



PEAB AB HALF-YEAR REPORT JANUARY–JUNE 2009.

Net sales increased by 2 percent to SEK 17,131 million (16,833). Compared with pro forma including Peab Industri net sales fell by 11 percent

Operating profit amounted to SEK 707 million (702). Operating profit pro forma including Peab Industri for the comparable period amounted to SEK 1,042 million

Profit for the period amounted to SEK 525 million (519). Pro forma including Peab Industri profit for the comparable period amounted to SEK 713 million

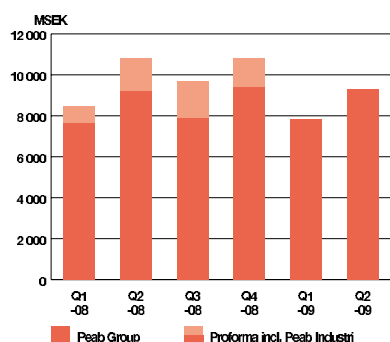
Earnings per share before dilution amounted to SEK 1.85 (3.09). Pro forma including Peab Industri earnings per share before dilution for the comparable period amounted to SEK 2.46

High level of orders received during the second quarter. Order backlog for Construction and Civil Engineering increased to SEK 26,728 million compared with SEK 24,233 million at year-end



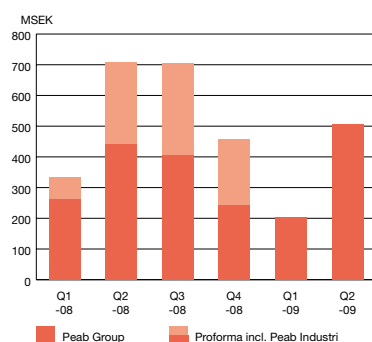
HALF-YEAR REPORT JANUARY - JUNE 2009

Net sales



Group net sales the first half of 2009 amounted to SEK 17,131 million (16,833), which was an increase of 2 percent. Group net sales fell by 11 percent compared with pro forma including Peab Industri for the same period the previous year and adjusted for acquired and divested units net sales fell by 13 percent.

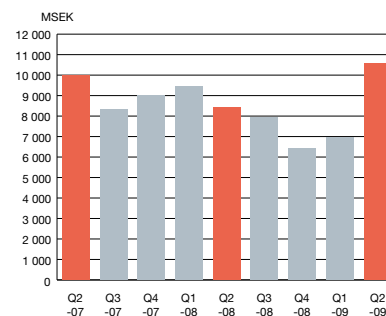
Operating profit



Operating profit the first half of 2009 amounted to SEK 707 million compared with SEK 702 million the same period previous year. Operating profit pro forma including Peab Industri amounted to SEK 1,042 million the same period the previous year.

Construction and Civil Engineering

Orders received per quarter



Orders received the first half of 2009 amounted to SEK 17,500 million compared to SEK 17,896 million for the same period the previous year. Order backlog amounted to SEK 26,728 million compared with SEK 27,306 million per 30 June 2008. As of 31 December 2008 the order backlog amounted to SEK 24,233 million.

Group

MSEK	Jan-Jun 2009	Pro forma Jan-Jun 2008	Pro forma Jul-Jun 2008/2009	Pro forma Jan-Dec 2008	Financial objectives
Net sales	17,131	19,279	37,614	39,762	
Operating profit	707	1,042	1,867	2,202	
Operating margin, %	4.1	5.4	5.0	5.5	
Pre-tax profit	701	970	1,443	1,712	
Profit for the period	525	713	1,536	1,724	
Earnings per share before dilution, SEK	1.85	2.46	5.39	6.10	
Return on equity, %	21.7 ¹⁾			28.6	> 20%
Equity/assets ratio, %	26.1			25.2	> 25%

1) Calculated on rolling 12 months

NEW CONTRACTS DURING THE SECOND QUARTER

We received several major contracts during the second quarter, including:

- Peab has been commissioned to build a new double track railway bypass Surte port north of Gothenburg. The client is Bana Väg i Väst and the contract sum amounts to SEK 175 million.
- Peab has been commissioned to build a care establishment with a medical centre, family and senior housing and offices in central Örebro. The customer is Länsgården Fastigheter AB and the contract amounts to SEK 190 million.
- Peab has been commissioned to build the Swedbank Arena in Solna. Peab received the order from Arenabolaget in Solna and the value of the contract is SEK 2.2 billion. Peab will also construct two bridges over the railroad in Solna as well as build the roads and infrastructure adjoining the Swedbank Arena. Peab received the commission from Råsta Projektutveckling AB and the value of the contract is around SEK 1 billion.
- Peab has been commissioned to build new offices in Solna which Vattenfall Norden will rent. Peab has received the order from Fabege and the value of the contract is SEK 850 million.
- Peab has been commissioned to build a new secondary school in Upplands Väsby. The client is Kungsleden and the contract sum amounts to approximately SEK 400 million.
- Peab has been commissioned to build a new detention building in Helsingborg. The client is Fastighets AB Norrporten and the contract sum amounts to SEK 477 million.
- Peab has been commissioned to build another stage on the North Link in Stockholm. The client is the Swedish Road Administration and the contract sum amounts to SEK 263 million.

COMMENTS BY THE CEO

Nearly a year has passed since it became clear that we were facing a drastic downturn in the economy. During the first half of the year the contours and conditions of the economic crisis have cleared but the market situation is still very challenging. Investors in private construction projects remain indecisive which means that demand continues to be weak. Although it has become easier to find financing it is still a negative factor in new construction projects.

Net sales fell by 11 percent in comparison with net sales pro forma including Peab Industri for the first half-year of 2008. Operating profit contracted to SEK 707 million compared to pro forma including Peab Industri which was SEK 1,042 million in the first half-year of 2008. The drop in net sales and profits is a result of the downturn in the economy leading to lower profits, particularly in housing production.

Orders received during the first half-year amounted to SEK 17.5 billion compared to SEK 17.9 billion in the first half-year of 2008. Major contributions to the high level of orders received are the projects surrounding the new national arena in Solna, worth more than SEK 4 billion, and the inflow of many civil engineering orders. Order backlog increased by 10 percent to SEK 26.7 billion compared with SEK 24.2 billion at the end of 2008.

