



PEAB AB HALF-YEAR REPORT JANUARY–JUNE 2008.

Net sales increased by 13 percent to SEK 16,833 million (14,892)

Operating profit increased by 81 percent to SEK 702 million (387)

Profit for the period amounted to SEK 519 million (286)

Earnings per share before dilution amounted to SEK 3.09 (1.79)

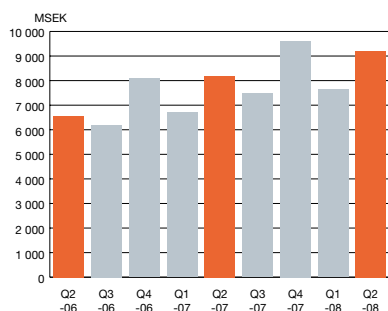
Orders received amounted to SEK 35,260 million for the latest rolling 12 month period compared with SEK 37,529 million for the entire year 2007

Order backlog continues to be high and amounted to SEK 27,306 million compared with SEK 26,299 million at the turn of the year



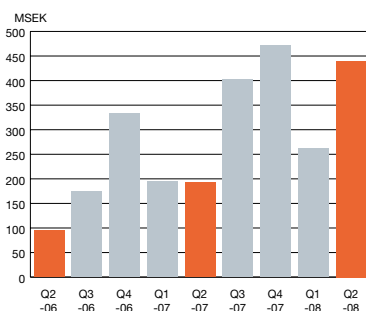
HALF-YEAR REPORT JANUARY - JUNE 2008

Net sales



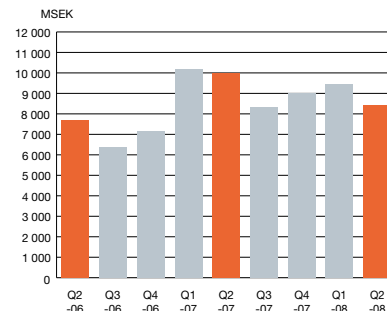
The Group's net sales for the first half of 2008 amounted to SEK 16,833 million, which was an increase of 13 percent compared with the same period the previous year. Adjusted for acquired and divested units, the increase in net sales amounted to 9 percent.

Operating profit



The Group's operating profit for the first half of 2008 increased by 81 percent and amounted to SEK 702 million compared with SEK 387 million the same period the previous year. Operating profit for the latest rolling 12 month period amounted to SEK 1,576 million compared with SEK 1,261 million for the entire year 2007.

Order received per quarter



Orders received for the first half of 2008 amounted to SEK 17,896 million compared with SEK 20,165 million the same period the previous year. Order backlog amounted to SEK 27,306 million compared with SEK 26,017 million per 30 June 2007. On 31 December 2007 order backlog amounted to SEK 26,299 million.

Group

MSEK	Jan-Jun 2008	Jan-Jun 2007	Jul-Jun 2007/2008	Jan-Dec 2007	Financial objectives (full year)
Net sales	16,833	14,892	33,918	31,977	
Operating profit	702	387	1,576	1,261	
Operating profit, %	4.2	2.6	4.6	3.9	
Pre-tax profit	700	366	1,433	1,099	
Profit for the period	519	286	1,044	811	
Earnings per share before dilution, SEK	3.09	1.79	6.22	4.92	
Return on equity, %	31.0 ¹⁾	32.1 ¹⁾	31.0	23.6	>20
Equity/assets ratio, %	21.6	21.4	21.6	23.5	>25

¹⁾ Calculated on rolling 12 months

NEW CONTRACTS DURING SECOND QUARTER

We received several major contracts during the second quarter, including

- Peab has been commissioned to build a new office at the Dockan area in Malmoe. Wihlborgs Skrovat 5 is the customer and the contract is worth SEK 140 million.
- Peab has been commissioned to build 64 new flats in Västerås. The customer is the tenant-owner association Klyvaren and the contract is worth SEK 200 million.
- Peab has been commissioned to build a new part of the E6 motorway between Rabbalshede and Strömstad in Bohuslän. The contract amounts to SEK 215 million and the client is the Swedish Road Administration.
- Peab has been commissioned to build another stage of the road-extension in the Norge/Vänerbanan project. This stage stretches between the villages Nol and Älvängen north of Kungälv. Peab has received the order from BanaVäg i Väst, a joint project between Banverket and Vägverket, and the contract is worth SEK 270 million.
- Peab has been commissioned to build a forensic psychiatry nursing institution in Vänersborg. Peab received the order from Västfastigheter and the value of the contract is around SEK 500 million.
- Peab has been commissioned to construct a new deposit for enriched sand at Boliden. Peab received the order from Boliden AB and the value of the contract is about SEK 200 million.
- Peab has been commissioned to rebuild the Akkats power plant in little Lule River north of Jokkmokk. Peab has received the order from Vattenfall and the value of the contract is SEK 164 million.

