gains or losses on the sale of shares and participations booked as fixed assets will be reported in a separate line among financial items.

Allocations and untaxed reserves

As one step in adjusting to Recommendation No. 1 of the Swedish Financial Accounting Standards Board, effective from 1991 the consolidated income statement and balance sheet are being drawn up without "Allocations" and "Untaxed reserves." A sum equivalent to 30% of the allocations of Group companies is being reported in the income statement as a tax expense. In the balance sheet, the untaxed reserves of Group companies have been divided into "Deferred tax liability," which is reported under "Long-term liabilities," and the shareholders' equity portion of untaxed reserves, which makes up part of "Restricted equity." The net earnings of the Group thus include the change in the equity portion of untaxed reserves resulting from allocations to (or withdrawals from) the untaxed reserves of Group companies. This change affects "Restricted equity." Reduction of the equity portion – as a result of withdrawals from untaxed reserves – increases "Unrestricted equity."

Foreign currencies

Effective from 1991, Skanska is applying Recommendation No. 7 of the Accounting Board to the valuation of receivables and liabilities in foreign currencies. This means that valuation has been stated at the exchange rate prevailing on the balance sheet date. A sum equivalent to unrealized gains on long-term transactions has been allocated to a foreign exchange reserve. Liabilities taken out in foreign currencies in order to hedge assets have been reported at acquisition cost.

1992

Effective from 1992, the changes of principle resulting from Recommendation No. 1 of the Swedish Financial Accounting Standards Board – in addition to those described above – will be introduced. As far as can now be judged, this will only marginally affect the Group's unrestricted shareholders' equity.

Effective from 1992, real estate tax will be reported as an operating expense, not as a tax expense.

Principles of consolidation

The consolidated (i.e. Group) financial statements have been drawn up using the purchase accounting method. All partly owned Group companies except Uri Civil Contractor AB have been consolidated on a gross basis, after which an adjustment for Skanska's share of equity has been made in the item "Minority interest." Uri – owned 60% by Skanska and 40% by the Swedish construction company NCC – has been treated as a consortium, which means that only Skanska's share of revenues, earnings etc. is included in the consolidated financial statements.

Associated companies and consortia

The Group's share of the earnings of associated companies – defined as companies in which Skanska's share of voting power is 50% or less – which are organized as partnerships or limited partnerships is included in the income statement. However, in the case of Skanska's holding in associated companies which are organized as corporations, this form of reporting (equity method) is not used. The Group's holdings in associated companies that are not held for capital investment purposes are negligible in scale, and reporting according to the equity method would only affect the Group's earnings to a limited extent.

The Group's share of the assets, liabilities and earnings of consortia and joint ventures – which are organized as partnerships – are included in Skanska's financial statements. See also Note 12 to the balance sheet.

Foreign subsidiaries

The principles for the translation of the financial statements of foreign subsidiaries comply with the recommendations of the Swedish Institute of Authorized Public Accountants (FAR). In the consolidated financial statements, their income statements have been included at the average exchange rate for the year and their balance sheets at the year-end exchange rate. The change in shareholders' equity due to the shift in exchange rate from prior years is reported as a translation difference in a note under "Shareholders' equity."

Revenues

Total outside invoiced sales for the year are recognized as revenues. This includes the Group's share in invoiced sales related to construction operations carried out together with other contracting companies in consortium form and includes outside rental revenues as well.

Also included in revenues are intra-Group invoiced sales by construction companies to property-owning companies related to the construction of investment and development properties. A note to the consolidated financial statement specifies the size of this invoicing.

Consistent with this, the sales value of investment and development properties sold is not included among revenues. Nor do revenues include other intra-Group invoicing, i.e. invoicing related to the production of goods and services, fixed-asset properties (office buildings, factories, power plants etc.) or internal rental revenues.

Income

Income is calculated on the basis of contracts completed during the year = contracts credited to income. In cases where a loss is expected to occur on a given uncompleted project, however, the entire expected loss is charged to the year's earnings. Income on cost-plus contracts is normally reported as and when the related invoicing takes place.

Depreciation

Depreciation has been charged against operating income (using a declining balance method in the case of certain large machinery). Depreciation on the excess value of Group assets has also been made. The following annual rates have been used: goodwill 10%, ships 10%, machinery and equipment 10-20%, buildings 1-7% and land improvements 3.75-5%.

The rate of book depreciation on machinery and equipment has generally been 20% of acquisition cost for the past five years. In certain Group companies, the main rule in the Municipal Tax Act has been used instead. Buildings (except in JM and Drott) have been written off at the highest annual percentage rate permitted for tax purposes, both for depreciation and accounting purposes.

Interest on pension liability

Interest on Pension Registration Institute (PRI) liability was set at 12.5% (12.5) in keeping with a recommendation by FAR and PRI. The rest of the year's PRI provision comprised an operating expense.

Deferred taxes

Deferred taxes on untaxed reserves have been estimated at 30%. A 25% tax has been charged to the acquired excess value of real estate assets.

Current assets

Current assets have been valued according to the lower value principle, i.e. their value may not exceed market value or acquisition cost, whichever is lower.

Concerning valuation of investment and development properties, see below under "Real estate" and "Real estate writedowns."

Real estate

The Group's real estate holdings which are used in its own business, for example properties for its own offices, factories, timberland and hydroelectric power plants, are reported as fixed assets. Other real estate is reported under the heading "Investment and development properties." This is divided into "Investment properties," "Investment and development properties under construction" and "Development properties."

The Group's holdings of real estate completed for its own account are booked as "Investment properties." Income from these operations is reported in the income statement as "Property management." "Investment and development properties under construction" include all construction, both of properties intended for the Group's own account and properties intended to be sold after completion.

The Group's holdings of undeveloped land and redevelopment properties are booked as "Development properties." Expenses – i.e. uncapitalized outlays – and income attributable both to "Investment and development properties under construction" and "Development properties" are reported in the income statement under the heading "Development properties."

To permit as correct a comparison as possible between income from property management and the value of completed investment properties, completed properties are normally not reclassified from "Investment and development properties under construction" to "Investment properties" until January 1 of the year after the year of completion.

Properties constructed by the Group and booked during the year as real estate completed for its own account have been valued in the consolidated accounts at incurred costs plus a fair proportion of indirect costs, 5-8%. Provision is thus made for any intra-Group profits resulting from building contracts between construction and property management companies.

Interest expenses during the construction period are not capitalized, but are booked as expenses in each respective year. In the case of properties owned by JM, however, such interest expenses are capitalized.

Investments in undeveloped land and redevelopment properties are booked at their acquisition costs plus other expenses incurred in cases where special exceptions have not been considered justified. Annual interest expenses have not, however, been added to value but have been charged against income in each respective year.

Property writedowns

The Group's investment and development properties as well as shares and participations in property management companies have been written down if actual value is estimated as less than book value. As a yardstick in estimating actual value in today's market situation, Skanska has used a net operating income of 8% for properties in Stockholm and 10% elsewhere in Sweden. In the partly owned Group companies JM Byggnads och Fastighets AB and AB Drott, however, the estimate has been based on independent appraisals. The value of international properties has been estimated on the basis of the prevailing level of return required in each respective market. Special attention has been paid to the occupancy situation.

Uncompleted contracts

In the balance sheet, "Uncompleted contracts" have been valued at direct costs incurred and indirect costs at the work site. Estimated losses which were instead charged to the year's operating income have been subtracted from this. In the accounts of individual companies, indirect costs at the work site have been allocated to a "Reserve for indirect expenses" among "Untaxed reserves."

Guarantee risks

Expenses attributable to guarantee obligations have been charged to operating income. In addition – also as an operating expense – provision has been made for future guarantee costs at the highest amount that is deductible for tax purposes. The guarantee reserve is included among "Other current liabilities."

Income statements

SEK M		Group		Parent Company	
		1991	1990	1991	1990
Contracting operations etc.	Invoiced sales for the year	30,405	34,784	19,356	21,919
	Plus amount invoiced but not credited to income as of Jan. 1	29,210	27,574	19,937	19,725
	Minus amount invoiced but not credited to income as of Dec. 31	- 30,456	- 29,210	- 22,193	- 19,955
	Invoiced sales on contracts credited to income during the year, factory operations etc.	29,159	33,148	17,100	21,689
	Production and administrative expenses	- 27,072	- 30,935	- 15,858	- 20,416
		2,087	2,213	1,242	1,273
	Depreciation	- 623	- 561	- 285	- 286
		1,464	1,652	957	987
	Writedowns	- 316	- 11	- 1,201	- 16
	Income from contracting operations etc.	1,148	1,641	- 244	971
Sales of investment and development properties	Sales revenues	383	570		
	Book value	- 242	- 475		
		141	95		
		1,289	1,736		
Development properties	Rental revenues for the year	437	287		
	Operating and administrative expenses	- 280	- 190		
	Depreciation	- 72	- 46		
	Income from partly owned partnerships and limited partnerships	- 2	1		
		83	52		
Writedowns	- 924	- 66			
	- 841	- 14			
	448	1,722			
Property management	Rental revenues for the year	2,708	2,145		
	Operating and administrative expenses	- 863	- 860		
	Depreciation	- 307	- 255		
	Income from partly owned partnerships and limited partnerships	42	33		
		1,580	1,063		
Writedowns	- 227	- 100			
	1,353	963			
Operating income after depreciation		1,801	2,685	- 244	971
Financial items	Dividends on shares and participations in subsidiaries			526	436
	Dividends on shares and participations in other companies	371	325	362	318
	Interest revenues	1,484	1,346	2,311	1,839
	Interest expenses	- 2,371	- 1,696	- 2,339	- 1,619
	Exchange differences on loans	- 85	38	- 72	29
	Gain on sale of shares and participations	64	5	59	17
	Other financial items	- 263	- 348	- 12	- 28
	- 800	- 330	835	992	
Income after financial items		1,001	2,355	591	1,963
Minority interest in income		- 34	- 117		
Allocations				- 199	- 983
Income before taxes		967	2,238	392	980
Taxes		- 276	- 990	81	- 132
Net profit for the year		691	1,248	473	848

Statements of changes in financial position

SEK M		Group		Parent Company	
		1991	1990	1991	1990
Funds supplied	Funds supplied from operations credited to income (see below)	3,218	2,289	1,771	845
	Increase in long-term liabilities	919	3,103	2,258	2,042
	Decrease in long-term receivables	22	—	106	—
	Contribution from minority interests in subsidiaries	—	53	—	—
	Earned by former associated company	—	23	—	—
	Translation difference in shareholders' equity	—	24	—	—
		4,159	5,492	4,135	2,887
Funds applied	Dividend	394	331	394	331
	Increase in long-term receivables	—	829	—	6,934
	Translation difference in shareholders' equity	180	—	—	—
	Net change in investment and development properties	5,329	5,324	—	—
	Investments in shares and participations	461	505	2,950	1,842
	Investments in other fixed assets	466	921	70	381
		6,830	7,910	3,414	9,488
Change in working capital		-2,671	-2,418	721	-6,601
Specification of change in working capital	Change in balance of uncompleted contracts	762	-2,130	661	-1,119
	Increase/Decrease in inventories	-80	54	-34	-19
	Increase/Decrease in trading inventory of shares	-136	107	—	—
	Increase/Decrease in current receivables	-3,785	6,040	-522	-1,847
	Increase/Decrease in current liabilities	1,651	-6,753	1,087	-3,481
	Increase/Decrease in bank balances	-1,083	264	-471	-135
Total change		-2,671	-2,418	721	-6,601
Breakdown of item "Funds supplied from operations credited to income"	Income after financial items	1,001	2,355	591	1,963
	Minority share in income	-34	-117	—	—
	Income before allocations and taxes	967	2,238	591	1,963
	Writedowns	1,467	177	1,201	16
	Depreciation	1,002	862	285	286
	Writedown of properties in limited partnerships	12	-23	—	—
	Taxes	-276	-990	81	-132
	Withdrawal from restricted account in Sveriges Riksbank	46	25	16	23
	Group contributions	—	—	-398	-1,307
	Transferred investment reserve	—	—	-5	-4
		3,218	2,289	1,771	845

Balance sheets

Assets SEK M		Group		Parent Company	
		1991	1990	1991	1990
Current assets					
Bank balances	1,597	2,680	269	740	740
Shares and participations	146	282	—	—	—
Bonds	4,520	5,403	2	224	224
Accounts receivable	4,131	3,865	2,251	2,130	2,130
Prepaid expenses and accrued revenues	611	642	39	67	67
Current assets held by consortia	329	678	256	282	282
Tax claim	112	—	215	88	88
Other receivables	3,005	5,905	276	770	770
Inventories	424	504	128	162	162
Investment and development properties	14,875	19,959	3,436	4,463	4,463
Investment properties	10,521	10,521	—	—	—
Investment and development properties under construction	7,906	6,614	—	—	—
Development properties	2,012	1,750	—	—	—
Fixed assets	22,916	18,885	—	16	16
Shares and participations in subsidiaries	6,256	6,343	6,797	5,021	5,021
Shares and participations in other companies	199	242	5,669	5,696	5,696
Goodwill	18	199	87	187	187
Extraction rights	18	23	5	6	6
Ships	35	44	—	—	—
Machinery and equipment	1,615	1,708	703	913	913
Own machinery being manufactured	1	1	—	1	1
Advance payments on fixed assets	4	16	—	7	7
Buildings	534	497	189	173	173
Buildings under construction	66	88	2	5	5
Hydroelectric power plants	351	361	201	207	207
Land and other real estate	171	171	83	86	86
Timberland	333	333	—	—	—
Total assets	48,976	50,341	30,386	30,001	30,001
Assets pledged	8,872	10,132	7	18	18
Real estate mortgages	8,872	10,132	7	18	18
Chatel mortgages	169	200	—	—	—
Shares and other securities	728	1,937	2	491	491
Bank assets	1	1	1	1	1
Contingent liabilities	4,245	3,179	1,624	1,558	1,558
Contingent liabilities for subsidiaries	—	—	1,624	1,851	1,851
Other contingent liabilities	4,245	3,179	3,055	1,558	1,558

Liabilities and shareholders' equity SEK M		Group		Parent Company	
		1991	1990	1991	1990
Current liabilities	Accounts payable	2,876	3,453	1,511	1,852
	Tax liability	—	208	—	—
	Accrued expenses and prepaid revenues	3,633	3,669	1,993	2,123
	Current liabilities of consortia	399	449	230	316
	Other liabilities	6,827	7,607	4,132	4,662
		13,735	15,386	7,866	8,953
Uncompleted contracts	Invoiced sales from beginning of contracts	30,456	29,210	22,193	19,955
	Accumulated expenses from beginning of contracts	- 24,122	- 22,114	- 17,949	- 15,050
		6,334	7,096	4,244	4,905
Loans on investment and development properties	Building credits	119	2,124		
	Mortgage loans	6,349	4,946		
	Other liabilities	817	848		
		7,285	7,918		
Long-term liabilities	Liabilities to subsidiaries			3,782	3,168
	Mortgage loans	42	55	1	1
	Other liabilities	5,632	4,199	4,511	3,033
	Provision for pensions	1,660	1,446	1,288	1,122
	Convertible debenture loans	917	943	845	845
	Deferred tax liability	2,158	2,185		
		10,409	8,828	10,427	8,169
Minority interest in untaxed reserves and equity		592	621		
Untaxed reserves				3,129	3,333
Shareholders' equity					
	Restricted equity				
	Capital stock	1,259	630	1,259	630
	Restricted reserves/Legal reserve	5,593	5,693	483	483
	Unrestricted equity				
	Unrestricted reserves/Retained earnings	3,078	2,921	2,505	2,680
	Net profit for the year	691	1,248	473	848
		10,621	10,492	4,720	4,641
Total liabilities and shareholders' equity		48,976	50,341	30,386	30,001

Notes to the consolidated financial statements

For notes to the Parent Company financial statements, see page 22.

Amounts in SEK M unless otherwise specified

1 Change in presentation format, adjusted comparative figures

Effective from 1991, the consolidated (Group) and Parent Company income statements and balance sheets are being presented in an integrated format. The notes to the consolidated and Parent Company financial statements remain separate, however.

Due to changes in the accounting principles for extraordinary items, allocations and other items (see the accounting and valuation principles, page 13), comparative figures for 1990 have been adjusted to conform with 1991 principles.

2 Invoiced sales for the year

Invoiced sales for the year include SEK 1,289 M (2,069) in intra-Group invoicing that was capitalized in investment and development properties. See "Revenues" under the accounting and valuation principles, page 13.

Note 3 refers only to the Parent Company

4 Personnel

Average number of employees and wages, salaries and remuneration

	Group		Parent Company	
	1991	1990	1991	1990
Average number of employees				
Sweden	26,788	27,616	17,374	18,285
Abroad	4,289	4,130	785	1,179
	31,077	31,746	18,159	19,464
Of which, women	2,504	2,560	1,146	1,219

Wages, salaries and remuneration

Sweden

Boards of Directors and Presidents	31.6	26.4	7.8	5.8
Of which, bonuses	(10.6)	(8.8)	(5.2)	(3.2)
Other employees	4,874.3	4,728.4	3,077.0	3,092.6
	4,905.9	4,754.8	3,084.8	3,098.4

Abroad

Boards of Directors and Presidents	11.5	10.9	—	—
Other employees	553.2	492.3	16.2	20.5
	5,470.6	5,258.0	3,101.0	3,118.9

Social welfare contributions and pensions

Sweden	2,194.5	2,058.0	1,326.0	1,277.0
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The average number of employees in Sweden was calculated by taking total hours worked and dividing by a standard working year of 1,550 hours.

The complete legally required specification of personnel is attached to the annual report documents submitted to the Swedish Patent and Registration Office. This specification can be obtained from Group Public Affairs, Skanska AB, S-182 25 Danderyd, Sweden.

5 Depreciation

	Depreciation		Extra depreciation		Depreciation for tax purposes ¹⁾	
	1991	1990	1991	1990	1991	1990
Goodwill ²⁾	45	35	—	—	45	35
Extraction rights	5	3	—	—	5	3
Ships	5	7	2	-1	7	6
Machinery and equipment ³⁾	528	474	133	764	661	1,238
Fixed-asset properties incl. hydroelectric power plants	40	42	12	—	52	42
Investment and development properties	379	301	7	4	386	305
	1,002	862	154	767	1,156	1,629

¹⁾ Including depreciation against reserves.

²⁾ As for depreciation on goodwill, see Note 17.

³⁾ The amount for 1991 extra depreciation, SEK 133 M (764), includes SEK 361 M (715) consisting of the Group's proportion of net losses in certain partly owned partnerships to the extent these losses are attributable to extra depreciation.

6 Writedowns

Under the heading "Writedowns" on page 8, the Report of the Directors provides an account of the distribution of writedowns among the various business areas.

7 Development properties and Property management

Revenues and expenses attributable both to investment and development properties under construction and to raw land and redevelopment properties are reported under the heading "Development properties." Revenues and expenses attributable to the management of finished investment properties are reported under the heading "Property management." See "Properties" in the accounting and valuation principles, page 13.

8 Operating and administrative expenses

The national real estate tax, which in 1991 totaled SEK 217 M (135) for investment and development properties, is reported under the heading "Taxes." This tax, based on assessed value, applies among other things to all apartment house units. Among exempted real estate are development and industrial properties.

9 Allocations and gross untaxed reserves

The allocations of Group companies did not affect consolidated profit, except to the extent that a withdrawal of deferred taxes totaling 46 M (1990: allocation of SEK 275 M), equivalent to 30 percent of the 1991 net withdrawal from untaxed reserves totaling SEK 154 M (1990: allocation of SEK 917 M) was credited to the year's tax expense.