In May the Swedish Construction Federation forecasted a reduction of 6 percent in the Swedish construction market in 2009. New housing production, which is expected to be half of what it was in 2008, is the single greatest factor affecting the drop in construction investments. We can see a clear shift in apartment building construction trends from flats with tenancy rights to rentals. Municipalities with housing shortages are expressing their interest in rapid start-ups of housing construction to meet the demand.

Housing production to external customers has now normalised after a weak second half of 2008. We believe there will be a strong demand for flats to rent in the future, which is why we participate actively in the development of new such projects. Sales in Peab's own housing developments have gained momentum during the second quarter, on all our markets.

Net sales and profits in our Civil Engineering operations are developing positively driven primarily by the strong market in infrastructure projects and maintenance and repairs. The government's near future investments will now clearly create an increase in public procurements of civil engineering projects.

All in all Peab's development in the first half-year has been strong considering the demanding business climate. We continually work to adjust our organisation and cost structure to the current lower demand. Today's market situation increases the importance of having a solid financial foundation. At the end of June 2009 we had more than SEK 5.2 billion in liquid funds at our disposal, including unutilised long-term credit promises.



We see that the underlying need for investments in construction continues to be substantial in most sectors but the uncertainty surrounding the economic situation and the pinch in financing make it difficult to predict how the market will develop in short term perspective. We always try to work closely together with our customers and actively participate in developing projects. This work method generates new commissions and creates cost efficient cooperation which is a strength in the current market situation.

*Mats Paulsson
CEO and President*

NET SALES AND PROFIT

Group net sales for the first half of 2009 increased by 2 percent to SEK 17,131 million (16,833). SEK 2,057 million (2,826) of the period's net sales was attributable to sales and production outside Sweden. Group net sales decreased by 11 percent pro forma including Peab Industri SEK 19,279 million compared with the same period the previous year and net sales adjusted for acquired and divested units decreased by 13 percent.

Operating profit for the first half of the year amounted to SEK 707 million compared with SEK 702 million for the same period the previous year. Operating profit includes SEK 10 million in revenue stemming from a reduced competitive damages charge in the asphalt cartel case according to the Market Court decision from 28 May 2009. Pro forma including Peab Industri operating profit for the comparable period amounted to SEK 1,042 million. The drop is a result of the downturn in the economy leading to lower profits, particularly in housing production.

Net financial items amounted to SEK -6 million (-2), of which net interest expense amounted to SEK -85 million (-14). Pro forma including Peab Industri net financial items for the comparable period amounted to SEK -72 million, of which net interest expense amounted to SEK -85 million. Dividends from Brinova improved net financial items by SEK 15 million (32). The effect of valuing financial instruments at fair value affected net financial items by SEK 72 million (-23), of which the income effect of valuing the Brinova holding at fair value amounted to SEK 66 million (-21). The shareholding is reported at market price on the balance sheet date.

Pre-tax profit amounted to SEK 701 million, compared with SEK 700 million for the same period the previous year. Pro forma including Peab Industri pre-tax profit for the comparable period was SEK 970 million.

Tax for the period amounted to SEK -176 million (-181), which is equivalent to a tax rate of 25 percent.

Profit for the period amounted to SEK 525 million (519). Profit pro forma including Peab Industri for the comparable period was SEK 713 million.

FINANCIAL POSITION

The equity/assets ratio on 30 June 2009 was 26.1 percent, compared with 25.2 percent at year-end. Interest-bearing net debt amounted to SEK 5,267 million compared to SEK 4,042 million at year-end. The deterioration is primarily due to negative cash flow before financing and dividends distributed during the second quarter. The average interest rate in the loan portfolio on 30 June 2009 amounted to 2.4 percent (5.6).

Group liquid funds, including non-utilised credit facilities, amounted to SEK 5,178 million at the end of the period, compared with SEK 6,165 million on 31 December 2008.

At the end of the period, Group contingent liabilities, excluding joint and several liability in trading and limited partnerships, amounted to SEK 2,017 million compared with SEK 1,885 million on 31 December 2008. Of contingent liabilities, obligations to tenant-owners' associations under construction amounted to SEK 1,583 million compared with SEK 1,507 million at year-end.

INVESTMENTS

During the first half of 2009, net investments in tangible and intangible

fixed assets amounted to SEK 384 million (218). In total SEK 467 million (309) was invested in project and development properties.

CASH FLOW

Peab Industri is not included in the comparable periods Jan-June 2008 and Jan-Dec 2008. Cash flow from current operations before changes in working capital amounted to SEK 772 million compared with SEK 653 million for the same period the previous year. Cash flow from changes in working capital amounted to SEK -984 million compared with SEK -1,242 million the first half of last year. We seasonally tie up more working capital during the first half of the year. In addition SEK 400 million (270) was invested in project and development properties.

Cash flow from investment activities amounted to SEK -314 million compared with SEK -571 million the same period last year. Replacement investments in machines in Industry operations amounted to SEK 170 million. During the first half-year of 2008 corresponding investments were SEK 420 million, which are not included in the comparable item in cash flow. Included in investment activities are also investments of SEK 250 million to develop apartment buildings with flats for rent. When project and development properties are acquired through company acquisitions they are charged to cash flow from investment activities in the same way as acquisitions of subsidiaries.

Cash flow before financing amounted to SEK -526 million compared with SEK -1,160 million for the same period the previous year.

PERSONNEL

At the end of June 2009, the company had 13,523 employees compared with 12,404 at the same time the previous year. Including Peab Industri, the company had 14,857 employees on 30 June 2008.

COMMENTS ON THE BUSINESS AREAS

CONSTRUCTION

Business area Construction comprises the Group's construction related services in Sweden, Norway and Finland.

Net sales for the first half of 2009 amounted to SEK 11,371 million, compared with SEK 13,497 million for the same period the previous year, which corresponds to a decrease of 16 percent. Net sales adjusted for acquired units decreased by 17 percent. The reduction in net sales percentage wise is significantly larger in operations outside of Sweden. This is the result of a conscious downsizing of the order backlog in Norway and Finland.

