



YEAR-END REPORT JANUARY-DECEMBER 2006

Net sales increased by 19 per cent to SEK 30 321 million (25 501)

Operating profit amounted to SEK 1 251 million (747)

Profit for the year amounted to SEK 1 048 million (855)

Profit per share before dilution amounted to SEK 12.37 (10.06)

Orders received amounted to SEK 28 711 million (24 227)

Order backlog amounted to SEK 20 642 million (17 722)

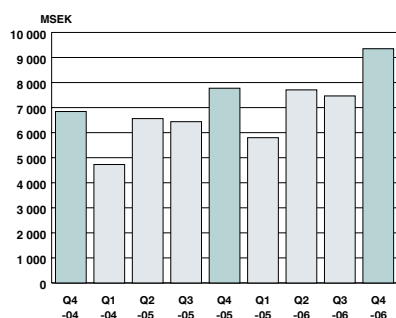
Board proposes a dividend per share amounting to SEK 3.50 (3.00)

Board further proposes that a dividend will be paid in the form of shares in Peab Industri AB equivalent to SEK 7.50 per share

Peab's financial objectives and reporting structure will be revised during spring 2007

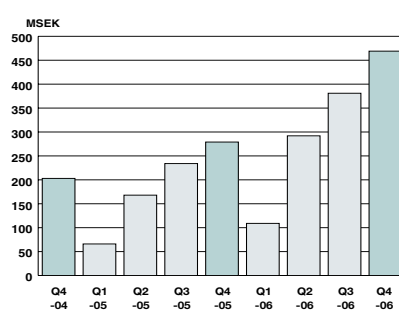
Year-end Report January-December 2006

Net sales



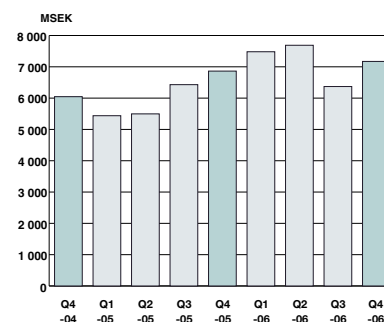
The Group's net sales for the year 2006 amounted to SEK 30 321 million, which was an increase of 19 per cent compared to the previous year. Adjusted for acquired and divested units, the increase in net sales amounted to 15 per cent.

Operating profit



The Group's operating profit for the year 2006 amounted to SEK 1 251 million, compared to SEK 747 million for the corresponding previous year.

Orders received per quarter



Orders received for the year 2006 amounted to SEK 28 711 million, compared to SEK 24 227 million for the previous year. The order backlog amounted to SEK 20 642 million compared with an order backlog of SEK 17 722 million for 2005.

The Group

MSEK	Jan-Dec 2006	Jan-Dec 2005	Jan-Dec 2004	Financial objectives
Net sales	30 321	25 501	22 039	
Operating profit	1 251	747	577	
Operating margin	4.1%	2.9%	2.6%	
Profit before tax	1 411	824	521	
Profit for the period	1 048	855	389	
Return on capital employed	25.4%	17.1%	13.4%	>12%
Return on equity	31.6%	28.7%	15.4%	>15%
Profit per share before dilution, SEK	12.37	10.06	4.56	
Equity/assets ratio	19.9%	24.4%	23.1%	>25%

New contracts during the fourth quarter

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

- Peab has been contracted to carry out the rebuilding of 112 flats in Hökarängen in southern Stockholm. The client is Hökeborg Fastighets AB and the contract amounts to SEK 103 million. It is a turn-key contract which is estimated to be ready at the turn of the year 2007.
- Peab has been contracted to build a house with 37 tenancy rights in Jakobsberg with Järfällabygdens Hus as the client. This contract amounts to SEK 42 million.
- Peab has been contracted to construct a new office building at the Ideon area in Lund. The client is Briggen and the contract amounts to SEK 245 million. It is a turn-key contract which has been started and it is estimated to be ready during the spring 2009.
- Peab has been contracted by Briggen to rebuild and extend offices, stores and a bank at Gustav Adolfs Torg in Malmö. This contract amounts to SEK 65 million.