COMMENTS BY THE CEO

Peab's first half-year has been characterised by a continued high production rate with good profitability. Net sales rose by 13 percent to SEK 16,833 million (14,892) and operating profit improved by 81 percent to SEK 702 million compared with SEK 387 million in the first half of 2007. The operating margin for the latest 12 month period increased to 4.6 percent from 3.9 percent in 2007. The improvement is in part due to the effect of a cost-effective organisation, something our trust-based contracts have contributed greatly to. Common interests between the builder and customer lead to effective production with high quality, which is good for our customers and at the same time allows us to increase our profitability.

Growth prospects for the Nordic construction market have been downsized as a result of continued uncertainty on the financial markets, a higher rate of inflation and rising interest rates. There are, however, major variations between different product segments and above all housing production is expected to develop more normally than in the past few years.

Peab's own housing developments made up 14 percent of net sales during the latest rolling 12 month period compared with 15 percent in 2007. Despite the fact that we note longer or more normal sales times, particularly in foreign operations but also in the Öresund region and West Sweden, the total number of sold homes during the period amounted to 1,003 compared with 1,154 during the same period last year. There were 1,058 homes under construction during the period compared with 1,123 during the same period last year. Although there is growing uncertainty concerning short-term developments we still believe that when the current turbulence over developments in the economy has died down the long range, pressing need for new housing in all the markets where Peab is active will emerge. The demand continues to be high for other building and in the civil engineering market in Sweden. The growing concern for the environment, which is generating investments in the energy sector, and a belief that funding for infrastructure projects in the coming infrastructure bill will increase, give cause for continued optimism regarding the civil engineering market.

All in all, the Group have a good level of orders and, unfortunately, we are forced to turn down certain kinds of projects due to a lack of resources. Orders received and order backlog increased in both Construction Sweden and Civil Engineering while they have decreased



in Construction Abroad. The reduction is the result of greater selectivity regarding tenders submitted as well as a lower demand for new homes. For this reason we feel it is the right time to take the next step in Peab's long-term investment in Norway and Finland by establishing a Nordic civil engineering organisation with the intention to increase our presence in these markets.

The past few years of intense growth in the Nordic construction market has created a lack of resources and steep price increases for building materials. Lower expectations regarding investments in construction can now be noted in the form of better access to labour and stabilised material prices. Because we continuously work on greater efficiency in production while we strive to be the best construction company to work at, we believe Peab has excellent opportunities to continue to develop positively, irrespective of the rate of growth for the industry as a whole.

Mats Paulsson
CEO

NET SALES AND PROFIT

The Group's net sales for the first half of 2008 increased by 13 percent to SEK 16,833 million (14,892). Adjusted for acquired and divested units the increase in net sales amounted to 9 percent. Of the period's net sales, SEK 2,826 million (2,395) relates to sales and production outside Sweden.

Operating profit for the first half of 2008 amounted to SEK 702 million compared with SEK 387 million for the same period the previous year. Last year's operating profit was affected by a competition claim charge of SEK 85 million. Operating profit for the latest rolling 12 month period amounted to SEK 1,576 million, an increase of 25 percent compared with SEK 1,261 million for the whole year 2007.

The period's share in joint ventures and associated companies' profits amounted to SEK 3 million (-2). Capital gains from shares sold in joint ventures was SEK 29 million (0) and refer to the sales of 50 percent of Deamatrix Förvaltning AB.

Net financial items totalled SEK -2 million (-21), of which net interest amounted to SEK -14 million (0). Dividends from Brinova improved net financial items by SEK 32 million (32). The effect of the valuation of financial instruments at fair value affected net financial items by SEK -23 million (-41), of which the effect on profits of the valuation of the Brinova holding at fair value amounted to SEK -21 million (-64). The share holding is reported at market price on the balance sheet date.

Pre-tax profit amounted to SEK 700 million, compared with SEK 366 million for the same period the previous year.

Tax for the period amounted to SEK -181 million (-117), which is equivalent to a tax rate of 26 percent.

Profit for the period amounted to SEK 519 million compared with SEK 286 million for the same period the previous year, which includes SEK 37 million from discontinued operations.

FINANCIAL POSITION

The equity/assets ratio was 21.6 percent per 30 June 2008, compared with 23.5 percent at the end of 2007. Net debt amounted to SEK 702 million compared with net receivables of SEK 587 million at the end of last year. The average interest rate on the loan portfolio as of 30 June 2008 amounted to 5.6 percent (4.3).