Operating profit for the period amounted to SEK 442 million, compared with SEK 611 million during the same period the previous year. Operating margin sank to 3.9 percent compared with 4.5 percent for the same period the previous year. Operating margin for the latest rolling 12-month period was 3.7 percent, compared with 4.1 percent for the full year 2008. The reduction in operating profit and the operating margin is attributable to both Swedish and foreign operations and is primarily due to a weak housing market.

CIVIL ENGINEERING

Business area Civil Engineering consists of civil engineering related business.

Net sales for the first half of 2009 amounted to SEK 4,284 million

compared with SEK 4,007 million for the same period the previous year, which corresponds to an increase of 7 percent. Adjusted for acquired units the increase in net sales amounted to 2 percent.

Operating profit for the period amounted to SEK 197 million compared with SEK 163 million for the same period the previous year. Operating margin increased to 4.6 percent compared with 4.1 percent for the same period the previous year. For the latest rolling 12 month period operating margin amounted to 5.0 percent, compared with 4.8 percent for the full year 2008.

INDUSTRY

Business area Industry is made up of the three complementary units; Machines, Products and Services. All of them focus on the Nordic construction and civil engineering markets.

Net sales for the first half of 2009 amounted to SEK 3,339 million compared with SEK 3,839 million the same period the previous year, which corresponds to a decrease of 13 percent. Net sales adjusted for acquired and disposed units decreased by 15 percent.

Operating profit amounted to SEK 182 million compared with SEK 341 million the same period previous year. Operating margin sank to 5.5 percent compared with 8.9 percent for the same period the previous year. For the latest rolling 12 month period operating margin amounted to 8.6 percent, compared with 10.0 percent for the entire year 2008. The reduction in operating profit and operating margin is attributable to lower volumes due to a more severe winter in 2009 and the deteriorated conditions on the market for private construction investments.

ORDERS RECEIVED AND ORDER BACKLOG CONSTRUCTION AND CIVIL ENGINEERING

Orders received for the first half of 2009 amounted to SEK 17,500 million compared to SEK 17,896 million for the same period last year. Included in orders received are the new projects in Solna, which are worth more than SEK 4 billion with the new national arena for football at the heart of the projects worth SEK 2.2 billion. This is the single largest order Peab has ever received.

The order backlog still to be produced at the end of the period totalled SEK 26,728 million compared with SEK 24,233 million at year-end. At the end of the first half of the previous year the order backlog was SEK 27,306 million. The order backlog has contracted in the business area Construction in both Sweden and abroad while there has been growth in Civil Engineering.

Of the total order backlog, 53 percent (54) is expected to be produced after 2009. Construction projects accounted for 70 percent (73) of the order backlog. Swedish operations accounted for 90 percent (89) of the order backlog.

No orders received or order backlog is given for the business area Industry.

Peab's own housing developments construction

	Jan-Jun 2009	Jan-Jun 2008	Jan-Dec 2008
Number of housing starts during the period	337	1,058	1,496
Number of homes sold during the period	457	1,003	1,282
Total number of homes under construction, at the end of the period	2,906	3,872	3,612
Share of sold homes under construction, at the end of the period	73%	73%	68%
Number of repurchased tenant-owner rights/shares in Finnish housing companies in the balance sheet at the end of the period	206	128	181

Order backlog and orders received

Construction and Civil Engineering

MSEK	30 Jun 2009	30 Jun 2008	31 Dec 2008
Current financial year	12,523	12,678	18,445
Next financial year	9,384	10,987	4,493
Thereafter	4,821	3,641	1,295
Total order backlog	26,728	27,306	24,233
Orders received	17,500	17,896	32,269

HOUSING PRODUCTION

Peab also works with its own housing development production, i.e. tenant-owner housing and single homes sold directly to the end customer, as part of our contracting business. New production of Peab's own housing developments made up 8 percent of net sales for the latest 12 month rolling period (including Peab Industri) compared with 10 percent for the whole year 2008.

The number of sold homes in production at the end of the period was 2,906 compared with 3,612 at the end of the year. Compared with the corresponding period for the previous year production start-ups of our own housing developments are on a low level. However, we note an improvement in the second quarter. The portion of sold homes in production was 73 percent compared with 68 percent at the end of 2008. Since our housing production is focused on homes at reasonable prices we have not seen any reason to lower the prices of ongoing housing projects. The dramatically lower interest rates have led to better sales during the second quarter. The number of sold homes during the period was 457 compared with 1,003 for the corresponding period in 2008.

We can see a clear shift in the trend from flats with tenancy rights to rentals and we work actively together with several municipalities to find solutions to the acute housing shortages in many parts of Sweden. Housing production for external customers has now normalised after a weak second half of 2008. We believe there will be a strong demand for flats to rent in the future, which is why we participate actively in the development of new such projects. We have invested SEK 250 million in the development of apartment buildings with flats for rent during the period. These projects are not included in our own housing developments in production reported above. Peab's long-term strategy is not to own and run completed real estate projects.

The total holding of project and development properties at the end of the period amounted to SEK 4,081 million compared with SEK 3,614 million per 31 December 2008. The number of repurchased homes on June 30, 2009 was 206, of which 174 are attributable to Finnish housing companies, compared with 173 at year-end.

THE CONSTRUCTION MARKET

The drastic decline in the construction market during the second half of 2008 has been followed by a persistent weak economy in 2009. The downturn in the economy is abetted by a credit market that is not able to provide financing to investors, which leads postponed projects. After several years of strong growth the Swedish Construction Federation has forecasted a decline in the Swedish construction market by 6 percent in 2009.

The willingness of families to invest in a new home is clearly affected by labour market conditions and the banks' tighter rein on credit. Drastically reduced credit rates have, however, had a positive effect on sales in ongoing projects. Demographic factors such as housing shortages in growth regions and large numbers of youths point to substantial construction investment levels when the labour market stabilises again and confidence in the economy returns. To a certain extent the reduction in new production is compensated by good demand for housing renovation and maintenance.

