



YEAR-END REPORT

JANUARY-DECEMBER
2004

Net sales increased by 10 per cent to SEK 22 048 million (20 086)

Profit for the year amounted to SEK 432 million (226)

Profit per share amounted to SEK 5.10 (2.70)

Orders received increased by 18 per cent to SEK 21 559 million (18 339)

Improved cash flow before financing, which amounted to SEK 255 million (-379)

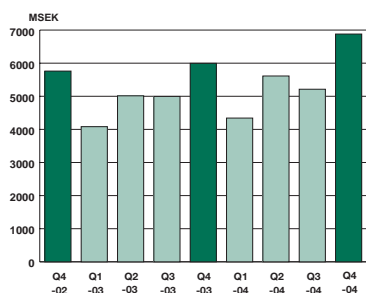
Financial objectives have been adapted to Peab's current structure

Board proposes an increased dividend per share to SEK 2.50 (2.20)



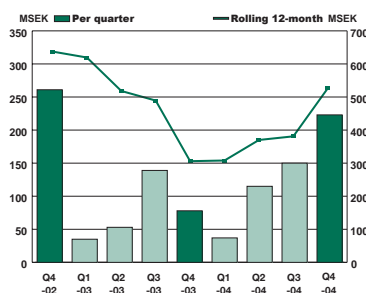
Year-end Report January - December 2004

Net sales



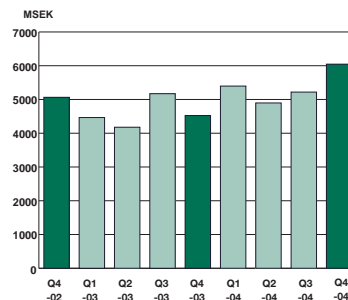
The Group's net sales for the year 2004 amounted to SEK 22 048 million, which was an increase of 10 per cent compared to the previous year. Adjusted for acquired and divested units, the increase in net sales amounted to 6 per cent. The increase was evenly divided among the activities.

Operating profit



The Group's operating profit for the year 2004 amounted to SEK 525 million compared to SEK 305 million the previous year. The increase is attributable to improved profitability within all areas of the Group.

Orders received per quarter



Orders received during 2004 amounted to SEK 21 559 million, which was an increase of 18 per cent compared with the previous year when they amounted to SEK 18 339 million. The order backlog amounted to SEK 15 899 million.

The Group

MSEK	Jan-Dec 2004	Jan-Dec 2003	Jan-Dec 2002	Jan-Dec 2001	Financial objectives
Net sales	22 048	20 086	19 818	18 721	
Operating profit	525	305	636	655	
Operating margin	2.4%	1.5%	3.2%	3.5%	
Profit after financial items	475	240	552	577	
Profit for the year	432	226	488	502	
Return on capital employed	13.3%	9.2%	15.1%	16.0%	>12%
Return on equity	18.6%	9.2%	18.8%	22.3%	>15%
Profit after tax, SEK per share	5.10	2.70	5.80	6.00	
Equity/assets ratio	22.5%	21.8%	28.2%	24.8%	>25%

The construction business

MSEK	Jan-Dec 2004	Jan-Dec 2003	Jan-Dec 2002	Jan-Dec 2001
Net sales	22 045	20 068	19 699	18 337
Operating profit	684	427	787	753
Operating margin	3.1%	2.1%	4.0%	4.1%

MD's comments

2004 was a positive year for Peab's business. We are seeing a further strengthening of our competitiveness as a supplier of construction and civil engineering related services. Our organization with competent staff anchored locally works in close collaboration with our customers. Moreover the economic outlook in the construction markets where we are active is looking more favourable. Peab's concentration on reasonably priced housing and civil engineering projects will provide us with even better profit making opportunities in the future.

The order situation for Construction and Civil Engineering has steadily improved, and this will constitute a good basis for the business in 2005. Given the rising demand it is now important that we continue to select new projects carefully and prioritise contracts where we have the right resources at our disposal and the best prerequisites.

We are now seeing a turnaround in the Norwegian and Finnish businesses with the right control, the right customers and the right projects. The profitability requirements in our neighbouring countries are the same as in Sweden and there is a good basis for increased earnings ahead. Operating profits for 2004 amounted to SEK 2 million (-194).

After five years pursuing the present financial objectives combined with a successfully implemented business refinement process, we have now adjusted those financial objectives. The equity/assets ratio objective has been adjusted down to 25 per cent compared to the previous 30 per cent, and the dividend distribution objective has been adjusted upwards to at least 50 per cent of profits as compared to the previous 35-45 per cent. Other financial objectives remain unaltered. The new objectives now better reflect our current structure and the new accounting principles applying from and including 2005.



We see opportunities for additional improvements within several areas. In 2005, much of the work will concentrate on how we can coordinate our common resources and competencies within the group even better. On the purchasing side too there will be much intensive work on strengthening Peab's competitiveness.

A strong company culture combined with a continued optimistic view of the market is providing solid grounds for enhancing profitability in the future.

