

PEAB AB YEAR-END REPORT JANUARY–DECEMBER 2009.

Net sales increased by 3 percent to SEK 35,140 million (34,132). Compared with pro forma including Peab Industri net sales fell by 12 percent

Operating profit amounted to SEK 1,601 million (1,349). Operating profit pro forma including Peab Industri for the comparable year amounted to SEK 2,202 million

Profit for the year amounted to SEK 1,321 million (1,093). Pro forma including Peab Industri profit for the comparable year amounted to SEK 1,724 million

Earnings per share before dilution amounted to SEK 4.59 (6.56). Pro forma including Peab Industri earnings per share before dilution for the comparable year amounted to SEK 6.10

Order backlog for Construction and Civil Engineering increased to SEK 24,487 million (24,233)

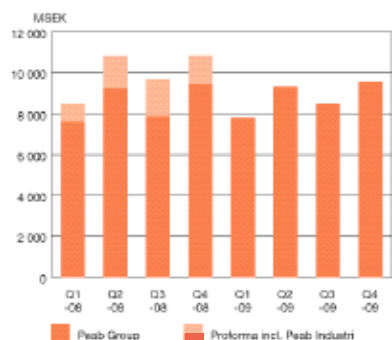
Strong cash flow in the fourth quarter

The Board proposes an increase in dividends to SEK 2.50 (2.25) per share



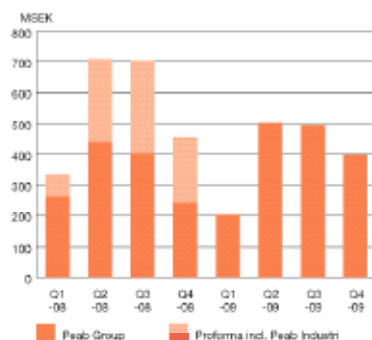
YEAR-END REPORT JANUARY - DECEMBER 2009

Net sales



Group net sales for 2009 amounted to SEK 35,140 million (34,132), which was an increase of 3 percent. Group net sales fell by 12 percent compared with pro forma including Peab Industri for the previous year and adjusted for acquired and divested units net sales still fell by 12 percent.

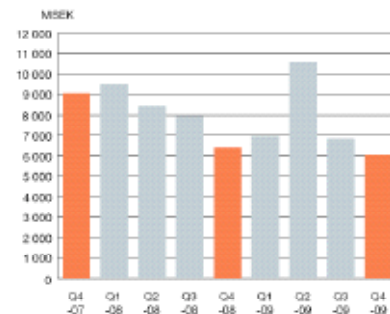
Operating profit



Operating profit for 2009 amounted to SEK 1,601 million compared with SEK 1,349 million the previous year. Operating profit pro forma including Peab Industri amounted to SEK 2,202 million the previous year.

Construction and Civil Engineering

Orders received per quarter



Orders received for 2009 amounted to SEK 30,393 million compared to SEK 32,269 million the previous year. Order backlog amounted to SEK 24,487 million compared with SEK 24,233 million per 31 December 2008.

Group

MSEK	Jan-Dec 2009	Jan-Dec 2008	Pro forma Jan-Dec 2008	Pro forma Jan-Dec 2007	Financial objectives
Net sales	35,140	34,132	39,762	36,940	
Operating profit	1,601	1,349	2,202	2,023	
Operating margin, %	4.6	4.0	5.5	5.5	
Pre-tax profit	1,647	1,014	1,712	1,767	
Profit for the year	1,321	1,093	1,724	1,254	
Earnings per share before dilution, SEK	4.59	6.56	6.10	4.28	
Return on equity, %	18.7	21.9	28.6		> 20%
Equity/assets ratio, %	29.3	25.2	25.2		> 25%

