



## PEAB AB INTERIM REPORT JANUARY–MARCH 2008.

Net sales increased by 14 percent to SEK 7,630 million (6,705)

Operating profit increased by 35 percent and amounted to SEK 262 million (194)

Profit for the period amounted to SEK 205 million (117)

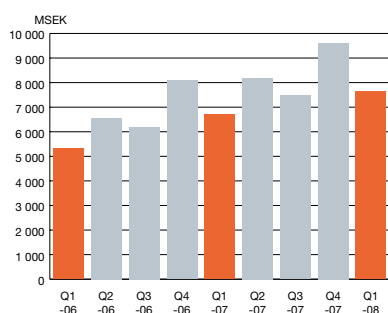
Earnings per share before dilution amounted to SEK 1.22 (0.73)

Continued high level of new orders amounting to SEK 36,832 million for the latest rolling 12 month period compared with SEK 37,529 million for the entire year 2007

All time high order backlog totalling SEK 28,091 million compared with SEK 26,299 million at year end

## INTERIM REPORT JANUARY – MARCH 2008

### Net sales



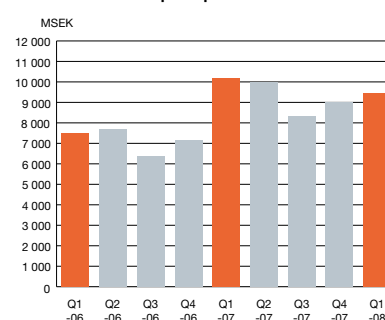
The Group's net sales for the first quarter 2008 amounted to SEK 7,630 million, which was an increase of 14 percent compared with the same period the previous year. Adjusted for acquired and divested units, the increase in net sales amounted to 10 percent.

### Operating profit



The Group's operating profit for the first quarter 2008 increased by 35 percent and amounted to SEK 262 million compared with SEK 194 million the same period the previous year. Operating profit for the latest rolling 12 month period amounted to SEK 1,329 million compared with SEK 1,261 million for the whole year 2007.

### Orders received per quarter



Orders received for the first quarter 2008 amounted to SEK 9,464 million compared with SEK 10,161 million the same period the previous year. Order backlog amounted to SEK 28,091 million compared with SEK 24,150 million per 31 March 2007. On 31 December 2007 order backlog amounted to SEK 26,299 million.

### Group

MSEK	Jan-Mar 2008	Jan-Mar 2007	Apr-Mar 2007/2008	Jan-Dec 2007	Financial objectives (full year)
Net sales	7,630	6,705	32,902	31,977	
Operating profit	262	194	1,329	1,261	
Operating profit, %	3.4	2.9	4.0	3.9	
Pre-tax profit	275	152	1,222	1,099	
Profit for the period	205	117	899	811	
Earnings per share before dilution, SEK	1.22	0.73	5.41	4.92	
Return on equity, %	25.0 <sup>1)</sup>	28.5 <sup>1)</sup>	25.0	23.6	>20
Equity/assets ratio, %	23.3	21.3	23.3	23.5	>25

<sup>1)</sup> Calculated on rolling 12 months

### NEW CONTRACTS DURING FIRST QUARTER

We received several major projects during the first quarter, including

- Peab was contracted to build a 30,000 square metre large office and shop building in Värtahamnen in Stockholm. Peab received the order from AP Fastigheter and the value of the contract is SEK 418 million.
- Peab has been contracted to build a section of the extension of the Norway/Väner Railway. This stage stretches between the towns of Nol and Älvängen, north of Gothenburg. Peab received the order from BanaVäg i Väst, a joint project owned by the National Railway Administration and the National Road Administration. The value of the contract is SEK 155 million.
- Peab has been contracted to build 133 flats at Victoria Park in Malmö. Peab received the order from Victoria Park Bygg och Projekt AB and the value of the contract is SEK 283 million.
- Peab has been commissioned to build an office and shop building in central Oslo. Peab received the order from Oslo Z/Entra Eiendom AS and the value of the contract is NOK 368 million.
- Peab has been commissioned to build a new building for the children's, women's and oncology facilities at Norrland's University Hospital in Umeå. Peab received the order from the Västerbotten County Council and the contract value for Peab is SEK 204 million.
- Peab has been commissioned to build a large extension to the shopping mall Nordby Köpcenter in Strömstad. Peab received the order from the Norwegian Olav Thon Group together with the Orvelin Group from Strömstad and the value of the contract is SEK 350 million.
- Peab has been commissioned to build a correctional facility containing, among other things, a new jail and administration offices in Gothenburg. Peab received the order from Vasakronan and the value of the contract is SEK 450 million.

## COMMENTS BY THE CEO

The first quarter is normally the quarter with the lowest volumes because in construction the winter climate limits production. However, just as in 2007, the first quarter of 2008 has provided favourable conditions for production. Net sales rose by 14 percent to SEK 7,630 million and operating profit improved by 35 percent to SEK 262 million compared to SEK 194 million for the first quarter in 2007.

New production of our own housing developments made up 14 percent of net sales in the last rolling 12 month period compared with 15 percent for the entire year 2007. The number of our own housing developments in production at the end of the period was 3,719 compared to 3,843 at the end of the year. The reduction is due to fewer start-ups in new projects in our operations abroad. In addition, sales times of ongoing projects are longer, primarily in the Öresund region, and at the same time we see a substantial, long-term need for new housing.