Mats Paulsson
Managing Director

New contracts during the fourth quarter:

We took on many major projects during the fourth quarter, including:

- A contract to build a concert and conference hall in Vaksala Square in central Uppsala. The order was placed by Uppsala City Council and the total value of the contract is SEK 311 million.
- A contract to construct a section of the main road 40 between Brämhult and Rångedala, immediately to the east of Borås. The contract, which is worth SEK 81 million, was placed by the Swedish National Road Administration.
- A contract for the conversion and extension of Holmgrens Bil in Jönköping. The contractor is Sonny Holmgren Invest AB and the value of the contract amounts to SEK 100 million.
- In Finland, Peab has been commissioned to carry out part of the extension building to Vik's University campus in Helsinki. The construction work has been commissioned by the government owned Senaattikiinteistöt, Finland's largest building and housing owner. The contract sum amounts to EUR 17 million (about SEK 154 million).

Net sales and profit

In 2004, group net sales increased by 10 per cent to SEK 22 048 million (20 086). Adjusted for acquired and divested units, the increase in net sales amounted to 6 per cent. Of the year's net sales, SEK 3 004 million (2 076) related to sales and production outside Sweden.

Annual operating profits amounted to SEK 525 million, compared to SEK 305 million the previous year. 2004 profit after financial items amounted to SEK 475 million compared to SEK 240 million the previous year. Net financials amounted to SEK -50 million (-65), of which net interest expenses amounted to SEK -65 million (-52). The annual effect of valuing financial instruments at fair value is recognized under net financials at SEK 32 million.

Participations in associated companies/joint ventures are recognised in accounts using the equity method. The year's share of profits in associated companies/joint ventures before tax amounted to SEK 4 million (8). Peab recognises results from participations one quarter in arrears.

Annual tax expenses amounted to SEK -41 million (-11).

Profit for the year amounted to SEK 432 million (226).

Financial position

At the end of the year the equity/assets ratio was 22.5 per cent compared to 21.8 per cent the previous year.

Net debt amounted to SEK 1 489 million, compared with SEK 1 331 million the previous year. The average interest rate in the loan portfolio amounted to 3.3 per cent (3.9).

The Group's disposable liquid funds amounted to SEK 3 635 million at the end of the year, compared with SEK 2 418 million as at 31 December 2003.

At the end of the year the Group's contingent liabilities amounted to SEK 863 million compared to SEK 803 million the previous year. This amount includes the SEK 227 million charge which the Swedish Competition Authority is demanding that Peab pay in the current asphalt cartel suit. Relative to the lawsuit, on 7 September 2004 the Swedish Market Court presented an interlocutory judgement, in which it established that the Swedish National Road Administration is included in the plaintiff. In December 2004, Peab submitted its defence in the asphalt cartel suit. The lawsuit is due to be heard during the spring of 2006. Of other contingent liabilities SEK 389 million (441) relates to obligations to tenant-owners' cooperatives under construction.

Investments

Net investment in tangible and intangible fixed assets amounted to SEK 346 million (682) during the year. The net change in shares and participations amounted to SEK 20 million (-360). During the year SEK 499 million net was invested in project and development properties (net divestment of SEK 50 million).

Cash flow

Annual cash flow before financing amounted to SEK 255 million (-379). The improvement is due to increased profitability and a lower level of investment. Cash flow from changes in working capital includes acquisition of project and development properties amounting to SEK 403 million.

Personnel

At the end of the year the number of employees amounted to 10 459 compared to 10 364 the previous year.

Comments by business sectors

Construction and Civil Engineering

The Construction and Civil Engineering business sector comprises the Group's resources concerning Construction and Civil Engineering related services. Peab covers the whole of Sweden, while in Norway and Finland its activities are centred in the metropolitan areas.

Annual net turnover in the Construction and Civil Engineering area amounted to SEK 19 278 million, compared to SEK 17 601 million the previous year, equivalent to a rise of 10 per cent. The increase can be attributed to the Swedish and Finnish businesses.

Operating profits amounted to SEK 404 million, compared to SEK 151 million the previous year. The previous year's profits were reduced by SEK 30 million related to customer losses and losses of SEK -194 million from foreign activities. The annual operating margin for the Swedish Building and Civil Engineering business was 2.4 per cent compared to 2.2 per cent in 2003.

Norwegian and Finnish activities reported operating profits of SEK 2 million (-194) in 2004. This implies a distinct turnaround in these activities and shows that Peab is on the right track in these countries.

Capital employed in Construction and Civil Engineering amounted to SEK 3 624 million (2 985). The increase is above all attributable to acquisitions of project and development property. Return on capital employed in 2004 amounted to 13.5 per cent, compared to 6.2 per cent for 2003.

Orders received during the full year amounted to SEK 21 559 million (18 339), which is a rise of 18 per cent. The increase consists largely of trust-based contracts.

The order backlog at the end of the year amounted to SEK 15 899 million, compared with SEK 13 590 million last year. This represents an increase of 17 per cent. Of the total order backlog, 26 per cent (26) is expected to be produced after the current year. Construction projects accounted for 74 per cent (67) of the order backlog. Swedish operations accounted for 84 per cent (88) of the backlog. A good order backlog in a rising construction market is now enabling the Group to be more selective in its choice of future projects.