The untaxed reserves of Group companies are reported in the consolidated financial statements as follows: The tax liability, 30 percent, is part of the item "Deferred tax liability" under "Long-term liabilities," while the equity portion, 70 percent, is reported as restricted equity. The equity portion of the 1991 withdrawal, 0.7 x SEK 154 M = SEK 108 M, is part of profit for the year and is transferred to "Unrestricted equity" from the equity portion of untaxed reserves in the note on "Change in shareholders' equity." See also the accounting and valuation principles, page 13, and Note 24.

Below is an account of "Allocations" and "Untaxed reserves" in Group companies

	Reserves,	Allo-	Re-	Allo-	Other	Re-
	Dec. 31, 1989	cations, 1990	serves, Dec. 31, 1990	cations, 1991	changes, 1991 ¹⁾	serves Dec. 31, 1991
Inventory reserve	150	28	178	-184	6	—
Payroll reserve	529	79	608	-644	36	—
Reserve for indirect expenses	1,936	-386	1,550	127	21	1,698
Reserve for uncompleted contracts	987	298	1,285	-1,339	54	—
Reserve for investment and development properties	389	177 ²⁾	543	-557	14	—
Interest writedown reserve	—	—	—	32	171	203
Extra depreciation (Note 5)						
Ships	1	-1	—	2	—	2
Machinery and equipment	1,503	764	2,267	133	—	2,400
Fixed-asset properties	323	—	323	12	-12	323
Investment and development properties	13	4	17	7	12	36
General investment reserve	54	-20	34	-21	—	13
Development reserve	26	-13	13	-13	—	—
Fire reserve	8	-2	6	-2	—	4
Real estate replacement reserve	11	-11	—	—	—	—
Deferred amount	—	—	—	1,558	-201	1,357
Tax equalization reserve	—	—	—	696	-84	612
Foreign exchange reserve	—	—	—	39	—	39
	5,930	917	6,824	-154	17	6,687

¹⁾ Other changes consist mainly of a redistribution among the eliminations of acquired reserves, due to the new tax rules. The total, SEK 17 M, is attributable to reserves that are reported in the accounts of partly owned partnerships and general partnerships.

²⁾ Of the 1990 allocation, SEK 23 M of the reserve was reported in the accounts of partly owned partnerships and general partnerships.

10 Taxes

	1991	1990
Income tax	- 156	- 520
Profit sharing tax	8	- 51
Temporary profit tax	—	- 1
Distribution tax	56	—
Real estate tax	- 230	- 148
Change in deferred tax	46	- 270
	- 276	- 990

After conducting an audit, the local tax authority appealed the 1988 tax assessment. Because of this, a provision has been made for possible additional taxes totaling SEK 43 M, based on claims primarily related to periodization issues, which have been deemed to entail some risk of a higher tax assessment. No allocation has been made, however, for tax claims of about SEK 450 M – mainly related to the question of a merger loss – which has not been adjudged to involve any risk of a change in tax assessment.

During 1988–1990 the Skanska Group, through partly owned companies, purchased participations in aircraft, including both Swedish-made SAAB 340B turboprops and other aircraft. The tax authorities questioned the depreciation deductions related to most of these transactions. These cases are currently being adjudicated in the County Administrative Court and are not expected to be decided by the highest appeal court until 2–3 years from now. On the basis of a comprehensive analysis following consultations with the other co-owners and with outside tax experts, the risk of higher tax assessments is believed to be small. Thus no provision for higher taxes has been made as a result of the authorities' claim. The tax saving on the deductions questioned by the authorities totals about SEK 700 M for the income years 1988–90.

11 Shares (current assets)

List of shareholdings of Skanska Kapitalförvaltning AB comprising trading inventory assets as of December 31, 1991.

Values in SEK 000

Listed companies	Number	Per value	Market value	Book value
Asea, Series A restricted	29,450	589	8,393	8,393
Asea, Series B free (unrestricted)	104,400	2,088	29,128	29,128
Astra, Series A restricted	10,000	125	5,080	4,918
Custos, Series B free	10,000	250	860	860
Ericsson, Series B free	486,300	12,158	52,520	52,520
Esselte, Series A restricted	50,000	625	5,700	5,700
Finnveden	10,000	250	150	150
Garphyttan	10,000	200	1,150	1,150
Incentive, Series A restricted	43,200	43	5,962	5,962
Investor, Series A restricted	55,000	1,375	6,325	6,325
SCA, Series B free	3,000	75	282	282
Sila, Series B restricted	10,000	100	180	180
Stora, Series A restricted	10,000	250	2,350	2,350
Stora, Series B free	20,000	500	4,700	4,700
Volvo, Series B restricted	50,000	1,250	15,500	15,500
Öresund, free	113,612	5,681	7,953	7,953
Total			146,233	146,071

12 Current assets held by consortia

This amount represents the Group's share of assets held by consortia (except for expenses incurred that are included under the heading "Uncompleted contracts"). Liabilities (except for invoicing) are similarly shown under the heading "Current liabilities of consortia."

13 Other receivables (current assets)

This heading refers primarily to short-term investments in the form of Treasury discount notes, commercial paper and promissory notes. In addition to the assets and liabilities reported in the consolidated balance sheet, on the balance sheet date there were short-term investments and liabilities of SEK 285 M each in Group companies which were part of interest rate arbitrage transactions and which were offset against each other.

14 Investment and development properties

Regarding the definition of "Investment and development properties," see "Real estate" in the accounting and valuation principles, page 13.

15 Property, plant and equipment

a) Acquisition price and accumulated depreciation

	Acquisition price for remaining assets		Accumulated depreciation		Book value under Assets in balance sheet	
	1991	1990	1991	1990	1991	1990
Ships (dredgers, barges)	133	136	98	92	35	44
Machinery and equipment	4,320	4,145	2,705	2,436	1,615	1,709
Buildings (fixed-asset properties)	819	765	285	268	534	497
Hydroelectric power plants	391	391	40	30	351	361

b) Assessed values

	1991	1990
Investment and development properties		
Buildings	6,775	6,133
Land and other real estate	1,913	2,041
Fixed-asset properties		
Buildings, incl. power plants	634	598
Land and other real estate	229	231
Timberland	240	246

16 The Group's holdings of shares and participations (fixed assets)

Portfolio as of December 31, 1991

Swedish companies

Listed shares, convertible debentures and convertible participatory notes	Number	% stake	Par value	Market value	Book value
			SEK 000	SEK 000	SEK 000
Active i Malmö AB	360,000	3	3,600	5,835	15,427
Investment AB Cardo	900,000	6	45,000	253,800	200,134
AB Catena	5,604,763	18	112,095	269,029	257,631
AB Custos Series A	9,918,358	21	247,959	922,407	1,217,394
AB Custos Series B	666,714	1	16,668	57,337	58,859
Euroc AB	10,899,150	31	272,479	607,106	458,168
FFNS Gruppen AB	8,000	<1	40	304	302
AB Geveko	852,134	21	21,303	68,171	68,910
AB Industrivärden	880,928	2	17,619	144,671	115,851
AB Industrivärden conv, participatory notes	374,387		43,055	57,327	71,636
Klövern Förvaltnings AB	1,472,144	3	14,721	23,554	29,760
AB Piren	1,003,352	5	10,034	20,569	15,050
Protorp Förvaltnings AB	2,684,754	27	134,238	617,493	298,988
Sandvik AB	11,908,800	22	297,720	4,074,285	1,011,686
Seco Tools AB	1,505,361	5	3,763	129,461	144,515
AB SKF Series A	12,440,000	11	155,500	1,144,480	338,070
AB SKF Series B	1,615,400	1	20,193	145,401	68,965
Trygg-Hansa Holding AB	13,790	<1	138	1,448	2,647
Wihlborg & Son AB	17,000	<1	340	765	2,946
Investment AB Öresund	3,986,024	26	99,651	286,994	309,356
				8,830,437	4,686,295

	Number	% stake	Par value 000	Book value SEK 000
<i>Other holdings</i>				
KB Air Preca (limited partnership) _____	1/3	33	40,141	23,253
Alsike Fastighets AB _____	240	24	240	240
Arlanda Stad KB _____		50	1,000	1,000
HB Betongrörsteknik (partnership) _____	1	50	50	50
BGB Intressenter i Malmö AB _____	117,468	13	1,175	2,252
Biobränsleteknik i Arvidsjaur AB _____	1,000	25	100	100
Bodträskå Kraft KB _____	1	50	60	60
Byggnads AB Tryckeriet _____	600	50	60	60
Byggnads AB Tryckeriet & Co KB _____	1	50	45	2,810
Cedersdal Fastigheter AB _____	250,000	50	25,000	25,000
Cinders Byggbetong AB _____	240	33	240	0
Dala Asfalt & Co KB _____	5	50	250	250
HB Duvslaget _____		20		80
HB Energibyggarna _____		50	250	250
KB Eskilstorp, AB Jörlandaån & Co _____	15	33	150	150
FASAB Fastighetssystem AB _____	2,069	38	259	3,379
Fastighets AB Ladusvalan _____	599,700	21	29,985	74,963
Fastighets AB Ladusvalan, convertible debentures _____	505,528		63,191	63,191
Fastighets AB Luxor _____	1,000	50	100	100
Fastighets AB Skalholt KB _____		50	50	50
Fastighets AB Sulcus _____	500	50	50	315
Fastighets AB Viggen in bankruptcy _____	353	35	353	0
Fastighetsbolaget Falköpings City HB _____	10	50	100	100
Fastighetsbolaget Formen AB _____	495	10	495	23,015
Fastighetsbolaget Glunten KB _____		50	200	1,200
Fastighetsbolaget Hälsan KB _____	10	50	500	500
Fastighetsbolaget Skavsta KB _____	10	50	500	500
Fastighetspartner NF AB _____	384,550	19	38,455	93,743
Fineri Nr 5 KB _____	75	75	20,186	19,384
HB Forserumsten _____	1		900	900
Funktionsglas i Alstermo AB _____	1,000	10	100	100
Fyllebro Exploatering KB _____	2	40	100	100
Ekonomiska föreningen Giganten (cooperative) _____	136	40	109	0
Glasberga Fastighets AB _____	1,000	25	100	100
AB Gotlandsbeläggningar & Co KB _____		33		50
Graningeverkens AB _____	257,027	29	128,513	644,818
Grisslingehöjden KB _____		25	750	750
H-Invest AB _____	500	<1	50	50
Halmstads BGB AB _____	112	41	56	55
AB Helsingborgs Byggelement _____	350	50	350	757
HB Helsingborgsfastigheter _____	1	33	100	100
Härryda Kross AB _____	130	50	650	650
Högbo Bruks Utbildningscentrum AB _____	100	17	100	402
Högbo Utbildningsfastighet HB _____		25		500
Högmora Exploaterings AB _____	2,000	50	200	200
Ideon AB _____	5,250	18	5,250	7,742
Jönköpings Betong AB _____	1,000	50	100	100
AB Kalmar Betongindustri _____	320	10	160	40
Kalmar Familjead AB _____	100	50	50	50
Kalmar Familjead KB _____		50		239
AB Karlskoga Köpcentrum _____	180	45	400	5,820
HB Karlstads-Duvan _____	98	25		980
Kåholmen AB & Co KB _____	1	50	100	100
KB Lidingö Centrum _____	1	24	200	200
Lidingö Centrumgruppen HB _____		14	61	61
Makadam AB Lapillus _____	126	50	126	126
AB Malmöfastigheter _____	36	50	360	41,919
Masmobergets Exploaterings AB _____	2,000	50	200	200
Medeon AB _____	61,200	33	6,120	0
Mega-Carrier KB _____	330	33	54,123	11,132

	Number	% stake	Par value 000	Book value SEK 000
Mega-Flight KB _____	1/2	50	82,513	53,150
KB Metro-Flyg _____	330	33	46,521	17,277
AB Mälarmark _____	100	50	100	127
Mälärtraktens Kraftdistribution AB _____	780	1	39	195
AB Mölndalskatten & Co KB _____	5	50	50	50
Nohab Industrifastigheter AB _____	20,000	50	1,000	1,000
Nohab Industrifastigheter AB & Co KB _____		50	4,000	4,000
KB Novum _____		50	500	500
KB Nya Knutpunkten 1-6 _____		25	750	435
Nyköping Airport Dev KB _____	10	33	50	50
Närkes Kross- & Asfaltprodukter KB _____	10	50	500	500
Polaris Aircraft Leasing KB _____	99		142,658	13,541
Produktionsbyrå Black & Yellow AB _____	250	50	25	25
AB Ramlösa Brunnsanläggning _____	625	50	62	75
HB Rydebäcks Gård _____	1/2	50	150	150
Råsjö Torv AB _____	26,236	24	2,727	7,953
KB Skinnefjäll _____	10	50	500	500
HB Solrosen _____	1	50	3,125	3,125
KB Spiran _____		50	100	100
AB Staven _____	10,000	33	1,000	1,142
HB Stämpeln 1 _____		52		50,400
STR-Garanti AB _____	30	12	300	600
AB Svenska Dagbladet Holding _____	18,900	<1	189	189
Swedish Aircraft FOUR KB _____	100	100	58,641	62,888
Swedish Aircraft TWO KB _____	50	50	45,587	42,917
Swedish Construction Management KB _____	50	50	50	50
AB Sydsten _____	120,000	40	6,000	3,880
SÅBI AB _____	3,650	<1	365	435
Södertälje Åkeri AB _____	1,080	<1	108	112
Sörmlands Asfalt- & Krossprodukter KB _____	10	50	500	500
Trinova AB _____	500	4	50	50
Uddevallan Invest AB _____	50,000	4	5,000	0
Ullna Golf AB _____	3,500	1	350	505
AB Uppsalagrus & Co KB _____	10	50	500	500
KB Vasatorpsfastigheter _____	500	50	500	500
Vestasfalt KB _____	19	50	475	475
HB Vestbruk _____		50		1,500
Videum Fastighets AB _____	2,500	25	2,500	2,510
Vikans Kross AB & Co KB _____	10	50	300	300
Åkerigrus KB _____		50	100	100
ÖS-Företagsby KB _____	725	50	725	725
Österleden AB _____	125	25	63	63
Brf Borgens (coop. housing association), apts. no. 2, 3 _____	1	48	7,121	7,121
Miscellaneous shares and participations* _____				58,449
				1,392,900

Foreign companies

Banister Continental Ltd., Canada _____	1,355,116	23	CAD	5,209	78,005
Beaconsfield Ltd., Bermuda _____	10,000	24	USD	100	1,070
Dansk Betonelementfabrik A/S, Denmark _____	750	50	DKK	7,500	3,992
Deyhle + Viering, Germany _____	1	50	DEM	677	2,201
Entreprenørservice A.S., Norway _____	2,500	25	NOK	2,325	2,349
Frankfurt Properties Investment BV, Netherlands _____	13,000	50	NLG	13,000	42,250
Grove Equity Inc., United States _____	24	48	USD	33	183
Oy Herrfors, Finland _____			FIM	0	215
Andel Hoge Kleij, Netherlands _____			NLG	0	62
København Forskarby A/S, Denmark _____	1	<1	DKK	100	0
Mount Hope Limited Partnership, United States _____	5	USD	1,088	6,036	

	Number stake	%	Par value 000	Book value SEK 000
Rasmussen & Stisager A/S, Denmark	10	50	DKK 10,000	13,795
Selmer A.S., Norway	6,408,723	33	NOK 64,087	0
Sihnska A/S, Denmark	17,720	50	DKK 17,720	0
Skanska Property Investment 3 BV & Co OHG, Netherlands		50	DEM 7,000	25,636
Skanska West Africa Ltd., Nigeria	160,000	40	NGN 160	269
Swedish American Ch of Commerce, United States	1		USD 50	278
Soenderjydsk Erhvervsinvestering KS, Denmark	9	<1	DKK 158	102
Vasa Läns Telefon AB, Finland	11	<1	FIM 44	73
VSL Norge A.S., Norway	180	45	NOK 140	331
Yemen Construction & Development Company, Yemen	3,000	3	YER 3,000	0
Miscellaneous shares and participations ¹⁾				76
				176,923
Total				6,256,118

* Complete data can be obtained on request from the Company by writing to Group Public Affairs, Skanska AB, S-182 25 Danderyd, Sweden

17 Goodwill

	Income statement ¹⁾		Balance sheet	
	1991	1990	1991	1990
Goodwill: JM	22 ²⁾	21	120	138
Slattery	9	1	28 ³⁾	46
Other goodwill	14	13	51	58
According to Income statement /Balance sheet	45	35	199	242

1) Goodwill is normally depreciated by 10 percent annually.

2) The excess value of JM shares purchased during 1991, SEK 4 M was directly depreciated as goodwill.

3) Part of the opening balance was redistributed to machinery.

18 Other current liabilities

As of December 31, 1991, other current liabilities consisted of SEK 74 M (200) in the current portion of long-term liabilities, SEK 5,623 M (5,795) in other interest-bearing liabilities and SEK 1,130 M (1,612) in non-interest-bearing liabilities.

19 Provision for pensions

	Provision incl. interest		Year-end liability	
	1991	1990	1991	1990
PRI liability	188	204	1,611	1,423
Other pension commitments	26	0	49	23
	214	204	1,660	1,446

20 Convertible debenture loans

	Skanska	JM	Drott ¹⁾
Amount (total SEK 941 M)	784	133	24
Maturity	1989-94	1989-94	1988-92
Convertible beginning in	1991	1991	1991
Conversion price	235 kr	197 kr	700 kr
Maximum dilution of capital stock	2.6%	3.1%	20.0%
Maximum dilution of voting power	1.6%	1.5%	11.6%

1) The sum of SEK 24 M refers to the minority share of the loan at the time of subscription, 14 percent. Because the loan falls due in 1992, this amount is included among current liabilities

With regard to Skanska's convertible debenture loan, see also Note 20 to the Parent Company financial statements.

21 Deferred tax liability

	1991	1990
Amount on January 1	2,185	139
Transferred from untaxed reserves	—	1,772
Deferred taxes in the year's income	-46	275
Withdrawal of deferred taxes	—	-5
Other changes	19	4
	2,158	2,185

22 Minority interest in untaxed reserves and equity

	1991	1990
In untaxed reserves of Group companies	322	335
In shareholders' equity	270	286
	592	621

23 Untaxed reserves

Note 9 provides an account of the untaxed reserves of Group companies.

24 Change in shareholders' equity

	Restricted reserves			Unrestricted reserves and net profit for the year	
	Capital stock	Equity portion of untaxed reserves	Other restricted reserves	Unrestricted reserves	Net profit for the year
At year-end 1989	630		831	2,345	1,534
Transfer of net profit for 1989				1,534	-1,534
Transferred to restricted reserves				33	-33
Translation differences				-1	25
Dividend					-331
Earned by former associated company					23
Contribution by minority shareholders in subsidiary				53	
Transfer from untaxed reserves		4,135			
Net profit for 1990					1,248
Transfer to equity portion		642		-642	
At year-end 1990	630	4,777	916	2,921	1,248
Transfer of net profit for 1990				1,248	-1,248
1:1 stock dividend	629				-629
Transferred to restricted reserves				7	-7
Translation differences				-11	-169
Dividend					-394
Net profit for 1991					691
Transfer from equity portion		-108		108	
Equity portion in partly owned partnerships and limited partnerships			12		
At year-end 1991	1,259	4,681	912	3,078	691

25 Capital stock

See Note 25 to the Parent Company financial statements.

Notes to the Parent Company financial statements

For notes to the consolidated financial statements, see page 18.

Amounts in SEK M unless otherwise specified

1 Change in presentation format, adjusted comparative figures

Effective from 1991, the consolidated (Group) and Parent Company income statements and balance sheets are being presented in an integrated format. The notes to their respective financial statements remain separate, however.

Due to changes in the accounting principles for extraordinary items, allocations and other items (see the accounting and valuation principles, page 13), comparative figures for 1990 have been adjusted to comply with the 1991 principles.