Demand is still high regarding public and commercial premises as well as in civil engineering.

Our order books are full with an order backlog at the end of the period at an all time high of SEK 28,091 million compared to SEK 26,299 million at the end of the year. New orders and order backlog increased in Construction Sweden and Civil Engineering but declined in Construction Abroad.

Construction in general continues to develop positively with a substantial need for construction investments in the foreseeable future, even taking into consideration the turmoil on the financial markets. Peab has a broad organisation that can meet our customers'



every need, regardless of the type of project. Our large order stock with many different kinds of projects is a reflection of this. Therefore, independent of growth in the trade as a whole, Peab has considerable opportunities to continue to develop positively.

*Mats Paulsson*  
CEO

## NET SALES AND PROFIT

The Group's net sales for the first quarter 2008 increased by 14 percent to SEK 7,630 million (6,705). Adjusted for acquired and divested units the increase in net sales amounted to 10 percent. Of the year's net sales, SEK 1,369 million (1,224) relates to sales and production outside Sweden.

Operating profit for the first quarter 2008 amounted to SEK 262 million compared with SEK 194 million for the same period the previous year. Operating profit for the latest rolling 12 month period amounted to SEK 1,329 million, an increase of 5 percent compared with SEK 1,261 million for the full year 2007.

Profit from participation in joint ventures are reported according to the equity method. Profit from participation in joint ventures amounted to SEK -3 million (3) for the period. Capital gains from shares sold in joint ventures amounted to SEK 29 million (0) and refer to 50 percent of Deamatrix Förvaltning AB.

Net financial items amounted to SEK 13 million (-42), of which net interest expense amounted to SEK -6 million (-2). The effect of valuing financial instruments at fair value was included in net financial items with SEK 18 million (-23), of which the effect of valuing the Brinova holding at fair value amounted to SEK -4 million (-22). The share holding is reported at market price on the balance sheet date.

Pre-tax profit amounted to SEK 275 million, compared with SEK 152 million for the same period the previous year.

Tax for the period amounted to SEK -70 million (-43), which is equivalent to a tax rate of 26 percent.

Profit for the period amounted to SEK 205 million compared with SEK 117 million for the same period the previous year, which includes SEK 8 million from discontinued operations.

## FINANCIAL POSITION

The equity/assets ratio was 23.3 percent per 31 March 2008, compared with 23.5 percent at the end of the year. Net debt amounted to SEK -234 million compared with net receivables of SEK 587 million at the end of the year. The average interest rate on the loan portfolio as of 31 March 2008 amounted to 5.3 percent (4.2).

The Group's liquid funds including non-utilised credit facilities amounted to SEK 5,329 million at the end of the period, compared with SEK 5,173 million per 31 December 2007.

At the end of the period the Group's contingent liabilities, excluding shared obligations as part owner in limited partnerships, amounted to SEK 1,336 million compared with SEK 1,477 million per 31 December 2007. Of contingent liabilities, obligations to tenant-owners' cooperatives under construction were SEK 1,290 million compared with SEK 1,430 million at the end of 2007.

## INVESTMENTS

During the first quarter, net investments in tangible and intangible fixed assets amounted to SEK 118 million (255). A total of SEK 209 million (201) net was invested in project and development properties.

## CASH FLOW

Cash flow from current operations before working capital changes amounted to SEK 229 million compared with SEK 299 million for the same period the previous year (including SEK 79 million from discontinued operations). Cash flow from changes in working capital amounted to SEK -860 million compared with SEK 213 million (including SEK 60 million from discontinued operations). This worsening is explained by reduced current liabilities primarily due to large VAT payments for finished projects and the acquisition of project and development properties. When project and development property is acquired through company acquisitions, it charges cash flow from investment activities in the same way as acquisitions of subsidiaries.

Cash flow from investment activities amounted to SEK -90 million compared with SEK -270 million (including SEK -175 million from discontinued operations) for the same period the previous year.

## PERSONNEL

At the end of March 2008, the company had 11,595 employees compared with 11,078 at the same time previous year.

## COMMENTS ON THE BUSINESS AREAS

### CONSTRUCTION SWEDEN

The Construction Sweden business area comprises the Group's construction related services in Sweden.

Net sales in Construction Sweden for the first quarter 2008 amounted to SEK 4,896 million, compared with SEK 4,457 million during the same period the previous year, equivalent to an increase of 10 percent. Adjusted for acquired units the increase in net sales amounted to 9 percent.

The operating profit for the period January-March 2008 amounted to SEK 233 million, compared with SEK 190 million during the same period the previous year.

Operating margin for the latest rolling 12 month period was 5.5 percent compared with 5.4 percent for the whole year 2007.

Operating profit and the operating margin have been affected positively during the period by favourable production conditions and good profitability in production in progress.

### CONSTRUCTION ABROAD

The Construction Abroad business area consists of Peab's Norwegian and Finnish businesses. Most of this business is conducted in and around the capital cities.