NEW CONTRACTS DURING THE FOURTH QUARTER

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

- Peab has been contracted to implement the expansion of the port of Gävle. The customer is Gävle Hamn AB. The budget for the project as a whole is SEK 870 million and Peab's share amounts to approximately SEK 500 million. Peab's mission is a partnering contract with the start of construction this year and is expected to last until 2015.
- Peab has been contracted to build 100 apartments in Vejbystrand outside Ängelholm. The customer is Victorias Strand AB and the contract amounts to SEK 175 million.
- Peab has been contracted to build a railway leg of the route Hede-Älvängen between Gothenburg and Trollhättan. The customer is Banverket and the contract amounts to SEK 538 million.
- Peab has been contracted to build a new hospital building in Seinäjoki in Finland. The customer is Kiinteistö Oy Seinäjokin Y-talo. The entire investment is estimated to EUR 65-70 million and Peab's share amounts to EUR 23 million.
- Peab has been commissioned to build a new parking garage at Fornebu in Oslo. The customer is IT Fornebu, and the contract amounts to NOK 350 million.
- Peab has been contracted to build the new Stockholm Arena at the Globe area in south Stockholm. The customer is Stockholm Fastighetsförvaltning AB and the contract amounts to approximately SEK 2 billion. The project will be order reported during the second quarter 2010.

COMMENTS BY THE CEO

We started 2009 in a haze of uncertainty and with the knowledge that it would be a tough year with a soft market in Nordic construction. Now that we are on the other side of 2009 we can notch up another successful year for Peab. After a weak beginning the market has gradually stabilised as the year passed. Our civil engineering operations are a big part of this development and, as we anticipated, they have created a stable platform. The fact that we could begin building Arenastaden in Solna has also been very important and is a fine example of how Peab works together with our customers to develop large projects. We have also seen the effect of drastically reduced interest rates through a higher level of sales of our own housing developments.

Net sales in 2009 fell by 12 percent compared with pro forma including Peab Industri in 2008. Operating profit amounted to SEK 1,601 million compared with pro forma including Peab Industri SEK 2,202 million in 2008. The weaker economy led to lower volumes and lower profits from, among others, our own housing development production. Industrial operations, which primarily serve suppliers, have been affected by the low level of demand for private construction investments leading to lower volumes and pressed prices, which has had a negative effect on profit.

Cash flow has improved significantly during the second half of 2009, primarily due to a good inflow of revenues in production and less capital tied up. We have used part of our cash flow to carry out strategic investments. We have also used it to reduce net debt and increase the level of liquid funds at our disposal.

Orders received in 2009 amounted to SEK 30.4 billion compared to SEK 32.3 billion in 2008. The decline in orders received is a combination of the downturn in the economy and a decision to prioritise profitability over volume. Order backlog increased to SEK 24.5 billion compared to SEK 24.2 billion at the end of 2008.

According to the latest forecast from the Swedish Construction Federation the Swedish construction and civil engineering markets are expected to have shrunk by 7 percent in 2009 and will grow again by 3 percent in 2010. A continuing weak demand for private investments in offices and commercial premises is predicted while the range of projects for the public sector is expected to be better. Civil engineering is the segment showing the highest levels of growth and demand is good due to public investments in infrastructure and private energy investments.

We have sold 351 (130) of our own home production during the fourth quarter without reducing our original sales prices. The growth in sales together with fewer unsold homes has led to a better platform for new project start-ups. We have seen a rise in the demand for new rentals and we actively participate in developing new rental projects. Our ownership in the new real estate company Tornet is a vital element in this strategy in which we are involved in creating an active owner of rentals in municipalities where there is a shortage of housing.



In addition to adjusting to the new market conditions 2009 has been characterised by overhauling our line organisation and support and administrative functions. I am convinced that the measures we have taken together with our close cooperation with our customers and cost efficient production will further strengthen Peab's competitive capacity. Our effectiveness will make it possible for us to grow over time. In the current circumstances, with a weak market and intense competition, we have to be efficient in order to have a good order flow at prices that meet our profitability targets.

*Mats Paulsson
CEO and President*

NET SALES AND PROFIT

Group net sales for 2009 increased by 3 percent to SEK 35,140 million (34,132). Of the year's net sales, SEK 4,705 million (5,306) was attributable to sales and production outside Sweden. Group net sales decreased by 12 percent compared with pro forma including Peab Industri of SEK 39,762 million the previous year and net sales adjusted for acquired and divested units decreased by 12 percent.

Operating profit for 2009 amounted to SEK 1,601 million compared with SEK 1,349 million for the previous year. Included in operating profit is an income of SEK 10 million due to a lower competition damages charge in the asphalt cartel case according to the Market Court's decision handed down on 28 May 2009. Pro forma including Peab Industri operating profit for the comparable year amounted to SEK 2,202 million. The drop is a result of the downturn in the economy with lower volumes and lower profits in housing production.