MD's comments

2006 was a successful year for Peab. All of our activities felt the effects of the favourable economic conditions reigning within the Nordic building and construction market, which increased orders received, sales and operating profit alike. We continue to grow strongly, sales increased by 19 per cent to SEK 30.3 billion, while operating profit increased by 67 per cent to SEK 1 251 million compared with 2005.

Peab's order situation continues to be favourable. Orders received increased by 19 per cent compared with 2005, and as a result, by the end of the year the group had an order backlog of SEK 20.6 billion (17.7).

Market prospects continues to be positive. In 2006, the Swedish building and construction market grew rapidly, but is expected to be more restrained in 2007 as a result of the higher interest rate levels and resource shortages.

In 2006, intermediate goods and subcontractor services significantly increased in price, and there is a risk of this continuing in 2007. This in combination with the changed situation for home construction brought about by the discontinuation of subsidies demonstrates the importance for us as a building and construction company to constantly develop our production methods to reduce construction costs. The steps we have taken towards series manufacturing and industrial construction feels right and will sharpen our competitiveness in the future.

The work of reinforcing Peab's appeal as an employer is continuing through a further development of the Peab School and through nationwide recruitment campaigns.

Net sales and profit

In 2006, group net sales increased by 19 per cent to SEK 30 321 million (25 501). Adjusted for acquired and divested units the increase in net sales amounted to 15 per cent. Of the period's net sales, SEK 4 341 million (3 727) related to sales and production outside Sweden.

Annual operating profit amounted to SEK 1 251 million, compared to SEK 747 million the previous year. Operating profit was adversely affected to the tune of SEK 75 million by negative results in a company acquired during the year. Peab has submitted a claim to the seller for an equivalent amount. The reduction of AMF's pension premium during the year resulted in a SEK 90 million reduction in costs for Peab's Swedish business with the consequent positive impact on operating profit.

Profit after financial items amounted to SEK 1 411 million compared to SEK 824 million the previous year. Net financial expense was SEK 160 million (77), of which net interest expense amounted to SEK -62 million (-69). The effect of valuing financial instruments at fair value is recognised in net financials by SEK 225 million (146). Holdings of convertible promissory notes in Brinova Fastigheter AB were converted to shares on 28 June 2006. The overall impact on profit from valuing the Brinova holding at fair value amounted to SEK 224 million during the year 2006, and this is recognised in net financials. The share holding is entered at the market price on balance sheet day. Total effect on profit from the valuation of convertible promissory notes in Brinova amounted to SEK 151 million the previous year.



Peab's board of directors have proposed the Annual General Meeting 2007 to distribute our industrial companies to the shareholders. The proposed distribution would take the form of shares in Peab Industri AB, the B-share of which is planned to be listed on the Nordic Stock Exchange on 1 October 2007. With this distribution we are seeking to improve the opportunities for specialisation and development of the businesses, as well in Peab Industri AB as in the remaining Peab who will have increased focus on construction and civil engineering.

Mats Paulsson
Managing Director

Participation in the profits of joint ventures are booked in accordance with the equity method. The share of profits in joint ventures for the current year amounted to SEK -9 million (23). Peab recognises results from participations one quarter in arrears.

Tax for the year amounted to SEK -363 million (31), which is equivalent to a tax rate of 26 per cent and principally consists of deferred tax costs stemming from the exercising of tax loss carryforwards which had previously been capitalised as deferred tax claims. Among other things, 2005 tax included deferred tax income referring to the SEK 211 million revaluation of deferred tax receivables.

Profit for the year amounted to SEK 1 048 million (855).

Financial position

The equity/assets ratio was 19.9 per cent, compared with 24.4 per cent the previous year. In 2006, the company repurchased own shares amounting to SEK 822 million, which reduced equity and thus also reduced the equity/assets ratio. Net debt amounted to SEK 1 534 million, compared to SEK 2 110 million the previous year. The average interest rate on the loan portfolio amounted to 3.9 per cent (3.2).

At the end of the year, the Group's liquid funds including non-exercised credit lines amounted to SEK 4 608 million compared with SEK 4 101 million as at 31 December 2005. Disposable liquid funds include commercial papers issued to a value of SEK 649 million, compared with SEK 494 million on 31 December 2005.