Net sales in Construction Abroad for the first quarter 2008 amounted to SEK 1,310 million, compared with SEK 1,067 million the same period the previous year, equivalent to an increase of 23 percent. Adjusted for acquired units the increase in net sales amounted to 17 percent.

Operating profit for the period January-March 2008 amounted to SEK 3 million, compared with SEK -3 million the same period the previous year.

Operating margin increased to 0.5 percent during the latest 12 month rolling period compared with 0.4 percent for the whole year 2007.

## CIVIL ENGINEERING

The Civil Engineering business sector consists of civil engineering related business.

Net sales for the first quarter 2008 for Civil Engineering amounted to SEK 1,716 million compared with SEK 1,527 million for the same period the previous year, which corresponds to an increase of 12 percent. Adjusted for acquired units the increase in net sales amounted to 1 percent.

Operating profit for the period amounted to SEK 58 million compared with SEK 40 million for the same period the previous year.

Operating margin increased to 4.6 percent for the latest rolling 12 month period compared with 4.4 percent for the whole year 2007.

Operating profit and the operating margin have been affected positively during the period by favourable production conditions and good profitability in production in progress.

## ORDERS RECEIVED AND ORDER BACKLOG

Continued high level of new orders amounting to SEK 36,832 million for the latest rolling 12 month period compared with SEK 37,529 million for the entire year 2007. New orders amounted to SEK 9,464 million for the first quarter 2008 compared with SEK 10,161 million in the first quarter of 2007, which is a decrease of 7 percent. The order backlog at the end of the period totalled SEK 28,091 million compared with SEK 24,150 million at the end of the same period last year. This represents an increase of 16 percent and is the largest order backlog in Peab's history. New orders and order backlog increased in Construction Sweden and Civil Engineering but declined in Construction Abroad. Of the total order backlog, 37 percent (32) is expected to be produced after 2008. Construction projects accounted for 74 percent (78) of the order backlog. Swedish operations accounted for 88 percent (79) of the order backlog.

### Orders received and order backlog

MSEK	31 Mar 2008	31 Mar 2007	31 Dec 2007
Current financial year	17,821	16,513	19,541
Next financial year	7,707	6,226	5,620
Thereafter	2,563	1,411	1,138
<b>Total order backlog</b>	<b>28,091</b>	<b>24,150</b>	<b>26,299</b>
<b>Orders received</b>	<b>9,464</b>	<b>10,161</b>	<b>37,529</b>

## PROJECT DEVELOPMENT

As part of contractor operations, Peab also works with its own housing developments comprised of tenant-owner cooperatives and single homes sold directly to the end customer. New production of our own housing developments made up 14 percent of net sales in

the last rolling 12 month period compared with 15 percent for the entire year in 2007. The number of our own housing developments in production at the end of the period was 3,719 compared to 3,843 at the end of the year. The reduction is due to fewer start-ups in new projects in our operations abroad. In addition, sales times of ongoing projects are longer, particularly in the Öresund region, and at the same time a substantial long-term need for new housing can be seen. Peab has retained requirement of advance subscription prior to embarking on new projects. The number of sold homes in production was 75 percent compared with 75 percent at the end of 2007.

The total holding of project and development properties amounted to SEK 2,909 million compared with SEK 2,700 million per 31 December 2007. Of the 149 repurchased homes, 141 are attributable to Finnish housing companies, compared with 96 at the end of last year.

## ADMINISTRATION/MANAGEMENT

Administration/Management comprises the central companies, certain subsidiaries and other holdings. Operating profit amounted to SEK -32 million (-33).

## THE CONSTRUCTION MARKET

The troubled American housing market which has dampened global growth affects the Nordic market as well and growth is expected to slow in 2008 and 2009. However, construction investments in Sweden are expected to rise by 4 percent in 2008 and 2 percent in 2009 according to forecasts by The Swedish Construction Federation, which means growth will continue to be higher than the Nordic countries' collective BNP.

The weakening economy can be seen in longer sales times for newly produced housing. However, demographic factors, such as the baby boom of the eighties that now needs housing, point to a good level of construction investments for a long time to come. Right now housing construction is concentrated to growth areas and attractive sites. Single home construction has increased due to improved household economies.

Private investments in power and energy facilities are the primary source of continued growth in the area of civil engineering. This is in part due to high energy prices and in part a result of investments in renewable energy sources. Public infrastructure investments in the form of road and railway projects have been lower than expected in the past few years and budgets for new projects have been curtailed by higher costs in ongoing extensive projects. The level of future investments will become clear in the infrastructure bill that will be presented later this year.

### Peab's own housing developments production

	Jan-Mar 2008	Jan-Mar 2007	Jan-Dec 2007
Number of housing starts during the period	484	537	2,011
Number of homes sold during the period	488	528	2,035
Total number of homes under construction, at the end of the period	3,719	4,437	3,843
Share of sold homes under construction, at the end of the period	75%	76%	75%
Number of repurchased tenant-owner homes/shares in Finnish housing companies in the balance sheet at the end of the period	149	43	104

The pressing need in municipalities for both new construction and renovation of public premises, combined with improved financial capacity, is expected to contribute to continued positive developments in the construction of public buildings. Private investment in buildings is on the rise. This is driven by office renovations and reconstruction of space to place the right operations at the right location as well as investments in shopping malls and, in particular, private arenas. Industry's demand for investments in new industrial facilities is expected to recede as the economy slows down.