Depreciations for the year amounted to SEK 755 million compared with SEK 120 million for the previous year. Pro forma including Peab Industri depreciations for the comparable year amounted to SEK 664 million.

Net financial items amounted to SEK 46 million (-335), of which net interest expense amounted to SEK -173 million (-54). Pro forma including Peab Industri net financial items for the comparable year amounted to SEK -490 million, of which net interest expense amounted to SEK -200 million. Dividend from Brinova is included in net financial items at SEK 15 million (32). The effect of valuing financial instruments at fair value affected net financial items by SEK 229 million (-324), of which the income effect of valuing the Brinova holding at fair value amounted to SEK 218 million (-302). The shareholding is reported at market price on the balance sheet date.

Pre-tax profit amounted to SEK 1,647 million, compared with SEK 1,014 million for the previous year. Pro forma including Peab Industri pre-tax profit for the comparable year was SEK 1,712 million.

Tax for the year amounted to SEK -326 million (79), which is equivalent to a tax rate of 20 percent.

Profit for the year amounted to SEK 1,321 million (1,093). Profit pro forma including Peab Industri for the comparable year was SEK 1,724 million.

FINANCIAL POSITION

The equity/assets ratio on 31 December 2009 was 29.3 percent, compared with 25.2 percent at previous year-end. Interest-bearing net debt amounted to SEK 4,469 million compared to SEK 4,042 million at previous year-end. The average interest rate in the loan portfolio on 31 December 2009 amounted to 2.1 percent (4.6).

Group liquid funds, including non-utilised credit facilities, amounted to SEK 6,709 million at the end of the year, compared with SEK 6,165 million on 31 December 2008.

At the end of the year, Group contingent liabilities, excluding joint and several liability in trading and limited partnerships, amounted to SEK 1,999 million compared with SEK 1,885 million on 31 December 2008. Of contingent liabilities, obligations to tenant-owners' associations under construction amounted to SEK 1,624 million compared with SEK 1,507 million at year-end 2008.

INVESTMENTS

During 2009, net investments in tangible and intangible fixed assets

amounted to SEK 1,493 million (599), of which SEK 419 million were included in the acquisition of Annehem Fastigheter. In total SEK 518 million (914) was invested in project and development properties. Peab Industri is not included in the comparable year 2008.

CASH FLOW

Cash flow in 2009 has grossly improved compared with 2008, especially in the fourth quarter. In the previous year cash flow was charged with, among other things, the effects of a lower number of housing production starts and large VAT payments. In 2009 the number of housing production starts stabilised and, at the same time, we worked to reduce the level of capital tied up in operations.

Peab Industri is not included at all in the comparable year 2008. Cash flow from current operations before changes in working capital amounted to SEK 2,114 million compared with SEK 1,144 million in the previous year. Cash flow from changes in working capital amounted to SEK -546 million (-1,441). Investments in project and development properties amounting to SEK -371 million (-500) are included in the change in working capital.

Cash flow from investment activities amounted to SEK -883 million compared with SEK -967 million the previous year. Investments in Industry operations amounted to SEK -269 million. During 2008 corresponding investments were SEK -1,163 million, which are not included in the comparable item in cash flow. Included in investment activities are also investments of SEK -400 million (0) to develop apartment buildings with flats for rent.

Cash flow before financing amounted to SEK 685 million compared with SEK -1,264 million the previous year.

PERSONNEL

At the end of 2009, the company had 12,892 employees compared with 14,116 at the same time the previous year.

COMMENTS ON THE BUSINESS AREAS

CONSTRUCTION

The Construction business area comprises the Group's construction related services and is run in five divisions in Sweden, one division in Norway and one division in Finland.

Net sales for 2009 amounted to SEK 22,355 million, compared with SEK 26,493 million for the previous year, which corresponds to a decrease of 16 percent. Net sales adjusted for acquired units decreased by 16 percent. The reduction in net sales percentage wise is significantly larger in Norway and Finland than in Sweden. This is in part a result of previous, intentional reductions in order backlogs in Norway and Finland.

Operating profit for the year amounted to SEK 814 million, compared with SEK 1,075 million during the previous year. Operating margin sank to 3.6 percent compared with 4.1 percent for the previous year. The reduction in operating profit and operating margin is primarily due to less housing production.

CIVIL ENGINEERING

The Civil Engineering business area consists of civil engineering related operations and is run in a single Nordic division.