2 Invoiced sales for the year

This amount includes SEK 1,913 M (2,636) in sales to subsidiaries. The Parent Company's purchases from subsidiaries totaled SEK 1,024 M (995).

3 Invoiced sales not credited to income

The difference between the closing balance on December 31, 1990 and the opening balance on January 1, 1991 is attributable to operations transferred to subsidiaries effective from 1991.

4 Personnel

See Note 4 to the consolidated financial statements, page 18.

5 Depreciation

	Depreciation		Extra depreciation		Book depreciation for year*	
	1991	1990	1991	1990	1991	1990
Machinery and equipment	269	270	-46	11	223	281
Fixed-asset properties incl. hydroelectric power plant	16	16	-2	-9	14	7
Total depreciation	285	286	-48	2	237	288

* Including depreciation against reserves.

6 Writedowns

Writedown of shares in

	1991	1990
a) Property management subsidiaries	898	—
b) other companies	303	16
	1,201	16

Note 7 and 8 refer only to the consolidated financial statements

9 Allocations

	1991	1990
Group contributions and stockholders' contributions ¹⁾	-398	-1,307
Inventory reserve	50	5
Payroll reserve	448	-13
Reserve for indirect expenses	-114	413
Reserve for uncompleted contracts	989	-89
Reserve for investment and development properties	19	-19
Extra depreciation (Note 5)	48	-2
General investment reserve ²⁾	7	16
Development reserve	12	13
Deferred amount for inventory reserve etc.	-753	—
Tax equalization reserve ³⁾	-474	—
Foreign exchange reserve	-33	—
	-199	-983

¹⁾ Of this amount, SEK -18 M (-7) refers to stockholders' contributions.

²⁾ Of the SEK 12 M in the fund on January 1, 1991, SEK 5 M was transferred to subsidiaries.

³⁾ The Group made an allocation to a payroll-based tax equalization reserve, which was believed to provide greater scope for allocations than the equity-based tax equalization reserve which is available as an alternative under tax rules which went into effect in 1991.

10 Taxes

	1991	1990
Income tax	23	-119
Profit sharing tax	8	-9
Distribution tax	56	—
Real estate tax	-6	-4
	81	-132

The amounts for income, profit sharing and distribution tax refer to refunds of taxes attributable to prior years.

Because the transitional regulations for the new tax system permit allocations to a deferred amount for inventory reserve etc., and because the Company's dividend revenues are mainly tax-exempt, no allocation for income tax was deemed necessary for the 1991 income year.

Note 11 refers only to the consolidated financial statements

12 Current assets held by consortia/current liabilities

This amount represents the Company's share of assets held by consortia (except for expenses incurred that are included under the heading "Uncompleted contracts"). Liabilities (except for invoicing) are similarly shown under the heading "Current liabilities of consortia."

Notes 13 and 14 refer only to the consolidated financial statements

15 Property, plant and equipment

a) Acquisition price and accumulated depreciation

	Acquisition price for remaining assets		Accumulated depreciation	
	1991	1990	1991	1990
Ships (dredgers, barges)	71	71	71	71
Machinery and equipment	2,325	2,452	1,622	1,539
Buildings	345	320	156	147
Hydroelectric power plant	230	230	29	23

b) Assessed values

	1991	1990
Fixed-asset properties		
Buildings, incl. power plant	331	320
Land and other real estate	130	131

16 The Parent Company's holdings of shares and participations

Subsidiaries ¹⁾	Number	% stake (if <100)	Par value SEK 000	Book value SEK 000
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Listed on the Stockholm Stock Exchange

JM Byggnads och Fastighets AB ²⁾	13,750,100	65	55,000	1,548,317
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Other subsidiaries

AB Drott*	769,578	67	7,696	50,755
AB Drott, convertible debentures	18,750		131,250	131,250
AB Fakiren	3,000,000		150,000	95,295
AB Gadus	10,000		1,000	1,000
Gråbo Byggelektriska AB	2,000		200	200
AB Hexabar Grön, in liquidation	100		50	50
AB Hexabar Ljusgrå	1,000		100	100
AB Hexabar Ljusröd	1,000		100	100
AB Hexabar Nötbrun	500		50	77
AB Hexabar Rosa	750		75	79
AB Hexabar Turkos	3,000		300	300
Hofors Kraft KB			3	3
Kolbäckens Kraft KB			3	3
AB Mälarhus	10,000		1,000	1,000
Myresjö AB	650,000		65,000	71,500

	Number	% stake	Par value 000	Book value SEK 000
Ohlsson & Skarne AB	50,000		5,000	5,048
AB Perukmakaren	250,000		25,000	1,000
Röinge-Grus AB	500		50	50
SCG Byggnads AB	500		50	50
SektionsByggarna AB	12,000		1,200	10,000
Skanska Allemansfond				
Förvaltnings AB	500		250	250
Skanska Entreprenad AB	4,000		1,000	1,072
Skanska Export AB	500		50	253
Skanska Fastigheter Nord AB	30,000		3,000	3,000
Skanska Fastigheter Norge AB	730		73	73
Skanska Fastigheter				
Stockholm AB	160,000		16,000	16,000
Skanska Fastigheter Syd AB	50,000		5,000	5,000
Skanska Fastigheter Väst AB	10,000		1,000	1,000
Skanska Fastighetservice AB	20,000		2,000	2,000
Skanska Förvaltnings AB	500		50	50
Skanska Holding AB	500		50	50
Skanska Installation AB	20,000		2,000	2,050
Skanska International				
Building & Properties AB	500,000		50,000	50,000
Skanska International				
Civil Engineering AB	24,000		12,000	12,000
Skanska Invest AB	50		50	200
Skanska Kapitalförvaltning AB	500,000		50,000	65,000
Skanska Kraft AB	500		50	60
Skanska Maskin AB	100		120	120
Skanska Mellansverige AB	10,000		1,000	1,000
Skanska Norrland AB	2,000		1,000	1,033
Skanska Prefab AB	30,000		3,000	4,500
Skanska Service AB	500		50	50
Skanska Staber AB	2,500		150	150
Skanska Stockholm AB	1,000		1,000	990
Skanska Stålteknik AB	10,000		1,000	50
Skanska Syd AB	10,000		1,000	784
Skanska Sydöst AB	10,000		1,000	1,134
Skanska Teknik AB	20,000		2,000	2,000
Skanska Turbo AB	500		50	52
Skanska Väst AB	10,000		1,000	1,008
Stabilator AB	20,000		2,000	2,000
AB Svenska Aktier	500		50	50
AB Tryckrör	54,000		5,400	3,900
C G Jensen A/S, Denmark	382	DKK	20,000	675
Devoncourt Holdings Unltd., Ireland	41,000,000	GBP	41,000	442,083
Marktune Ltd, Great Britain	100	GBP	15,000	67,873
SCEM Reinsurance SA, Luxembourg	500	LUF	50,000	8,214
Skanska Baugesellschaft mbH, Germany		DEM	10,000	31,428
Skanska Finance BV, Netherlands	3,600	NLG	3,600	2,000,963
Skanska Investment BV, Netherlands	41	NLG	25,000	298,872
Skanska Norge A.S., Norway	355,000	NOK	355,000	0
Skanska (USA) Inc., United States	15,207	USD	26,582	142,887
Trinity Tower Property Co Ltd., Great Britain	202,000,000	GBP	202,000	1,711,155
Parent company's total holdings in subsidiaries:				6,797,206

*Together with Skanska Fastigheter Syd, 76%

	Number	% stake (if <100)	Par value 000	Book value SEK 000
Other companies				
<i>Listed on the Stockholm Stock Exchange</i>				
Active i Malmö AB	360,000	3	3,600	15,427
Investment AB Cardo	900,000	6	45,000	200,134
AB Catena	5,604,763	18	112,095	257,631
AB Custos, Series A	9,918,358	21	247,959	1,217,394
AB Custos, Series B	666,714	1	16,668	58,859
Euroc AB	10,899,150	31	272,479	458,168
FFNS Gruppen AB	8,000	<1	40	302
AB Geveko	852,134	21	21,303	68,910
AB Industrivärden	880,928	2	17,619	115,851
AB Industrivärden, convertible participatory notes	374,387		43,055	71,636
Klövern Förvaltnings AB	1,472,144	3	14,721	29,760
AB Piren	970,000	5	9,700	14,550
Protorp Förvaltnings AB	2,684,754	27	143,238	298,988
Sandvik AB	11,908,800	22	297,720	1,012,180
Seco Tools AB	1,505,361	5	3,763	144,515
AB SKF, Series A	12,440,000	11	155,500	344,813
AB SKF, Series B	1,615,400	1	20,193	74,017
Trygg-Hansa Holding AB	13,395	<1	134	2,529
Wihlborg & Son AB	17,000	<1	340	2,946
Investment AB Öresund	3,986,024	26	99,651	309,356
Parent company's holdings of listed shares and convertibles (excl. JM):				4,697,966
<i>Others:</i>				
Banister Continental Ltd., Canada	1,355,116	23	CAD 5,209	78,005
BGB Intressenter i Malmö AB	117,468	13	1,175	2,252
Cinders Byggbetong AB	240	33	240	0
Fastighets AB Luxor	1,000	50	100	100
Fastighets AB Ladusvalan	599,700	21	29,985	74,963
Fastighets AB Ladusvalan, convertible debentures	505,528		63,191	63,191
Fastighetspartner NF AB	384,550	19	38,455	93,743
Graningeverkens AB	257,027	29	128,513	644,818
Halmstads BGB AB	112	41	56	55
Ideon AB	2,625	9	2,625	3,871
Produktionsbyrån				
Black & Yellow AB	250	50	25	25
Råsjö Torv AB	25,204	23	2,520	7,638
Selmer A.S., Norway	6,408,723	33	NOK 64,087	0
Sihnska A/S, Denmark	17,720	50	DKK 17,720	0
Skanska West Africa Ltd., Nigeria	160,000	40	NGN 160	269
Trinova AB	500	4	50	50
Uddevalle Invest AB	50,000	4	5,000	0
Ullna Golf AB	3,500	1	350	505
Yemen Construction & Development Co., Yemen	3,000	3	YER 3,000	0
Österleden AB	125	25	63	63
				969,548
Fastighetsbolaget Glunten KB		50	200	1,200
Fyllebro Exploatering KB		50	50	50
Miscellaneous shares and participations				698
				1,948
Parent Company's total holdings in other companies				5,669,462

¹⁾ List of certain indirectly owned property management and operating companies, some of which operate on a commission basis for the Parent Company:

	Number	% stake (if <100)	Par value 000	Book value SEK 000
Annedals Elektriska AB _____	500		50	60
Arlanda Flyghotell KB _____			100	100
Bark & Warburgs AB _____	6,200		6,200	46,716
Berlin Teleport Communication Centrum GmbH, Germany _____			DEM 50	184
Boxholms Skogar AB _____	1,250,000		125,000	149,990
Boxholms Såg AB _____	175,000		17,500	20,990
Combiglas AB _____	50,000		5,000	1,700
Copenhagen Property Investment BV, Netherlands _____	32	80	NLG 32	76,395
Drott Investment BV, Netherlands _____	40		NLG 40	95,782
East-West Prop. Development Share Co., Hungary _____	1,080	54	DEM 10,800	36,836
Eurostop KB _____	2,925	60	3,050	6,930
Fastighets AB Davidshall _____	75,000		7,500	127,500
Fastighets AB Överkikaren _____	500		50	47
Fastighetsbolaget Färöarna HB _____			100	100
Fastighetsbolaget Utkiken KB _____			50	9,528
Fisketorvet A/S, Denmark _____	300	DKK	300	114,516
Flexator AB _____	500		900	500
Galleriafastigheter AB _____	10,000		1,000	275,800
Grus & Betong i Norrland AB _____	10,000		1,000	2,825
AB Gusum Skogar _____	80,000		4,000	19,500
Himlinge Maskinstation AB _____	500		50	3,232
Industriventilation Produkt AB _____	3,600		360	6,100
Industriventilation Svenska AB _____	2,000		200	14,996
Internordisk Spännarmering AB _____	500		50	50
JoBo Trä AB _____	24,000		2,400	7,896
Karl Koch Erecting Co Inc., United States _____	90	90	USD 390	81,461
LBI Luftbehandling AB _____	600		60	5,097
Lundqvist & Söner Muddrings AB _____	20,000		2,000	33,520
Myresjöfönster AB _____	40,000		20,000	150
Myresjöhus AB _____	200,000		20,000	4,200
Myresjö Trä AB _____	10,000		1,000	14,500
Nordiska Trähus AB _____	20,000		2,000	45,000
Oslo City Administrasjon A.S., Norway Palms Elektriska i Norrköping AB _____	10,000	NOK	10,000	2,325
Pålgruppen Geomekan AB _____	500		50	51
RMS Resmastsystem AB _____	65,000		6,500	5,597
Scandinavian Center i Malmö AB _____	2,000		2,000	2,179
Skandinavien Development Inc., United States _____	875	88	USD 14,834	91,821
Skanska Data AB _____	5,000		500	500
Skanska Kirchberg 3 SA, Luxembourg _____	405,000		LUF 405,000	70,681
Skanska Property Investment 4 BV, Netherlands _____	40		NLG 28,492	91,959
Skanska Trading AB _____	1,000		100	670
Skanska Raise Boring AB _____	1,200		120	144
Skanska Stålteknik Mekan AB _____	500		50	14,900
Slattey Associates Inc., United States Sordoni/Skanska Construction Co Inc., United States _____	500	USD	5,000	30,950
Stenbergs EI i Stockholm AB _____	100	USD	3,750	21,375
Stenbergs Elektriska AB _____	800		50	50
Stenbergs Elektriska AB _____	2,000		200	200
Svenska Rivteknik AB _____	5,000		500	6,418
AB Tanto _____	150,000		15,000	104,470
Uri Civil Contractor AB _____	300	60	30	0
Örmo Skogar AB _____	45,000		2,250	35,175

²⁾ The market value of the Company's shareholding in JM Byggnads och Fastighets AB was just over SEK 1,100 M, calculated on the basis of the market price for Series B shares, SEK 80, established by the Tax Administration and the Stockholm Stock Exchange. Skanska's holding consists of 2,475,000

Series A shares, all restricted, and 11,275,100 Series B shares, including 5,105,215 free shares.

Note 17 refers only to the consolidated financial statements

18 Other current liabilities

As of December 31, 1991, other current liabilities consisted of SEK 40 M (165) in the current portion of long-term liabilities, SEK 3,556 M (3,954) in other interest-bearing liabilities and SEK 536 M (543) in non-interest-bearing liabilities.

19 Provision for pensions

	Provision incl. interest		Year-end liability	
	1991	1990	1991	1990
PRI liability _____	167	149	1,269	1,102
Other pension commitments _____	-1	0	19	20
	166	149	1,288	1,122

20 Convertible debenture loan

The proceeds of the convertible debenture loan were received on February 17, 1989. The loan falls due for payment on February 28, 1994. Conversion to Skanska shares may take place from February 18, 1991 until February 15, 1994. The conversion price is SEK 235 per share after taking into account the 1:1 stock dividend in 1991. See also Note 20 to the consolidated financial statements.

The capital discount of SEK 61 M – calculated on the basis of the difference between the 9.5 percent convertible debenture loan interest rate at the close of the subscription period in December 23, 1988 and the Company's alternative loan interest rate, estimated at 11.5 percent – was credited in the 1988 accounts to the legal reserve as a capital contribution.

This asset is being depreciated successively during the life of the loan, with SEK 12 M (11) being charged against financial items in 1991.

Notes 21 and 22 refer only to the consolidated financial statements

23 Untaxed reserves

	Value ac- cording to 1990 balance sheet	Allocations in 1991	Transfer to sub- sidiaries	Value ac- cording to 1991 balance sheet
Inventory reserve _____	50	- 50		0
Payroll reserve _____	448	- 448		0
Reserve for uncompleted contracts	989	- 989		0
Reserve for indirect expenses _____	1,287	114		1,401
Reserve for investment and development properties _____	19	- 19		0
Accumulated extra depreciation: Machinery and equipment _____	264	- 46		218
Fixed-asset properties _____	252	- 2		250
General investment reserve _____	12	- 7	- 5	0
Development reserve _____	12	- 12		0
Deferred amount _____	0	753		753
Tax equalization reserve _____	0	474		474
Foreign exchange reserve _____	0	33		33
	3,333	- 199	- 5	3,129

24 Change in shareholders' equity

	Capital stock	Legal reserve	Retained earnings
Opening balance, Jan. 1, 1991 _____	630	483	3,528
Dividend _____			- 394
1:1 stock dividend (registered June 19, 1991)	629		- 629
	1,259	483	2,505

25 Capital stock

9,136,860 Series A shares (10 votes apiece), each with a par value of SEK 10
116,786,310 Series B shares (1 vote apiece), each with a par value of SEK 10
125,923,170

Proposed allocation of earnings

The Board of Directors and the President propose that the net profit for 1991, SEK 472,982,232, plus the retained earnings of SEK 2,504,669,792 carried forward from the preceding year, making a total of SEK 2,977,652,024, be allocated as follows:

A dividend to the shareholders of SEK 3.25 per share	SEK	409,250,302.50
To be carried forward _____	SEK	2,568,401,721.50
		<u>SEK 2,977,652,024.00</u>

Danderyd, Sweden, April 15, 1992

Lars-Ove Håkansson

Percy Barnevik	Sten Lindh	Sven Johansson
Carl-Olof Ternryd	Stig Herner	Carl-Erik Feinsilber
Anders Sjöberg	Alf Eker	Gudrun Norberg
	Sven-Eric Hersvall President	

Auditors' Report for Skanska AB

We have examined the Annual Report, the consolidated financial statements, the accounts and the management by the Board of Directors and the President during 1991. Our examination has been carried out in accordance with generally accepted auditing standards.

Parent Company

The Annual Report has been prepared in conformity with the Swedish Companies Act.

We recommend that the Annual Meeting of Shareholders adopt the income statement and balance sheet, distribute the earnings in accordance with the proposal in the Report of the Directors and discharge the members of the Board of Directors and the President from personal liability for their administration during 1991.

Group

The consolidated financial statements have been prepared in conformity with the Swedish Companies Act. We recommend that the Annual Meeting adopt the consolidated income statement and balance sheet.

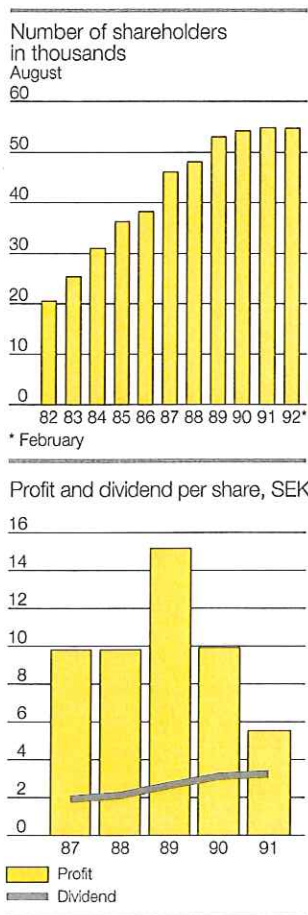
Danderyd, Sweden, April 16, 1992

Bo Fridman
Authorized Public Accountant

Anders Scherman
Authorized Public Accountant

Data on Skanska shares

Skanska's Board of Directors has proposed a dividend of SEK 3.25 per share for 1991. This means that SEK 409 M would be paid to shareholders. Provided that this proposal is approved by the Annual Meeting of Shareholders, the average annual growth rate in the dividend for the 10-year period 1982-1991 has been more than 17 percent.



Skanska shares have been quoted on the Stockholm Stock Exchange's A-list since 1965. At the time of flotation, Skanska's capital stock was SEK 32 M. Since then, capital stock has been increased by means of nine stock dividends and seven targeted special issues of new shares.