At the end of the year, the Group's contingent liabilities excluding

joint and several liability in trading and limited partnerships amounted to SEK 1 498 million compared to SEK 847 million as at 31 December 2005. This amount includes the SEK 167 (227) million charge that the Swedish Competition Authority is demanding that Peab pay in the current asphalt cartel case. The main negotiations started in September 2006 and are planned to finish in February 2007. A judgement of first instance is expected during spring 2007. Of other contingent liabilities SEK 1 107 million relates to obligations to tenant-owners' cooperatives under construction compared with SEK 478 million at the end of the year 2005.

Investments

Net investments in tangible and intangible fixed assets amounted to SEK 1 251 million (594) during the year. The net change in shares and participations amounted to SEK 723 million (47), of which the conversion of convertible promissory notes to shares in Brinova Fastigheter AB amounted to SEK 493 million and the change in value related to the holdings in Brinova amounted to SEK 224 million. During the year SEK 246 million (185) net was invested in project- and development properties.

Cash flow

Cash flow before financing for the year 2006 amounted to SEK 2 462 million (538). The improvement may above all be attributed to high levels of invoicing in relation to completions and improved profitability from the current operations. Cash flow from changes in working capital was reduced by SEK 143 million (divestments SEK 86 million) as a result of the acquisition of project- and development properties.

Personnel

At the end of the year, the company employed a staff of 12 676 compared to 11 165 at the previous turn of the 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 centered in the metropolitan areas.

Net sales during 2006 in the Construction and Civil Engineering area amounted to SEK 26 678 million compared to SEK 22 430 million the previous year, equivalent to a rise of 19 per cent. The increase mainly stem from the Swedish business and some SEK 890 million may be attributed to acquired companies during the year 2006.

2006 operating profits amounted to SEK 859 million, compared to SEK 498 million the previous year. Operating profit for the Swedish activities was adversely affected to the tune of SEK 75 million by negative results in a company acquired during the year. Peab has

submitted a claim to the seller for an equivalent amount. The reduction of AMF's pension premium during the year resulted in a SEK 75 million reduction in costs with the consequent positive impact on operating profit. Operating margin for Swedish Construction and Civil Engineering activities was 3.8 per cent in 2006 compared with 3.1 per cent for the full year 2005. Both the Building and Civil Engineering businesses in Sweden continues to show increased volumes and widening margins.

Our foreign activities are showing an improved order book and strong demand. Norwegian operations generated a positive operating profit during the year. Finnish operations are running in accordance with the action plans adopted. Foreign activities reports annual operating profits of SEK -6 million (-88).

Capital employed in Construction and Civil Engineering amounted to SEK 5 565 million (4 705). Return on capital employed in 2006 amounted to 18.1 per cent, compared to 13.0 per cent for the full year 2005.

Orders received during the year amounted to SEK 28 711 million (24 227), which is an increase of 19 per cent. The order backlog at the end of the year amounted to SEK 20 642 million compared to SEK 17 722 million at the end of the year 2005. This represents an increase of 16 per cent. Of the total order backlog, 21 per cent (24) is expected to be produced after 2007. Construction projects accounted for 77 per cent (76) of the order backlog. Swedish operations accounted for 82 per cent (83) of the order backlog.

Order backlog and orders received Construction and Civil Engineering

MSEK	2006-12-31	2005-12-31	2004-12-31
Current financial year	16 314	13 413	11 757
Coming financial year	3 486	3 534	3 210
Thereafter	842	775	932
Total order backlog	20 642	17 722	15 899
Orders received	28 711	24 227	21 559

Within its contracting operations, Peab is also engaged 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, 4 193 (2 771) internally developed homes were under construction, 75 per cent (69) of which were sold. As at 31 December 2006, the total holding of project- and development properties in Construction and Civil Engineering amounted to SEK 2 030 million (1 784).

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, plant and crane hire and temporary electricity installations.

Internally developed housing construction

	Jan-Dec 2006	Jan-Dec 2005	Jan-Dec 2004
Number of housing starts during the period	2 518	2 230	1 122
Number of homes sold during the period	2 300	1 907	1 274
Total number of homes under construction	4 193	2 771	1 731
Share of sold homes under construction	75%	69%	71%
Number of repurchased tenant-owner rights in own balance sheet	38	16	59

Weather conditions during the fourth quarter were extremely favourable for the industrial companies, all units in the Industry business area enjoyed increased volumes and good profitability. The net sales for the Industry business sector in 2006 amounted to SEK 5 514 million (4 520), which is an increase of 22 per cent. Operating profit amounted to SEK 527 million (380). The reduction of AMF's pension premium during the year resulted in a SEK 15 million reduction in costs with the consequent positive impact on operating profit.