The Group's disposable liquid funds including non-utilised credit facilities amounted to SEK 4,730 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 1,273 million compared with SEK 1,477 million per 31 December 2007. Of contingent liabilities, obligations to tenant-owners' cooperatives under construction were SEK 1,232 million compared with SEK 1,430 million at the end of 2007.

INVESTMENTS

During the first half of 2008, net investments in tangible and intangible fixed assets amounted to SEK 218 million (560). A total of SEK 309 million (195) net was invested in project and development properties.

CASH FLOW

Cash flow from current operations before working capital changes amounted to SEK 653 million compared with SEK 656 million for the same period the previous year (including SEK 148 million from discontinued operations). Cash flow from changes in working capital amounted to SEK -1,242 million compared with SEK 328 million (including SEK 17 million from discontinued operations). The worsening is due to capital tied up because of the high level of production, large VAT payments and acquisitions of projects and development properties. Cash flow from investment activities amounted to SEK -571 million compared with SEK -466 million (including SEK -279 million from discontinued operations) for the same period the previous year. 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. Most of the period's investments concern financing partnership project companies.

Cashflow for the period amounted to SEK -456 million compared with SEK -49 million for the same period last year (including SEK 19 million from discontinued operations).

PERSONNEL

At the end of June 2008, the company had 12,404 employees compared with 12,494 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 six months 2008 amounted to SEK 10,804 million, compared with SEK 9,678 million during the same period the previous year, equivalent to an increase of 12 percent. Adjusted for acquired units the increase in net sales amounted to 11 percent.

The operating profit for the period January-June 2008 amounted to SEK 607 million, compared with SEK 450 million during the same period the previous year. Operating margin for the latest rolling 12 month period increased to 5.9 percent compared with 5.4 percent for the whole year 2007.

The improvement in operating profit and margin is in part due to the effect of a cost-effective organisation.

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 six months 2008 amounted to SEK 2,693 million, compared with SEK 2,382 million the same period the previous year, equivalent to an increase of 13 percent. Adjusted for acquired units the increase in net sales amounted to 8 percent.

Operating profit for the period January-June 2008 amounted to SEK 4 million, compared with SEK -16 million the same period the pre-

vious year. Operating margin increased to 0.8 percent during the latest rolling 12 month 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 six months 2008 for Civil Engineering amounted to SEK 4,007 million compared with SEK 3,539 million for the same period the previous year, which corresponds to an increase of 13 percent. Adjusted for acquired units the increase in net sales amounted to 3 percent.

Operating profit for the period amounted to SEK 163 million compared with SEK 108 million for the same period the previous year. Operating margin increased to 4.8 percent for the latest rolling 12 month period compared with 4.4 percent for the whole year 2007. The improvement in operating profit and margin is in part due to the effect of a cost-effective organisation.

Peab's long-term investment in Norway and Finland is now moving into the next stage through the establishment of a Nordic civil engineering organisation with the intention to increase our presence on these markets.

ORDERS RECEIVED AND ORDER BACKLOG

Orders received amounted to SEK 35,260 million for the latest rolling 12 month period compared with SEK 37,529 million for the entire year 2007. Orders received amounted to SEK 17,896 million for the first six months 2008 compared with SEK 20,165 million in the first half of 2007, which correspond to a decrease of 11 percent. The order backlog at the end of the period totalled SEK 27,306 million compared with SEK 26,017 million at the end of the same period last year. Orders received and order backlog increased in Construction Sweden and Civil Engineering but declined in Construction Abroad. Of the total order backlog, 54 percent (47) is expected to be produced after 2008. Construction projects accounted for 73 percent (77) of the order backlog. Swedish operations accounted for 89 percent (78) of the order backlog.

Orders received and order stock

MSEK	30 Jun 2008	30 Jun 2007	31 Dec 2007
Current financial year	12,678	13,697	19,541
Next financial year	10,987	9,781	5,620
Thereafter	3,641	2,539	1,138
Total order backlog	27,306	26,017	26,299
Orders received	17,896	20,165	37,529

Peab's own housing developments construction

	Jan-Jun 2008	Jan-Jun 2007	Jan-Dec 2007
Numbers of housing starts during the period	1,058	1,123	2,011
Numbers of homes sold during the period	1,003	1,154	2,035
Total number of homes under construction, at the end of the period	3,872	4,268	3,843
Share of sold homes under construction, at the end of the period	73%	76%	75%
Number of repurchased tenant-owner homes/shares in Finnish housing companies in the balance sheet at the end of the period	128	39	104

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 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 own housing developments in production at the end of the period was 3,872 compared with 3,843 at the end of last year. The number of sold homes in production was 73 percent compared with 75 percent at the end of 2007. Despite the fact that we note longer or more normal sales times, particularly in foreign operations but also in the Öresund region and West Sweden, Peab has retained high requirements for advance subscription prior to embarking on new projects. The total holding of project and development properties amounted to SEK 3,009 million compared with SEK 2,700 million per 31 December 2007. There were 128 repurchased homes per 30 June 2008, of which 117 pertained to the Finnish housing companies, compared with 96 at the turn of the year.