In March 1992, Skanska's capital stock amounted to SEK 1,259.2 M. This is divided into Series A and Series B shares, all with a par value of SEK 10. Series A shares carry 10 votes apiece, whereas Series B shares carry one vote apiece. Both A and B shares are issued as restricted and free (unrestricted) shares. Restricted shares may not be acquired by foreign citizens or companies.

Only Series B shares are listed on the Stockholm Stock Exchange. Skanska shares are not quoted on any stock exchange outside Sweden. Quotations for Skanska B restricted and Skanska B free vary somewhat. The volume of trading in free shares is naturally far less than in restricted ones.

On December 31, 1991, the market price of a Skanska Series B share was SEK 135. On March 31, 1992, the market price was SEK 112 and the Company's total market capitalization including Series A shares was about SEK 14.1 billion.

In February 1992 the total number of shareholders in Skanska was 54,694 (54,142). In addition, tens of thousands of people are indirect shareholders through mutual funds. During 1991, 7,041,933 Series B restricted shares and 2,048,592 Series B free shares were traded. This means that an average of more than 36,000 shares changed owners each trading day.

Employees' shareholdings

Many Skanska Group employees own Skanska shares as a result of special issues of new shares to employees in 1975, 1979, 1982 and 1987.

Convertible debenture issue to personnel

Following approval by an extra meeting of shareholders in Skanska AB on November 28, 1988, employees of the Company and its Swedish subsidiaries (except for JM, whose employees received an offer of their own) were invited during the fall of 1988 to subscribe for convertible debentures issued by Skanska.

The number of subscribers was 12,530, or 57 percent of all eligible employees. The total amount of debentures distributed was SEK 844.5 M.

Since January 2, 1991, this convertible debenture loan has been quoted on the Stockholm Stock Exchange. During the spring, the price peaked at 125 percent of par value. When Skanska's share price declined during the second half of 1991, the price of a debenture fell to a low of 95 percent. At year-end 1991 the official quotation was 98 percent of par. At the close of March 1992, it was 96 percent. During 1991 debentures with a par value of more than SEK 47 M, i.e. 5.6 percent of the total loan amount, changed hands on the Stock Exchange.

The first day for conversion into shares was February 18, 1991. For natural reasons - following the 1991 stock dividend the conversion price is SEK 235 per share - no conversions had occurred as of March 31, 1992. In case of full conversion, the number of Series B shares in Skanska would increase by about 3.6 million. This is equivalent to approximately 2.8 percent of capital stock and 1.7 percent of voting power.

Changes in capital stock since Skanska's introduction on Stockholm Stock Exchange in 1965

Year	Stock dividend SEK M	New share issue SEK M	Par value of capital stock SEK M
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

Shares by categories

	Number of shares	% of voting power	% of capital stock
A restricted	7,806,300	37.5	6.2
A free	1,330,560	6.4	1.1
B restricted	96,740,790	46.5	76.8
B free	20,045,520	9.6	15.9
Total	125,923,170	100.0	100.0

The largest shareholders in Skanska

According to the Swedish Securities Register Center (VPC), the largest shareholders and their percentages of total votes and shares in February 1992 were (> 0.9% of voting power):

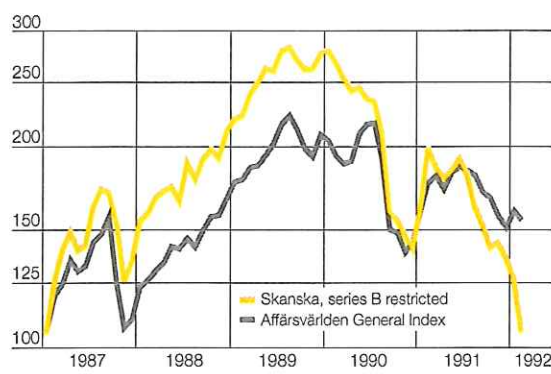
Shareholders	% of voting power	% of capital stock
Custos AB (investment company)	15.9	10.0
Industrivärden Group (investment company)	12.0	2.9
Protorp Förvaltnings AB (investment company)	10.7	12.4
Sparbankernas Aktiesparfonder (mutual funds)	6.2	10.2
Trygg-SPP-Group (insurance)	5.9	9.7
Skandinaviska Enskilda Banken pension funds	4.6	0.8
Svenska Handelsbanken pension fund	4.2	0.8
Investment AB Öresund	3.7	0.6
Swedish National Pension Insurance Fund, Fourth Fund Board	3.3	5.0
Skandinaviska Enskilda Bankens Aktiefonder (mutual funds)	1.0	1.6
Total	67.5	54.0
Other shareholders	32.5	46.0
	100.0	100.0

Shareholdings by size

February 1992		Number of share-holders	% of all share-holders	Total number of shares held	% of capital stock
Number of shares held					
1- 500	42,883	78.4	5,651,837	4.5	
501- 1,000	5,869	10.7	4,445,208	3.5	
1,001- 2,000	3,035	5.6	4,720,373	3.7	
2,001- 5,000	1,806	3.3	5,753,592	4.6	
5,001- 10,000	586	1.1	4,189,725	3.3	
10,001- 20,000	241	0.4	3,541,950	2.8	
20,001- 50,000	139	0.3	4,624,816	3.7	
50,001-100,000	52	0.1	3,759,248	3.0	
100,001-	84	0.1	89,236,421	70.9	
Total	54,695	100.0	125,923,170	100.0	

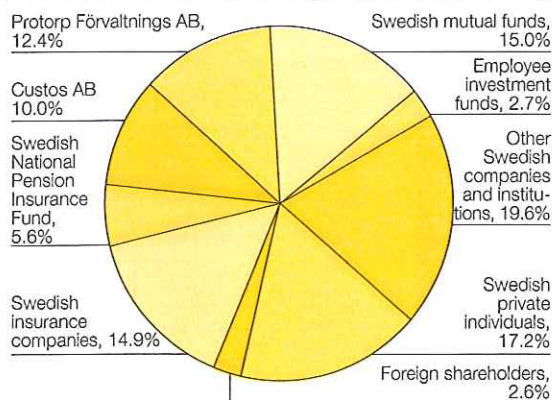
Share price movement

1987-Feb. 1992, diluted for stock dividends. Logarithmic scale.



Skanska's shareholders

Percentage of capital stock



Board of Directors

*Members and deputy member
elected by the Annual Meeting of Shareholders*

Lars-Ove Håkansson

Djursholm, born 1937. Chairman. Elected to the Board in 1985. President of Skanska AB, 1986-91, Group Chief Executive since 1987. Other directorships: JM Byggnads och Fastighets AB (Chairman), Euroc AB (Vice Chairman), Svenska Handelsbanken, Sandvik AB, AB Cardo, Graningeverkens AB, Banister Continental Ltd. Holdings in Skanska: 12,860 shares, including 11,860 Series B.

Percy Barnevik

Zurich, Switzerland, born 1941. Vice Chairman. Elected to the Board in 1986. President and Chief Executive Officer of ABB Asea Brown Boveri Ltd. Other directorships: Sandvik AB (Chairman), Providentia AB, E.I. du Pont de Nemours & Co. Holdings in Skanska: 40,000 Series B shares.

Sten Lindh

Pully, Switzerland, born 1922. Elected to the Board in 1969. Former Ambassador, former CEO of Euroc AB.

Sven Johansson

Lund, born 1923. Elected to the Board in 1979. Professor emeritus, Lund University.

Carl-Olof Ternryd

Stockholm, born 1928. Elected to the Board in 1982. Dr. Eng., professor at Royal Institute of Technology. Other directorships: Association of Swedish Automobile Manufacturers and Wholesalers (Chairman), Institute of Management.

Carl-Erik Feinsilber

Lidingö, born 1931. Elected to the Board in 1990. President and CEO of AB Industrivärden. Other directorships: AGA AB (Deputy Chairman), Investment AB Bahco (Chairman), Ericsson, Svenska Handelsbanken, SCA.

Anders Sjöberg

Kungälv, born 1935. Elected to the Board in 1990. Professor, President of Chalmers University of Technology.

Gudrun Norberg

Glanshammar, born 1938. Elected in 1990 (deputy member 1990-91, member since 1991). Member of Parliament (Liberal Party) since 1985. Other positions: Industry Committee of Parliament, Defense Committee (deputy member), Örebro County Liberal Party (Chairman), Föreningsbanken Örebro (Vice Chairman).

Sven-Eric Hersvall

Malmö, born 1931. Elected in 1991. Deputy member of the Board. President of Skanska AB since 1991. Other directorships: Euroc AB, Ideon AB, Sydsten AB, Svenska Handelsbanken, Southern Region, Chamber of Commerce of Southern Sweden. Holdings in Skanska: 3,340 Series B shares and 340 convertible debentures.

*Members and deputy members
appointed by employee unions*

Stig Herner

Gothenburg, born 1932. Swedish Association of Supervisors (SALF). Board member since 1985. Engineer. Holdings in Skanska: 5,500 Series B shares and 340 convertible debentures.

Alf Eker

Forshaga, born 1935. Swedish Building Workers' Union. Board member since 1990. Mason. Other positions: Forshaga Municipal Executive Board.

Ulf Andersson

Täby, born 1929. Swedish Union of Clerical and Technical Employees in Industry. Deputy member of the Board since 1987. Office worker. Holdings in Skanska: 200 Series A shares and 340 convertible debentures.

Bengt Järrestedt

Spånga, born 1946. Swedish Building Workers' Union. Deputy member of the Board since 1991. Wood worker. Holdings in Skanska: 10 Series B shares.



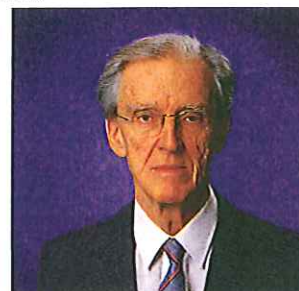
Lars-Ove Håkansson



Percy Barnevik



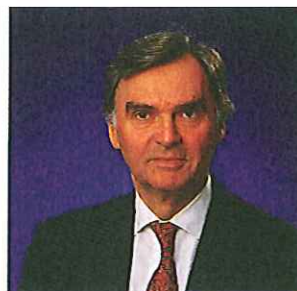
Sten Lindh



Sven Johansson



Carl-Olof Ternryd



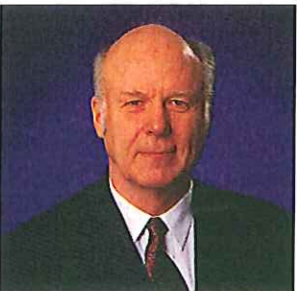
Carl-Erik Feinsilber



Anders Sjöberg



Gudrun Norberg



Stig Herner



Alf Eker

Group Management and heads of Group staff units

Lars-Ove Håkansson
Group Chief Executive

Sven-Eric Hersvall
President

Gunnar Carlsson
Executive Vice President,
Finance

Håkan Carlsson
Executive Vice President,
Legal Affairs, Secretary
of the Board

Per Westlund
Executive Vice President,
Swedish Construction

Mats Cederholm
Senior Vice President,
Properties Sweden

Tommy Sernelin
Senior Vice President,
Technical and Industrial
Companies

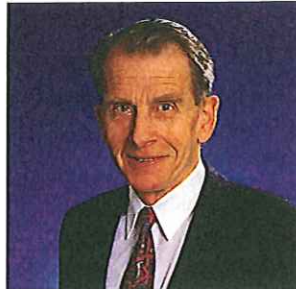
Lars Wiklander
Senior Vice President,
Administration and International
Construction

Lennart Hallberg
Senior Vice President,
Public Affairs

Anders Herslow
Senior Vice President,
Economy



Sven-Eric Hersvall



Gunnar Carlsson



Håkan Carlsson



Per Westlund



Mats Cederholm



Tommy Sernelin



Lars Wiklander



Lennart Hallberg



Anders Herslow

Auditors

Bo Fridman
Stockholm,
Authorized Public
Accountant.

Anders Scherman
Malmö, Authorized
Public Accountant.

Deputy auditors:
Bernhard Öhrn
Stockholm,
Authorized Public
Accountant.

Christer Ljungsten
Malmö, Authorized
Public Accountant.

Organizational structure

Chairman and Group Chief Executive:

Lars-Ove Håkansson

President: Sven-Eric Hersvall

Other members of Group Management:

Gunnar Carleson, Executive Vice President, Finance

Håkan Carlsson, Executive Vice President, Legal Affairs

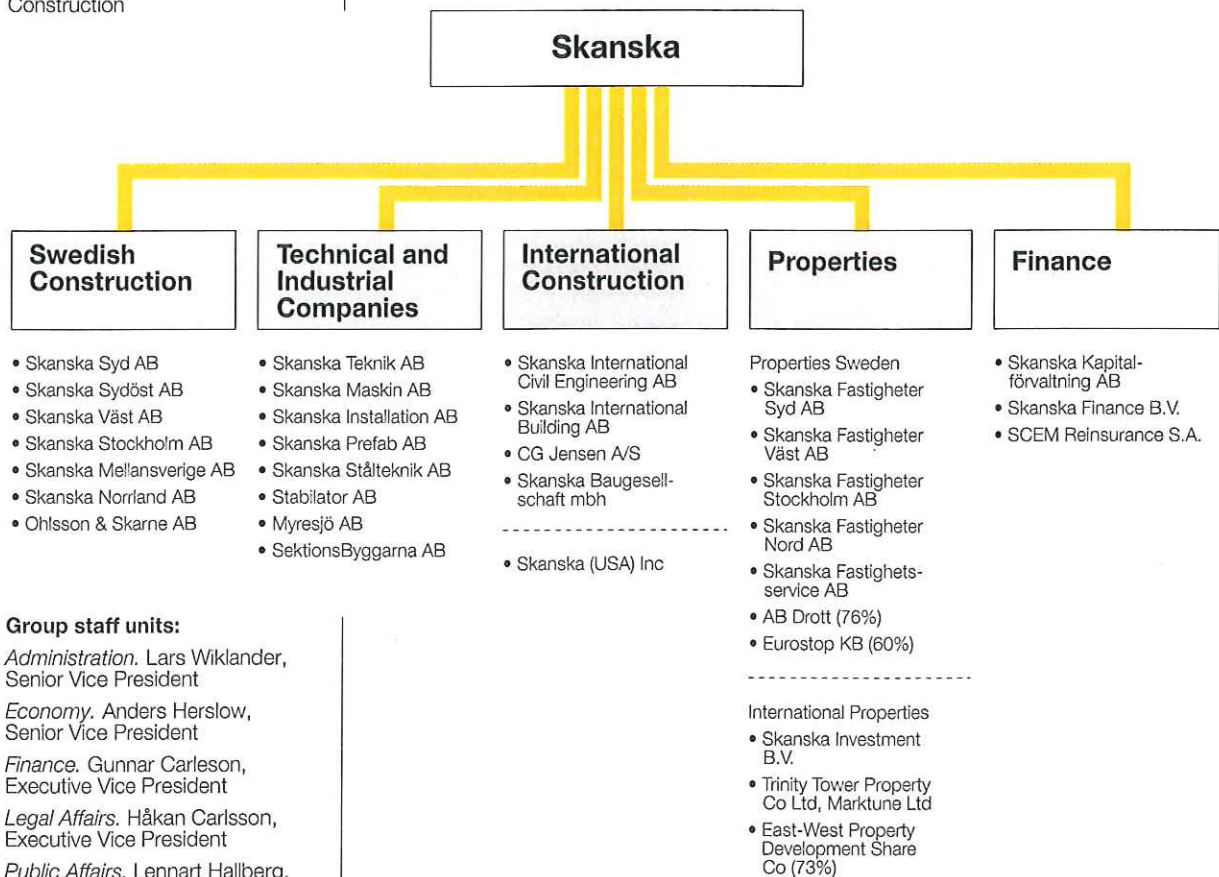
Per Westlund, Executive Vice President, Swedish Construction

Mats Cederholm, Senior Vice President, Properties Sweden

Tommy Sernelin, Senior Vice President, Technical and Industrial Companies

Lars Wiklander, Senior Vice President, International Construction

- The organizational structure of the Skanska Group is characterized by strong decentralization and management by objectives. This means that the various subsidiaries enjoy great operative freedom within established limits and have clear responsibility as profit centers. Groupwide service units are kept small and efficient.
- Since 1991, the Group's units have been organized into five business areas.



Group staff units:

Administration. Lars Wiklander, Senior Vice President

Economy. Anders Herslow, Senior Vice President

Finance. Gunnar Carleson, Executive Vice President

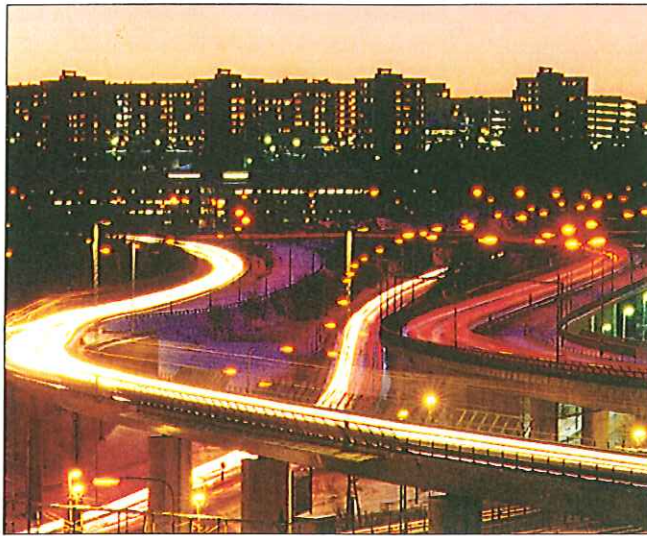
Legal Affairs. Håkan Carlsson, Executive Vice President

Public Affairs. Lennart Hallberg, Senior Vice President

Assistants to the Group chief Executive and to the President:

Ingrid Nilsson, Danderyd

Inger Dahlgren, Malmö



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Skanska is well prepared to participate in the planned upgrading of Sweden's infrastructure. Norra Länken ("The Northern Link"), a bypass around central Stockholm on the E4 European highway, is one example of Skanska's expertise in this field.

Swedish Construction

Despite a dwindling market, 1991 was a generally good year for Skanska's construction operations in Sweden. The next few years, however, will require continued resource adjustments and higher efficiency. Skanska is well prepared for the necessary restructuring of the Swedish construction industry.

Per Westlund

SEK M	1991	1990
Revenues	19,614	22,246
Order bookings	15,500	23,395
Order backlog, Dec. 31	12,845	16,999
Average number of employees	16,439	17,305

The strong expansion that characterized the Swedish construction market between 1985 and 1990 was followed by a decline in volume during 1991. The downturn was especially evident during the second half. The number of housing starts in Sweden, which totaled 69,300 in 1990, fell to 57,400 in 1991. Otherwise the downturn was clear from the smaller number of projects and the depressed prices in all stages of the construction process. Skanska nevertheless managed to maintain a high production level during 1991, mainly due to orders it had booked in 1990.

Invoicing on Skanska's construction operations in Sweden fell nearly 12 percent to SEK 19 billion (22). The decline is partly explained by a particularly high invoicing level in the final months of 1990. In real terms, production volume declined by 6 percent in 1991 compared with 1990. Skanska's share of the market open to contractors was unchanged at 20 percent.

Order bookings for the business area deteriorated gradually during 1991, falling by a total of 34 percent for the year. Year-end order backlog was SEK 13 billion, compared with SEK 17 billion in 1990.

Resource utilization was high during the first half of 1991, but there was a perceptible slowdown starting in late spring. The second half was characterized by falling resource utilization, which led to large-scale personnel cut-backs. By year-end the number of employees in the business area had fallen by 1,800.



Skanska has long experience of Stockholm subway system expansion. Several Skanska units are working together on the current extension of the southeastern line to Skarpnäck.