Order backlog and orders received Construction and Civil Engineering

MSEK	2004-12-31	2003-12-31	2002-12-31
Coming financial year	11 757	10 089	9 153
Next financial year	3 210	2 632	2 925
Thereafter	932	869	774
Total order backlog	15 899	13 590	12 852
Orders received	21 559	18 339	19 121

Within its contracting operations, Peab also engages in internally developed construction of housing, comprising tenant-owner rights and single homes sold directly to the end customer. At the end of the year 1 520 (1 285) internally developed homes were under construction and of these 73 per cent (63) were sold. Under normal circumstances, Peab has an undertaking to purchase from the tenant-owners' cooperatives any tenant-owner rights that have not been sold six months after the final inspection. At the end of the period, 59 (23) tenant-owner rights with a book value of SEK 115 million (22) were repurchased. Repurchased tenant-owner rights are recognized in the balance sheet as project and development properties.

The total holding of project and development properties in Construction and Civil Engineering amounted to SEK 1 605 million

(1 106). As a result of the increased volume of internally developed projects, capital tied up in project and development properties has increased. Therefore, the board of directors has decided to raise the maximum amount of capital tied up in project and development property from SEK 1 000 million to SEK 2 000 million. As at 31 December, Peab's project portfolio contained 171 projects (151) corresponding to building rights over a total of approximately 1.5 million square metres (1.6). The majority of these building rights were in the growth regions of Malmö, Gothenburg, Stockholm, and Mälardalen.

Building rights		
thousand sq.m	2004-12-31	2003-12-31
Housing	1 018	985
Commercial premises	361	405
Industrial premises	161	163
Total	1 540	1 553
Number of projects	171	151

Industry

The Industry business sector comprises the Group's activities within ready-mixed concrete, concrete production and prefab, rock/gravel, transport, manufacture and laying of asphalt, and plant and crane hire.

Net sales amounted to SEK 4 130 million (3 697), which is an increase of 12 per cent. Operating profits amounted to SEK 280 million (276).

Swerock shows good growth and is maintaining margins, mainly due to the contribution made by ready-mixed concrete and ballast.

The order book of Peab's new Katrineholm plant for the production of prefabricated building elements is looking good with a large number of future deliveries lined up, mainly to Peab's construction activities. The plant's start-up costs with regard to personnel and machinery reduced profit for the year. Two-shift working is underway, and increased volumes and improved profit are expected in 2005.

Peab Asfalt is showing good growth with a positive order book based on the group's major road projects.

Lambertsson's plant and crane hire business continues to exploit capacity well. The coordination of machinery, plant and crane hire management, marketing organisation and depots is now producing results in the shape of reduced costs.

Capital employed in the Industry business sector amounted to SEK 1 848 million (1 825). Return on capital employed in 2004 amounted to 14.8 per cent, compared to 15.1 per cent for 2003.

Trust/Management

Trust/Management comprises the central companies, certain subsidiaries and joint ventures and other holdings. Operating profits amounted to SEK -159 million (-122). Group-wide costs were recognised at a total of SEK -116 million (-119).

Since the acquisition of Uppsala-based AZ-Bygg AB in 1998, Peab has been active in Latvia on a small scale. The acquisition included a subsidiary which operates in Riga. The company's final construction project has been completed and Peab's construction operations in Latvia are now being wound up. The total cost of winding up activities including predicted customer losses are assessed to amount to SEK 26 million, and this has been charged against profits for the year. Peab intends to retain certain resources in Latvia for purchases in the Baltic region and for the monitoring of manpower questions.

The construction market

The prospects for the Swedish building market continues optimistic for the forthcoming years. Demand continues to vary greatly from region to region. The improved economic climate is most notable in the regions around major towns and cities. Once again the rate of growth in the Stockholm and Mälardal region, which accounts for one third of the available Swedish construction market, is expected to exceed the average for the rest of Sweden. House building continues to grow steadily, with new projects mainly in the low and medium priced segment. Many projects are at the planning stage, and we have high expectations of being able to meet the demand for homes with a competitive and industrially based housing concept. The continuing low level of nominal interest rates is also contributing to keeping demand high. We see a limited risk of reduced demand as a result of rising interest rates, keeping in mind our commitment to reasonably priced housing.

It is our opinion that the Swedish road and civil engineering business will continue its positive progress, particularly as a result of the major investments in the road and railway networks. High numbers of orders received for projects with long production times in civil engineering during the past year have created good capacity utilisation for the Group's civil engineering resources and for operations in the Industry business sector.

The flattening out of the vacancy percentages for commercial premises has resulted in an increased range of new commercial projects. Demand for shopping and logistics centres in the right locations continues to be high.

We also assess that market conditions in Norway and Finland will also improve during the forthcoming years. Home building is especially strong. Compared to the size of the populations, twice as many homes are being built in Norway and Finland as in Sweden.

Important events during the period

During the period, Peab acquired all the shares in Siljan Anläggning AB in Orsa. The company had net sales of SEK 75 million in 2003 and currently has 30 employees. The acquisition has broadened the customer base and boosted Peab's civil engineering activities in the Dalarna region.

During the period, Peab acquired all the shares in Berg och Väg Maskin AB in Stockholm. The company had net sales of SEK 126 million in 2003 and currently has 50 employees. The acquisition strengthens Peab's position in civil engineering in Stockholm and Södertälje.

Peab has established a loan programme for commercial papers. Under the programme, Peab issues commercial papers up to a maximum amount of SEK 1.5 billion. The borrower is Peab Finans AB with guarantees from Peab AB.

Peab has acquired the old F18 air field in Tullinge in the municipality of Botkyrka. The vendor is the government-owned real estate company Vasallen. According to the plans, a new urban district, Riksten, will grow around the old air field. During the next 10-15 years, some 2 500 new homes and commercial buildings will be built on the 370-acre site.