Capital employed in the Industry business sector amounted to SEK 2 810 million (2 060). Return on capital employed in 2006 amounted to 21.8 per cent, compared to 19.0 per cent for 2005.

Trust/Management

Trust/Management comprises the central companies, certain subsidiaries and joint ventures and other holdings. Operating profit amounted to SEK -135 million (-131). Common Group costs were recognised at a total of SEK -130 million (-135).

The construction market

2006 was one the best for Swedish building in many years. The sector forecast points to growth in excess of 10 per cent in 2006. All sub-sectors in the building and construction market grew: homes, civil engineering works, industry and business premises.

The trend towards increased building and construction investment in the forthcoming years is still assessed as positive. Despite a shortage of labour and interest rate increases, estimated growth in the building and construction market in 2007 is forecasted at four per cent.

The home building market shows strong growth, and this applies to Sweden, Norway and Finland alike. Markets are particularly good in the regions around the capitals. Good progress is also expected in the forthcoming years both for the home building market and conversion and improvement investments. However, despite the growth in household incomes, the growth rate will be restrained in 2007, above all as a result of high interest rates, discontinued subsidies and resource shortages.

In 2007, civil engineering works investments are expected to be driven by public infrastructure initiatives, principally in the form of investment in roads and railway projects. It is assessed that investment by Swedish industry above all in the energy and environmental sector will continue to be high.

Rising employment and a strong retail trade is helping underpin continued high business premises construction. Private business is eager to increase surface efficiency and a major need for maintenance in public premises means that an ever increasing part of demand will involve conversions and improvements rather than new building.

Acquisitions during the period

Peab has acquired 100 per cent of the shares in Midroc Construction AB. The company operates in southern Sweden and has some 500 employees. In 2005, it had net sales of SEK 1 188 million. The company engages in construction and civil engineering activities.

Peab has acquired 100 per cent of the shares in Almqvist Bygg i Gnosjö AB. The company has its activities in Småland. The company has about 25 employees and the annual turnover amounts to

some SEK 40 million.

Peab in Norway has acquired 100 per cent of the shares in Björn Bygg AS and Ferdigbetong AS. Björn Bygg has about 200 employees and the turnover in 2005 amounted to NOK 356 million. Ferdigbetong had a turnover of NOK 26 million in 2005.

Peab has acquired 100 per cent of the shares in the construction company NBA, Nybyggarna i Nerike. The company has about 200 employees and the turnover during 2005 amounted to SEK 273 million.

Important events during the period

Peab has prolonged bilateral loan agreements totalling SEK 3 000 million with seven banks. The extension means that loan agreements signed in September 2004 which were originally to expire in September 2009 will now fall due for payment in February 2013. The loans are not subject to amortization and otherwise terms are unchanged.

Mats Johansson, 56, and Jesper Göransson, 35, have been appointed deputy managing directors in Peab AB. Mats has many years' experience of personnel and organisational issues as an independent consultant, and was employed as director of human resources at Peab in 2006. Jesper, who has now been appointed Treasury Director, was first employed in the company in 1995 and since 1998 has been working as Treasury Manager.

Peab has, in accordance with the conditions of convertible promissory notes 2003/2008, converted to new B-shares in Brinova Fastigheter AB. Conversion has been carried out of all convertible promissory notes 2003/2008, for nominal SEK 253 million, at a price of SEK 51.30 per share. After the conversion Peab holds 4 931 773 B-shares corresponding to 21.82 per cent of the capital and 14.35 per cent of the votes in Brinova Fastigheter AB.

Accounting principles

The year-end report for 2006 has been drawn up in accordance with the IFRS standards adopted by the EU and the interpretations of current standards adopted by the EU, IFRIC. This report has been prepared in accordance with IAS 34, Interim Financial Reporting and RR 31, Interim reporting for groups.