Systematic efficiency-raising efforts

Operation 3 T – Total Time Thinking – was implemented in large portions of the business area during 1991. Its purpose is to achieve lower costs and higher quality by means of reduced time utilization, thereby increasing efficiency throughout the construction process. Its results to date have been encouraging. The project will continue on a broad front during 1992, with all divisions participating.

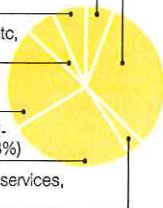
Skanska intensified its development work in the housing field. Using an enhanced version of its S90 system, Skanska was a finalist in all four projects making up the Ministry of Housing's "Construction Challenge" competition. In Borlänge, Skanska won a competition with its housing design for young people, which uses fresh concepts to keep rental costs very low. Developing the housing alternatives

of the future is a high priority at Skanska.

Operations by production areas, 1991

SEK M and percent of total

Apartment houses	6,537 (31.7%)
Single-family homes	1,143 (5.5%)
Industrial buildings	1,438 (7.0%)
Schools, hospitals, etc.	1,237 (6.0%)
Other buildings	4,245 (20.6%)
Roads and civil engineering	5,334 (25.8%)
Sales of goods and services	708 (3.4%)



Dramatic decline

In the next few years, the dramatic decline in the construction market will continue. Total volume will drop 30 percent between 1990 and 1993, according to Skanska's estimate. The very large downturn in building construction will only be partly offset by new infrastructural projects. The industry expects a particularly tough situation in 1992, when construction of housing, office space, administrative buildings and factories will fall sharply, while infrastructural projects only get started on a limited scale. Skanska is well prepared for increased road and railroad construction and will focus increasingly on this area.

After 1993, it is anticipated that the construction market will level off at a volume below that of 1970–1985 in real terms.

The business area is now adapting to the structural change in the construction industry, which is further accentuated by the general recession. It is stepping up marketing efforts, improving its efficiency and implementing the necessary personnel cutbacks in all employee categories.

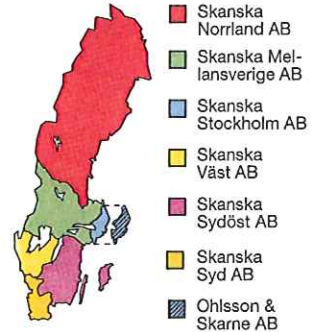
Well equipped

Skanska's Swedish construction companies and divisions are well equipped to deal with the coming changes, which will be more far-reaching than ever. The stability of the Group, both in terms of resources and finances, gives us a good platform for the future.



Several Skanska companies are involved in constructing the Gothenburg Opera in downtown Gothenburg.

Swedish Construction operates through six regional companies plus Ohlsson & Skarne AB



Skanska Syd AB

Despite dramatic deterioration in the market, Skanska Syd was able to maintain its 20-25 percent market share in various product segments. Order bookings and order backlog fell about 20 percent. Revenues rose initially, but fell later in the year. The high earnings of prior years could not be maintained.

To adapt capacity to rapidly falling volume, the company initiated extensive personnel cutbacks. In all, the number of employees is expected to decline by 500 during 1992.

In building construction, however, activity remained high throughout 1991 and revenues rose by about 10 percent. The first Skanterra apartment houses were completed. The Bellevue Park residential area in Malmö, which includes senior housing, and the Valfisken development in Simrishamn underwent final inspection and residents began moving in before year-end. The Scandinavian Center and Sirius office buildings in Malmö are being completed during the first half of 1992.

Revenues of road and civil engineering units fell about 15 percent. The big event in this field was an agreement between Sweden and Denmark to build a bridge over the Öresund between them. The project will have a strong positive impact on the construction and real estate market in the region. Work will not begin until the mid-1990s at the earliest, however, and will thus not provide the extra employment needed in the current recession.



Skanska Syd AB.
Mats Mared,
President

SEK M	1991	1990
Revenues	3,109	3,205
Order bookings	2,739	3,448
Order backlog, Dec. 31	1,680	2,050
Average number of employees	2,953	3,098



These Skanterra System apartment houses in Hässleholm are the result of years of development work at Skanska. They feature low energy consumption and a non-allergenic indoor climate.

Skanska Sydöst AB.

Lars Löwhagen,
President



SEK M	1991	1990
Revenues	2,405	2,501
Order bookings	2,445	2,832
Order backlog, Dec. 31	1,566	1,521
Average number of employees	2,441	2,573



The Adventure Pool, a project in cooperation with Skanska Stålteknik, was completed in Kalmar. The roof is retractable.

completed projects were golf courses in Alvesta, Mörrum, Norrköping and Stånga; elephant stables at Kolmården animal park; a rail terminal in Älmhult for the IKEA furniture chain and various projects for the Mörrum pulp and paper mill.

There is great uncertainty about how much the market will shrink in 1992. A drastic decline in housing construction will be partly offset by municipal spending on schools and special living facilities for the elderly. In the road and civil engineering field, orders from industry and municipalities are expected to fall sharply, but investments by the National Road Administration and National Rail Administration offer a ray of hope.

A rapidly shrinking market will mean continued personnel cutbacks that keep pace with the downturn.

Skanska Sydöst AB

The construction market remained good during the first half of 1991 but deteriorated sharply toward year-end. Order bookings fell nearly 15 percent, while order backlog increased somewhat. Revenues ended up about the same as in 1990. Earnings deteriorated but can still be regarded as good.

Major projects included housing in Jönköping, Linköping, Växjö and Visby. Among these was Birkagården in Växjö, featuring service apartments and a day center for the elderly, group housing and a day care center. Other big projects were the Oskarshamn police headquarters, the Lyckeby commercial center in Karlskrona and the Kalmar upper secondary school.

The company's road units defended their market share in 1991. Among



Skanska constructed two freeway stretches on the E6 European highway north of Gothenburg, including the 385 m (1,263 ft) long Ödsmål Bridge. Skanska Teknik was responsible for designing the bridge.

Skanska Väst AB

The construction and real estate market in western Sweden was very turbulent because of the large number of Gothenburg-based finance and real estate companies that ended up in financial straits, also triggering losses on accounts receivable for Skanska Väst. Combined with the general recession, the result was a sharp market downturn for all products.

Because order bookings remained about as large as in 1990 until the final months of 1991, production volume was comparable with 1990. Earnings remained good, but a large loss provision has been made.

To remain competitive during the market downturn, Skanska Väst cut

the number of employees in stages by 10 percent. Resource utilization thus remained high. Additional cutbacks in the work force will be necessary.

One major step forward during 1991 was that work began on the eagerly awaited Gothenburg Opera project. In Gothenburg a new School of Music building was completed and during the spring of 1992 a new conference hall at the Swedish Trade Fair complex (Svenska Mässan) is being inaugurated.

Several residential projects were also completed, as were various types of special senior housing, schools, district health care centers and administrative facilities.

Skanska Väst also took part in two highly publicized environmental projects: restoration of Lake Hornborgasjön and the technically advanced effort to restore the landscape around the former Ranstad uranium mine. During 1991 the company took over production management for the international consortium that is building the West Bridge over Denmark's Great Belt waterway.



Skanska Väst AB.

*Christer Wannheden,
President*

SEK M	1991	1990
Revenues	3,599	3,663
Order bookings	3,173	3,496
Order backlog, Dec. 31	2,147	2,573
Average number of employees	2,795	2,977

Skanska Stockholm AB

Despite a deteriorating market situation, Skanska Stockholm was able to maintain good earnings during 1991. Its production level was also high due to a number of large projects such as SkyCity at Stockholm-Arlanda Airport, the Skandinaviska Enskilda Banken complex in Rissne, the *Dagens Nyheter/Expressen* newspaper printing plant in Kista, the Klara Strand downtown office building project at Blekholmstorget, the remodeling of the Jakobsbergs Centrum suburban shopping center, offices for the Länsförsäkring insurance company and several major residential projects.



SkyCity – including a service center, convention facilities, a hotel and office space – links the international and domestic terminals at Stockholm-Arlanda Airport.

During the fall, the work force was adjusted to the shrinking market. This meant a personnel cutback of 10 percent by year-end. Further reductions will be necessary during 1992, however.

This capacity adjustment is a result of the entirely new market situation in the Stockholm area. From having been overheated, the market for new commercial space more or less collapsed during 1991. No improvement is expected in 1992, owing to the prevailing recession and real estate market crisis.

There were 8,000 housing starts in Greater Stockholm during 1991, compared with 9,200 the preceding year. A weak market is foreseen in this sector as well, due to reduced government housing subsidies and lower demand. To some extent, this may be offset by an increase in the renovation sector.

Road and civil engineering operations also experienced a weak market during 1991. The expected infrastructural investments in the Stockholm region have been delayed, and at best they may affect order bookings late in 1992.



Skanska Stockholm AB.

*Göran Larsson,
President*

SEK M	1991	1990
Revenues	4,432	4,998
Order bookings	2,315	7,509
Order backlog, Dec. 31	4,350	6,516
Average number of employees	2,962	2,577



Fresh thinking in design and production techniques enabled Skanska to lower the cost of constructing this housing for young people in Borlänge, which also means that rents can be kept low.

Skanska Mellansverige AB

An already weak 1990 market situation deteriorated further during 1991. Hardest hit were the company's building construction units, which in some counties showed declines of 30-40 percent since 1989, when volume was record-breaking. But in Uppsala County, the strongest of Skanska Mellansverige's subregions, the downturn was moderate. Toward the end of 1991, a slight upswing was discernible in residential renovation activity.

At Skanska Mellansverige, 1991 order bookings were fairly good compared with market trends. Revenues nevertheless declined, because 1990 revenues were unusually large due to

heavy 1989 order bookings. During 1991 personnel cutbacks kept pace with falling revenues, and resource utilization thus remained at a relatively high level. Earnings of contracting operations were satisfactory.

During 1991 the company took part in the Housing Ministry's Construction Challenge competition, submitting a winning design for inexpensive youth housing in Borlänge. The project is under construction.

Skanska Mellansverige is responsible for the Group's hydroelectric power projects in Sweden. During 1991 operations included the completion of the Bullerforsen power plant on the Dalälven river, four small power plants that were built on a design-construct basis, modernization of dams at the Holmen hydroelectric plant in Norrköping plus renovations and extensions of two power stations on the Klarälven river. The company also took part in tunnel preparation work at LKAB's iron mine in Kiruna.

Because of vigorous efforts to raise efficiency and control construction costs, the company expects to enlarge its market share and thereby maintain its 1991 level of revenues in 1992.

Skanska Mellansverige AB.

Lennart Daleke,
President



SEK M	1991	1990
Revenues	3,219	4,130
Order bookings	2,865	2,785
Order backlog, Dec. 31	1,787	2,141
Average number of employees	2,746	3,170

Skanska Norrland AB

The economic slowdown that began early in 1991 was increasingly apparent later in the year. Especially during the second half, the number of inquiries fell. Projects became smaller and were postponed. Revenues declined by 5

percent and order backlog fell. Earnings were on a par with 1990, however. In 1992 revenues will fall by an estimated 10-15 percent.

Residential construction accounted for a sizable proportion of revenues. In Nydala Heights in Umeå, 320 apartments are being built using a prefabricated concrete system. This is currently the largest single residential project in Norrland (the northern three fifths of Sweden). The company continued its systematic effort to increase the percentage of projects that include early

Skanska Norrland AB.

Gillis Wiklund,
President



SEK M	1991	1990
Revenues	1,999	2,167
Order bookings	1,491	2,269
Order backlog, Dec. 31	797	1,301
Average number of employees	1,885	2,028



The Ånge central commercial building, including a travel center and a railroad station, was built according to Skanska Norrland's own design proposal.

procurement, where its broad know-how in design, project management, production and management are put to good use. Examples of ongoing residential projects are the Torsvik area in Härnösand and Bryggeriet (The Brewery) in Luleå. Construction will soon begin on the Alderholmen neighborhood of Gävle.

Other completed or ongoing projects are a school in Arvidsjaur, the Film City movie complex in Gävle, Skanska Norrland's new regional office in Sundsvall and the Ånge central commercial building, including a railroad station.

The road division was very active during the year. Major completed and ongoing projects include a railroad bridge over the Skellefteälven river in Kusfors, a traffic interchange in Härnösand and a bridge over the Gavleån river in Gävle. Government expenditures on infrastructure will improve the outlook soon. The task of upgrading the E4 European highway, including a new bridge over the Ångermanälven river, is expected to begin in 1992.

Ohlsson & Skarne AB

Ohlsson & Skarne experienced major changes in 1991. The company, which specializes mainly in residential construction around Stockholm, was adversely affected both by the poorer construction market and changes in the rules governing housing construction.

Revenues fell by 37 percent. Personnel cutbacks were implemented to maintain good resource utilization in current and upcoming projects. Operating income fell sharply, among other things because of low invoicing on contracts credited to income.

Order bookings in 1991 were about equally divided between new construction and the renovation and extension of housing. Projects included 101 new apartments in Bredäng, remodeling of 220 apartments in Midsommarkransen and partial renovation of existing neighborhoods in the municipality of Botkyrka.

The company's future outlook is characterized by cautious optimism. Ohlsson & Skarne offers low-cost construction systems for apartment buildings. This will become increasingly important as government housing subsidies are gradually cut back. The company also has many years of experience in residential repairs and extensions, a field that appears likely to grow during the next few years.



The "Bofill Bow" apartment house in central Stockholm's Södra Station area was ready for occupancy in 1991.



Ohlsson & Skarne AB.

Per-Arne
Lindqvist,
President

SEK M	1991	1990
Revenues	851	1,358
Order bookings	472	832
Order backlog, Dec. 31	518	897
Average number of employees	657	702

Technical and Industrial Companies

During 1991 three former business segments – Technology and Services, Specialized Companies and Industrial Companies – were combined to form the Technical and Industrial Companies business area. The companies in this business area are specialized and all work mainly in the Swedish construction market. They perform a sizable proportion of their assignments for Skanska's construction companies, but most sales occur outside the Group.

For all companies in the business area, 1991 was characterized by a dramatic decline in demand.

Tommy Sernelin

SEK M	1991	1990
Revenues	6,057	6,567
Earnings*	292	450
Order bookings	5,026	5,367
Order backlog, Dec. 31	2,560	2,918
Average number of employees	6,281	6,398

* Operating income after depreciation

Technical development

Most of Skanska's development work takes place in close proximity to production and focuses on applied technology. In this way, it enjoys the backing of the organization while being steered toward projects that yield immediate applications.

The dominant areas of expenditure are production technology, production methods and products. Computer support is developed for all procedures and operations where this leads to better function, lower costs and higher quality. Development projects of a basic research type are left to schools of technology and other research institutions and are supported through various industry organizations.

Technical development is subject to overall control by Group Management, but the various units in the Group have great freedom to initiate and run their own development projects. To further strengthen Skanska's development work in building construction operations, two product areas – residential and other building construction – are being established, each with product managers. For some years, road and civil engineering divisions have had a number of product groups for their operations. Skanska's specialized industrial companies have their own development resources, which cooperate with other Group units in joint projects.

Production technology

Extensive work is underway for the purpose of improving production control systems. Examples of the computer supported subsystems now being developed are a construction program and a purchasing and materials control program. A quality control system which was developed earlier is continuously being revised and improved. These systems deal with the production phase. Their objective is a control system that encompasses all stages of the construction process.

Production methods

Development of production methods focuses on making the construction process more industrialized, which is a prerequisite if stricter standards in terms of lower construction costs and higher quality and working environment are to be met. Frame systems made of prefabricated concrete and steel units are increasingly being used, and new, improved systems have been introduced. Façade structures made of concrete and light-weight materials are being developed further. Prefabrication is increasingly being used in building single-family homes.

Product development

The most important single product of Skanska's construction operations is housing. Two new housing systems, S90 and Skanterra, have been launched as a cooperative effort among the Group's technical, construction and industrial companies. In their basic version, these systems presuppose factory construction, but on-site construction is also possible. Special attention has been devoted to indoor climate, resulting in new installation systems. Skanska's industrial companies, which do continuous product development work, have launched new products in the areas of building components and air treatment units.

Skanska Teknik AB

Despite a decline in order bookings, resource utilization was high in 1991. The recession meant stiffer price competition, however, and the organization was downsized to adjust to the slower market. Earnings were adversely affected by the slower market and the costs of negotiated retirement packages.



In Monaco, Skanska Teknik has done preliminary planning for a breakwater project incorporating highly sophisticated technology.

During 1991 Skanska Teknik was engaged in several advanced projects. Together with other Group units, it did preliminary planning work for a breakwater in Monaco intended to improve harbor conditions while creating new building surfaces. Other projects of interest included geotechnical studies for the new Gothenburg Opera, design of stage machinery for the building and development of the Skanterra energy-conserving apartment houses. In cooperation with Skanska International Civil Engineering, Skanska Teknik planned an oil storage facility in Botswana using advanced CAD technology.

The subsidiary Skanska Data develops computer systems, mainly for communication and networks, in cooperation with users.

Skanska Teknik AB.

Technological consulting and specialist operations in the construction and real estate fields. Divisions in Stockholm, Gothenburg and Malmö, office in Växjö. Subsidiary: Skanska Data AB

SEK M	1991	1990
Revenues	208	195
Earnings*	- 3	2
Average number of employees	382	354
Headquarters in Malmö		

Skanska Maskin AB

Skanska Maskin coordinated its activities with other Group units, and rentals to sister companies thus rose sharply. This offset a more general market slowdown, which accelerated late in 1991. The company reduced its work force during the year due to restructuring as well as adjustment to prevailing market conditions. Additional adjustment is underway.



A creative work site configuration in central Gothenburg, where work sheds from Skanska Maskin were placed on pilings in the harbor channel.

Invoicing rose to SEK 426 M (365), of which non-Group companies accounted for SEK 44 M (27). Expansion of the depot network continued during 1991. It now covers the most essential market areas and provides a base for continued marketing efforts.

Capital spending on machinery totaled SEK 99 M (163), which was largely equivalent to depreciation.



Skanska

Maskin AB.

Curt Isacson,
President

Rentals to

Group and non-Group companies of construction machinery, cranes, sheds etc., sales of protective equipment, machine parts, cabling etc. Manufacture and maintenance of specialized machinery etc.

Depots and factories in some twenty locations in Sweden.

SEK M	1991	1990
Revenues	426	365
Operating earnings	32	29
Average number of employees	508	529
Headquarters in Danderyd		

Skanska Installation AB.

*Stig Lewenhagen,
President*



Design, installation and servicing operations in the electrical, plumbing and ventilation fields through regional electrical and plumbing companies plus Industriventilation Svenska AB, LBI Luftbehandling AB and Industriventilation Produkt AB.

SEK M	1991	1990
Revenues	889	946
Earnings*	24 ¹⁾	25
Order backlog, Dec. 31	404	354
Average number of employees	1,020	973
Headquarters in Danderyd		

¹⁾ Incl. SEK 6 M in extraordinary writedown of goodwill

Skanska Prefab AB.

*Bertil Kjellin,
President*



Planning, manufacture, shipping and assembly of prefabricated concrete products from 19 factories in Sweden.

Subsidiaries: Jan Ralling AB, rental of mobile cranes, forklifts and trucks as well as contracting work in the heavy lifting field. Skanska Trading AB, trading operations involving machinery plus sales and rentals of modular offices etc.

SEK M	1991	1990
Revenues	1,361	1,266
Earnings*	50	65
Order backlog, Dec. 31	350	500
Average number of employees	1,373	1,335
Headquarters in Malmö		



Extensive plumbing and heating installation work for Visby General Hospital was one of Skanska Installation's major 1991 orders.

Skanska Installation AB

Coordination of the Group's installation companies continued in 1991 when the Industriventilation companies were transferred to Skanska Installation.