The government's investments in infrastructure are generating good growth in public civil engineering construction. The Budget Bill investments for the near future provide an additional SEK 5 billion annually during 2009-2010, which has led to a number of new projects. The Infrastructure Bill for 2010-2021 proposes significantly higher appropriations than in previous infrastructure plans. Private civil engineering investments are expected to continue to grow, particularly in power and energy plants. This is in part due to the general belief in continued high energy prices as well as investments in renewable energy sources.

A major need for new and refurbished public premises is expected to contribute to positive developments in the construction of public buildings. Private investments in buildings are expected to slow during 2009 as the economy continues to worsen and household consumption contracts. Investments in new industrial facilities are also expected to be low.

According to Byggenaeringens Landsforening, construction and civil engineering investments in Norway are believed to have grown by 6 percent in 2008. A reduction of 8 percent is expected in 2009.

The construction and civil engineering markets in Finland were unchanged in 2008 and will contract by 13 percent in 2009, according to Finlands Byggingndustrier, 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 on its projects. The application of the percentage of completion method depends on reliable forecasting. Well developed monitoring and system support for monitoring and forecasting in 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, subcontractors 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 hikes deteriorate

profits because the company can not demand compensation from customers for them.

Customers, suppliers and subcontractors can find it difficult to get financing as a result of the weak economy and the turbulence on the financial market. This in turn can lead them to delay planned investments and make it difficult to meet existing obligations.

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 2008 Annual Report.

FOLLOW THROUGH ON THE PUBLIC OFFER TO THE SHAREHOLDERS OF ANNEHEM FASTIGHETER

Peab AB made a public offer on 17 April 2009 to the shareholders of Annehem Fastigheter AB (publ) to transfer all shares in Annehem Fastigheter to Peab. The period of acceptance was from 18 May to 18 June 2009. At the end of the period of acceptance shareholders representing to 97.8 percent of the votes and capital (including Peab's previous holding) had been tendered to the offer. Peab followed through on the offer and extended the period of acceptance to 19 August 2009. At the end of the period of acceptance Peab's holding amounted to 99.6 percent of the votes and capital in Annehem Fastigheter. Peab intends to call for a compulsory redemption of the remaining shares. The Annehem Fastigheter share was taken off NASDAQ OMX First North on 31 July 2009.

On 14 May 2009 Peab's Annual General Meeting gave the Board authorisation to, for the period until the next Annual General Meeting, transfer, at the most, all own shares the company holds at any particular time. Based on this authorisation Peab's Board has on 24 June 2009 decided to transfer 7,762,296 B shares to the shareholders in Annehem Fastigheter which have accepted the offer and as payment chosen to receive shares in Peab. The transfer was carried out on 1 July 2009. On 24 August 2009 Peab's Board resolved to transfer a further 148,284 B shares to those shareholders in Annehem who had accepted the offer during the extension and chosen shares as payment.

BACKGROUND AND MOTIVE FOR THE OFFER

Annehem Fastigheter develops projects and real estate in the Öresund Region, one of Northern Europe's most dynamic and fastest growing regions. One of the ongoing projects that has drawn a great deal of attention is Point Hyllie, which is connected to the City Tunnel and Hyllie Station and will become a central hub in the new district of Malmö. In February 2009 Annehem Fastigheter received the building permit to start on the first phase of construction consisting of offices and stores.

It is Peab's belief that Annehem Fastigheter's project portfolio has potential and the company's development projects fit well in strategically with Peab's structure. Peab has both the competence as well as the financial strength to develop and move the various projects ahead.

Along with the development projects Annehem Fastigheter has built up a portfolio of development real estate in Skåne. The properties,

which will be developed to their full potential and then sold, are housing and commercial building mainly located in central Landskrona.

CHANGES IN EXECUTIVE MANAGEMENT

The construction market has changed rapidly since the autumn of 2008. Peab has made adjustments in executive management in order to take the initiative in the new situation. Mats Paulsson, the President and CEO of Peab has appointed Jan Johansson as Vice President. This appointment will allow Mats Paulsson to focus more on overriding strategic matters, while Jan Johansson will be responsible for Peab's operations. Tore Hallersbo has been made Deputy CEO and a member of executive management responsible for Business Development. Tore has worked at Peab since 2005, is 54 years old and was previously Operational Manager of Peab's construction Division West.

Peab's executive management now consists of the following members;

Mats Paulsson, President and CEO

Jan Johansson, Vice President

Mats Johansson, Human Resources and communication

Jesper Göransson, Group Accounting/Finance

Tore Hallersbo, Business Development

In connection with this an executive management advisory board has been created aimed at raising the preparedness for future markets and at the same time increase focus on our current undertakings.

Peab's executive management advisory board and its division of responsibility;

Anders Elfner, large construction projects such as Arena City in Solna

Mats Leifland, IR, investments and structural business

Niclas Winkvist, acquisitions and business support.

IMPORTANT EVENTS DURING THE REPORT PERIOD

The Market Court decision in the asphalt cartel case was handed down on 28 May 2009 and it reduced the competitive damages charge Peab must pay by SEK 10 million to a total of SEK 75 million which was booked during the second quarter. The previous decision made by the court of Stockholm required Peab to pay SEK 85 million in competitive damages, which charged Group profit in 2007. The Market Court is the highest authority in this case and the judgement cannot be appealed.

ACCOUNTING PRINCIPALS

The half-year report for 2009 has been prepared in accordance with the IFRS standards adopted by EU and the IFRIC interpretations of the current standards adopted by EU. This report has been prepared in accordance with IAS 34, Interim Financial Reporting.

IASB has issued new and revised standards that are applicable from 1 January 2009. IAS 1, Presentation of financial statements, has been revised. The change entails that certain items that were previously recognised direct in equity are now reported as other comprehensive profit. Peab has chosen to present the Group's total profit in two reports, an income statement and a comprehensive statement. Changes in equity now only refer to transactions with owners. IFRS 8, Operating segments, replaces IAS 14, Segment Presentation. This standard entails that segment information is presented from management's perspective. Peab's segment information is already presented on the same basis as that used for internal reporting to the highest decision-making officer, which means that there will not be any changes in the current segment division as a result of the new standard.

Parent company reports have been prepared in accordance with the Swedish Company Accounts Act and RFR 2.2, Reporting of Legal Entities.