Net sales for 2009 amounted to SEK 9,339 million compared with SEK 9,132 million for the previous year, which corresponds to an

increase of 2 percent. Net sales adjusted for acquired units still increased by 2 percent. Operating profit for the year amounted to SEK 446 million compared with SEK 434 million for the previous year. Operating margin amounted to 4.8 percent and were unchanged compared with the previous year.

INDUSTRY

Starting in the third quarter of 2009 the Industry business area is run in two divisions, Industry and Construction systems. Both of them are focused on the Nordic construction and civil engineering markets.

Net sales for 2009 amounted to SEK 7,581 million compared with SEK 8,581 million the previous year, which corresponds to a decrease of 12 percent. Including adjustments for acquired and divested units net sales fell by 11 percent.

Operating profit amounted to SEK 514 million compared with SEK 855 million the previous year. Operating margin sank to 6.8 percent compared with 10.0 percent for the previous year. The reduction in operating profit and operating margin is attributable to the deteriorated conditions on the market for private construction investments.

ORDERS RECEIVED AND ORDER BACKLOG CONSTRUCTION AND CIVIL ENGINEERING

Orders received for 2009 amounted to SEK 30,393 million compared to SEK 32,269 million for 2008. 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. In December 2009 we received the commission to build the new Stockholm Arena in the Globe area. The value of the contract is around SEK 2 billion and the project will be reported as an order in the second quarter of 2010.

The order backlog still to be produced at the end of the year totalled SEK 24,487 million compared with SEK 24,233 million at previous year-end. Order backlog has shrunk a bit in the Swedish construction divisions and in division Norway while it has grown in division Finland and Civil Engineering.

Of the total order backlog, 29 percent (24) is expected to be produced after 2010. Construction projects accounted for 68 percent (69) of the order backlog. Swedish operations accounted for 89 percent (90) of the order backlog.

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

Order backlog and orders received

Construction and Civil Engineering

MSEK	31 Dec 2009	31 Dec 2008	31 Dec 2007
Coming financial year	17,338	18,445	19,541
Next financial year	5,191	4,493	5,620
Thereafter	1,958	1,295	1,138
Total order backlog	24,487	24,233	26,299
Orders received	30,393	32,269	37,529

HOUSING PRODUCTION

Peab also works with its own housing development production, i.e. tenant-owner housing and single homes sold directly to the customer, as part of our contracting business. Our own housing developments do not include rentals production. New production of Peab's own housing developments made up 7 percent of net sales for 2009 compared with 10 percent for the year 2008 (including Peab Industri).

The number of sold homes in production at the end of the year was 2,832 compared with 3,612 at the previous year-end. In comparison with the previous year production start ups of our own housing developments were low but an improvement has occurred from the second quarter of 2009. The portion of sold homes in production was 76 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 gradually during the year. The number of sold homes during the year was 1,082 compared with 1,282 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 is gathering speed after a weak second half of 2008. We have seen the demand for new rental properties increase and we are actively participating in developing new rental projects. We have invested SEK 400 million in the development of apartment buildings with flats for rent during the year. These projects are not included in our own housing development production reported above. Peab's longterm strategy is not to own and run completed real estate projects.

The total holding of project and development properties at the end of the year amounted to SEK 4,132 million compared with SEK 3,614 million per 31 December 2008. The number of repurchased homes on 31 December 2009 was 258 (181), of which 156 (173) are attributable to Finnish housing companies.

Peab's own housing development construction

	Jan-Dec 2009	Jan-Dec 2008	Jan-Dec 2007
Number of housing starts during the year	910	1,496	2,011
Number of homes sold during the year	1,082	1,282	2,035
Total number of homes under construction, at the end of the year	2,832	3,612	3,843
Share of sold homes under construction, at the end of the year	76%	68%	75%
Number of repurchased homes in the balance sheet, at the end of the year	258	181	104

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. After several years of strong growth the Swedish Construction Federation believes the Swedish construction and civil engineering markets will have fallen by 7 percent in 2009 and will rise again in 2010 by 3 percent.

Drastically reduced credit rates have 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 and government subsidies in construction on property owned by private persons.

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 persistently high energy prices as well as investments in renewable energy sources.

A major need for new and refurbished public premises as well as extra federal funds to municipalities and county councils are expected to contribute to positive developments in the construction of public buildings. The economic slump has drastically reduced demand in private investments in buildings resulting in delay or shutdown of planned projects. Demand is expected to continue to be weak through 2010. The same holds true for the market situation for new industrial facilities.