Year-end order backlog rose 14 percent but will involve longer production time than the 1990 backlog. For example, SEK 50 M of the total is related to a project

running for more than three years. Major orders included plumbing for Visby General Hospital and the Klara Strand project in Stockholm. Electrical work is being done at Jakobsbergs Centrum near Stockholm, for the food and drugs group Procordia in Stockholm and for pharmaceutical retailer Apoteksbolaget in Malmö. Major ventilation projects are underway in Kalmar, Jönköping and Linköping.

The organization and work force are continuously being adjusted to the shrinking construction market. Earnings of ventilation companies fell somewhat, while electrical and plumbing companies showed continued good earnings. Skanska Installation's long-term strategy is to work in locations important to the Group while expanding its assignments abroad.

Skanska Prefab AB

The market deteriorated rapidly during the fall. For 1991 as a whole, however, the company maintained its revenues and earnings. During 1991 Skanska Prefab took over two factories from Swedish Construction, one in Oskarshamn with 20 employees and one in Karlstad with 50 employees. At the same time, it decided to discontinue production in Sundsvall early in 1992 but retain a sales and design office there. In all, the work force was cut by 10 percent during the year. Capital spending totaled SEK 30 M.

Crane rentals by the subsidiary Jan Ralling AB fell by 10 percent, while the company's resources were trimmed by 30 percent. Contracting operations showed higher volume, however.



Skanska Prefab is supplying prefabricated building elements for 320 apartments in the Nydala Heights neighborhood of Umeå, which Skanska Norrland is producing on a design-construct basis.

Skanska Trading AB reported 20 percent lower revenues and reduced its work force at the same pace. To increase sales, it began marketing its services in Poland, eastern Germany and elsewhere.

Skanska Stålteknik AB

The market for the company's main operations deteriorated sharply during 1991. Along with completion of Skanska's major project at Thomas More Square in London, this led to sizable reductions in both volume and order backlog. The company responded by adjusting its resources and thus maintained capacity utilization as well as good earnings growth.

The company participated in several large projects, among them the Wasa insurance company headquarters in Stockholm and SkyCity at Stockholm-Arlanda Airport. It scored successes in a number of product segments such as repairing movable bridges and making fire-rated doors and glazed partitions.

It introduced the new Mekan construction system for multistory building frames.

During 1992 Skanska Stålteknik will focus its technical and marketing efforts on new fields, mainly infrastructural and international projects. Continued streamlining of operations and personnel cutbacks are expected.

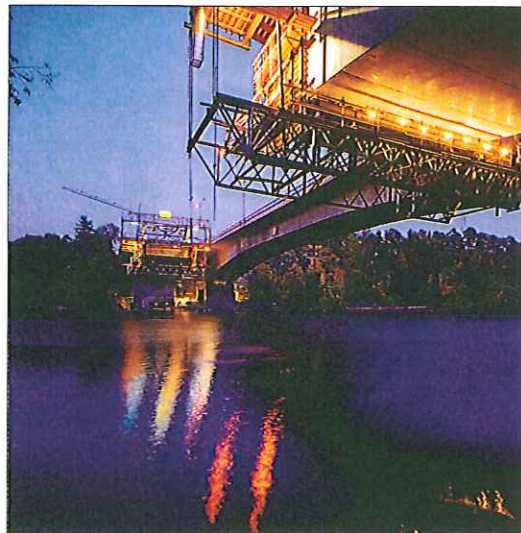


Under a contract with JM, Skanska Stålteknik manufactured and erected the frame for the new Täby Centrum north of Stockholm.

Stabilator AB

The market downturn became increasingly apparent during 1991, especially in the new construction sector. This hurt foundation specialist Pålgruppen in particular. The Stabilator group adapted its organization and work force to declining revenues and order bookings. Earnings deteriorated. Its various companies nevertheless defended their market share.

Operations abroad, however, showed a positive trend. Poland has become a major market, and the group won new pipeline renovation and foundation reinforcement contracts. It also received new assignments in Panama, South Korea, Iceland, Chile and Saudi Arabia.



The Stabilator group was responsible for prestressing, bridge joints and bearings for the Skanska-built Stocksund Bridge north of Stockholm and handled demolition of the old bridge.



Skanska Stålteknik AB.

Leif Stridh,
President

Planning, manufacture and assembly of complete steel frames, façades and roofs for office buildings, factories and sports arenas as well as bridges and energy installations.

The group includes Skanska Stålteknik Mekan AB and Engdahl UK Ltd., Great Britain.

SEK M	1991	1990
Revenues	301	429
Earnings*	16	15
Order backlog, Dec. 31	103	189
Average number of employees	280	364
Headquarters in Kalmar		



Stabilator AB.

Björn Emt,
President

Specialized operations focusing on foundation and reinforcement engineering, demolition and renovation.

The group includes Svenska Rivteknik AB, Hålmotoder AB, Nordvac AB, Internordisk Spännarmering AB and Pålgruppen AB.

SEK M	1991	1990
Revenues	555	665
Earnings*	20	33
Order backlog, Dec. 31	331	260
Average number of employees	778	880
Headquarters in Danderyd		

Myresjö-koncernen.

Ants Suurkuusk,
President



Ready-to-assemble homes, windows, insulating panes, cabinet fittings and sawn timber.

Subsidiaries: Myresjöhus AB, Myresjöhus i Finland AB, Nordiska Trähus AB, Combiglas AB, K-Termo AB, Myresjöfönster AB, Vrigstad Snickerifabrik AB, Myresjökök AB, Myresjö Nederland B.V. in the Netherlands, Boxholms Såg AB, Myresjö Såg AB and JoBo Trä AB; Boxholms Skogar AB.

SEK M	1991	1990
Revenues	2,087	2,298
Earnings*	100	204
Order backlog, Dec. 31	1,337	1,560
Average number of employees	1,709	1,659
Headquarters in Myresjö		

Sektions-Byggarna AB.

Sixten Wallin,
President



This group includes the production companies Flexator AB (movable buildings), Gråbo Bygg AB (work sheds), Komponex AB (barracks and construction components) and Värme & Sanitet i Smålands Anneberg AB (plumbing).

SEK M	1991	1990
Revenues	230	321
Earnings*	30	50
Order backlog, Dec. 31	35	55
Average number of employees	231	304
Headquarters in Anneberg		

Internordisk Spännarmering, Nordic market leader in prestressing, received two orders related to offshore oil platforms in Norway. Norwegian operations take place in a partly owned company that has a full work load until the end of 1993.



Myresjöhus has a broad product range, including new homes well suited to old residential environments.

The Myresjö group

The Myresjö group's products are primarily sold in the Swedish housing production market, which suffered a sharp downturn during 1991. At Myresjö this was offset to some extent by a higher level of pre-production, but group revenues nevertheless declined. Operating income deteriorated.

Myresjö delivered a total of 2,252 single-family homes in 1991, compared with 3,065 in 1990. Part of the reason why the downturn was so

large was that exports to Norway and Finland were phased out.

The Myresjö group took over Boxholms Skogar AB and its subsidiaries – including 45,000 hectares (116,500 acres) of productive timberland, mainly in Östergötland and Småland provinces in central and southeastern Sweden – from Skanska AB. During 1991 it also acquired JoBo Trä AB, thereby increasing the group's sawmill capacity to 185,000 cubic meters per year. Capital spending for machinery and fixed assets was SEK 70 M.

The manufactured home industry can expect continued closures of companies and restructuring in 1992. The Myresjö group expects its sales to decline substantially and operating income to be half as large as in 1991.



In six months, Flexator built this school in Laxå. The dining room-cum-library is the heart of the school.

SektionsByggarna AB

The market continued to deteriorate during 1991, and order bookings fell by more than half. Hardest hit was production of work sheds for building sites, but order bookings for barracks and movable buildings also declined. The work force was cut at all production units. Despite lower invoicing, satisfactory profitability was achieved.

Continued low demand during 1992 will, however, lead to poorer earnings than in 1991.

Marketing is now underway outside Sweden, along with efforts to develop the group's products further.

International Construction

Skanska's international construction efforts will be intensified. The goal is that these operations should account for 25 percent (13) of Group revenues.

Lars Wiklander

International Construction excluding Skanska (USA) Inc.

SEK M	1991	1990
Revenues	1,172	1,900
Order bookings	1,995	1,080
Order backlog, Dec. 31	3,456	2,579
Average number of employees	2,997	2,961

Skanska's international work focuses on construction assignments for suitable projects throughout the world and on real estate projects, the latter mainly in Europe. This work is administered both on a project basis from its Swedish units and via locally established Skanska companies.

The international market will offer new opportunities, especially in countries close to Sweden.

Future markets

In Scandinavia, a number of major infrastructural projects such as bridges, tunnels and offshore structures are planned during the 1990s. In eastern Germany and the Baltic states, there are very large needs throughout the construction sector.

The same is true of other former Eastern bloc countries where Skanska is now working on interesting project ideas. Hungary, Poland, Czechoslovakia – and eventually Russia and Ukraine – are attractive markets.

Skanska's opportunities to participate in the competition for contracting assignments in Europe will improve if Sweden joins the European Community within a few years.

Skanska has been established in the United States since 1971 with construction work mainly in the New York area.

In the Middle East, several countries are expected to increase their volume of construction during the 1990s.

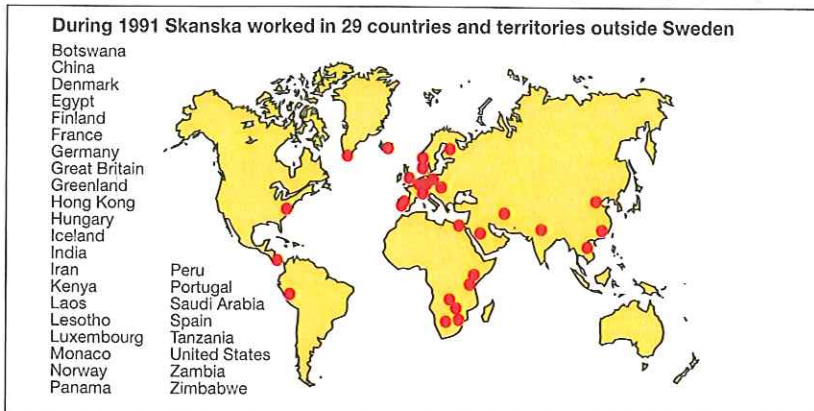
The Far East, where Skanska has long experience in certain countries, also offers an expansive construction market.

In Latin America and Africa, the market is expected to remain limited during the 1990s. Skanska, however, will continue to work there, on the basis of its long experience from projects in a large number of countries in these regions.

Stiff competition

Competition is stiff in all international markets, however. This is accentuated by the fact that Western construction companies are looking for assignments in the expansive countries of the former Eastern bloc as their own domestic markets shrink. In developing countries, local companies have built up their own expertise, often acquired through participation in international construction projects.

Skanska nevertheless views its international growth potential as generally favorable. Skanska's competitive advantages consist of its longstanding experience of working in international projects, effective project management and creative design proposals. For the client, this means short project completion time, solutions that offer good value for money and high quality.





One of Civil Engineering's major projects is rebuilding the Fortuna hydroelectric power dam in Panama, increasing its height from 60 m to 100 m.

Skanska International Civil Engineering AB

Skanska International Civil Engineering focuses mainly on areas that require advanced technology and special expertise, often leading to contracts that encompass the design, planning, construction and sometimes the operation of whole projects. Skanska possesses this kind of expertise in hydroelectric power, harbors, bridges, tunnels and rock caverns, along with specialized know-how in niches like raise boring (drilling vertical or angled shafts through rock).

The company can also develop financial packages adapted to specific

Skanska International Civil Engineering AB, Danderyd.



*Per Hofvander,
President*

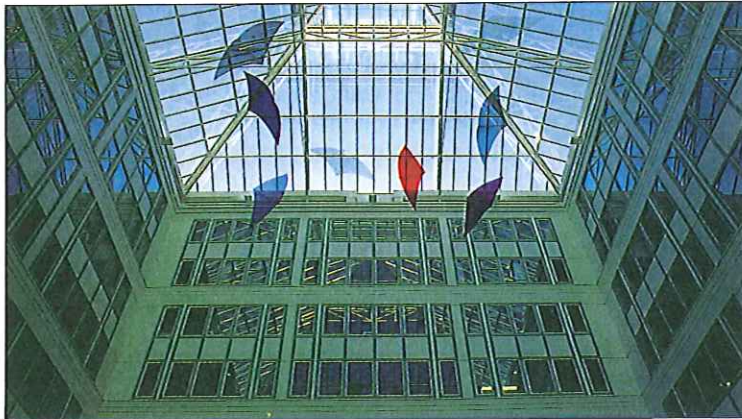
Road and civil engineering construction outside Scandinavia and the United States.

projects, including development assistance and loans for projects in developing countries.

During 1991 revenues declined, while order bookings rose sharply. Reported earnings for the year were very satisfactory.

The Uri hydroelectric power project in northern India, the company's largest current assignment, resumed work toward the end of 1991 when security and land acquisition issues had been satisfactorily resolved. The halt in production between April and December, caused, among other things, by the highly publicized kidnapping of two Swedish consultants, delayed the project considerably.

During 1991 new contracts were signed for a highway tunnel in Iceland, road work in Laos, a hydroelectric power dam in Panama, offshore studies in Norway and raise boring in such countries as Finland, Portugal and Sweden. Projects in Lesotho, Peru, Hong Kong, Indonesia and elsewhere were credited to income.



This is the East West Business Center, an office complex in central Budapest constructed by Skanska International Building. It was the company's first project in the new Eastern Europe.

Skanska International Building AB

The international construction market in the company's areas of operations remained weak in 1991. The company focused its marketing activities during the year mainly on Eastern Europe, but also to some extent North Africa

Skanska International Building AB, Malmö.



*Folke Eneroth,
President*

Building construction and project management outside Scandinavia and the United States.

and the Middle East. A number of interesting projects were in preparatory stages, and a few small contracts were signed.

During 1991 the successful East West Business Center office project in Budapest, Hungary, a construction assignment for the Properties business area of the Skanska Group, was completed.

Construction work began during 1991 on the new Kirchberg neighborhood in Luxembourg and proceeded as planned. The company is responsible for project management on behalf of the Properties business area. Small assignments were completed in Poland, Monaco and Egypt during the year.

Cooperation with the Spanish construction company Comylsa was sus-

pended and the second-home project outside Alicante was put on hold. Projects in Istanbul and Beijing suffered new delays. The company also decided to discontinue slipforming operations in France and shut down its operations in Botswana.

C G Jensen A/S

The Danish construction market remained weak in 1991. C G Jensen was involved in a number of projects, among them the Scandinavian Trade Building conference facility north of Copenhagen, renovation of a bridge in central Copenhagen and harbor work in Tanzania.

The company signed a contract with Østasiatisk Kompagni A/S (the East Asiatic Company Ltd.) to build its new headquarters on the Midtermol, or Middle Pier, in Copenhagen harbor. In the same area C G Jensen will also construct other office and residential buildings totaling 32,000 sq m (344,500 sq ft). This order gives the company a work base in the Copenhagen area over the next few years. The Danish real estate market is presented in more detail under International Properties.



C G Jensen is building a new headquarters for Denmark's East Asiatic Company in the Copenhagen harbor district, where large-scale urban construction is underway.



C G Jensen A/S, Denmark.

Lennart Pajmert,
President

Construction and real estate operations in Denmark, contracting operations in Greenland and Tanzania.

Skanska Baugesellschaft mbH

The German construction market has rapidly bounced back after years of low profitability, thanks to the fall of the Berlin Wall. Labor and material shortages nevertheless make it hard for contracting companies to complete construction by the agreed dates. A good year is expected in 1992, although some stagnation is predicted due to high wage drift and steep interest rates. However, heavy demand from eastern Germany will keep the construction market busy.

Over the next few years, Skanska Baugesellschaft will be fully occupied with project management for the Group's undertakings in Germany. Skanska is also continuing its efforts in the expansive market in eastern Germany.



The ongoing ABC-Strasse residential and office project in Hamburg, Germany, will be ready for occupancy in 1992. Skanska Baugesellschaft is the project and construction manager.



Skanska Baugesellschaft mbH, Germany.

Manfred Viering,
President

Project and construction management, real estate development and management, design-construct assignments.



Sordoni Skanska Construction Co. has budget responsibility and is the project and construction manager for this high-tech research facility being built for Hoffman-La Roche in Nutley, New Jersey.

Skanska (USA) Inc., USA.

Claes Björk, President



Skanska (USA) Inc., Greenwich, CT, holding company and property management; Karl Koch Erecting Co. Inc., Carteret, NJ, steel structures; Slattery Associates Inc., Maspeth, NY, heavy civil engineering projects; Sordoni Skanska Construction Co., Parsippany, NJ, project and construction management.

SEK M	1991	1990
Revenues	2,453	1,858
Order bookings	2,009	2,696
Order backlog, Dec. 31	3,830	3,636
Average number of employees	1,178	975

of public tenders. The company won five contracts totaling SEK 630 M. Revenues were SEK 1,173 M and year-end order backlog amounted to SEK 1,600 M. Slattery completed its Queens Expressway/Gowanus Interchange projects nine months ahead of schedule and the new JFK International Airport Interchange one year ahead of schedule.

Karl Koch Erecting Co. increased its revenues to SEK 510 M. Its work during 1991 focused on repairs of steel bridges in New York. Among these projects was a swing bridge at 207th Street which the company replaced with a new bridge built in its New Jersey workshops.

Sordoni Skanska Construction Co. further strengthened its position as a manager of technically advanced construction projects for the pharmaceutical industry. New contracts were signed with such companies as Bristol-Myers Squibb, Merck and Hoechst Celanese, totaling SEK 1,450 M. The company also received several awards for its high service quality.

Real estate operations, on the other hand, were adversely affected by the economic downturn. The occupancy situation at Platinum Tower in Atlanta improved, however, and the four office properties in Seattle were completely rented out. The deep recession in Massachusetts is still slowing the development of single-family homes in Sharon and Foxboro, south of Boston.

Skanska (USA) Inc.

The U.S. recession did not hurt the operations of Skanska USA during 1991. The sectors in which the company has its clients, especially the pharmaceutical industry and state and local governments, were relatively shielded from the impact of the general economic slowdown. Continued public infrastructural investments in the New York area will offer further potential contracts.

Slattery Associates had one of its best years ever in terms



Slattery Associates is building a new traffic interchange, with 9 km (5.5 mi) of highway and 2.5 km (1.5 mi) of elevated road, at New York's John F. Kennedy International Airport.



Portions of the original bridge span were re-used in this remodeled swing bridge over the Harlem River, produced by Karl Koch.

International Properties

The European real estate market presents a divided picture. Growth remains strong in Germany, while the markets in England and Scandinavia are characterized by recession.

International Properties
Walter Bengtsson



SEK M	1991	1990
Book values	4,193	380
Rental revenues	186	32
Rentable space (000 sq m)	187	41
Average number of employees	28	-

Properties belonging to C G Jensen and Skanska USA are reported under International Construction

International Properties is the unit responsible for Skanska's real estate operations in most of Europe. Its business concept is to develop and upgrade financially sound properties, based on good locations and high quality, for the Group's own account or for sale.

Specializing in commercial buildings, it concentrates mainly on a few growth regions such as Berlin, Hamburg and Copenhagen.

In 1991 the management team in Malmö was expanded so that it can be a vigorous market participant and continue to carry out a sizable volume of project planning and property management work.

Germany

The reunification of Germany had a strong impact on the real estate market during 1991. Its effects have been varied, however. Most favored are north German cities such as Berlin and Hamburg, where the market is growing and rents are rising. In the former East Germany, growth is being hampered by unclear ownership conditions, inadequate infrastructure and bureaucracy. The high interest rates in Germany also tend to discourage investment.

During 1991 the Scandic Crown Hotel in central Bremen was completed, as was the Haus der Seefahrt office building in Hamburg. Both properties are fully occupied.