Peab has signed bilateral loan agreements totalling SEK 3.0 billion with eight banks. The new loan agreements are not subject to amortization and run until September 2009. They replace five bilateral loans totalling SEK 2.7 billion which originally were due to mature in December 2005.

The Peab-share

Peab's B share is listed on the O-list of the Stockholmsbörsen. As at 30 December 2004, the price of the Peab share was SEK 65.00, which is an increase of 49 per cent during 2004. During the corresponding period, the Swedish stock market increased by 17 per cent according to Affärsvärlden's general index. During 2004, the Peab share was quoted at a maximum of SEK 65.50 and a minimum of SEK 38.40.

In January 2005 shareholders in Peab AB were offered the opportunity to purchase or sell brokerage-free the number of B shares required to attain a holding corresponding a round lot which at present amounts to 200 shares. Of Peab's total 15 200 shareholders the offer was made to 8 389 owners of holders of uneven lots. Of notifications 2 477 involved purchases and 860 involved sales. The overall result of submitted notifications amount to a net purchase of 154 839 shares.

Holdings of own shares

At the beginning of 2004, Peab's holding of own shares amounted to 2 440 000 B shares, corresponding to 2.8 per cent of the total number of shares. During 2004, 230 200 B shares were divested as part of the purchase price of company acquisitions. No own shares were acquired during 2004. Peab's holding of own shares at the end of the year amounted to 2 209 800 B shares, equivalent to 2.5 per cent of the total number of shares.

Number of outstanding shares, 31 December 2004	
Number of registrated shares	87 195 944
Holding of own shares, 31 December 2003	-2 440 000
Number of outstanding shares, 31 December 2003	84 755 944
Disposal of own shares during the period	230 200
Number of outstanding shares, 31 December 2004	84 986 144

Financial objectives

Peab set the current financial objectives in 1999 in conjunction with the initiation of the refinement process. After non-core activities were phased out, in particular the Brinova distribution, Peab is now a dedicated construction and civil engineering company. Changes to Peab's structure and the introduction of new accounting principles from 2005 onwards have result in an adjustment of objectives.

New financial objectives

- Return on capital employed should amount to at least 12 per cent (unchanged)
- Return on equity should amount to at least 15 per cent (unchanged)
- Equity/assets ratio will exceed 25 per cent (previously 30 per cent)
- Dividend to shareholders should amount to at least 50 per cent of profit after tax (previously 35-45 per cent)
- Cash flow before financing should be positive and rising (unchanged)

Accounting principles

This quarterly report has been drawn up in accordance with RR 20, Interim Financial Reporting, of the Swedish Financial Accounting Standards Council.

Recommendation RR 29, Employee Benefits, of the Swedish Financial Accounting Standards Council has been applied from and including 2004.

The regulations of the Swedish Annual Accounts Act regarding derivatives and other financial instruments were changed as at 1 January 2004. As a result of the change financial instruments may be recognized at their fair value. As IAS 39, Financial Instruments, was also adopted by the EU at the end of 2004 for application from and including 2005, the regulations of the Swedish Annual Accounts Act on valuation at fair value were applied to the 2004 accounts. Those items which were the object of revaluation were convertible promissory notes in Brinova Fastigheter AB and interest rate derivatives and currency derivatives.

An account of the effects of these changed accounting principles can be found together with the balance sheet.

In general, the same accounting principles have been used as in the latest annual report.

From 1 January 2005 the Peab Group will present its reports in accordance with the IFRS (International Financial Reporting Standards). The effects of the introduction of the IFRS are described on pages 10 and 11 of the present report.

Proposed dividend

A dividend of SEK 2.50 per share (2.20) is proposed for 2004. Calculated as a share of the Group's reported profit after tax, the proposed dividend amounts to 49 percent (82). Exclusive of the 2 209 800 B shares owned by Peab AB, which do not entitle to dividend, the proposed dividend is equivalent to a total dividend distribution of SEK 212 million (186). The proposed dividend is equivalent to a direct return of 3.5 per cent based on the closing price on 16 February 2005.

Annual General Meeting

The Annual General Meeting (AGM) will be held at Grevieparken, Grevie on Thursday 12 May 2005, at 3 pm.

Appointment of Board members

Those shareholders that wish to submit nominations for board members can contact the chairman of the appointments committee, Mr Ulf H Jansson. Contacts will be arranged by the secretary to the Board of Directors Ms Karin Malmgren, Peab AB, 260 92 Förslöv, tel. +46 (0)431-890 00.

Future information

The annual report for the 2004 financial year will be published on Peab's website at the beginning of April 2005. The AGM will be held on 12 May 2005 and the quarterly report for the first quarter of 2005 will be published on the same day. The interim report will be published on the 25 August, and the nine-monthly report on 24 November. The 2005 final accounts will be reported on 16 February 2006.