According to Byggenæringens Landsforening, construction and civil engineering investments in Norway are believed to have fallen by 15 percent in 2009 and will fall by 2 percent in 2010.

The construction and civil engineering markets in Finland are believed to have fallen by 15 percent in 2009 and will fall by 4 percent in 2010, 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 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.

ACQUISITION OF ANNEHEM FASTIGHETER AB

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. Shareholders representing 99.6 percent of the votes and capital (including Peab's previous holding) had been tendered to the offer. Peab has called 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 decided to transfer 7,910,580 B shares to the shareholders in Annehem Fastigheter which have accepted the offer and as payment chosen to receive shares in Peab. The transfers were carried out 1 July 2009 and 1 September 2009.

BACKGROUND AND MOTIVE FOR THE OFFER

Annehem Fastigheter develops projects and real estate in the Öresund Region. 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.

Along with the development projects Annehem Fastigheter has built up a portfolio of investment properties in Skåne. The properties are housing and commercial buildings 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 55 years old and was previously Operational Manager of Peab's construction division West.

Peab's executive management consists of the following members;

Mats Paulsson, President and CEO
 Jan Johansson, Vice President
 Mats Johansson, Human Resources and Communication
 Jesper Göransson, CFO
 Tore Hallersbo, Business Development

At the same time an executive management advisory board has been created aimed at raising the preparedness for future markets and increase focus on our current undertakings. Peab's executive management advisory board and its division of responsibility;
 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 paid during the second quarter. The previous decision made by the court of Stockholm, in July 2007, required Peab to pay SEK 85 million in competitive damages charge, which charged Group profit in 2007. The Market Court is the highest authority in this case and the judgement cannot be appealed.

Anders Elfner has left his post as Deputy CEO in Peab. Anders Elfner, 54 years, joined Peab in 2003 when he was made a Deputy CEO.

Peab, Fabege and Brinova have founded a new real estate company, Tornet AB, which will own rental properties. The company will focus on developing and managing existing property as well as its own new rental production in municipalities with housing shortages primarily in the Stockholm-, Mälardalen-, Gothenburg- and Öresund-regions. Peab and Fabege each own 45 percent of Tornet AB while Brinova owns 10 percent.

In the beginning of 2010 Peab will transfer to Tornet AB 314 rentals and commercial premises with a total floor space of approximately 49,000 square metres and a market value of SEK 440 million, which corresponds to its book value. Peab gained ownership of the property in 2009 when it acquired Annehem Fastigheter. The property is concentrated to the Skåne region, in particular Landskrona and Ystad. The existing loan financing of the property will be transferred to Tornet AB.

Peab's share in Tornet will be recorded at approximately SEK 280 million. These transactions will not have any effect on Peab's profit.

ACCOUNTING PRINCIPALS

The interim report 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 income. Peab has chosen to present the Group's total profit in two reports, an income statement and a statement of comprehensive income. 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 interim report has otherwise been 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.

Effective on 1 January 2010 Peab will apply IFRIC 15, Agreements for the Construction of Real Estate. For Peab this entails a change in the accounting principle for direct sales of our own housing in Finland and Norway as well as houses in Sweden. In the future these projects will be recognised according to IAS 18, Revenue, which means that income recognition will take place when construction is completed. It has been determined that IAS 11, Construction Contracts, will continue to apply for Peab's construction contracts regarding production of housing for Swedish tenant-owner cooperatives for which the percentage of completion method will be used.

The effects of the change in accounting principles will be published at the latest in the first interim report 2010.

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 from December 2008 to February 2009. The increase in the number of shares and votes in Peab AB after the

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 year	-	-	-	-	440,000	-440,000
Disposal of own shares during the year	-	-	-	-	-7,910,580	7,910,580
Share capital and number of shares 31 December 2009	1,583.9	34,319,957	261,729,773	296,049,730	4,906,220	291,143,510

issue 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.

Peab's Annual General Meeting on 14 May 2009 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 2009 440,000 B shares have been repurchased.