Convertible promissory notes in Brinova Fastigheter AB have, in the group, until their conversion to shares, been accounted divided into a conversion right and a financial asset. The total value was previously recognised as an interest-bearing long-term receivable. From the first quarter of 2006, the claim part will be recognised as an interest-bearing long-term receivable and the conversion right as a financial fixed asset (non interest-bearing). Comparative figures in the balance sheet for previous periods have been reclassified correspondingly. After the conversion on 28 June 2006, the share holding is entered into other financial fixed assets and classified as financial asset at fair value through the income statement.

In the parent company, from 1 January 2006 onwards, the Swedish Annual Accounts Act rules section 4 paragraph 14 a-e concerning valuation of certain financial instruments at fair value and hedge accounting have been applied. This has resulted in a change in accounting principles. The changes mean that the parent company's holdings of convertible promissory notes in Brinova Fastigheter AB

have been valued at fair value. The corresponding comparative figures for previous year have therefore been recalculated. The effect of the altered accounting principle on the parent company's opening equity at 1 January 2005 was an increase of SEK 53 million.

The year-end report has in other respects been prepared using the same accounting principles and assumptions that were described in the 2005 annual report.

Distribution of Peab Industri

At the Annual General Meeting 2007, the board of directors of Peab will seek a resolution to distribute the shares in Peab Industri AB, which mainly comprises the group's Industry business area.

It is intended that the shares in Peab Industri, divided between A-shares and B-shares respectively, should be distributed in accordance with the so-called "lex Asea". It is intended to list the B-share on the Nordic Stock Exchange.

We have assessed that the distribution of Peab Industri will create the right preconditions for and make possible further specialisation, development, growth and profitability for the industrial companies and give the Peab shareholders opportunities for sharing in future value creation.

As at 31 December 2006, the consolidated value of the net assets which it is proposed to be distributed with regard to Peab Industri amounted to SEK 600 million (before distribution costs), equivalent to SEK 7.50 per outstanding share. To this must be added earned profits up until distribution.

Timetable 2007 for distribution of Peab Industri

First week in May	Information folder will be published on Peab's website www.peab.com
16 May	Annual General Meeting, decision on dividend
17 September	Listing memorandum
24 September	Last day for trading including the right to receive dividend
27 September	Record day for separation
1 Oktober	Quotation of the B-shares in Peab Industri

Personnel convertible debentures

The Peab Annual General Meeting on 12 May 2005 resolved to offer convertible debentures to all employees. A total of 5.5 million convertible debentures were issued for a total sum of SEK 478.5 million. The convertible debentures run from 16 June 2005 to 15 June 2008 with options during certain conversion windows to subscribe to a B-share in Peab of SEK 87 for each debenture.

The board of directors intends to ask the 2007 Annual General Meeting to resolve that Peab's convertible debentures should be adjusted as follows:

- An extra conversion window should be opened between 18 June and 2 July 2007
- Final day given right to receive dividend is postponed
- The first ordinary conversion period of 1 – 15 October 2007 will be changed to 26 November – 12 December 2007

The intention of the proposed adjustments is to give those employees who subscribed to convertible debentures in 2005 the option of

participating in the distribution of Peab Industri. According to a statement from the Swedish Stock Market Board, the proposed adjustments accord with good practice in the securities market.

In order to retain the same number of registered shares after a possible conversion, in 2006 Peab bought back the required number of shares.

Holdings of own shares

In the beginning of 2005, Peab's holding of own shares amounted to 2 093 200 B-shares, corresponding to 2.4 per cent of the total number of shares. On 17 May 2006, the Peab Annual General Meeting resolved to authorise the board of directors to buy back a maximum of 8 700 000 shares in Peab AB up until the next Annual General Meeting. In May 2006, based on this authorisation Peab's board of directors decided to buy back an additional maximum of 1 000 000 B-shares. In December 2006, it was decided by the board to buy back an additional maximum 5 750 000 B-shares. During the January to December period, 5 364 400 B-shares to a value of SEK 822 million were bought back. During the same period, 142 600 B-shares to a value of SEK 20 million were divested as part payment for company acquisitions. As at 31 December, Peab's holding of own shares amounted to 7 315 000 B-shares, corresponding to 8.4 per cent of the total number of shares.