Förslöv, 17 February 2005

Mats Paulsson
Managing Director

Condensed income statement

The Group MSEK	Oct-Dec 2004	Oct-Dec 2003	Jan-Dec 2004	Jan-Dec 2003
Net sales	6 880	5 995	22 048	20 086
Production and management expenses	-6 286	-5 567	-20 186	-18 459
Gross profit	594	428	1 862	1 627
Selling and administrative expenses	-387	-353	-1 368	-1 335
Participation in profit before tax of associated companies/joint ventures	4	2	4	8
Result from participations in associated companies/joint ventures sold	12	-	25	4
Result from participations in Group companies sold	0	1	2	1
Operating profit	223	78	525	305
Result from financial items	-9	-26	-50	-65
Result after financial items	214	52	475	240
Tax	-6	16	-41	-11
Minority interests	-2	-10	-2	-3
Profit for the period	206	58	432	226
Key ratios				
Profit per share, SEK	2.40	0.70	5.10	2.70
Share price at end of period, SEK	65.00	43.60	65.00	43.60
P/E-ratio	-	-	12.7	16.1
Number of outstanding shares at end of period, million	85.0	84.8	85.0	84.8
Average number of outstanding shares, million	85.0	84.8	84.9	84.7

Condensed balance sheet

The Group MSEK	31 Dec 2004	31 Dec 2003
Assets		
Intangible assets	341	340
Tangible fixed assets	1 614	1 618
Interest-bearing long-term receivables	432	417
Financial fixed assets	674	605
Project- and development properties	1 605	1 106
Inventories	226	220
Interest-bearing short-term receivables	175	260
Other current receivables	5 967	5 553
Short-term shareholdings	3	48
Liquid funds	85	206
Total assets	11 122	10 373
Shareholders' equity and liabilities		
Shareholders' equity	2 473	2 196
Minority interests	30	63
Allocations	96	95
Interest-bearing long-term liabilities	927	1 847
Other long-term liabilities	10	0
Interest-bearing short-term liabilities	1 257	415
Other current liabilities	6 329	5 757
Total shareholders' equity and liabilities	11 122	10 373
Key ratios		
Capital employed	4 697	4 520
Return on capital employed	13.3%	9.2%
Return on equity	18.6%	9.2%
Equity/assets ratio	22.5%	21.8%
Net borrowing	1 489	1 331
Adjusted equity per share, SEK	29.50	26.70

Changed accounting principles

Recommendation RR 29, Employee Benefits, of the Swedish Financial Accounting Standards Council has been applied from 2004. This recommendation states, among other things, that the present value of defined benefit pension obligations and the fair value of Plan Assets must be recognised in the accounts. With application of recommendation, the change in the opening value has been recognised directly in shareholders' equity. As of 1 January 2004 the changed accounting principles will result in provision for pension increasing by SEK 1 million, deferred tax recoverables increasing by SEK 8 million and allocations for payroll tax increasing by SEK 5 million. The total effect on opening equity is an increase of SEK 2 million.

The effect on opening equity as at 1 January 2004 of applying the Swedish Annual Accounts Act's rules on the valuation of financial instruments at their fair value with regard to convertible promissory notes and interest rate and currency swaps is an increase of SEK 15 million. Interest bearing long-term receivables increase by SEK 22 million, deferred tax recoverables by SEK 3 million and other long-term liabilities by SEK 10 million. The results from financial items in 2004 increased by SEK 32 million. As the change in value of convertible promissory notes are not assessed to have any tax effect, deferred tax has not been accounted for on the remeasurement to fair value.

Change in shareholders' equity

The Group MSEK	Share capital	Restricted reserves	Unrestricted reserves	Total share- holders' equity
Opening balance, 1 January 2003	872	593	1 285	2 750
Cash dividend			-186	-186
Dividend of shares in Brinova Fastigheter AB			-581	-581
Disposal of own shares			20	20
Exchange rates differences			-33	-33
Transfer between restricted and non-restricted equity		-135	135	0
Net profit for the year			226	226
Shareholders' equity, 31 December 2003	872	458	866	2 196
Effect of changed accounting principle			17	17
Adjusted shareholders' equity, 1 January 2004	872	458	883	2 213
Cash dividend			-187	-187
Disposal of own shares			10	10
Exchange rates differences			5	5
Transfer between restricted and non-restricted equity		-125	125	0
Net profit for the year			432	432
Shareholders' equity, 31 December 2004	872	333	1 268	2 473

Condensed cash flow statement

The Group MSEK	Oct-Dec 2004	Oct-Dec 2003	Jan-Dec 2004	Jan-Dec 2003
Cash flow from current operations before working capital changes	328	215	767	538
Cash flow from changes in working capital	17	548	-283	-88
Cash flow from current operations	345	763	484	450
Acquisition of subsidiaries	-149	-23	-246	-304
Disposal of subsidiaries	26	66	37	69
Acquisition of fixed assets	-32	-152	-280	-674
Sales of fixed assets	37	9	260	80
Cash flow from investment operations	-118	-100	-229	-829
Cash flow before financing	227	663	255	-379
Cash flow from financing operations	-262	-597	-381	403
Cash flow for the period	-35	66	-126	24
Cash at the beginning of the period	120	147	206	191
Exchange rate differences in cash	0	-7	5	-9
Cash at the end of the period	85	206	85	206