## RISKS AND UNCERTAINTY FACTORS

Peab's business is largely project related. Operational risks in day-to-day business are connected to bids, income recognition and volume and price risks.

Structured risk assessment is crucial in the construction business to ensure that risks are identified, correctly priced in tenders submitted and that the proper resources are available. Peab applies the percentage of completion method in the projects. The application of the percentage of completion method depends on reliable forecasting. Well developed monitoring and system support for monitoring and forecasting for each project are crucial to limiting risks of incorrect income recognition.

For Peab, price risks refer to aspects such as unforeseen cost increases for materials, subcontractor and wages. Risks vary according to the type of contract. Fixed price contracts also involve the risk of incorrect tender calculations and the risk that price rises deteriorate profits because the company cannot demand compensation from the customer for them.

The Group is also exposed to financial risks, such as changes in debt and interest rate levels. Peab's shareholding in Brinova creates considerable exposure for the company through a single holding. Large fluctuations in the price of the Brinova share may exert a major impact on the valuation of the holding, which would affect Peab's net financial items.

For further information on risks and uncertainty factors, see the 2007 Annual Report.

## ACQUISITIONS DURING THE REPORT PERIOD

Peab has acquired Senter Bygg Entreprenör AS in Buskerud, southwest of Oslo. Senter Bygg's turnover in 2007 was NOK 180 million

and the company has around 100 employees. Senter Bygg is active in the Drammen region, building and renovating housing. The acquisition is pending approval by the Norwegian Competition Authority.

## ACQUISITIONS AFTER THE REPORT PERIOD

Peab has acquired all the shares in Hälsinge Bygg i Hudiksvall AB. The company has 45 employees and turnover in 2007 was SEK 70 million. Hälsinge Bygg is a traditional construction company focused on construction work and smaller jobs and it will continue to operate under its own brand name.

## ACCOUNTING PRINCIPLES

The interim report for 2008 has been drawn up in accordance with the IFRS standards adopted by the EU and the IFRIC interpretations of the current standards adopted by the EU. This report has been prepared in accordance with IAS 34, Interim Financial Reporting.

Parent company reports have been prepared in accordance with the Swedish Company Accounts Act and RFR 2.1, Reporting of Legal Entities.

The interim report has been prepared in accordance with the same accounting policies and assumptions that were described in the 2007 Annual report.

Peab Industri's profit for the January-April 2007 period has been reported as discontinued operations. Peab Industri has been included in the balance sheet until 30 April 2007.

## HOLDINGS OF OWN SHARES

At the beginning of 2008 Peab's own B share holding amounted to 5,625,000, corresponding to 3.2 percent of the total number of shares. On 16 May 2007, the Peab Annual General Meeting resolved to authorise the board of directors to acquire at the most the number of shares in Peab AB so that after acquisition Peab would hold a maximum of 10 percent of the registered number of shares in the company. In October 2007 and in February 2008, based on the AGM's authorisation, Peab's board of directors decided to buy back an additional maximum of 4,000,000 B shares. Since this decision 3,175,000 B shares have been bought back, of which 1,180,000 B shares were bought back in 2008. As of 31 March 2008, Peab's own B share holding amounted to 6,805,000, corresponding to 3.9 percent of the total number of shares.

## Share capital and number of shares

	Share capital MSEK	Number of registered A shares	Number of registered B shares	Total number of registered shares	Holdings of own shares	Shares owned by other shareholders
Share capital and numbers of shares, 1 January 2008	933.3	19,611,404	154,841,302	174,452,706	5,625,000	168,827,706
Acquisition of own shares during the period	—	—	—	—	1,180,000	-1,180,000
Share capital and number of shares, 31 March 2008	933.3	19,611,404	154,841,302	174,452,706	6,805,000	167,647,706

## THE PEAB SHARE

Peab's B share is listed on the OMX Nordic Stock Exchange Stockholm. On 1 January 2008, the Peab share was moved from the stock exchange's Large Cap list to the Mid Cap list.

As of 14 May 2008, the price of the Peab share was SEK 53.00, a decline of 20 percent during the period. During the same period, the Swedish stock market declined by 7 percent according to the prominent business magazine Affärsvärlden general index. During 2008, the Peab share has been quoted at a maximum of SEK 68.25 and a minimum of SEK 47.30.

## THE PARENT COMPANY

The parent company Peab AB's net sales for the period January-March 2008 amounted to SEK 12 million (13) and mainly consisted of internal Group services. Profit after tax amounted to SEK -32 million (-63).

The parent company's assets mainly consist of participations in Group companies amounting to SEK 7,281 million (7,816), shares in Brinova Fastigheter AB worth SEK 473 million (658) and convertible bonds in Peab Industri worth SEK 220 million (-). The assets have been financed from equity of SEK 4,182 million (3,455) and long-term liabilities amounting to SEK 4,682 million (7,748).

The parent company's liquid assets amounted to SEK 4 million (11) at the end of the period.

The parent company is indirectly affected by the risks described in the section Risks and Uncertainty Factors.