The half-year report has otherwise prepared in accordance with the same accounting principles and assumptions that were described in the Annual Report 2008.

From 15 December 2008 and until the end of February 2009 Peab has progressively acquired 98.1 percent of the capital in Peab Industri AB. Peab Industri has been consolidated into the Peab Group balance sheet from 31 December 2008. Since the acquisition took place so late in 2008 and only a few weekdays remained, Peab Industri has not been integrated into the Group income statement for 2008. In the pro forma income statements for 2008 Peab Industri is included as if Peab had owned Peab Industri 100 percent during the year. For further information, please see Pro forma reporting on page 12.

INCREASE IN SHARE CAPITAL AND NUMBER OF SHARES

As a result of the acquisition of Peab Industri new shares have been issued in kind in Peab AB (publ) from December 2008 to February 2009. The increase in the number of shares and votes in Peab AB after the issues in kind in February 2009 was 5,019,237 B shares representing 5,019,237 votes. The sum of the new issue was SEK 133 million.

The total number of registered shares and votes in Peab AB after the issue in kind in February 2009 is 296,049,730 shares representing 604,929,343 votes, of which 34,319,957 A shares representing 343,199,570 votes and 261,729,773 B shares representing 261,729,773 votes.

HOLDINGS OF OWN SHARES

At the beginning of 2009 Peab's own B share holding was 12,376,800 which corresponds to 4.3 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 number of shares 1 January 2009	1,557.0	34,319,957	256,710,536	291,030,493	12,376,800	278,653,693
New share issue in kind	26.9	–	5,019,237	5,019,237	–	5,019,237
Acquisition of own shares during the period	–	–	–	–	440,000	-440,000
Share capital and number of shares 30 June 2009	1,583.9	34,319,957	261,729,773	296,049,730	12,816,800	283,232,930

Peab's Annual General Meeting on 15 May 2008 resolved to authorise the Board to, during the period until the next Annual General Meeting, acquire shares so that the company would have at most 10 percent of the total shares in Peab AB. During the period 440,000 B shares have been repurchased. As of 30 June 2009, Peab's own B share holding amounted to 12,816,800 B shares, corresponding to 4.3 percent of the total number of shares.

In connection with the acquisition of Annehem Fastigheter on 1 July 2009 7,762,296 of Peab's own B shares were sold. On 1 September, after the period acceptance extension which ended on 19 August 2009, a further 148,284 B- shares will be transferred. Peab's holding of own shares is hereafter 4,906,220 B shares, corresponding to 1.7 percent of the total number of shares.

THE PEAB SHARE

Peab's B share is listed on the NASDAQ OMX Stockholm, Mid Cap list. As of 21 August 2009, the price of the Peab share was SEK 42.20, an increase of 95 percent during 2009. During the same period, the Swedish stock market increased by 38 percent according to the business magazines "Affärsvärlden" general index. During 2009, the Peab share has been quoted at a maximum of SEK 43.00 and a minimum of SEK 20.20.

PARENT COMPANY

The parent company Peab AB's net sales for the first half of 2009 amounted to SEK 48 million (25) and mainly consisted of internal Group services. Profit after tax amounted to SEK 355 million (556).

The parent company's assets mainly consist of participations in Group companies amounting to SEK 11,356 million (7,126), shares in Brinova Fastigheter AB worth SEK 241 million (456) and convertible bonds in Peab Industri worth SEK 573 million (212). The assets have been financed from equity of SEK 6,182 million (4,330) and long-term liabilities amounting to SEK 6,379 million (4,014).

The parent company's liquid assets amounted to SEK 2 million (4) 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 2009 25 November 2009
- Annual account 2009 17 February 2010
- Annual Report 2009 April 2010

The Board of Directors and the CEO hereby certify that the interim report for the first half-year 2009 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.

Förlöv, 25 August 2009

*Göran Grosskopf
Chairman*

*Mats Paulsson
CEO,
Board member*

*Annette Brodin Rampe
Board member*

*Karl-Axel Granlund
Board member*

*Svante Paulsson
Styrelseledamot*

*Fredrik Paulsson
Board member*

*Lars Sköld
Board member*

*Kent Ericsson
Board member*

*Patrik Svensson
Board member*

*Kim Thomsen
Board member*

REVIEW REPORT

We have reviewed the interim report for the period 1 January - 30 June, 2009, 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. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our 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 us to obtain a level of assurance that would make us 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 our review, nothing has come to our attention that causes us 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, 25 August 2009

*Alf Svensson
Authorised Public
Accountant*

*Thomas Thiel
Authorised Public
Accountant*

Condensed income statement for the Group

MSEK	Jan-Jun 2009	Jan-Jun 2008	Jul-Jun 2008/2009	Jan-Dec 2008	Pro forma Jan-Dec 2008
Net sales	17,131	16,833	34,430	34,132	39,762
Production costs	-15,359	-15,252	-31,136	-31,029	-35,477
Gross profit	1,772	1,581	3,294	3,103	4,285
Sales and administrative expenses	-1,133	-914	-1,992	-1,773	-2,104
Profit from participation in joint ventures/associated companies	13	3	4	-6	-4
Other operating income	55	32	48	25	25
Operating profit	707	702	1,354	1,349	2,202
Net financial items	-6	-2	-339	-335	-490
Pre-tax profit	701	700	1,015	1,014	1,712
Tax	-176	-181	84	79	12
Profit for the period	525	519	1,099	1,093	1,724
Profit for the period, attributable to:					
Shareholders in parent company	523	519	1,097	1,093	1,724
Minority interests	2	0	2	0	0
Profit for the period	525	519	1,099	1,093	1,724
Key ratios					
Earnings per share, SEK	1.85	3.09	4.91	6.56	6.10
- after dilution	1.87	2.96	4.97	6.45	6.05
Average number of outstanding shares, million	282.2	167.9	223.3	166.6	282.7
- after dilution	291.0	176.8	232.1	175.5	291.6
Return on capital employed, %	16.1 ¹⁾	35.5 ¹⁾	16.1	17.3	22.0
Return on equity, %	21.7 ¹⁾	31.0 ¹⁾	21.7	21.9	28.6