Number of outstanding shares, 31 December 2006

Number of registered shares	87 195 944
Holdings of own shares, 31 December 2005	-2 093 200
Number of outstanding shares, 31 December 2005	85 102 744
Acquisition of own shares during the period	-5 364 400
Disposal of own shares during the period	142 600
Number of outstanding shares, 31 December 2006	79 880 944

The Peab-share

Peab's B-share is listed on The Nordic Exchange. As at 31 December 2006, the price of the Peab share was SEK 162.50, which is an increase of 59 per cent since 1 January 2006. During the corresponding period, the Swedish stock market increased by 25 per cent according to Affärsvärlden's general index. During 2006, the Peab share was traded at a maximum of SEK 170.50 and a minimum of SEK 93.50.

Review of financial objectives and reporting structure

As a result of the proposed distribution of shares in Peab Industri, the future activities of Peab will consist of Building and Construction and Civil Engineering operations. Consequently, we will be reviewing future financial objectives and the external reporting structure. We will be publishing the results of the review at the latest in conjunction with the publication of Peab's first quarterly report, which will be on 16 May 2007.

Proposed dividend

An ordinary dividend of SEK 3.50 per share (3.00) is proposed for 2006. Calculated as a share of the group's reported profit after tax, the proposed dividend amounts to 27 per cent (31). Excluding the 7 315 000 B-shares owned by Peab AB, which do not entitle to divi-

dend, the proposed dividend is equivalent to a total dividend distribution of SEK 280 million (262). The proposed dividend is equivalent to a direct return of 2.2 per cent based on the closing price on 13 February 2006.

In addition, the board of directors will propose an extra distribution of all the shares in Peab Industri AB to Peab shareholders. As at 31 December 2006, this extra distribution amounted to SEK 600 million, which is equivalent to SEK 7.50 per outstanding share.

In total, the proposed dividend will amount to SEK 11.00 per outstanding share.

Annual General Meeting

Peabs regular AGM will be held on 16 May 2007 at 3 pm in Grevieparken in Grevie.

Nominating committee

At the annual general meeting held on 17 May 2006, Malte Åkerström (chairman), Leif Franzon, Göran Grosskopf and Fredrik Paulsson were elected as members of the nominating committee.

Future financial information

- Annual Report 2006:
In the beginning of April 2007
- Interim report January-March 2007:
16 May 2007
- Interim report January-June 2007:
23 August 2007
- Interim report January-September 2007:
23 november 2007
- Year-end Report 2007:
14 February 2008

Förslöv, 14 February 2007

Mats Paulsson
Managing Director

The information in this year-end report has not been subject to closer inspection by the company's auditor

Condensed income statement

The Group MSEK	Oct-Dec 2006	Oct-Dec 2005	Jan-Dec 2006	Jan-Dec 2005
Net sales	9 350	7 774	30 321	25 501
Production costs	-8 470	-7 139	-27 444	-23 402
Gross profit	880	635	2 877	2 099
Selling and administrative expenses	-420	-365	-1 628	-1 378
Participation in profit of joint ventures	-2	9	-9	23
Result from participations in joint ventures sold	11	—	11	—
Result from participations in Group companies sold	0	0	0	3
Operating profit	469	279	1 251	747
Net financial income/expense	153	-14	160	77
Profit before tax	622	265	1 411	824
Tax	-143	-72	-363	31
Profit for the period	479	193	1 048	855
Profit attributable to shareholders' in Parent Company	479	193	1 047	856
Profit attributable to minority interest	0	0	1	-1
Key ratios				
Profit per share, SEK	5.68	2.27	12.37	10.06
– after complete conversion	5.33	2.03	11.62	9.74
Average number of outstanding shares, million	83.8	85.1	84.6	85.1
– after complete conversion	89.3	90.6	90.1	87.9
Return on capital employed			25.4%	17.1%
Return on equity			31.6%	28.7%