## FUTURE FINANCIAL INFORMATION

- Interim report January – June 2008:  
26 August 2008
- Interim report January – September 2008:  
25 November 2008
- Year-end Report 2008:  
14 February 2009

Förslöv, 15 May 2008

Mats Paulsson  
CEO

*The information in this interim report has not been reviewed separately by the company's auditors.*

## Consolidated income statement

Group MSEK	Jan-Mar 2008	Jan-Mar 2007	Apr-Mar 2007/2008	Jan-Dec 2007
<b>Continuing operations</b>				
Netsales	7,630	6,705	32,902	31,977
Production costs	-6,959	-6,117	-29,891	-29,049
<b>Gross profit</b>	<b>671</b>	<b>588</b>	<b>3,011</b>	<b>2,928</b>
Sales and administrative expenses	-435	-397	-1,659	-1,621
Profit from participation in joint ventures	-3	3	27	33
Capital gains from shares sold in joint ventures	29	0	35	6
Competition claim charge	—	—	-85	-85
<b>Operating profit</b>	<b>262</b>	<b>194</b>	<b>1,329</b>	<b>1,261</b>
Net financial items	13	-42	-107	-162
<b>Pre-tax profit</b>	<b>275</b>	<b>152</b>	<b>1,222</b>	<b>1,099</b>
Tax	-70	-43	-352	-325
<b>Profit for the period from continuing operations</b>	<b>205</b>	<b>109</b>	<b>870</b>	<b>774</b>
Profit from discontinued operations, net after tax	—	8	29	37
<b>Profit for the period</b>	<b>205</b>	<b>117</b>	<b>899</b>	<b>811</b>
Profit attributable to shareholders in parent company	205	117	899	811
Profit attributable to minority interests	0	0	0	0
<b>Key ratios</b>				
Earnings per share, SEK	1.22	0.73	5.41	4.92
– after dilution	1.17	0.71	5.23	4.77
Earnings per share from remaining operations, SEK	1.22	0.68	5.22	4.69
– after dilution	1.17	0.66	5.07	4.55
Average number of outstanding shares, million	168.5	159.8	167.1	165.0
– after dilution	177.4	170.8	172.9	171.3
Return on capital employed, %	25.4 <sup>1)</sup>	18.1 <sup>1)</sup>	25.4	26.6
Return on equity, %	25.0 <sup>1)</sup>	28.5 <sup>1)</sup>	25.0	23.6

1) Calculated on rolling 12 months

## Consolidated balance sheet

Group MSEK	31 Mar 2008	31 Mar 2007	31 Dec 2007
<b>Assets</b>			
Intangible assets	487	685	452
Tangible assets	700	2,824	642
Interest-bearing long-term receivables	267	163	322
Other financial fixed assets	930	1,026	903
Deferred tax assets	165	277	129
<b>Total fixed assets</b>	<b>2,549</b>	<b>4,975</b>	<b>2,448</b>
Project and development properties	2,909	2,231	2,700
Inventories	97	348	86
Interest bearing current receivables	123	73	121
Other current receivables	8,741	7,713	8,785
Short-term holdings	897	2	0
Liquid funds	755	865	1,212
<b>Total current assets</b>	<b>13,522</b>	<b>11,232</b>	<b>12,904</b>
<b>Total assets</b>	<b>16,071</b>	<b>16,207</b>	<b>15,352</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>3,751</b>	<b>3,459</b>	<b>3,606</b>
<b>Liabilities</b>			
Interest bearing long-term liabilities	1,568	1,690	789
Other long-term liabilities	93	182	123
Deferred tax liabilities	2	—	—
<b>Total long-term liabilities</b>	<b>1,663</b>	<b>1,872</b>	<b>912</b>
Interest-bearing current liabilities	708	806	279
Other current liabilities	9,949	10,070	10,555
<b>Total current liabilities</b>	<b>10,657</b>	<b>10,876</b>	<b>10,834</b>
<b>Total liabilities</b>	<b>12,320</b>	<b>12,748</b>	<b>11,746</b>
<b>Total equity and liabilities</b>	<b>16,071</b>	<b>16,207</b>	<b>15,352</b>
<b>Key ratios</b>			
Capital employed	6,027	5,955	4,674
Equity/assets ration, %	23.3	21.3	23.5
Net assets (+) / Net debt (-)	-234	-1,393	587
Equity per share, SEK	22.34	21.65	21.32
– after dilution	24.40	23.05	20.27
Number of outstanding shares at end of period, million	167.6	159.8	168.8
– after dilution	176.6	170.8	177.8



## Changes in equity

Group MSEK	31 Mar 2008	31 Mar 2007	31 Dec 2007
<b>Equity attributable to shareholders in parent company</b>			
Opening equity on 1 January	3,600	3,277	3,277
Change in translation reserve for the period	-18	64	94
Change in hedging reserve for the period	6		-3
Profit for the period	205	117	811
Cash dividend			-280
Distribution of shares in Peab Industri AB <sup>1)</sup>			-639
Acquisition of own shares	-73		-129
Conversion convertible promissory notes			466
Reversed deferred tax on convertible promissory notes which have been converted			3
Issued convertible promissory notes	35		
Deferred tax on temporary differences referring to the loan part of convertible promissory notes	-10		
<b>Closing equity</b>	<b>3,745</b>	<b>3,458</b>	<b>3,600</b>
<b>Equity attributable to minority interests</b>			
Opening equity on 1 January	6	1	1
Profit for the period	0	0	0
Acquisition	—	—	5
<b>Closing equity</b>	<b>6</b>	<b>1</b>	<b>6</b>
<b>Total closing equity</b>	<b>3,751</b>	<b>3,459</b>	<b>3,606</b>