ADMINISTRATION/MANAGEMENT

Administration/Management comprises the central companies, certain subsidiaries and other holdings. Operating profit for the first half of 2008 amounted to SEK -72 million compared with SEK -155 million for the same period last year. Last year's operating profit was effected by a competition claim charge of SEK -85 million.

THE CONSTRUCTION MARKET

The problems on the American housing market with the ensuing financial turbulence and dampened global growth affects demand on the Nordic construction market as well. Growth is expected to slow in 2008 and 2009. Despite this, a steep climb by 3 percent in 2008 and 2 percent in 2009 in Swedish construction investments are forecasted by The Swedish Construction Federation.

The sign of the weakening economy has been a lower rate of start-ups and longer sales times for new tenant-owned rights and single homes. However, demographic factors indicate a good level of housing investments in the long run when households regain their faith in the economy. To a certain degree the reduction in new production is compensated by a strong demand for reconstruction and maintenance in housing.

There continues to be a surge in private civil engineering investments, primarily in power plants and energy facilities. This is in part due to persistently high energy prices in the sector but also new projects in renewable energy sources. Public infrastructure projects for roads and railways

are also on the rise. The level of future investments will become clear in the infrastructure bill that will be presented in the autumn.

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. The growth in private construction investments is still strong. This is driven by office renovations and reconstruction of space to place the right operations in the right location as well as shopping mall and private arena projects. Private investments in facilities and new industrial plants are expected to recede as the economy slows down.

Construction investments in Norway are expected to drop by 5 percent during 2008 as a result of a lower demand in new housing according to Prognosesentret. A growth of 2 percent is expected during 2009.

The Finnish construction market is expected to grow by 4 percent during 2008 and 1 percent during 2009 according to The Finnish Construction Federation, Rakennusteollisuus (RT).

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 revenue 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.

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.

ACQUISITIONS AFTER THE REPORT PERIOD

Peab has acquired the land developer Berg och Falk AB (BEFAB), which is primarily active in the Östergötland region. BEFAB mainly works with land development, daily operations and maintenance as well as ballast production. The company has around 200 employees and a turnover of approximately SEK 360 million.

IMPORTANT EVENTS AFTER THE REPORT PERIOD

Göte Brännvall, 62, has decided to leave Peab's Executive Management on 1 September 2008. Göte will continue to work in the Group as Senior Advisor.

ACCOUNTING PRINCIPLES

The half-year 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 half year 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.

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 number of shares 1 January 2008	933.3	19,611,404	154,841,302	174,452,706	5,625,000	168,827,706
Conversion convertible promissory notes, April 2008	0.8	—	148,407	148,407	—	148,407
Acquisition of own shares during the period	—	—	—	—	2,485,000	-2,485,000
Share capital and number of shares 30 June 2008	934.1	19,611,404	154,989,709	174,601,113	8,110,000	166,491,113

CONVERSION OF CONVERTIBLES 2005/2008

In June 2005 Peab issued a total of 5,500,000 convertibles to its employees. The last chance to convert Peab's Convertible Promissory Notes 2005/2008 to B shares was during the period 1-15 April 2008. The entire outstanding nominal amount of SEK 3.5 million remaining has been converted to 148,407 new B shares. The number of registered shares in Peab AB after the conversion amounts to 19,611,404 A shares and 154,989,709 B shares or a total of 174,601,113 shares.

CONVERTIBLES ISSUED TO NEW EMPLOYEES

Peab's Annual General Meeting on 15 May 2008 approved the proposal by the board to issue, at the most, 2,000,000 convertibles for a total nominal value of SEK 96 million. The offer to participate in the program was given to personnel in the Group employed after 15 November 2007, or personnel in companies acquired by Peab after 15 November 2007.