¹⁾ Calculated on rolling 12 months

Condensed comprehensive income statement for the Group

MSEK	Jan-Jun 2009	Jan-Jun 2008	Jul-Jun 2008/2009	Jan-Dec 2008
Profit for the period	525	519	1,099	1,093
Other comprehensive income				
Period change in translation reserve	97	-3	173	73
Hedging of currency risk in foreign operations	-54		-54	
Cash flow hedging	146	-73	-8	-227
Tax attributable to other comprehensive income	-26	20	17	63
Other comprehensive income for the period	163	-56	128	-91
Total comprehensive income for the period	688	463	1,227	1,002
Total comprehensive income for the period, attributable to:				
Shareholders in parent company	685	463	1,224	1,002
Minority interests	3	0	3	0
Total comprehensive income for the period	688	463	1,227	1,002

Condensed balance sheet for the Group

MSEK	30 Jun 2009	30 Jun 2008	31 Dec 2008
Assets			
Intangible assets	2,181	527	2,112
Tangible assets	4,284	731	4,335
Interest-bearing long-term receivables	348	360	453
Other financial fixed assets	983	936	697
Deferred tax assets	621	231	595
Total fixed assets	8,417	2,785	8,192
Project and development properties	4,081	3,009	3,614
Inventories	522	117	528
Interest-bearing current receivables	323	464	329
Other current receivables	10,505	9,470	11,038
Short-term holdings	904	201	1,007
Liquid funds	475	560	984
Total current assets	16,810	13,821	17,500
Total assets	25,227	16,606	25,692
Equity and liabilities			
Equity	6,576	3,580	6,462
Liabilities			
Interest-bearing long-term liabilities	5,178	1,763	5,580
Other long-term liabilities	300	111	317
Deferred tax liabilities	-	8	-
Total long-term liabilities	5,478	1,882	5,897
Interest-bearing current liabilities	2,139	524	1,235
Other current liabilities	11,034	10,620	12,098
Total current liabilities	13,173	11,144	13,333
Total liabilities	18,651	13,026	19,230
Total equity and liabilities	25,227	16,606	25,692
Key ratios			
Capital employed	13,893	5,867	13,277
Equity/assets ratio, %	26.1	21.6	25.2
Net debt	5,267	702	4,042
Equity per share, SEK	23.09	21.47	22.86
- after dilution	24.34	23.60	24.13
Number of outstanding shares at the end of the period, million	283.2	166.5	278.7
- after dilution	292.0	175.3	287.5

Condensed statement of changes in Group's equity

MSEK	30 Jun 2009	30 Jun 2008	31 Dec 2008
Equity attributable to shareholders in parent company			
Opening equity on 1 January	6,370	3,600	3,600
Total comprehensive income for the period	685	463	1,002
Cash dividend	-637	-377	-377
Acquisition of own shares	-11	-141	-282
Disposal of own shares			12
New share issue	133		2,386
Conversion convertible promissory notes		4	4
Issued convertible promissory notes		35	35
Deferred tax on temporary differences referring to the loan part of convertible promissory notes		-10	-10
Closing equity	6,540	3,574	6,370
Equity attributable to minority interests			
Opening equity on 1 January	92	6	6
Total comprehensive income for the period	3	0	0
Acquisition of minority shares	-59		87
Disposal of minority shares			-1
Closing equity	36	6	92
Total closing equity	6,576	3,580	6,462

Condensed cash flow statement for the Group

MSEK	Jan-Jun 2009	Jan-Jun 2008	Jul-Jun 2008/2009	Jan-Dec 2008
Cash flow from current operations before changes in working capital	772	653	1,263	1,144
Cash flow from changes in working capital	-984	-1,242	-1,183	-1,441
Cash flow from current operations	-212	-589	80	-297
Acquisition of subsidiaries	-42	-105	-389	-452
Disposal of subsidiaries	-14	2	-4	12
Acquisition of fixed assets	-490	-543	-569	-622
Sales of fixed assets	232	75	252	95
Cash flow from investment operations	-314	-571	-710	-967
Cash flow before financing	-526	-1,160	-630	-1,264
Cash flow from financing operations	-109	704	1,206	2,019
Cash flow for the period	-635	-456	576	755
Cash at the beginning of the period	1,991	1,212	761	1,212
Exchange rate differences in cash	23	5	42	24
Cash at the end of the period	1,379	761	1,379	1,991

Net sales and operating profit per business area

MSEK	Net sales				Operating profit				Operating margin			
	Jan-Jun 2009	Jan-Jun 2008	Jul-Jun 2008/2009	Jan-Dec 2008	Jan-Jun 2009	Jan-Jun 2008	Jul-Jun 2008/2009	Jan-Dec 2008	Jan-Jun 2009	Jan-Jun 2008	Jul-Jun 2008/2009	Jan-Dec 2008
Construction	11,371	13,497	24,367	26,493	442	611	906	1,075	3.9%	4.5%	3.7%	4.1%
Civil Engineering	4,284	4,007	9,409	9,132	197	163	468	434	4.6%	4.1%	5.0%	4.8%
Industry	3,339	3,839	8,081	8,581	182	341	696	855	5.5%	8.9%	8.6%	10.0%
Group functions	81	44	138	101	-114	-72	-202	-160				
Eliminations	-1,944	-2,108	-4,381	-4,545		-1	-1	-2				
Total	17,131	19,279	37,614	39,762	707	1,042	1,867	2,202	4.1%	5.4%	5.0%	5.5%
Total excl. Industry	-	16,833	-	34,132	-	702	-	1,349	-	4.2%	-	4.0%

PRO FORMA REPORTING

From 15 December 2008 and until the end of February 2009 Peab progressively acquired 98.1 percent of the capital and 99.1 percent of the votes in Peab Industri AB.

The acquisition was carried out through an exchange of shares where two shares in Peab Industri generated three newly issued shares in Peab AB. Compulsory redemption of the remaining outstanding shares has been requested.

Operations in Peab Industri, which are focused on the Nordic construction and civil engineering markets, are run in the three operational units Machines, Products and Services. Most of net sales in the Peab Industri Group are generated on the Swedish market where Peab Industri operates nationwide with strong local ties. The company also operates in Norway and Finland.