1) Of which distribution costs -1

## Consolidated cash flow statement

Group MSEK	Jan-Mar 2008	Jan-Mar 2007	Apr-Mar 2007/2008	Jan-Dec 2007
Cash flow from current operations before working capital changes	229	299	1,515	1,585
Cash flow from changes in working capital	-860	213	-1,828	-755
<b>Cash flow from current operations</b>	<b>-631</b>	<b>512</b>	<b>-313</b>	<b>830</b>
Acquisition of subsidiaries	-91	-142	-179	-230
Disposal of subsidiaries	—	5	10	15
Liquid funds, discontinued operations	—	—	-64	-64
Acquisition of fixed assets	-85	-183	-516	-614
Sales of fixed assets	86	50	1,534	1,498
<b>Cash flow from investment operations</b>	<b>-90</b>	<b>-270</b>	<b>785</b>	<b>605</b>
<b>Cash flow before financing</b>	<b>-721</b>	<b>242</b>	<b>472</b>	<b>1,435</b>
Cash flow from financing operations	1,164	-296	308	-1,152
<b>Periodens kassaflöde</b>	<b>443</b>	<b>-54</b>	<b>780</b>	<b>283</b>
Cash at the beginning of the period	1,212	913	865	913
Exchange rate differences in cash	-3	6	7	16
<b>Cash at the end of the period</b>	<b>1,652</b>	<b>865</b>	<b>1,652</b>	<b>1,212</b>

Peab Industri's cash flow has been included in the cash flow statement for January to April 2007.

## Net sales and operating profit per business area

MSEK	Net sales				Operating profit				Operating margin			
	Jan-Mar 2008	Jan-Mar 2007	Apr-Mar 2007/2008	Jan-Dec 2007	Jan-Mar 2008	Jan-Mar 2007	Apr-Mar 2007/2008	Jan-Dec 2007	Jan-Mar 2008	Jan-Mar 2007	Apr-Mar 2007/2008	Jan-Dec 2007
Construction Sweden	4,896	4,457	20,489	20,050	233	190	1,133	1,090	4.8%	4.3%	5.5%	5.4%
Construction Abroad	1,310	1,067	5,669	5,426	3	-3	30	24	0.2%	-0.3%	0.5%	0.4%
Civil Engineering	1,716	1,527	8,122	7,933	58	40	370	352	3.4%	2.6%	4.6%	4.4%
Admin/Management	22	44	102	124	-32	-33	-204	-205				
Eliminations	-314	-390	-1,480	-1,556								
<b>Group total</b>	<b>7,630</b>	<b>6,705</b>	<b>32,902</b>	<b>31,977</b>	<b>262</b>	<b>194</b>	<b>1,329</b>	<b>1,261</b>	<b>3.4%</b>	<b>2.9%</b>	<b>4.0%</b>	<b>3.9%</b>

## DISCONTINUED OPERATIONS - DISTRIBUTION OF PEAB INDUSTRI

The AGM held on 16 May 2007 resolved to distribute the shares in Peab Industri AB to Peab's shareholders. Peab Industri's profit for the January-April 2007 period has been recognised as Profit from discontinued operations, net after tax in the Peab Group. Discontinued operations are recognised separately from remaining operations in the income statement. Comparative figures for previous periods have been restated to show discontinued operations separate from remaining operations.

Peab Industri has been excluded from the balance sheet per 31 December 2007, while the comparative balance sheets are in agreement with historic accounts.

Peab Industri's cash flow has been included in the cash flow statement for January-April 2007. Liquid funds in Peab Industri per 30 April 2007, amounting to SEK 64 million, have been recognised as discontinued operations under investment operations.

### The impact of discontinued operations on individual Group assets and liabilities

MSEK	31 Dec 2007
Intangible assets	319
Tangible assets	2,355
Financial fixed assets	375
Inventories	282
Current financial receivables	5
Current receivables	1,111
Short-term shareholdings	2
Liquid funds	64
Deferred tax liabilities	-141
Provisions	-41
Long-term liabilities	-2,329
Current liabilities	-1,359
	643
Adjustment relating to minority in jointly owned company <sup>2)</sup>	-5
<b>Discontinued assets and liabilities, net</b>	<b>638</b>

<sup>1)</sup> Refers to the period until end of April 2007

<sup>2)</sup> Relates to adjustment of minority participation which is recognised as a joint venture in remaining operations