The ongoing ABC-Strasse project in central Hamburg will be ready for occupancy in the spring of 1992. All offices and a large proportion of the apartments have been rented out.



The Scandic Crown Hotel in Bremen consists of a new structure combined with an extensively restored historic landmark building, Haus Atlantis.

Joint venture with IBM

During 1991 International Properties established a joint venture with IBM to construct a 26,000 sq m (280,000 sq ft) office building in Essen, Germany, on a 50/50 basis. Construction began in October. IBM has rented 65 percent of the space.

Agreement was reached with city officials on the size of the Europa-Haus project in central Frankfurt. All sites have been acquired and detailed planning is underway, with groundbreaking scheduled for late fall 1993.

The planning of office buildings on land acquired from Norddeutscher Rundfunk in Hamburg and on Neusser Strasse in Munich is proceeding on schedule.

Berlin projects

In March, Skanska signed an option agreement with the city of Berlin on the Funkturm Center, a teleport project in western Berlin. An international architectural competition took place to create the basis for further planning of this project, which will be one of Berlin's largest, with 180,000 sq m (nearly 2 million sq ft) of total space.

In Berlin, agreement was also reached with Siemens Nixdorf to purchase that company's centrally located office property, with some 100,000 sq m (over a million sq ft) of floor space. The acquisition is expected to be completed in the spring of 1992. Half the building will be leased to the seller. The other half will be rented out in the Berlin office market.

Luxembourg

In July, ground was broken for the first phase of the Kirchberg project, comprising 38,000 sq m (409,000 sq ft) of hotel, office and retail space and housing, at an estimated cost of SEK 800 M. This phase will be completed during 1994. The entire project comprises 86,000 sq m (over 925,000 sq ft) at an estimated cost of SEK 1,700 M.



The 55 King William Street office property was designed to fit the architectural traditions of the City of London. Its copper roof and Portland stone façade also blend with the surroundings.

England

The real estate market deteriorated further during 1991. There is a large supply of commercial space, demand is low and the vacancy rate is high. The Thomas More Square project was completed during the year. Tenants that have already moved in are Finland's Kansallis Bank, the Mercury telephone company, the Wang computer company and the Wilson parking company. The 55 King William Street property was completed at the end of 1991. The ground-floor retail space has been rented out.

Hungary

In September 1991 the East West Business Center in Budapest was inaugurated. The building contains 21,000 sq m (226,000 sq ft) of space

and is fully rented. Early in 1992 Skanska increased its shareholding from 54 percent to more than 73 percent. The remaining shares are held by Hungarian interests.

There is still heavy demand for high-quality office space in Budapest, and new projects are in the planning stages. There is some uncertainty about the long-term rules governing real estate investments in Hungary.

Norway

Skanska took title to the Oslo City commercial and office center early in 1991. The occupancy level there is unsatisfactory. An investment program to revitalize the retail center is expected to begin in the spring of 1992. The arbitration settlement of the dispute concerning the total purchase price of the property was announced in February 1992. The outcome was that Skanska only won a partial victory in its request for a lower purchase price. The arbitration board lowered the price, which was NOK 1,550 M under the 1990 purchase agreement, by NOK 70 M to NOK 1,480 M.

Denmark

The Danish real estate market remained weak. During 1991 C G Jensen completed two small shopping centers in Jutland – Skådecentret in Århus and Grenå Centret in Grenå.

During the fall, C G Jensen reached agreement with the East Asiatic Company to build this company's new headquarters in the Copenhagen harbor district. At the same time, an agreement was reached to purchase the East Asiatic Company's current office building on Holbergsgade, a property which will be renovated and then rented out in the Copenhagen office market.

Properties Sweden

Rental revenues and earnings grew, although the vacancy rate was higher. The Swedish real estate market was characterized by depressed rents and a large supply of properties.

Mats Cederholm

Investment properties, Properties Sweden

SEK M	1991	1990
Book values, incl. intra-Group capital gains and surplus values	7,387	5,909
Rental revenues	2,057	1,624
Operating net*	1,366	1,095
Rentable space (000 sq m)	2,254	2,076

* Operating net Rental revenues minus normal operating expenses, ground rents and real estate tax.

Skanska Fastigheter Stockholm AB.

Mats Wäppling,
President



Management territory until

Dec. 31, 1991:

Central Sweden.

Book values	SEK 4,028 M
Rental revenues	SEK 1,188 M
Operating net	SEK 835 M
Rentable space	1,036,000 sq m
incl. residential	189,000 sq m

Skanska Fastigheter Syd AB.

Sten Gustavsson,
President



Management

territory: Southern and south-eastern Sweden.

Book values	SEK 1,265 M
Rental revenues	SEK 380 M
Operating net	SEK 254 M
Rentable space	499,000 sq m
incl. residential	218,000 sq m

The market

The problems of the Swedish real estate market became apparent to everyone in 1991. Because of the general recession and financial crisis, many real estate companies both large and small became insolvent. They no longer had the opportunity to cover their liquidity shortages and preserve their earnings by taking out new loans and selling properties. This situation is expected to continue during 1992, and additional suspensions of payments and bankruptcies can be foreseen in the real estate industry.

Lower demand and a continued overhang of available commercial space means strongly depressed rents in most places. This is particularly clear in the Stockholm area. The effect is amplified when property owners in difficult financial straits are prepared to accept sharply reduced rent levels in order to improve their cash flow.

The supply of properties is large, but the buyers are few. Institutions and financially strong companies are holding off purchases, and very few sales are being completed. As a consequence, the target level for net operating income has been raised by 30-40 percent compared with 1989/90. Occupancy level, tenant stability, lease period etc. have grown in importance.

In the housing market, the number of empty apartments is growing rapidly. At year-end the number of unrented apartments totaled 25,000 in Sweden as a whole. This will lead to a decline in housing starts, since residential projects will be postponed. Weaker rent-paying capacity and a lowering of government interest subsidies – in itself a well-justified measure – will further contribute to the downswing.

A change for the better will not materialize immediately. Even if the business cycle turns upward during 1993, it will take until the mid-1990s before the market has absorbed the existing surplus of commercial space.

Heavier marketing, technical and financial management expertise and the ability to offer solutions that fit the changing needs of tenants will be factors of decisive importance in rental market competition.

Organizational changes

As early as the fall of 1990, Properties Sweden began the task of adjusting its business strategy and resources to the changed market situation. New

project operations were cut back and resources were focused on completing and renting out current projects and increasing the quality of property management.

During 1991 operations were re-organized into four regional property management companies: Skanska Fastigheter Stockholm, Syd (South), Väst (West) and Nord (North) AB, respectively. Operations in southeastern Sweden were taken over by Skanska Fastigheter Syd, while housing and shopping centers in Stockholm and operations in central Sweden are being managed by Skanska Fastigheter Nord effective from January 1, 1992.



The Scandinavian Center in downtown Malmö offers an attractive office environment.

Skanska Fastigheter Väst AB.

Kent Jönsson,
President



Management territory: Western Sweden

Book values	SEK 922 M
Rental revenues	SEK 231 M
Operating net	SEK 127 M
Rentable space incl. residential	306,000 sq m 144,000 sq m

Skanska Fastigheter Nord AB.

Olof Johansson,
President



Management territory until Dec. 31, 1991: Northern Sweden.

Book values	SEK 192 M
Rental revenues	SEK 64 M
Operating net	SEK 39 M
Rentable space incl. residential	96,000 sq m 55,000 sq m

The four real estate companies have thereby adjusted well to market conditions. By concentrating on commercial space, except for shopping centers, Skanska Fastigheter Stockholm has become more specialized and has assumed a size suitable to the rental and real estate market in Stockholm.

As previously, all personnel in the regional property management companies are employed by Skanska Fastighetservice AB. The total number of employees in 1991 was 412 (388).

Earnings

Investment properties

Rental revenues within Properties Sweden rose by 27 percent to SEK 2,057 M (1,624). Adjusted for changes in property holdings during 1991, the increase was 13 percent. Net operating income for investment properties – rents minus operating costs, maintenance, ground rents, real estate tax and overhead – rose by 50 percent to SEK 1,202 M (804). This improvement in earnings was achieved, among other things, because remodeling and renovation expenses fell by SEK 138 M. Yet at the same time, real estate tax rose by 60 percent and now totals 8 percent of rental revenues.

Net operating income amounted to 16 percent of the year-end book value of investment properties.

The Group's share of earnings in partnerships and limited partnerships where Skanska's stake totals 50 percent or less was SEK 46 M (29).

Development properties

Rental volume for development properties was SEK 281 M (285) and operating income was SEK 77 M (107). Earnings from partly owned partnerships and limited partnerships fell to SEK -2 M (4).

Writedowns

Events in the real estate market underscored the need for an estimate of market values in relation to book values, especially for newly constructed or purchased properties. During 1991 writedowns of SEK 121 M were made on investment properties and writedowns of SEK 360 M on development properties. These writedowns were based on individual examinations, usually supported by independent appraisals. It should be emphasized that the market

value of Skanska's investment and development properties far exceeds their total book value.



Bryggeriet (The Brewery) in Luleå is an excellent example of how to transform an old, worn-out industrial building into modern commercial space and offices, while preserving the familiar character of the building.

Occupancy level

At year-end 1991, the occupancy level in investment properties was 95 percent (98). The higher vacancy rate was mainly attributable to office premises, which accounted for 43 percent of unrented space. The problems are mainly concentrated in Stockholm and Gothenburg. Numerous new projects were completed during 1991 and they contain some unrented space, which will lower the occupancy level by another percentage point or so.

There is a greater emphasis on marketing and customer contacts and on improving technical management efficiency. Combined with a necessary adjustment of rent levels when new leases are signed, this will enable Properties Sweden to maintain an acceptable overall occupancy level.

Project operations

During 1991 real estate projects with a book value of SEK 1,428 M and a rentable area of 171,676 sq m (about 1,848,000 sq ft) were completed. Estimated annual rental revenues are SEK 170 M.

There are projects under construction with an estimated book value upon completion of SEK 2,485 M and an area of about 186,000 sq m (2 million sq ft). The remaining investment volume in these projects is SEK 1,049 M, and most of them are being completed during 1992.

Changes in Swedish real estate holdings

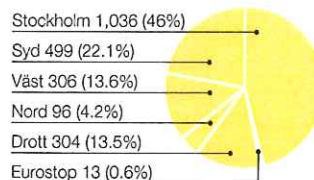
Properties with a year-end 1991 book value of SEK 1,428 M were completed during the year:

Property designation	Completed	Category**	Book value, Dec. 31, 1991, SEK M	Estimated full annual rent, SEK M
Grimskaflet 1 etc., Helsingborg	January	1	37	3
Vapensmeden 15, Eskilstuna	January	1, 2, 3, 4	77	10
Allhelgonagatan, Gothenburg	January	1	76	9
Vätet 1, Lund	February	4	5	1
Havskatten, Mölndal	March	1, 2, 3	64	7
Arholma 1 (50%), new construction, Helsingborg	March	2, 4	2*	0*
Luthagen 80:1, phase 1, Uppsala	May	1	123	9
Bajonetten 4, new construction, Kristianstad	May	3	17	3
Rudan 6, new construction, Halmstad	May	1, 3	22	2
Eurostop, Halmstad (60%)	May	2, 3, 4	124*	18*
Vattenborgen 7, Stockholm	May	1	14	1
Silvret, Gothenburg	June	4	56	10
Gråbo post, Lerum	June	4	7	1
Bokeberg 22, Hässleholm	June	1	67	4
Väiten 9, Lund	June	2	9	2
Läroverket 4, Ängelholm	June	4	33	4
Bålsta C, Håbo	July 1, 2, 3, 4	4	168	23
Forum Nacka, phase 3, Nacka (50%)	July	3	22*	3*
Eurostop, Örebro (60%)	August	2, 3, 4	97*	14*
Armbåga, Mässan, Borås	September	4	37	6
Vattenborgen 3, Stockholm	November	1	14	1
Lille Mats 1, Hässleholm	November	1, 3	24	2
Svärmaren 1 (50%), Luleå	December	3, 4	34*	4*
Lansen 4, new construction, Nyköping	December	3	49	6
Ånge Centralhus, phase 1, Ånge	December	2, 3, 4	42	5
Glunten Husaren (50%), Uppsala	December	3	30*	3*
Granholmen 4, Helsingborg	December	1	48	3
Väktaren 3, Malmö	December	3	130	16

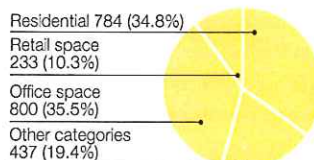
Investment properties

Rentable space, 1991, total 2,254,000 sq m (24.3 million sq ft)

Breakdown by real estate company
(000 sq m, % of total space)

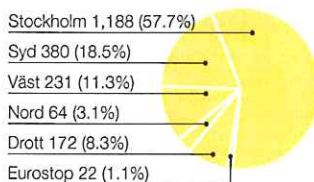


Breakdown by type of space

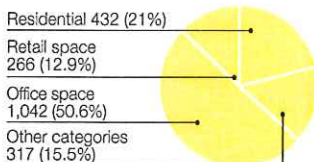


Rental revenues, 1991, total SEK 2,057 M.

Breakdown by real estate company



Breakdown by type of space



*) Skanska's stake

***) 1 Residential, 2 Retail space, 3 Office space, 4 Other categories

AB Drott.

Göran Lidström, President

Subsidiary of Skanska AB (76 percent stake). Management territory: mainly Skåne, Sweden's southernmost province.

Book values	SEK 844 M
Rental revenues	SEK 172 M
Operating net	SEK 96 M
Average number of employees	47
Rentable space incl. residential	304,000 sq m 178,000 sq m

Eurostop KB.

Max Broman, Chairman

A limited partnership owned 60 percent by the Skanska Group and 40 percent by the pension insurance companies SPP and AMF-p. Operations consist of shopping and service centers on heavily trafficked highways.

Book values	SEK 136 M
Rental revenues	SEK 22 M
Operating net	SEK 15 M
Average number of employees	23
Rentable space incl. residential	13,000 sq m 0 sq m

*) Skanska's stake

**) Phase 1 was completed during 1990

AB Drott (76%)

Drott's rental revenues rose by 30 percent to SEK 172 M (132) in 1991. Net operating income rose by 43 percent to SEK 87 M (61). During the year, Drott acquired AB Tanto, which owns properties mainly in central Malmö. This increased rental revenues by SEK 8 M.

Planning and development work for Fisketorvet, a billion-kronor commercial development project in central Copenhagen, Denmark, continued on schedule. In February 1992 a detailed plan for the area was established. Drott has an 80 percent stake in the project.

Eurostop KB (60%)

During 1991 two Eurostop highway service centers, in Halmstad and Örebro, were inaugurated. Together with the Jönköping center, rental revenues during 1992 will be an estimated SEK 75 M. The occupancy level was 93 percent at year-end 1991.

During 1992 the largest Eurostop center, at Arlanda, will be completed. Rental revenues are estimated at SEK 74 M per year. Preparations and studies concerning the establishment of additional centers are focusing on a few locations in Sweden.

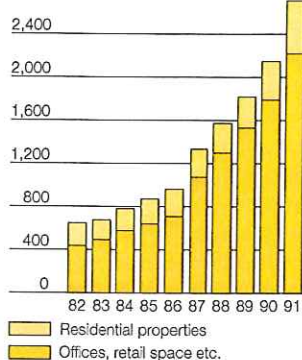
Current construction of properties for Skanska's own account, with a projected book value of SEK 2,485 M upon completion.

Property designation	Projected month of completion	Rentable space, sq m			Projected book value, SEK M	Projected annual rent, SEK M
		Residential	Retail space	Office space categories		
Hälsan 3 (50%), Jönköping	January 1992			683	7*	1*
Stenbock 1, Växjö	February 1992	2,300	115		27	2
Nacka C, building 9 (50%), Nacka	February 1992	3,900			56*	3*
Trådan 29, Växjö	March 1992	2,191		1,060	39	4
Höken 2, Borgholm	March 1992			590	5	1
Strömsbro 1, Karlskoga	March 1992			250	10	1
Klockarängen, phase 2, Uppsala	March 1992	4,018			46	3
Ånge Centralhus, phase 2, Ånge	March 1992			440	6	1
Blåsvädersgatan, Gothenburg	March 1992	15,096			143	12
Läroverket 4, Ängelholm	March 1992			255	9	1
Kilen 19, Lund	April 1992	2,787	1,987	2,009	83	7
Borgaren, Sundsvall	April 1992		5,100		76	7
Sirius 2, Malmö	May 1992			3,800	44	4
Glunten MTC (50%), Uppsala	June 1992			1,750	29*	3*
Ellös School, Orust	June 1992			3,100	38	5
Spiran (50%), Härmösand	July 1992			2,485	33*	4*
Hjälmen 1, Norrtälje	July 1992		1,500	1,100	22	3
Eurostop, Arlanda Stockholm (60%)	September 1992	10,676	7,369	13,927	378*	44*
Hild 12, new construction, Umeå	September 1992	2,331			33	2
Granholmen 4, phase 2, Helsingborg	November 1992	2,928			27	2
Friskvåderstorget, Gothenburg	December 1992	11,720	900	1,000	430	11
Medicinaren 19 (50%), Huddinge, phases 1 and 2**	December 1992		466	18,405	332*	38*
Trådan 5, 18, 26, Växjö	March 1993	3,105		1,202	51	6
Lilla Berget, Gothenburg	June 1993			8,000	156	13
Primusköket 9 and 10, Stockholm	June 1993	2,706			34	3
Skinnefjäll, Mölnlycke	September 1993	4,000		1,000	65	5
Hälsan Syd (50%), Jönköping	February 1994			5,850	25*	3*
Klara Strand, Stockholm	May 1994	4,383	24,721	4,366	582	79

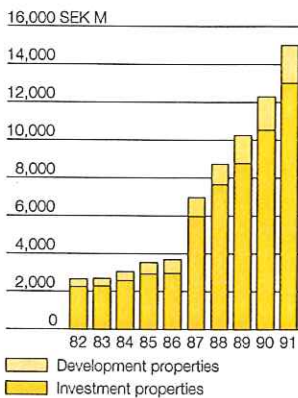
Skanska's overall real estate operations

The Skanska Group is one of Sweden's largest private real estate owners, with extensive development project and investment operations. Continued international expansion.

The Group:
Investment properties, rents
2,800 SEK M



The Group: Investment and development properties.
Book values.



Real estate operations take place within the following units of the Group. See each respective section of the Annual Report:

	Page
Properties – Sweden and most properties abroad	47, 49
International Construction – properties in Denmark and the United States	43
Technical and Industrial Companies – SektionsByggarna AB	42
JM Byggnads och Fastighets AB	56

The Group: Real estate operations in figures

- The average value of loans on investment and development properties at the beginning and end of 1991 was SEK 7,602 M (7,448).
- In addition to depreciation of SEK 379 M (301), there were writedowns of SEK 1,151 M (161). See the table in the Report of the Directors on page 8. Of these writedowns, SEK 942 M was attributable to properties which are reported in the consolidated balance sheet. The remaining sum, SEK 209 M, was attributable to writedowns of shares and participations in real estate companies in which the Group has a 50 percent stake or less and which are thus not reported in the consolidated accounts.
- The general writedown (in the form of an allocation) which tax rules permitted in prior years was withdrawn in its entirety in the 1991 accounts and totaled SEK 557 M.
- Investment properties are depreciated at the maximum annual amounts permitted by tax law. In JM, however, they are depreciated by an average of 1.1 percent a year.