Net sales in 2008 were SEK 8.5 billion and the Group has around 2,700 employees.

Peab Industri has not been integrated into the income statement for 2008 since only a few weekdays remained of the fiscal year after acquisition. If the acquisition had taken place on 1 January 2008 the Group's income would have been SEK 39,762 million and profit for the year SEK 1,724 million, according to the pro forma accounts drawn up.

The pro forma income statement below has been prepared to illustrate what comparable figures for January to June 2008 and for the whole year 2008 would have looked like for the Peab Group if Peab had owned Peab Industri 100 percent in 2008.

Pro forma Reporting

MSEK	Jan-Jun 2009	Pro forma Jan-Jun 2008	Pro forma Jul-Jun 2008/2009	Pro forma Jan-Dec 2008
Net sales	17,131	19,279	37,614	39,762
Production costs	-15,359	-17,162	-33,674	-35,477
Gross profit	1,772	2,117	3,940	4,285
Sales and administrative expenses	-1,133	-1,110	-2,127	-2,104
Profit from participation in joint ventures/associated companies	13	3	6	-4
Other operating income	55	32	48	25
Operating profit	707	1,042	1,867	2,202
Net financial items	-6	-72	-424	-490
Pre-tax profit	701	970	1,443	1,712
Tax	-176	-257	93	12
Profit for the period	525	713	1,536	1,724
Profit for the period, attributable to:				
Shareholders in parent company	523	713	1,534	1,724
Minority interests	2	0	2	0
Profit for the period	525	713	1,536	1,724
Key ratios				
Earnings per share, SEK	1.85	2.46	5.39	6.10
- after dilution	1.87	2.40	5.35	6.05
Average number of outstanding shares, million	282.2	289.3	284.7	282.7
- after dilution	291.0	298.2	293.5	291.6

Quarterly data

Group

MSEK	Apr-Jun 2009	Jan-Mar 2009	Oct-Dec 2008	Jul-Sep 2008	Apr-Jun 2008	Jan-Mar 2008	Oct-Dec 2007	Jul-Sep 2007	Apr-Jun 2007
Continuing operations									
Net sales	9,287	7,844	9,408	7,891	9,203	7,630	9,607	7,478	8,187
Production costs	-8,224	-7,135	-8,638	-7,139	-8,293	-6,959	-8,756	-6,774	-7,402
Gross profit	1,063	709	770	752	910	671	851	704	785
Sales and administrative expenses	-597	-536	-514	-345	-479	-435	-416	-306	-502
Profit from participation in joint ventures/associated companies	14	-1	-6	-3	6	-3	31	4	-5
Other operating income	15	30	-7	0	3	29	6	0	0
Competition damage charge	10	-	-	-	-	-	-	-	-85
Operating profit	505	202	243	404	440	262	472	402	193
Net financial items	13	-19	-208	-125	-15	13	-26	-115	21
Pre-tax profit	518	183	35	279	425	275	446	287	214
Tax	-129	-47	329	-69	-111	-70	-128	-80	-74
Profit for the period from continuing operations	389	136	364	210	314	205	318	207	140
Profit from discontinued operations, net after tax	-	-	-	-	-	-	-	-	29
Profit for the period	389	136	364	210	314	205	318	207	169
Profit for the period, attributable to:									
Shareholders in parent company	388	135	364	210	314	205	318	207	169
Minority interests	1	1	0	0	0	0	0	0	0
Key ratios									
Earnings per share, SEK	1.37	0.48	2.20	1.27	1.87	1.22	1.92	1.21	1.06
- after dilution	1.37	0.50	2.28	1.21	1.79	1.17	1.84	1.21	1.01
Average number of outstanding shares, million	282.2	281.1	166.6	165.9	167.3	168.5	169.6	170.5	159.9
- after dilution	292.0	289.9	175.5	174.7	176.1	177.4	172.7	170.8	170.8

Business areas

MSEK	Apr-Jun 2009	Jan-Mar 2009	Oct-Dec 2008	Jul-Sep 2008	Apr-Jun 2008	Jan-Mar 2008	Oct-Dec 2007	Jul-Sep 2007	Apr-Jun 2007
Net sales									
Construction	5,881	5,490	7,066	5,930	7,291	6,206	7,617	5,799	6,536
Civil Engineering	2,373	1,911	2,803	2,322	2,291	1,716	2,407	1,987	2,012
Industry	2,041	1,298	2,211	2,531	2,410	1,429	-	-	-
Group functions	42	39	39	18	22	22	17	27	36
Eliminations	-1,050	-894	-1,315	-1,122	-1,219	-889	-434	-335	-397
Total	9,287	7,844	10,804	9,679	10,795	8,484	-	-	-
Total excluding Industry	-	-	9,408	7,891	9,203	7,630	9,607	7,478	8,187
Operating profit									
Construction	295	147	138	326	375	236	361	319	247
Civil Engineering	129	68	144	127	105	58	138	106	68
Industry	150	32	214	300	270	71	-	-	-
Group functions	-69	-45	-39	-49	-40	-32	-27	-23	-122
Eliminations	-	-	-1	0	-2	1	-	-	-
Total	505	202	456	704	708	334	-	-	-
Total excluding Industry	-	-	243	404	440	262	472	402	193
Order situation									
Orders received	10,551	6,949	6,420	7,953	8,432	9,464	9,024	8,340	10,004
Order backlog at the end of the period	26,728	24,079	24,233	27,307	27,306	28,091	26,299	26,891	26,017

Condensed income statement for the parent company

MSEK	Jan-Jun 2009	Jan-Jun 2008	Jul-Jun 2008/2009	Jan-Dec 2008
Net sales	48	25	76	53
Administrative expenses	-94	-69	-183	-158
Operating profit	-46	-44	-107	-105
Result from financial investments				
Profit from participation in Group companies	378	641	8	271
Other financial items	-6	-78	-402	-474
Profit after financial items	326	519	-501	-308
Appropriations	-	-	-159	-159
Pre-tax profit	326	519	-660	-467
Tax	29	37	112	120
Profit for the period	355	556	-548	-347