### Profit from discontinued operations

Group MSEK	Jan-Mar 2007	Jan-Dec <sup>1)</sup> 2007
Net sales	1,158	1,652
Production expenses	-1,066	-1,495
Sales and administrative expenses	-69	-89
Participation in profit of joint ventures	0	0
Capital gains from shares sold in joint ventures	—	—
<b>Operating profit</b>	<b>23</b>	<b>68</b>
Net financial items	-15	-23
<b>Pre-tax profit</b>	<b>8</b>	<b>45</b>
Tax	-2	-12
<b>Profit after tax</b>	<b>6</b>	<b>33</b>
Adjustment attributable to minority in jointly owned company <sup>2)</sup>	2	4
<b>Profit from discontinued operations, net</b>	<b>8</b>	<b>37</b>

### Net cash flow in discontinued operations

MSEK	Jan-Mar 2007	Jan-Dec <sup>1)</sup> 2007
Cash flow from current operations	139	165
Cash flow from investment operations	-175	-278
Cash flow from financing operations	57	132
<b>Net cash flow in discontinued operations</b>	<b>21</b>	<b>19</b>

## QUARTERLY DATA

### Group

	Jan-Mar 2008	Oct-Dec 2007	Jul-Sep 2007	Apr-Jun 2007	Jan-Mar 2007	Okt-Dec 2006	Jul-Sep 2006	Apr-Jun 2006	Jan-Mar 2006
<b>MSEK</b>									
<b>Remaining operations</b>									
Net sales	7,630	9,607	7,478	8,187	6,705	8,077	6,187	6,552	5,316
Production expenses	-6,959	-8,756	-6,774	-7,402	-6,117	-7,392	-5,725	-6,006	-4,878
<b>Gross profit</b>	<b>671</b>	<b>851</b>	<b>704</b>	<b>785</b>	<b>588</b>	<b>685</b>	<b>462</b>	<b>546</b>	<b>438</b>
Sales and administrative expenses	-435	-416	-306	-502	-397	-368	-289	-441	-318
Participations in profit of joint ventures	-3	31	4	-5	3	-6	1	-7	0
Capital gains from shares sold in joint ventures	29	6	—	0	0	11	—	—	—
Capital gains from shares sold in Group companies	—	—	—	—	—	11	0	-3	—
Competition claim charge	—	—	—	-85	—	—	—	—	—
<b>Operating profit</b>	<b>262</b>	<b>472</b>	<b>402</b>	<b>193</b>	<b>194</b>	<b>333</b>	<b>174</b>	<b>95</b>	<b>120</b>
Net financial items	13	-26	-115	21	-42	162	23	-119	144
<b>Pre-tax profit</b>	<b>275</b>	<b>446</b>	<b>287</b>	<b>214</b>	<b>152</b>	<b>495</b>	<b>197</b>	<b>-24</b>	<b>264</b>
Tax	-70	-128	-80	-74	-43	-102	-55	9	-76
<b>Profit for the period from remaining operations</b>	<b>205</b>	<b>318</b>	<b>207</b>	<b>140</b>	<b>109</b>	<b>393</b>	<b>142</b>	<b>-15</b>	<b>188</b>
Profit from discontinued operations, net after tax	—	—	—	29	8	86	136	130	-12
<b>Profit for the period</b>	<b>205</b>	<b>318</b>	<b>207</b>	<b>169</b>	<b>117</b>	<b>479</b>	<b>278</b>	<b>115</b>	<b>176</b>
Profit attributable to shareholders in parent company	205	318	207	169	117	479	278	114	176
Profit attributable to minority interests	0	0	0	0	0	0	0	1	0
Earnings per share, SEK	1.22	1.92	1.21	1.06	0.73	2.84	1.64	0.67	1.03
– after dilution	1.17	1.84	1.21	1.01	0.71	2.75	1.54	0.63	0.97
Average number of outstanding shares, million	168.5	169.6	170.5	159.9	159.8	167.6	169.1	170.0	170.2
– after dilution	177.4	172.7	170.8	170.8	170.8	178.6	180.1	181.0	181.2

### Business area

	Jan-Mar 2008	Okt-Dec 2007	Jul-Sep 2007	Apr-Jun 2007	Jan-Mar 2007	Okt-Dec 2006	Jul-Sep 2006	Apr-Jun 2006	Jan-Mar 2006
<b>MSEK</b>									
<b>Net sales</b>									
Construction Sweden	4,896	5,912	4,460	5,221	4,457	5,445	3,897	4,606	3,771
Construction Abroad	1,310	1,705	1,339	1,315	1,067	1,196	975	864	721
Civil Engineering	1,716	2,407	1,987	2,012	1,527	2,082	1,595	1,620	1,218
Admin/Management	22	17	27	36	44	72	30	27	25
Eliminations	-314	-434	-335	-397	-390	-342	-267	-400	-303
<b>Total</b>	<b>7,630</b>	<b>9,607</b>	<b>7,478</b>	<b>8,187</b>	<b>6,705</b>	<b>8,453</b>	<b>6,230</b>	<b>6,717</b>	<b>5,432</b>
<b>Operating profit</b>									
Construction Sweden	233	334	306	260	190	272	144	162	126
Construction Abroad	3	27	13	-13	-3	23	-11	-11	-7
Civil Engineering	58	138	106	68	40	26	63	39	33
Admin/Management	-32	-27	-23	-122	-33	-35	-30	-41	-29
<b>Total</b>	<b>262</b>	<b>472</b>	<b>402</b>	<b>193</b>	<b>194</b>	<b>286</b>	<b>166</b>	<b>149</b>	<b>123</b>
<b>Order situation</b>									
Orders received	9,464	9,024	8,340	10,004	10,161	7,172	6,370	7,688	7,481
Order stock at the end of the period	28,091	26,299	26,891	26,017	24,150	20,642	21,852	21,715	20,714

When establishing Peab Industri AB on 31 December 2006 there were certain minor company transfers between the Industry, Construction Sweden and Civil Engineering business areas. Comparative figures have not been restated according to these transfers.