Net sales and operating profit per business area

MSEK	Net sales			Operating profit			Operating margin		
	Jan-Dec 2004	Jan-Dec 2003	Jan-Dec 2002	Jan-Dec 2004	Jan-Dec 2003	Jan-Dec 2002	Jan-Dec 2004	Jan-Dec 2003	Jan-Dec 2002
Construction and Civil Engineering									
Sweden	16 503	15 687	15 658	402	345	664	2.4%	2.2%	4.2%
Abroad	2 775	1 914	1 769	2	-194	-177	0.1%	-10.1%	-10.0%
Total	19 278	17 601	17 427	404	151	487	2.1%	0.9%	2.8%
Industry									
Swerock/Asphalt	3 550	3 118	2 798	157	154	160	4.4%	4.9%	5.7%
Plant/Cranes	580	579	599	123	122	140	21.2%	21.1%	23.4%
Total	4 130	3 697	3 397	280	276	300	6.8%	7.5%	8.8%
Trust/Management	64	96	171	-159	-122	-151			
Elimination	-1 424	-1 308	-1 177						
The Group	22 048	20 086	19 818	525	305	636	2.4%	1.5%	3.2%

Quarterly figures

The group per quarter									
MSEK	Oct-Dec 2004	Jul-Sep 2004	Apr-Jun 2004	Jan-Mar 2004	Oct-Dec 2003	Jul-Sep 2003	Apr-Jun 2003	Jan-Mar 2003	Oct-Dec 2002
Net sales	6 880	5 213	5 613	4 342	5 995	4 995	5 014	4 082	5 761
Production and management expenses	-6 286	-4 763	-5 166	-3 971	-5 567	-4 587	-4 583	-3 722	-5 198
Gross profit	594	450	447	371	428	408	431	360	563
Selling and administrative expenses	-387	-306	-342	-333	-353	-273	-381	-328	-359
Participations of profit before tax of associated companies/joint ventures	4	-2	5	-3	2	5	3	-2	14
Result from participations in associated companies/joint ventures	12	8	5	-	-	-1	-	5	55
Result from participations in Group companies sold	0	-	-	2	1	0	-	-	-12
Operating profit	223	150	115	37	78	139	53	35	261
Profit from financial items*	-9	-1	-13	-27	-26	-11	-6	-22	-3
Profit after financial items	214	149	102	10	52	128	47	13	258
Tax*	-6	-19	-15	-1	16	-18	-7	-2	-29
Minority interests	-2	-4	-	4	-10	8	-1	0	-2
Profit for the period	206	126	87	13	58	118	39	11	227
Profit per share, SEK*	2.40	1.50	1.00	0.20	0.70	1.40	0.50	0.10	2.70
– after completed subscription and conversion*	2.40	1.50	1.00	0.20	0.70	1.40	0.50	0.10	2.60
Average number of outstanding shares, million	85.0	84.9	84.9	84.8	84.8	84.8	84.8	84.4	84.3
– after completed subscription and conversion	85.0	84.9	84.9	84.8	84.8	84.8	84.8	84.4	84.3

* Changed accounting principles

The results from financial investments and deferred tax have been recalculated for the respective quarters in 2004 as a result of the application of the regulations of the Swedish Annual Accounts Act on the valuation of financial instruments to their fair value. Such conversion has also been applied to profit per share.

Business area per quarter									
MSEK	Oct-Dec 2004	Jul-Sep 2004	Apr-Jun 2004	Jan-Mar 2004	Oct-Dec 2003	Jul-Sep 2003	Apr-Jun 2003	Jan-Mar 2003	Oct-Dec 2002
Net sales									
Construction and Civil Engineering	6 132	4 286	4 809	4 051	5 333	4 169	4 342	3 757	5 219
Industry	1 138	1 275	1 179	538	1 041	1 113	1 002	541	887
Trust/Management	15	19	15	15	24	19	19	34	23
Elimination	-405	-367	-390	-262	-403	-306	-349	-250	-368
Total	6 880	5 213	5 613	4 342	5 995	4 995	5 014	4 082	5 761
Operating profit									
Construction and Civil Engineering	194	66	82	62	25	36	35	55	233
Industry	66	139	79	-4	73	130	67	6	84
Trust/Management	-37	-55	-46	-21	-20	-27	-49	-26	-56
Total	223	150	115	37	78	139	53	35	261
Order situation Construction and Civil Engineering									
Orders received	6 046	5 219	4 897	5 397	4 525	5 171	4 178	4 465	5 064
Order backlog at the end of the period	15 899	15 956	15 030	14 936	13 590	14 282	13 412	13 509	12 852

Transition to reporting in accordance with IFRS - International Financial Reporting Standard

From 1 January 2005 Group accounts must be drawn up in accordance with the IFRS standards adopted by the EU Commission. The report for the first quarter of 2005 will be the first financial report applying the IFRS and the first annual report to which the IFRS will apply will be that for the 2005 financial year.

Conversion of 2004 accounts has been made in accordance with IFRS 1, which regulates the way in which companies which are drawing up complete group reports in accordance with IFRS for the first time should deal with the transition to the new set of regulations. The principal rule is that all IFRSs applying to 2005 should be applied retroactively. Comparative figures for 2004 should be recalculated in accordance with the standards that will apply in 2005, since quarterly and annual reports contain comparative figures for the corresponding period the previous year. Below is a description of the most important effects of the transition.

IAS 12 - Income Taxes

With the introduction of IFRS, the current Swedish recommendations on asset acquisitions in RR 9, Income taxes, will no longer apply. This means that for acquisitions which include deferred tax, the deferred tax must be valued at the nominal tax rate. Therefore acquired deferred tax receivables attributable to tax loss carry forward have been reassessed at nominal value, where previously they were recognized at acquisition value.