Condensed balance sheet

The Group MSEK	31 Dec 2006	31 Dec 2005
Assets		
Intangible fixed assets	659	390
Tangible fixed assets	2 595	2 048
Interest-bearing long-term receivables ¹⁾	99	359
Other financial fixed assets ¹⁾	1 023	497
Deferred tax assets	244	705
Total fixed assets	4 620	3 999
Project- and development properties	2 030	1 784
Inventories	284	345
Interest-bearing short-term receivables	81	171
Other current receivables	8 579	7 312
Short-term shareholdings	6	1
Liquid funds	913	130
Total current assets	11 893	9 743
Total assets	16 513	13 742
Shareholders' equity and liabilities		
Shareholders' equity	3 278	3 348
Interest-bearing long-term liabilities	1 460	2 176
Other long-term liabilities	180	128
Total long-term liabilities	1 640	2 304
Interest-bearing short-term liabilities	1 173	595
Other current liabilities	10 422	7 495
Total current liabilities	11 595	8 090
Total liabilities	13 235	10 394
Total shareholders' equity and liabilities	16 513	13 742
Key ratios		
Capital employed	5 911	6 119
Equity/assets ratio	19.9%	24.4%
Net debt	1 534	2 110
Adjusted equity per share, SEK	41.02	39.34
– after complete conversion	38.38	36.96
Number of outstanding shares at end of period, million	79.9	85.1
– after complete conversion	85.4	90.6

¹⁾ Reclassification has been made of the conversion rights concerning convertible promissory notes in Brinova Fastigheter AB in accordance with the description in the Accounting principles. Thereby an amount of SEK 217 million as of December 31, 2005 have been reclassified from interest-bearing long-term receivables to other financial fixed assets.

Change in shareholders' equity

The Group MSEK	31 Dec 2006	31 Dec 2005
Shareholders' equity attributable to shareholders' in Parent Company		
Opening balance shareholders' equity, 1 January	3 348	2 620
Changes in translation reserve for the period	-61	56
Profit for the period	1 047	856
Cash dividend	-255	-212
Shareholders' equity convertible debentures		27
Deferred tax on temporary differences relating to the loan part of convertible promissory notes		-8
Disposal of own shares	-822	
Acquisition of own shares	20	9
Closing balance shareholders' equity	3 277	3 348
Shareholders' equity attributable to minority interest		
Opening balance shareholders' equity, 1 January	0	33
Profit for the period	1	-1
Acquisition of minority interest		-32
Closing balance shareholders' equity	1	0
Total closing balance shareholders' equity	3 278	3 348

Condensed cash flow statement

The Group MSEK	Oct-Dec 2006	Oct-Dec 2005	Jan-Dec 2006	Jan-Dec 2005
Cash flow from current operations before working capital changes	701	542	1 716	1 290
Cash flow from changes in working capital	761	-197	1 473	-21
Cash flow from current operations	1 462	345	3 189	1 269
Acquisition of subsidiaries	-304	-106	-470	-413
Disposal of subsidiaries	2	0	2	7
Acquisition of fixed assets	-183	-66	-496	-366
Sales of fixed assets	180	19	237	41
Cash flow from investment operations	-305	-153	-727	-731
Cash flow before financing	1 157	192	2 462	538
Cash flow from financing operations	-1 091	-250	-1 689	-492
Cash flow for the period	66	-58	773	46
Cash at the beginning of the period	837	190	130	85
Exchange rate differences in cash	10	-2	10	-1
Cash at the end of the period	913	130	913	130

Net sales and operating profit per business area

MSEK	Net sales			Operating profit			Operating margin		
	Jan-Dec 2006	Jan-Dec 2005	Jan-Dec 2004	Jan-Dec 2006	Jan-Dec 2005	Jan-Dec 2004	Jan-Dec 2006	Jan-Dec 2005	Jan-Dec 2004
Construction and Civil Engineering									
Sweden	22 922	18 920	16 494	865	586	412	3.8%	3.1%	2.5%
Abroad	3 756	3 510	2 775	-6	-88	12	-0.2%	-2.5%	0.4%
Total	26 678	22 430	19 269	859	498	424	3.2%	2.2%	2.2%
Industry									
Swerock/Asphalt	4 727	3 870	3 550	320	247	185	6.8%	6.4%	5.2%
Plant/Cranes	787	650	580	207	133	123	26.3%	20.5%	21.2%
Total	5 514	4 520	4 130	527	380	308	9.6%	8.4%	7.5%
Trust/Management	154	95	64	-135	-131	-155			
Elimination	-2 025	-1 544	-1 424						
The Group	30 321	25 501	22 039	1 251	747	577	4.1%	2.9%	2.6%