HOLDINGS OF OWN SHARES

At the beginning of 2008 Peab's own B share holding was 5,625,000, which corresponds to 3.2 percent of the total number of shares. Peab's Annual General Meeting on 15 May 2008 resolved to authorise the board to, during the period until the next AGM, acquire shares so that the company would have at most 17,400,000 shares in Peab AB. During the report period 2,485,000 B shares, corresponding to 1.4 percent of the total number of shares, have been repurchased for SEK 141 million. As of 30 June 2008, Peab's own B share holding amounted to 8,110,000 B shares, corresponding to 4.6 percent of the total number of shares.

THE PEAB SHARE

Peab's B share is listed on the OMX Nordic Stock Exchange Stockholm, Mid Cap list.

As of 22 August 2008, the price of the Peab share was SEK 41.00, a decline of 39 percent during the period. During the same period, the Swedish stock market declined by 21 percent according to the 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 35.10.

THE PARENT COMPANY

The parent company Peab AB's net sales for the period January-June 2008 amounted to SEK 25 million (29) and mainly consisted of internal Group services. Profit after tax amounted to SEK 556 million (1,320). Profits include dividends of SEK 796 million (1,557) from subsidiaries.

The parent company's assets mainly consist of participations in Group companies amounting to SEK 7,126 million (7,109), shares in Brinova Fastigheter AB worth SEK 456 million (616) and convertible bonds in Peab Industri worth SEK 212 million (-). The assets have been financed from equity of SEK 4,330 million (4,419) and long-term liabilities amounting to SEK 4,014 million (4,661).

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 – September 2008:
25 November 2008
- Year-end Report 2008:
14 February 2009
- Annual report 2008:
April 2009

The Board of Directors and the CEO hereby certify that the interim report for the first half-year 2008 gives a true and fair view of the parent company's and the Group's operations, financial position and profits, as well as describes significant risks and uncertainties that the parent company and the companies within the Group face.

Förslöv, 26 August 2008

*Göran Grosskopf
Chairman*

*Mats Paulsson
CEO,
Board member*

*Annette Brodin Rampe
Board member*

*Karl-Axel Granlund
Board member*

*Svante Paulsson
Board member*

*Lars Sköld
Board member*

*Kent Ericsson
Board member*

*Patrik Svensson
Board member*

*Kim Thomsen
Board member*

REVIEW REPORT

I have reviewed the interim report for the period 1 January - 30 June, 2008, for Peab AB (publ). The Board of Directors and the CEO are responsible for preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. My responsibility is to express a conclusion on this interim report based on my review.

I conducted my review in accordance with the Standard on Review Engagements SÖG 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden (RS) and other generally accepted auditing practices. The procedures performed in a review do not enable me to obtain a level of assurance that would make me aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Based on my review, nothing has come to my attention that causes me to believe that the interim report is not, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act. and for the parent company, in accordance with the Annual Accounts Act.

Förslöv, 26 August 2008

Alf Svensson

Authorised Public Accountant

Condensed income statement for the Group

MSEK	Jan-Jun 2008	Jan-Jun 2007	Apr-Jun 2008	Apr-Jun 2007	Jul-Jun 2007/2008	Jan-Dec 2007
Continuing operations						
Net sales	16,833	14,892	9,203	8,187	33,918	31,977
Production costs	-15,252	-13,519	-8,293	-7,402	-30,782	-29,049
Gross profit	1,581	1,373	910	785	3,136	2,928
Sales and administrative expenses	-914	-899	-479	-502	-1,636	-1,621
Profit from participation in joint ventures/associated companies	3	-2	6	-5	38	33
Capital gains from shares sold in joint ventures	29	0	0	0	35	6
Capital gains from shares sold in Group companies	3	—	3	—	3	0
Competition claim charge	—	-85	—	-85	—	-85
Operating profit	702	387	440	193	1,576	1,261
Net financial items	-2	-21	-15	21	-143	-162
Pre-tax profit	700	366	425	214	1,433	1,099
Tax	-181	-117	-111	-74	-389	-325
Profit for the period from continuing operations	519	249	314	140	1,044	774
Profit from discontinued operations, net after tax	—	37	—	29	—	37
Profit for the period	519	286	314	169	1,044	811
Profit attributable to shareholders in parent company	519	286	314	169	1,044	811
Profit attributable to minority interests	0	0	0	0	0	0
Key ratios						
Earnings per share, SEK	3.09	1.79	1.87	1.06	6.22	4.92
- after dilution	2.96	1.72	1.79	1.01	6.01	4.77
Earnings per share from continuing operations, SEK	3.09	1.56	1.87	0.88	6.22	4.69
- after dilution	2.96	1.50	1.79	0.85	6.01	4.55
Average number of outstanding shares, million	167.9	159.8	167.3	159.9	169.0	165.0
- after dilution	176.8	170.8	176.1	170.8	174.2	171.3
Return on capital employed, %	35.5 ¹⁾	23.1 ¹⁾			35.5	26.6
Return on equity, %	31.0 ¹⁾	32.1 ¹⁾			31.0	23.6