IAS 17 - Leases

Leasing agreements applying mostly to the leasing of motorcars were previously classified under operational leasing. These leasing agreements have been reclassified to financial leasing agreements

IAS 11 - Construction Contracts

To adapt to the recommendation from and including 2005 revenue from housing projects for sale will be recognized with regard to actual degree of sale based on binding contracts with house purchasers. Revenue will thus be recognized on the percentage completion of the contract multiplied by the degree of sale. Previously, revenue was recognized based among other

things on prior booking agreements. The regulations will be applied following the Swedish Construction Confederation's supplement to the industry recommendation concerning "Percentage-of-completion revenue recognition in housing projects for sale."

IFRS 3 - Business Combinations

Goodwill will cease to be depreciated according to plan. Instead, it will be mandatory to ascertain whether there is a impairment loss requirement at end of accounting period. Impairment loss must be carried out in those cases where the carrying amount is lower than the value in use. If applied in 2004 this would have involved reversed depreciation for SEK 69 million while impairment loss would have been recognized at SEK 15 million. Under the accounting principles applying in 2004, when testing the goodwill value after depreciation according to plan impairment loss was not necessary.

In the case of acquisitions the minority participation must be calculated based on equity and deficit and surplus values of identifiable net assets. Thus, 2004 acquisitions have been recalculated.

IAS 1 - Presentation of Financial Statements

Minority participations in annual profits are no longer recognized in the income statement. Results are instead specified in connection with the income statement divided between majority and minority interests.

IAS 27 - Consolidated and Separate Financial Statements

Minority interests are recognized under equity as a separate item.

IAS 39 - Financial Instruments

The recommendation enters into force from 2005 and is not retroactive. The new regulations of the Swedish Annual Accounts Act on the valuation of financial instruments at fair value were applied during 2004. They applied to all financial instruments. This means that the opening balance sheet for 2005 will not be affected in some way.

The effect the transition will have on 2004 income statements, balance sheets and certain key figures is shown in the tables below. Certain minor and none material changes may occur when making final adjustments.

Balance sheet 2004-01-01 according to IFRS

MSEK	Present principles 2003-12-31	Changed accounting principles 2004	IAS 12 Income Taxes	IAS 17 Leases	IAS 11 Construction Contracts	IAS 27 Consolidated Statements	According to IFRS 2004-01-01
Assets							
Intangible assets	340						340
Tangible fixed assets	1 618			182			1 800
Interest-bearing long-term receivables	417	22					439
Financial fixed assets	226						226
Deferred tax recoverables	379	10	296	1	39		725
Project- and development properties	1 106						1 106
Inventories	220						220
Interest-bearing short-term receivables	260						260
Other current receivables	5 553				-84		5 469
Short-term shareholdings	48						48
Liquid funds	206						206
Total assets	10 373	32	296	183	-45	0	10 839
Shareholders' equity and liabilities							
Shareholders' equity	2 196	17	296	-2	-101	63	2 469
Minority interests	63					-63	0
Allocations	95	6					101
Interest-bearing long-term liabilities	1 847	9		126			1 982
Interest-bearing short-term liabilities	415			59			474
Other current liabilities	5 757				56		5 813
Total shareholders' equity and liabilities	10 373	32	296	183	-45	0	10 839
Key ratios							
Capital employed	4 520						4 925
Net debt	1 331						1 503
Equity/assets ratio	21.8%						22.8%
Adjusted equity per share, SEK	26.70						29.10

Income statement 2004 according to IFRS

MSEK	Present principles 2004	IFRS 3 Business Comb. (Goodwill)	IAS 12 Income Taxes	IAS 17 Leases	IAS 11 Construction Contracts	IFRS 3 Business Comb. (Minority)	IAS 27 Consolidated Statements	According to IFRS 2004
Net sales	22 048				-9			22 039
Production and management expenses	-20 186	22		5				-20 159
Gross profit	1 862	22		5	-9			1 880
Selling and administrative expenses	-1 368	32				4		-1 332
Share of profit before tax of joint ventures	4							4
Result from participation in joint ventures sold	25							25
Result from participation in Group companies sold	2							2
Operating profit	525	54		5	-9	4		579
Result from financial items	-50			-6				-56
Profit after financial items	475	54		-1	-9	4		523
Tax	-41		-96		3			-134
Minority interests	-2						2	0
Profit for the year	432	54	-96	-1	-6	4	2	389
Profit attributable to shareholders' in Parent Company								387
Profit attributable to minority interest								2
Key ratios								
Profit margin	2.4%							2.6%
Return on capital employed	13.3%							13.9%
Return on equity	18.6%							16.0%
Earnings per share, SEK	5.10							4.60