Quarterly figures

The Group per quarter									
	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec
MSEK	2006	2006	2006	2006	2005	2005	2005	2005	2004
Net sales	9 350	7 465	7 707	5 799	7 774	6 438	6 561	4 728	6 844
Production expenses	-8 470	-6 747	-6 909	-5 318	-7 139	-5 966	-5 990	-4 307	-6 279
Gross profit	880	718	798	481	635	472	571	421	565
Selling and administrative expenses	-420	-339	-498	-371	-365	-251	-407	-355	-376
Participations in profit of joint ventures	-2	2	-8	-1	9	13	1	0	2
Result from participations in joint ventures sold	11	—	—	—	—	—	—	0	12
Result from participations in Group companies sold	0	0	0	0	0	0	3	0	0
Operating profit	469	381	292	109	279	234	168	66	203
Net financial income/expense	153	5	-133	135	-14	-58	169	-20	-1
Profit before tax	622	386	159	244	265	176	337	46	202
Tax	-143	-108	-44	-68	-72	-59	-38	200	-49
Profit for the period	479	278	115	176	193	117	299	246	153
Profit attributable to shareholders' in Parent Company	479	278	114	176	193	117	299	247	151
Profit attributable to minority interest	0	0	1	0	0	0	0	-1	2
Earnings per share, SEK	5.68	3.28	1.34	2.07	2.27	1.37	3.51	2.91	1.78
– after complete conversion	5.33	3.08	1.26	1.94	2.03	1.29	3.51	2.91	1.78
Average number of outstanding shares, million	83.8	84.6	85.0	85.1	85.1	85.1	85.0	85.0	85.0
– after complete conversion	89.3	90.1	90.5	90.6	90.6	90.6	85.2	85.0	85.0

Business area per quarter									
	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec
MSEK	2006	2006	2006	2006	2005	2005	2005	2005	2004
Net sales									
Construction and Civil Engineering	8 381	6 200	6 690	5 407	6 946	5 424	5 655	4 405	6 096
Industry	1 579	1 728	1 494	713	1 300	1 357	1 288	575	1 138
Trust/Management	72	30	27	25	23	26	27	19	15
Elimination	-682	-493	-504	-346	-495	-369	-409	-271	-405
Total	9 350	7 465	7 707	5 799	7 774	6 438	6 561	4 728	6 844
Operating profit									
Construction and Civil Engineering	321	196	190	152	194	108	100	96	165
Industry	183	215	143	-14	116	156	110	-2	72
Trust/Management	-35	-30	-41	-29	-31	-30	-42	-28	-34
Total	469	381	292	109	279	234	168	66	203
Order situation Construction and Civil Engineering									
Orders received	7 172	6 370	7 688	7 481	6 863	6 430	5 496	5 438	6 046
Order backlog at the end of the period	20 642	21 852	21 715	20 714	17 722	17 862	16 793	16 945	15 899

List of shareholders, 31 January 2007

Shareholders	A-shares	B-shares	Total no of shares	Proportion of capital, %	Proportion of votes, %
Mats Paulsson with company	2 787 117	9 613 055	12 400 172	14.2%	21.4%
Erik Paulsson with family and company	3 487 890	5 699 514	9 187 404	10.5%	23.1%
Karl-Axel Granlund with company		5 100 000	5 100 000	5.8%	2.9%
Fredrik Paulsson with family and company	1 201 171	1 686 450	2 887 621	3.3%	7.8%
Stefan Paulsson with family and company	1 201 172	1 671 056	2 872 228	3.3%	7.8%
Mohammed Al-Amoudi		2 521 200	2 521 200	2.9%	1.4%
Robur funds		1 713 250	1 713 250	2.0%	1.0%
Skandia Life		1 407 600	1 407 600	1.6%	0.8%
Svante Paulsson with family and company	491 688	728 880	1 220 568	1.4%	3.2%
Länsförsäkringar funds		1 063 200	1 063 200	1.2%	0.6%
Fourth AP-fund		1 015 350	1 015 350	1.2%	0.6%
Sara Karlsson with family and company	508 040	348 019	856 059	1.0%	3.1%
Maths O. Sundqvist		900 000	900 000	1.0%	0.5%
Other	128 624	36 607 668	36 736 292	42.2%	21.6%
Number of outstanding shares	9 805 702	70 075 242	79 880 944		
Peab AB		7 315 000	7 315 000	8.4%	4.2%
Number of registered shares	9 805 702	77 390 242	87 195 944	100.0%	100.0%

Source: VPC