¹⁾ Calculated on rolling 12 months

Condensed balance sheet for the Group

MSEK	30 Jun 2008	30 Jun 2007	31 Dec 2007
Assets			
Intangible assets	527	403	452
Tangible assets	731	558	642
Interest-bearing long-term receivables	360	371	322
Other financial assets	936	957	903
Deferred tax assets	231	442	129
Total fixed assets	2,785	2,731	2,448
Project and development properties	3,009	2,225	2,700
Inventories	117	54	86
Interest-bearing current receivables	464	971	121
Other current receivables	9,470	7,976	8,785
Short-term holdings	201	0	0
Liquid funds	560	870	1,212
Total current assets	13,821	12,096	12,904
Total assets	16,606	14,827	15,352
Equity and liabilities			
Equity	3,580	3,168	3,606
Liabilities			
Interest-bearing long-term liabilities	1,763	662	789
Other long-term liabilities	111	113	123
Deferred tax liabilities	8	—	—
Total long-term liabilities	1,882	775	912
Interest-bearing current liabilities	524	345	279
Other current liabilities	10,620	10,539	10,555
Total current liabilities	11,144	10,884	10,834
Total liabilities	13,026	11,659	11,746
Total equity and liabilities	16,606	14,827	15,352
Key ratios			
Capital Employed	5,867	4,175	4,674
Equity/assets ratio, %	21.6	21.4	23.5
Net assets (+) / Net debt (-)	-702	1,205	587
Equity per share, SEK	21.47	18.58	21.32
- after dilution	23.60	18.61	20.27
Number of outstanding shares at end of period, million	166.5	170.5	168.8
- after dilution	175.3	170.8	177.8

Group's changes in equity

MSEK	30 Jun 2008	30 Jun 2007	31 Dec 2007
Equity attributable to shareholders in parent company			
Opening equity on 1 January	3,600	3,277	3,277
Change in translation reserve for the period	-3	61	94
Change in hedging reserve for the period	-53		-3
Profit for the period	519	286	811
Cash dividend	-377	-280	-280
Distribution of shares in Peab Industri AB ¹⁾		-639	-639
Acquisition of own shares	-141		-129
Conversion convertible promissory notes	4	459	466
Reversed deferred tax on convertible promissory notes which have been converted		3	3
Issued convertible promissory notes	35		
Deferred tax on temporary differences referring to the loan part of convertible promissory notes	-10		
Closing equity	3,574	3,167	3,600
Equity attributable to minority interests			
Opening equity on 1 January	6	1	1
Profit for the period	0	0	0
Acquisition			5
Closing equity	6	1	6
Total closing equity	3,580	3,168	3,606

¹⁾ Of which distribution costs -1

Condensed cash flow statement for the Group

MSEK	Jan-Jun 2008	Jan-Jun 2007	Apr-Jun 2008	Apr-Jun 2007	Jul-Jun 2007/2008	Jan-Dec 2007
Cash flow from current operations before working capital changes	653	656	424	357	1,582	1,585
Cash flow from changes in working capital	-1,242	328	-382	115	-2,325	-755
Cash flow from current operations	-589	984	42	472	-743	830
Acquisition of subsidiaries	-105	-167	-14	-25	-168	-230
Disposal of subsidiaries	2	5	2	—	12	15
Liquid funds, discontinued operations	—	-64	—	-64	—	-64
Acquisition of fixed assets	-543	-298	-458	-115	-859	-614
Sales of fixed assets	75	58	-11	8	1,515	1,498
Cash flow from investment operations	-571	-466	-481	-196	500	605
Cash flow before financing	-1,160	518	-439	276	-243	1,435
Cash flow from financing operations	704	-567	-460	-271	119	-1,152
Cash flow for the period	-456	-49	-899	5	-124	283
Cash at the beginning of the period	1,212	913	1,652	865	870	913
Exchange rate differences in cash	5	6	8	—	15	16
Cash at the end of the period	761	870	761	870	761	1,212