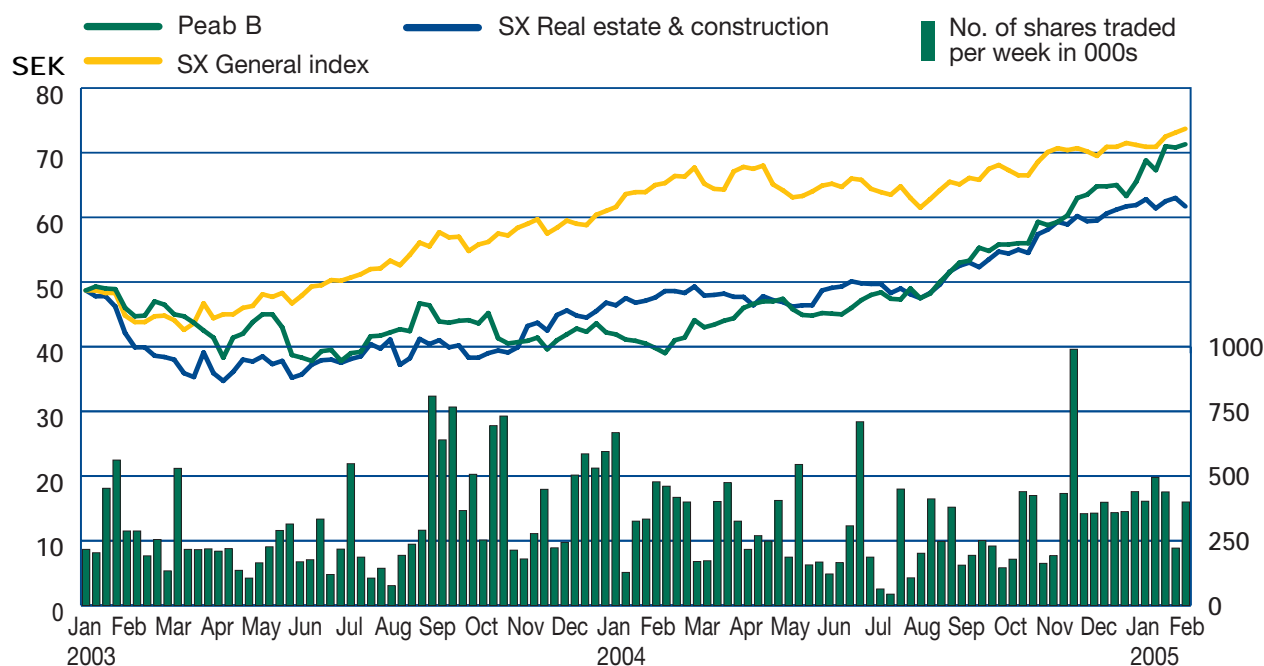
Balance sheet 2004-12-31 according to IFRS

MSEK	Present principles 2004-12-31	IFRS 3 Business Comb. (Goodwill)	IAS 12 Income Taxes	IAS 17 Leases	IAS 11 Construction Contracts	IFRS 3 Business Comb. (Minority)	IAS 27 Consolidated Statements	According to IFRS 2004-12-31
Assets								
Intangible assets	341	54						395
Tangible fixed assets	1 614			165				1 779
Interest-bearing long-term receivables	432							432
Financial fixed assets	241							241
Deferred tax recoverables	433		200	1	41	13		688
Project- and development properties	1 605					-6		1 599
Inventories	226							226
Interest-bearing short-term receivables	175							175
Other current receivables	5 967				-104			5 863
Short-term shareholdings	3							3
Liquid funds	85							85
Total assets	11 122	54	200	166	-63	7	0	11 486
Shareholders' equity and liabilities								
Shareholders' equity	2 473	54	200	-3	-107	4	33	2 654
Minority interests	30					3	-33	0
Allocations	96							96
Interest-bearing long-term liabilities	927			100				1 027
Other long-term liabilities	10							10
Interest-bearing short-term liabilities	1 257			69				1 326
Other current liabilities	6 329				44			6 373
Total shareholders' equity and liabilities	11 122	54	200	166	-63	7	0	11 486
Key ratios								
Capital employed	4 697							5 017
Net debt	1 489							1 658
Equity/assets ratio	22.5%							23.1%
Adjusted equity per share, SEK	29.50							31.20

List of shareholders, 31 January 2005

Shareholders	A-shares	B-shares	Total no of shares	Proportion of capital, %	Proportion of votes, %
Erik Paulsson with family and company	3 487 890	3 699 358	7 187 248	8.2%	22.0%
Mats Paulsson with company	2 799 967	4 295 000	7 094 967	8.1%	18.4%
Mohammed Al-Amoudi with company	0	18 854 865	18 854 865	21.6%	10.7%
Fredrik Paulsson with company	1 186 429	1 027 812	2 214 241	2.5%	7.3%
Stefan Paulsson with company	1 186 430	1 012 478	2 198 908	2.5%	7.3%
Svante Paulsson with family and company	478 838	738 880	1 217 718	1.4%	3.2%
Sara Karlsson with family and company	508 040	347 687	855 727	1.0%	3.1%
Karl-Axel Granlund with company	0	4 025 000	4 025 000	4.6%	2.3%
AMF Pension funds	0	1 985 400	1 985 400	2.3%	1.1%
LKAB	0	1 576 200	1 576 200	1.8%	0.9%
Robur funds	0	1 062 245	1 062 245	1.2%	0.6%
Länsförsäkringar funds	0	948 300	948 300	1.1%	0.5%
SHB/SPP funds	0	939 455	939 455	1.1%	0.5%
Others	158 108	34 667 762	34 825 870	40.1%	20.8%
Number of outstanding shares	9 805 702	75 180 442	84 986 144		
Peab AB	0	2 209 800	2 209 800	2.5%	1.3%
Number of registered shares	9 805 702	77 390 242	87 195 944	100.0%	100.0%

Source: SIS Ägarservice, VPC



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