1991	Book values	Rental revenues	Income before taxes, depreciation and interest
SEK M			
The Group's investment properties	12,998	2,708	1,845
Construction in progress and development properties	9,918	437	157
Properties in partly owned partnerships and limited partnerships (≤ 50%)	–	–	–40

Overview of the Skanska Group's investment properties

	Rentable space, 000 sq m				Book value, Dec. 31, 1991, SEK M	1991 rental revenues, SEK M
	Residential properties	Retail space	Office space	Other categories		
Properties Sweden	784	233	800	437	7,024	2,057
Outside Sweden	1	1	80	41	925	87
JM	56	105	231	208	4,888	550
SektionsByggarna	0	0	41	12	116	45
Group adjustments*	0	0	6	0	45	–31
Total	841	339	1,158	698	12,998	2,708

* Minus intra-Group rents and acquired rental revenues, plus real estate partly belonging to JM and Properties Sweden, respectively.

Finance

During 1991 the main tasks of the Finance business area were liquidity management, borrowings, foreign exchange exposure and insurance risk management.

Gunnar Carlsson

Skanska Kapitalförvaltning AB, Danderyd.

Leif Ottosson,
President



Management of liquid assets in Sweden, trading in securities and foreign currencies, and arranging outside borrowing.

Skanska Finance B.V., Netherlands.

Ulf Norman, Branch manager, Zurich



Coordination of liquid assets abroad, participation in the financing of contracting and real estate projects.

Operations take place in three legal entities: Skanska Kapitalförvaltning AB, Skanska Finance B.V. in the Netherlands and SCEM Reinsurance S.A. in Luxembourg.

Skanska Kapitalförvaltning AB

The year was eventful. Sweden's unilateral pegging of the krona to the European Currency Unit (ECU) in May and the Riksbank's intervention in December – when the Finnish devaluation triggered speculation about a similar move in Sweden – had dramatic effects on Swedish interest rates. In foreign exchange markets, the U.S. dollar varied between SEK 5.47 and SEK 6.66. Share prices on the Stockholm Stock Exchange climbed by more than 30 percent in the first half, then nearly the entire gain disappeared in the second half of 1991.

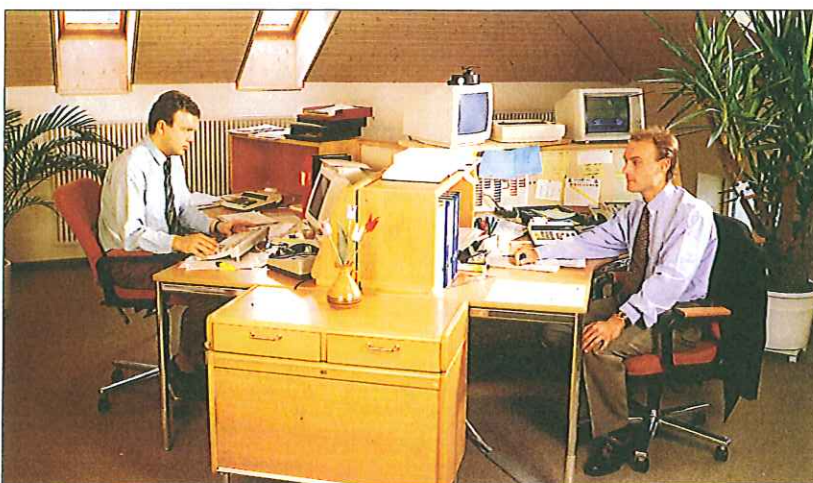
The earnings of Skanska Kapitalförvaltning also varied sharply. Thus during the first eight months of 1991, earnings were very good, whereas September–December was a disappointing period. For the year as a whole, money market and foreign exchange trading showed a deficit of SEK 40 M. In this context, imputed interest on deposits from other Group companies was based on the 90-day Treasury discount note rate.

Short-term equity trading after full interest expenses showed a loss of SEK 51 M. This was mainly because several of the larger shareholdings in the portfolio fell at a substantially faster pace than the *Affärsvärlden* General Index during the autumn 1991 market downturn. This outcome was unsatisfactory. To reduce financing costs, the size of the portfolio was reduced, and the company increased its options trading and short positions during 1992.

After withdrawal of an earlier provision of SEK 154 M to a risk reserve, and after subtracting overhead, Skanska Kapitalförvaltning reported an operating profit of SEK 54 M. During 1991 the company had an average of nine employees.

Skanska Finance B.V.

During 1991 Skanska Finance had an average of six employees, of whom five worked at the company's branch office in Zurich, Switzerland. Its total assets were equivalent to SEK 4,187 M and shareholders' equity totaled SEK 2,035 M. About 75 percent of its lending was to Group and associated



From its office in Zurich, Skanska Finance arranges borrowing for the Group's real estate projects outside Sweden, including evaluation of interest and currency risks. The project risk is handled by the company that owns the project.

companies outside Sweden. The year's operations were affected by falling USD and GBP interest rates. Profit before allocations and taxes totaled SEK 189 M.

SCEM Reinsurance S.A.

SCEM is a captive insurance company with capital stock of LUF 50 M, equivalent to SEK 9 M. The company reinsures selected portions of Skanska's Swedish and foreign insurance program. The trend of insurance claims remained favorable during 1991, which contributed to satisfactory profitability. After provisions to risk reserves in keeping with customary industry practices, the company reported a small profit before allocations and taxes.



**SCEM Reinsurance S.A.,
Luxemburg.**

Thomas Alm,
Manager

Reinsurance on certain portions of the Group's insurance program.

Skanska's long-term stock portfolio

The Group's listed shares are mainly owned by Skanska AB. The portfolio is dominated by a few large holdings of a long-term, strategic nature. Because decisions on changes in these holdings are normally made by the Group Chief Executive or by Skanska's Board of Directors, earnings from their management are not reported within the Finance business area. The portfolio is nevertheless connected with the Group's other activities in the financial field, and a brief account of these holdings is therefore justified.

The Group laid the groundwork for its long-term stock portfolio as early as the mid-1970s. Most of its current holdings were purchased during the period 1981-1983. In recent years, because earlier obstacles to investments in real estate outside Sweden have been removed, additional net purchases of listed shares have been limited in scale.

At the close of 1991, the total value of the portfolio (excluding the subsidiary JM and the then unofficially listed company Graningeverken) was about SEK 8.8 billion. The corresponding book value - i.e. purchase price - was SEK 4.7 billion.

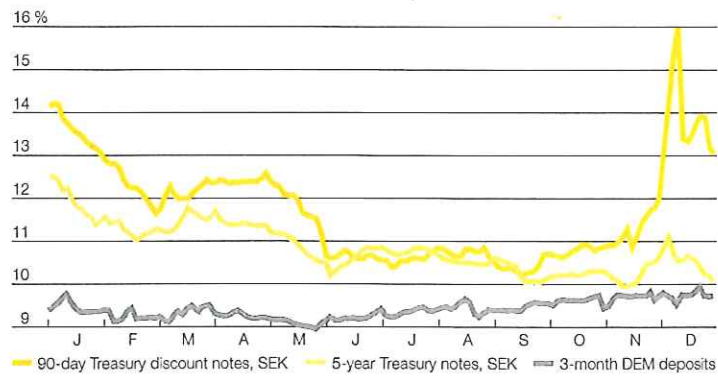
During 1991 the *Affärsvärlden* General Index rose by 5.5 percent. Price trends for major holdings in Skanska's portfolio diverged greatly during 1991. Sandvik and SKF rose by 51 and 35 percent respectively, while Euroc and Custos fell by 42 and 28 percent respectively. Overall, Skanska's portfolio climbed by 10 percent, excluding JM and Graningeverken and after eliminating the year's purchases and sales.

Viewed in a longer perspective, Skanska's portfolio has performed better than the *Affärsvärlden* General Index during five of the past seven years.

Skanska's largest shareholdings, March 31, 1992

	Number	% of voting power	% of capital stock	Market value, SEK M
Sandvik	11,697,600	26	22	4,794
SKF	13,840,600	25	12	1,546
Graningeverken	257,027	29	29	1,362
Custos	11,765,072	30	25	1,199
Euroc	10,899,150	32	31	576

Market interest rates, 1991



JM Byggnads och Fastighets AB

The economic slowdown meant smaller construction volume, but low inflation and another winter with favorable weather resulted in continued good margins. Construction operations showed improved earnings, as did property management.

Sven Larsson,
President



SEK M	1991	1990
Revenues	4,631	5,406
Earnings*	498	313
Order bookings	3,809	5,134
Order backlog, Dec. 31	3,356	4,259
Average number of employees	3,580	3,418

* Operating income after depreciation as reported in the Skanska Group. The figures in the text are taken from JM's annual report.

Because of poorer economic conditions, there was a decline in the previous lively demand for housing, especially in Greater Stockholm. Toward year-end the market was in balance. As the recession took hold, the rapid rise in material prices and labor costs ended. Together with the effect of yet another mild winter with few disruptions in production, JM's earnings from construction operations were consequently better than in 1990. Real estate management operations showed higher volume and rising surpluses before financial items.

Construction operations

JM's construction operations fell in volume by about two percent during 1991, after a record-breaking year in 1990. For most of the year, demand for housing was at a high level, especially in the Stockholm, Gothenburg and Malmö areas where JM has its strongest presence – with roughly a 16 percent market share.

The company began to adjust its construction resources to an anticipated decline in volume. At year-end the number of employees was 3,363 (3,797), down by 434.

More affordable housing

Over a period of years, JM has tried to respond to the rising costs of new housing production by developing a freer type of construction (known as Fribygge). By means of certain simplifications and departures from building code requirements, JM has shown that production costs could be cut significantly. This concept has attracted great interest and buildings that incorporate these principles are now found in Uppsala, Tyresö, Södertälje and Värmdö. Another version is being built in Söderberga, Stockholm.

Other examples of fresh thinking in the housing field are development work by JM's subsidiaries Seniorgården AB and AB Borätt. In cooperation with retired people's organizations and municipal governments, Senior-

gården AB offers package solutions in the construction of housing for older people. More than 30 cooperative housing associations have been established and are expected to result in construction assignments – the first scheduled to begin in 1992. AB Borätt, which works in the cooperative housing field, showed continued good growth. It currently has 600 cooperative dwellings under construction.

JM expects most of its housing construction to continue to be on behalf of cooperative housing associations: either existing nationwide organizations or associations established by JM.



The extension of Täby Centrum near Stockholm was completed in the fall of 1991. The center now contains about 100 stores, two movie theaters, 8,000 sq m (86,000 sq ft) of office space and more.

Earnings

Overall income from construction operations, excluding net interest items, rose to SEK 261 M (173). External invoicing on contracts credited to income rose by SEK 450 M to SEK 4,595 M (4,145), reaching 112 percent (84).

The profitability of construction operations improved during 1991. The earnings margin for invoicing on contracts credited to income was 5.7 percent (4.2).

Property management

Rental revenues climbed to SEK 550 M (454) because of newly added space and rent increases. This included SEK 26 M (18) in interest subsidies for government-guaranteed residential mortgage loans. A corresponding sum was charged to the year's interest expenses, in keeping with prevailing accounting practice, and comparative figures have been adjusted accordingly. Operating income after real estate tax but before interest expenses was SEK 291 M (268).

The occupancy situation was good, with a vacancy rate of less than 3 percent at year-end 1991. New construction of properties for JM's own account continued. The largest single project is Täby Centrum, which includes stores, an office building, a bus terminal and thoroughfares. Most of the project was completed in 1991; the remaining work will be finished by the end of 1992.

Due to the economic slowdown and the previous very high level of construction and speculative trading in real estate, a sizable surplus of commercial space has emerged. The real estate tax is one contributing reason for the market slide and the growing weakness of the construction and property management markets. The new projects that JM is planning on its own land will begin only when occupancy levels and other market conditions permit.

Market values of properties

The estimated market value of investment properties declined during 1991. Most of JM's properties were built under company auspices and transferred to its own account at net production cost. Appraised market values therefore exceed book values by an ample margin. The appraised market value of a few new properties is below acquisition costs. In cases where these negative differences in value are expected to persist for the foreseeable future, write-downs totaling SEK 30 M were made. In addition, JM has written down its holding in Nya Knutpunkten, a group of limited partnerships that own newly constructed commercial properties in downtown Helsingborg, by SEK 72 M. The writedown was equivalent to 28 percent of the acquisition cost of these properties.

Real estate leasing

JM's 50 percent holding in FV Fastighetsvärden AB was sold during 1991 at a price equivalent to the book value of the shares. With this sale, JM has completely phased out its involvement in the real estate leasing sector.

Prospects

Even in a recession, there is demand for commercial space and housing in good locations if the price is right. JM owns land suitable for a large volume of attractive future projects. Construction will not begin, however, until a sizable proportion of a project has been rented out or sold in advance.

JM assigns a higher priority to quality, liquidity and profitability than to volume. In this way, JM expects to be able to maintain a substantial positive cash flow both in its construction operations and its new property investments. Despite the instability that now characterizes the market, JM is well equipped for the future.

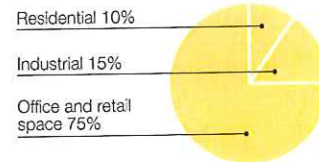


Near Jakobsbergs Centrum, a Stockholm suburban shopping center, JM is building 60 apartments for the Hästhoven cooperative housing association, intended for people aged 55 or over.

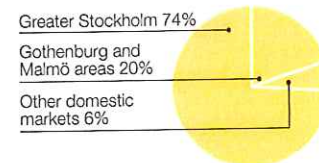
Investment properties

Rental revenues

Breakdown by type of space



Geographic breakdown



Five-year Group financial summary

SEK M unless otherwise specified

		1991	1990	1989	1988	1987
Income statements	Income after depreciation					
	Contracting operations etc. _____	1,148	1,641	817	838	539
	Sale of investment and development properties _____	141	95	136	122	374
	Development properties _____	- 841	- 14	- 9	19	14
	Property management _____	1,353	963	971	849	742
	Financial items _____	- 800	- 330	897	45	185
	Income after financial items _____	1,001	2,355	2,812	1,873	1,854
	Income before acquisition _____	—	—	- 11	- 12	- 77
	Minority interest in income _____	- 34	- 117	- 94	- 57	- 136
	Income before taxes _____	967	2,238	2,707	1,804	1,641
	Taxes _____	- 276	- 990	- 802	- 580	- 419
	Net profit for the year _____	691	1,248	1,905	1,224	1,222
	Balance sheets	Bank balances and short-term investments _____	9,268	14,270	7,789	5,677
Current receivables _____		5,195	5,243	5,338	4,317	4,194
Inventories _____		424	504	450	411	413
Investment and development properties _____		22,916	18,885	14,012	10,605	8,366
Shares and participations (fixed assets) _____		6,256	6,343	5,865	4,804	4,016
Long-term receivables _____		1,807	1,877	1,043	930	751
Machinery and equipment etc. _____		1,655	1,769	1,505	1,165	1,096
Fixed-asset properties _____		1,455	1,450	1,359	1,029	1,072
Current liabilities _____		13,735	15,386	8,633	6,551	6,329
Uncompleted contracts (balance) _____		6,334	7,096	4,966	3,625	3,293
Long-term liabilities _____		18,286	17,367	14,271	10,865	8,422
Shareholders' equity _____		10,621	10,492	9,491	7,897	6,641
Total assets _____		48,976	50,341	37,361	28,938	24,685
Revenues including rents _____	33,550	37,216	29,806	23,090	19,631	
Average number of employees _____	31,077	31,746	29,494	29,670	29,418	
Financial ratios	Dividend per share, SEK _____	3.25*	3.13	2.63	2.13	1.75
	Net profit per share, SEK _____	5.50	9.90	15.15	9.70	9.70
	Net profit per share after full conversion, SEK _____	5.35	9.65	14.75	9.45	—
	Return on shareholders' equity after taxes, % _____	6.5	12.5	21.9	16.8	20.2
	Return on capital employed before taxes, % _____	10.8	14.6	19.1	17.2	22.0
	Equity/assets ratio, % _____	22.7	21.9	26.5	28.3	28.6

* Proposed by the Board of Directors.

Amounts from prior years have been adjusted to conform to 1991 accounting principles.

Dividend and profit per share have been calculated on the basis of the number of shares outstanding on December 31, 1991.

Definitions of financial ratios

The following definitions conform with a recommendation by the Swedish Society of Financial Analysts.

Net profit per share

Income minus minority interest in income and full taxes, divided by the number of shares outstanding at year-end 1991.

Return on shareholders' equity

Income after financial items minus minority interest in income and full taxes, as a percentage of average shareholders' equity.

Return on capital employed

Income after financial items plus interest expenses and exchange differences, as a percentage of average total assets minus operating liabilities. Operating liabilities are defined as current liabilities except for short-term loans, the balance of uncompleted contracts and deferred tax liability.

Equity/assets ratio

Reported shareholders' equity including minority interest as a percentage of total assets.

Skanska in brief

Financial information

Skanska in brief

Skanska – one of Europe's largest construction and real estate companies and one of the largest industrial corporations in Sweden – began operations in Malmö more than 100 years ago by pioneering the use of concrete in the Swedish building trade.

Starting with concrete blocks and decorative items, Skanska – known officially until 1984 as Skånska Cementgjuteriet – soon progressed to foundations, hydroelectric power plants and bridges. Its first company outside Sweden was established in 1902: the Russian-Swedish Concrete Piping Factory in St. Petersburg.

Since then, Skanska has broadened its operations and developed new techniques and know-how.

During the 1980s Skanska strengthened its leading position in the Swedish construction market. Throughout Sweden, Skanska operates as a local construction company with complete resources.

The Skanska Group is also one of Sweden's largest private real estate owners. The experience and knowledge gained in this business are applied throughout the construction process.

Skanska has large-scale international operations – in heavy civil engineering projects, construction of buildings and real estate development – with experience from more than 70 countries.

In 1965 Skanska shares were introduced on the A-list at the Stockholm Stock Exchange.

All financial information can be ordered from:

Group Public Affairs
Skanska AB
S-182 25 Danderyd, Sweden
Telephone +46 8-753 80 00
Fax +46 8-755 12 56

For additional information on JM, that company's own Swedish-language annual report can be ordered from:

JM Byggnads och Fastighets AB
Box 27319
S-102 54 Stockholm, Sweden
Telephone +46 8-782 87 00
Fax +46 8-660 02 97

For a more detailed presentation of AB Drott, the reader is referred to the separate Swedish-language annual report of that company, which can be requested from:

AB Drott
Box 517
S-201 25 Malmö, Sweden
Telephone +46 40-30 11 60
Fax +46 40-30 15 62

Financial information

During the year, Skanska issues the following financial reports in their official Swedish-language versions:

- Press release on the previous year's results, in April
- Annual Report, in May
- Interim Report for the period January-August, in October.

The 1992 Interim Report will be issued on October 19.

These documents are also published in English. A separate Swedish-language list of the Group's real estate, *Skanskas Fastigheter 1992*, is published as a supplement to the Annual Report.

In addition, excerpts from the Annual Report including portions of the real estate list are available in English, French, Spanish and German.

Comments on the English version of Skanska's Annual Report

The presentation of financial data, accounting and valuation principles in this English-language version of Skanska's Annual Report is the same as in the Swedish version. For space reasons, a few descriptions of projects in the second half of the Annual Report were shortened, and a few details mainly of local interest were left out.

The abbreviation M after a currency code and amount means millions, while 000 means thousands. Figures in parentheses after 1991 amounts refer to the corresponding 1990 amounts. Sveriges Riksbank is Sweden's central bank. All places mentioned are in Sweden unless otherwise specified.

During 1991 the average exchange rate for Swedish kronor to U.S. dollars was SEK 6.05 = USD 1. The year-end rate was SEK 5.55.

The following international currency codes have been used:

SEK	Swedish kronor
CAD	Canadian dollars
DEM	German marks
DKK	Danish kroner
FIM	Finnish marks
GBP	British pounds sterling
LUF	Luxembourg francs
NGN	Nigerian nairas
NLG	Dutch guilders
NOK	Norwegian kroner
USD	United States dollars
YER	Yemeni riyals

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