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-Jun 2008	Jan-Jun 2007	Jul-Jun 2007/2008	Jan-Dec 2007	Jan-Jun 2008	Jan-Jun 2007	Jul-Jun 2007/2008	Jan-Dec 2007	Jan-Jun 2008	Jan-Jun 2007	Jul-Jun 2007/2008	Jan-Dec 2007
Construction Sweden	10,804	9,678	21,176	20,050	607	450	1,247	1,090	5.6%	4.6%	5.9%	5.4%
Construction Abroad	2,693	2,382	5,737	5,426	4	-16	44	24	0.2%	-0.7%	0.8%	0.4%
Civil Engineering	4,007	3,539	8,401	7,933	163	108	407	352	4.1%	3.1%	4.8%	4.4%
Admin/Management	44	80	88	124	-72	-155	-122	-205				
Eliminations	-715	-787	-1,484	-1,556								
Group Total	16,833	14,892	33,918	31,977	702	387	1,576	1,261	4.2%	2.6%	4.6%	3.9%

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 continuing operations in the income statement. Comparative figures for previous periods have been restated to show discontinued operations separate from continuing operations.

Peab Industri has been excluded from the balance sheet per 30 June 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	30 Jun 2007 ¹⁾
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 ²⁾	-5
Discontinued assets and liabilities, net	638

¹⁾ Refers to the period until end of April 2007

²⁾ Refers to adjustment of minority participation which is recognised as a joint venture in remaining operations

Profit from discontinued operations

Group MSEK	Jan-Jun 2007	Apr-Jun 2007	Jan-Dec 2007 ¹⁾
Net sales	1,652	494	1,652
Production expenses	-1,495	-423	-1,495
Sales and administrative expenses	-89	-26	-89
Participation in profit of joint ventures	0	0	0
Resultat sålda andelar i koncernföretag	—	—	—
Operating profit	68	45	68
Net financial items	-23	-8	-23
Pre-tax profit	45	37	45
Tax	-12	-10	-12
Profit after tax	33	27	33
Adjustment attributable to minority in jointly owned company ²⁾	4	2	4
Profit from discontinued operations, net	37	29	37

Net cash flow in discontinued operations

MSEK	Jan-Jun 2007	Apr-Jun 2007	Jan-Dec 2007
Cash flow from current operations	165	26	165
Cash flow from investment operations	-278	-103	-278
Cash flow from financing operations	132	75	132
Net cash flow in discontinued operations	19	-2	19

Quarterly data

Group

	Apr-Jun 2008	Jan-Mar 2008	Oct-Dec 2007	Jul-Sep 2007	Apr-Jun 2007	Jan-Mar 2007	Oct-Dec 2006	Jul-Sep 2006	Apr-Jun 2006
MSEK									
Continuing operations									
Net sales	9,203	7,630	9,607	7,478	8,187	6,705	8,077	6,187	6,552
Production costs	-8,293	-6,959	-8,756	-6,774	-7,402	-6,117	-7,392	-5,725	-6,006
Gross profit	910	671	851	704	785	588	685	462	546
Sales and administrative expenses	-479	-435	-416	-306	-502	-397	-368	-289	-441
Profit from participation in joint ventures/associated comp.	6	-3	31	4	-5	3	-6	1	-7
Capital gains from shares sold in joint ventures	0	29	6	—	0	0	11	—	—
Capital gains from shares sold in Group companies	3	—	—	—	—	—	11	0	-3
Competition claim charge	—	—	—	—	-85	—	—	—	—
Operating profit	440	262	472	402	193	194	333	174	95
Net financial items	-15	13	-26	-115	21	-42	162	23	-119
Pre-tax profit	425	275	446	287	214	152	495	197	-24
Tax	-111	-70	-128	-80	-74	-43	-102	-55	9
Profit for the period from continuing operations	314	205	318	207	140	109	393	142	-15
Profit from discontinued operations, net after tax	—	—	—	—	29	8	86	136	130
Profit for the period	314	205	318	207	169	117	479	278	115
Profit attributable to shareholders in parent company	314	205	318	207	169	117	479	278	114
Profit attributable to minority interests	0	0	0	0	0	0	0	0	1
Earnings per share, SEK	1.87	1.22	1.92	1.21	1.06	0.73	2.84	1.64	0.67
– after dilution	1.79	1.17	1.84	1.21	1.01	0.71	2.75	1.54	0.63
Average number of of outstanding shares, million	167.3	168.5	169.6	170.5	159.9	159.8	167.6	169.1	170.0
– after dilution	176.1	177.4	172.7	170.8	170.8	170.8	178.6	180.1	181.0