## Income statement

Parent company MSEK	Jan-Mar 2008	Jan-Mar 2007	Apr-Mar 2007/2008	Jan-Dec 2007
Net sales	12	13	54	55
Administrative expenses	-29	-35	-163	-169
Competition claim charge	—	—	-35	-35
<b>Operating profit</b>	<b>-17</b>	<b>-22</b>	<b>-144</b>	<b>-149</b>
<b>Result from financial investments</b>				
Profit from participation in Group companies	—	—	1,450	1,450
Other financial items	-34	-60	-261	-287
<b>Profit after financial items</b>	<b>-51</b>	<b>-82</b>	<b>1,045</b>	<b>1,014</b>
Appropriations	—	—	-1	-1
<b>Pre-tax profit</b>	<b>-51</b>	<b>-82</b>	<b>1,044</b>	<b>1,013</b>
Tax	19	19	119	119
<b>Profit for the period</b>	<b>-32</b>	<b>-63</b>	<b>1,163</b>	<b>1,132</b>

## Balance sheet

Parent company MSEK	31 Mar 2008	31 Mar 2007	31 Dec 2007
<b>Assets</b>			
<b>Fixed assets</b>			
Machinery and equipment	3	3	3
Participation in Group companies	7,281	7,816	7,281
Receivables from Group companies	550	262	612
Other securities held as fixed assets	567	689	548
Interest-bearing long-term receivables	184	—	180
Deferred tax	9	—	—
Other long-term receivables	1	1	1
<b>Total fixed assets</b>	<b>8,595</b>	<b>8,771</b>	<b>8,625</b>
<b>Current assets</b>			
Accounts receivables	0	0	0
Receivables from Group companies	15	26	0
Interest-bearing current receivables	15	15	15
Prepaid tax	2	2	—
Other current receivables	305	2,414	199
Prepaid expenses and accrued income	3	3	4
Liquid funds	4	11	4
<b>Total current assets</b>	<b>344</b>	<b>2,471</b>	<b>222</b>
<b>Total assets</b>	<b>8,939</b>	<b>11,242</b>	<b>8,847</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity	4,182	3,455	4,287
<b>Untaxed reserves</b>			
Untaxed reserves	1	—	1
<b>Long-term liabilities</b>			
Liabilities to Group companies	4,118	7,236	3,902
Convertible promissory note	564	467	562
Deferred tax liabilities	—	45	9
<b>Total long-term liabilities</b>	<b>4,682</b>	<b>7,748</b>	<b>4,473</b>
<b>Current liabilities</b>			
Accounts payable	5	7	22
Liabilities to Group companies	1	2	9
Other liabilities	40	5	39
Accrued expenses and deferred income	28	25	16
<b>Total current liabilities</b>	<b>74</b>	<b>39</b>	<b>86</b>
<b>Total equity and liabilities</b>	<b>8,939</b>	<b>11,242</b>	<b>8,847</b>
<b>Pledged assets and contingent liabilities for parent company</b>			
Pledged assets	—	—	—
Contingent liabilities	9,013	8,335	8,783

## List of shareholders, 31 March 2008

Shareholders	A shares	B shares	Total no of shares	Proportion of capital, %	Proportion of votes, %
Mats Paulsson with family and companies	5,574,234	19,237,510	24,811,744	14.2	21.4
Erik Paulsson with family and companies	6,975,780	11,405,028	18,380,808	10.5	23.1
Karl-Axel Granlund with companies		10,200,000	10,200,000	5.8	2.9
Fredrik Paulsson med familj och bolag	2 402 343	3 394 100	5 796 443	3.3	7.8
Stefan Paulsson's estate	2,402,343	3,355,712	5,768,055	3.3	7.8
Swedbank Robur funds		4,139,322	4,139,322	2.4	1.2
Svante Paulsson with family and companies	983,376	1,367,760	2,351,136	1.3	3.2
Skandia Liv		2,245,100	2,245,100	1.3	0.7
Handelsbanken funds		1,733,792	1,733,792	1.0	0.5
Sara Karlsson with family and companies	1,016,080	696,038	1,712,118	1.0	3.1
Foreign owners		31,343,535	31,343,535	18.0	8.9
Others	257,248	58,918,405	59,175,653	34.0	17.5
<b>Number of outstanding shares</b>	<b>19,611,404</b>	<b>148,036,302</b>	<b>167,647,706</b>		
Peab AB		6,805,000	6,805,000	3.9	1.9
<b>Number of registered shares</b>	<b>19,611,404</b>	<b>154,841,302</b>	<b>174,452,706</b>	<b>100.0</b>	<b>100.0</b>

Source: VPC