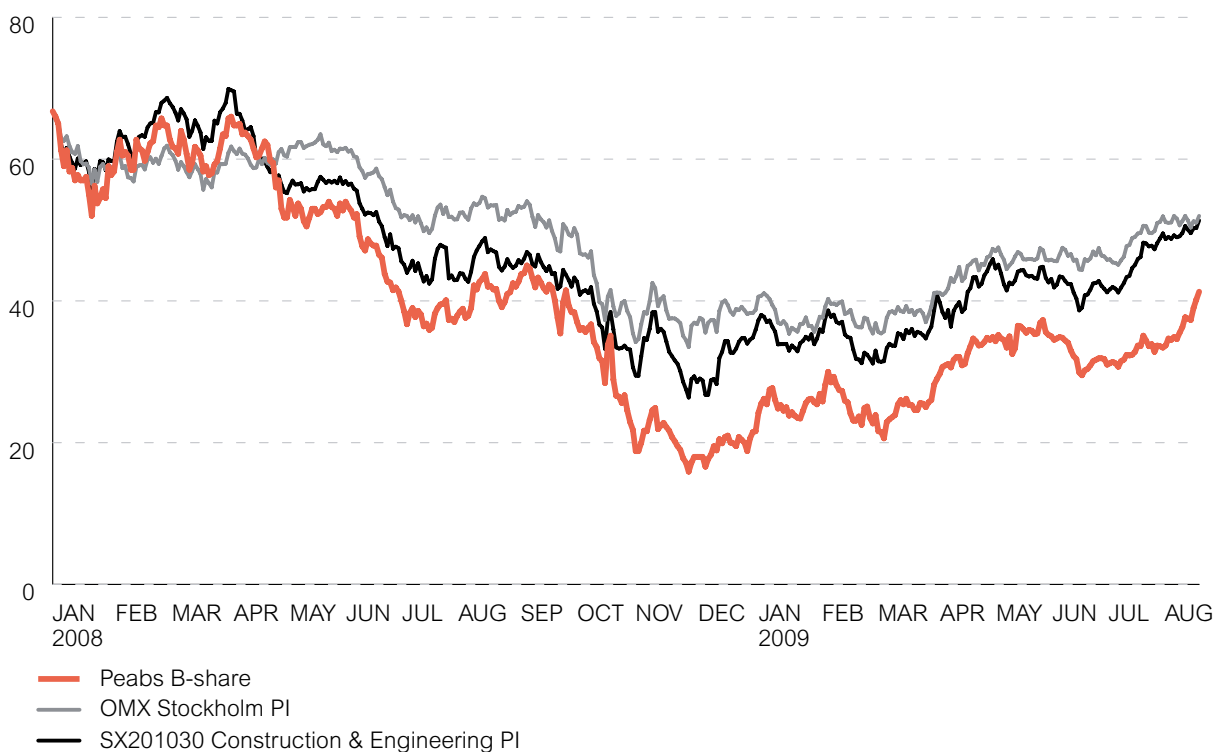
Condensed balance sheet for the parent company

MSEK	30 Jun 2009	30 Jun 2008	31 Dec 2008
Assets			
Fixed assets			
Machinery and equipment	2	3	3
Participation in Group companies	11,356	7,126	11,276
Receivables from Group companies	780	147	655
Other securities held as fixed assets	299	530	227
Deferred tax assets	22	28	-
Interest-bearing long-term receivables	59	187	59
Other long-term receivables	1	1	1
Total fixed assets	12,519	8,022	12,221
Current assets			
Accounts receivable	2	0	-
Receivables from Group companies	59	20	29
Interest-bearing current receivables	284	296	306
Prepaid tax	-	4	-
Other current receivables	27	91	40
Prepaid expenses and accrued income	31	3	6
Liquid funds	2	4	2
Total current assets	405	418	383
Total assets	12,924	8,440	12,604
Equity and Liabilities			
Equity			
Equity	6,182	4,330	6,342
Untaxed reserves	160	1	160
Long-term liabilities			
Liabilities to Group companies	5,810	3,452	5,180
Convertible promissory note	569	562	566
Deferred tax liabilities	-	-	9
Total long-term liabilities	6,379	4,014	5,755
Current liabilities			
Accounts payable	11	6	24
Liabilities to Group companies	3	3	3
Income tax liabilities	133	-	132
Other liabilities	11	46	144
Accrued expenses and deferred income	45	40	44
Total current liabilities	203	95	347
Total equity and liabilities	12,924	8,440	12,604
Pledged assets and contingent liabilities for parent company			
Pledged assets	-	-	-
Contingent liabilities	12,404	9,252	11,972

List of shareholders 31 July 2009

Shareholder	A shares	B shares	Total no of shares	Proportion of capital, %	Proportion of votes, %
Mats Paulsson with companies	9,754,910	34,398,610	44,153,520	14.9	21.8
Erik Paulsson with family and companies	12,207,615	19,966,299	32,173,914	10.9	23.5
Karl-Axel Granlund with companies		18,050,875	18,050,875	6.1	3.0
Fredrik Paulsson with family and companies	4,261,430	6,002,154	10,263,584	3.5	8.0
Stefan Paulsson's estate	4,261,431	5,956,781	10,218,212	3.5	8.0
Swedbank Robur Funds		6,026,651	6,026,651	2.0	1.0
Peab's profit sharing foundation		4,785,108	4,785,108	1.6	0.8
Svante Paulsson with family and companies	1,720,908	2,393,580	4,114,488	1.4	3.2
SEB Investment Management		3,938,180	3,938,180	1.3	0.7
Danica Pension		3,425,193	3,425,193	1.2	0.6
Handelsbanken Funds		3,412,171	3,412,171	1.2	0.6
Sara Karlsson with family and companies	1,778,140	1,218,067	2,996,207	1.0	3.1
Foreign owners		37,484,979	37,484,979	12.7	6.2
Others	335,523	109,616,621	109,952,144	37.0	18.7
Number of outstanding shares	34,319,957	256,675,269	290,995,226		
Peab AB		5,054,504	5,054,504	1.7	0.8
Number of registered shares	34,319,957	261,729,773	296,049,730	100.0	100.0

Source: Euroclear Sweden AB



SIX AB