Business areas

	Apr-Jun 2008	Jan-Mar 2008	Oct-Dec 2007	Jul-Sep 2007	Apr-Jun 2007	Jan-Mar 2007	Oct-Dec 2006	Jul-Sep 2006	Apr-Jun 2006
MSEK									
Net sales									
Construction Sweden	5,908	4,896	5,912	4,460	5,221	4,457	5,445	3,897	4,606
Construction Abroad	1,383	1,310	1,705	1,339	1,315	1,067	1,196	975	864
Civil Engineering	2,291	1,716	2,407	1,987	2,012	1,527	2,082	1,595	1,620
Admin/Management	22	22	17	27	36	44	72	30	27
Eliminations	-401	-314	-434	-335	-397	-390	-342	-267	-400
Total	9,203	7,630	9,607	7,478	8,187	6,705	8,453	6,230	6,717
Operating profit									
Construction Sweden	374	233	334	306	260	190	272	144	162
Construction Abroad	1	3	27	13	-13	-3	23	-11	-11
Civil Engineering	105	58	138	106	68	40	26	63	39
Admin/Management	-40	-32	-27	-23	-122	-33	-35	-30	-41
Total	440	262	472	402	193	194	286	166	149
Order situation									
Orders received	8,432	9,464	9,024	8,340	10,004	10,161	7,172	6,370	7,688
Order backlog at the end of the period	27,306	28,091	26,299	26,891	26,017	24,150	20,642	21,852	21,715

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.

Condensed income statement for the parent company

MSEK	Jan-Jun 2008	Jan-Jun 2007	Apr-Jun 2008	Apr-Jun 2007	Jul-Jun 2007/2008	Jan-Dec 2007
Net sales	25	29	13	16	51	55
Administrative expenses	-69	-84	-40	-49	-154	-169
Competition claim charge	—	-35	—	-35	—	-35
Operating profit	-44	-90	-27	-68	-103	-149
Result from financial investments						
Profit from participation in Group companies	641	1,450	641	1,450	641	1,450
Other financial items	-78	-85	-44	-25	-280	-287
Profit after financial items	519	1,275	570	1,357	258	1,014
Appropriations	—	—	—	—	-1	-1
Pre-tax profit	519	1,275	570	1,357	257	1,013
Tax	37	45	18	26	111	119
Profit for the period	556	1,320	588	1,383	368	1,132

Condensed balance sheet for the parent company

MSEK	30 Jun 2008	30 Jun 2007	31 Dec 2007
Assets			
Fixed assets			
Machinery and equipment	3	3	3
Participations in Group companies	7,126	7,109	7,281
Receivables from Group companies	147	111	612
Other securities held as fixed assets	530	1,270	548
Interest-bearing long-term receivables	187	200	180
Deferred tax	28	—	—
Other long-term receivables	1	1	1
Total fixed assets	8,022	8,694	8,625
Current assets			
Account receivables	0	2	0
Receivables from Group companies	20	26	0
Interest-bearing current receivables	296	915	15
Prepaid tax	4	2	—
Other current receivables	91	117	199
Prepaid expenses and accrued income	3	5	4
Liquid funds	4	11	4
Total current assets	418	1,078	222
Total assets	8,440	9,772	8,847
Equity and liabilities			
Equity	4,330	4,419	4,287
Untaxed reserves	1	—	1
Long-term liabilities			
Liabilities to Group companies	3,452	4,650	3,902
Convertible promissory note	562	11	562
Deferred tax liabilities	—	16	9
Total long-term liabilities	4,014	4,677	4,473
Current liabilities			
Accounts payable	6	13	22
Liabilities to Group companies	3	0	9
Other liabilities	46	643	39
Accrued expenses and deferred income	40	20	16
Total current liabilities	95	676	86
Total equity and liabilities	8,440	9,772	8,847
Pledged assets and contingent liabilities for parent company			
Pledged assets	—	—	—
Contingent liabilities	9,252	8,442	8,783

List of shareholders 31 July 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 with family and companies	2,402,343	3,394,100	5,796,443	3.3	7.8
Stefan Paulsson's estate	2,402,343	3,355,712	5,758,055	3.3	7.8
Swedbank Robur funds		3,611,433	3,611,433	2.1	1.0
Svante Paulsson with family and companies	983,376	1,367,760	2,351,136	1.3	3.2
SEB Investment Management		2,254,260	2,254,260	1.3	0.6
Sara Karlsson with family and companies	1,016,080	696,038	1,712,118	1.0	3.1
Lannebo funds		1,600,000	1,600,000	0.9	0.5
Skandia Liv		1,550,700	1,550,700	0.9	0.4
Foreign owners		28,268,384	28,268,384	16.2	8.1
Others	257,248	59,668,784	59,926,032	34.4	17.7
Number of outstanding shares	19,611,404	146,609,709	166,221,113		
Peab AB		8,380,000	8,380,000	4.8	2.4
Number of registered shares	19,611,404	154,989,709	174,601,113	100.0	100.0

Source: VPC