In connection with the acquisition of Annehem Fastigheter on July and September 2009 7,910,580 of Peab's own B shares were sold. Peab's holding of own shares on 31 December 2009 is 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 31 December 2009, the price of the Peab share was SEK 46.00, an increase of 113 percent during 2009. During the same period, the Swedish stock market increased by 46 percent according to general index in the business magazine "Affärsvärlden". During 2009, the Peab share has been quoted at a maximum of SEK 51.00 and a minimum of SEK 20.20.

PARENT COMPANY

The parent company Peab AB's net sales for 2009 amounted to SEK 96 million (53) and mainly consisted of internal Group services. Profit after tax amounted to SEK 522 million (-347).

The parent company's assets mainly consist of participations in Group companies amounting to SEK 11,634 million (11,276), shares in Brinova Fastigheter AB worth SEK 393 million (175) and convertible bonds in Peab Industri AB worth SEK 573 million (566). The assets have been financed from equity of SEK 6,646 million (6,342) and long-term liabilities amounting to SEK 7,147 million (5,755).

The parent company's liquid assets amounted to SEK 11 million (2) at the end of the year.

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

PROPOSED DIVIDEND

A dividend of SEK 2.50 per share (2.25) is proposed for year 2009. Excluding the 4,906,220 shares owned by Peab AB as at 16 February 2010, which do not entitle to dividend, the proposed dividend is equivalent to a total dividend distribution of SEK 728 million (637). Calculated as a share of the group's reported profit after tax, the proposed dividend amounts to 55 percent (58). The proposed dividend is equivalent to a direct return of 5.8 percent based on the closing price on 16 February 2010.

ANNUAL GENERAL MEETING

The Annual General Meeting of Peab will be held on 11 May 2010 at Grevieparken in Grevie.

NOMINATING COMMITTEE

At the Annual General Meeting held on 14 May 2009, Malte Åkerström (chairman), Leif Franzon, Göran Grosskopf and Erik Paulsson were appointed to the Peab nominating committee.

FUTURE FINANCIAL INFORMATION

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|--|------------------|
| • Annual Report 2009 | April 2010 |
| • Interim report January-March 2010 and Annual General Meeting | 11 May 2010 |
| • Half-year report January-June 2010 | 24 August 2010 |
| • Interim report January-September 2010 | 23 November 2010 |
| • Year-end report 2010 | 16 February 2011 |

Förslöv, 17 February 2010

*Mats Paulsson
CEO and President*

The information in this year-end report has not been reviewed separately by the company's auditors.

Condensed income statement for the Group

MSEK	Jan-Dec 2009	Jan-Dec 2008	Oct-Dec 2009	Oct-Dec 2008	Pro forma Jan-Dec 2008
Net sales	35,140	34,132	9,526	9,408	39,762
Production costs	-31,529	-31,029	-8,550	-8,638	-35,477
Gross profit	3,611	3,103	976	770	4,285
Sales and administrative expenses	-2,118	-1,773	-588	-514	-2,104
Profit from participation in joint ventures/ associated companies	18	-6	-7	-6	-4
Other operating income	90	25	17	-7	25
Operating profit	1,601	1,349	398	243	2,202
Net financial items	46	-335	6	-208	-490
Pre-tax profit	1,647	1,014	404	35	1,712
Tax	-326	79	-11	329	12
Profit for the period	1,321	1,093	393	364	1,724
Profit for the period, attributable to:					
Shareholders in parent company	1,315	1,093	392	364	1,724
Minority interests	6	0	1	0	0
Profit for the period	1,321	1,093	393	364	1,724
Key ratios					
Earnings per share, SEK	4.59	6.56	1.35	2.20	6.10
- after dilution	4.58	6.45	1.34	2.28	6.05
Average number of outstanding shares, million	286.7	166.6	291.1	166.6	282.7
- after dilution	295.4	175.5	299.9	175.5	291.6
Return on capital employed, %	13.4	17.3			22.0
Return on equity, %	18.7	21.9			28.6

Condensed comprehensive income statement for the Group

MSEK	Jan-Dec 2009	Jan-Dec 2008	Oct-Dec 2009	Oct-Dec 2008
Profit for the period	1,321	1,093	393	364
Other comprehensive income				
Period change in translation reserve	65	73	16	56
Hedging of currency risk in foreign operations	-50	-	-6	-
Cash flow hedging	286	-227	46	-103
Tax attributable to other comprehensive income	-56	63	-1	28
Other comprehensive income for the period	245	-91	55	-19
Total comprehensive income for the period	1,566	1,002	448	345
Total comprehensive income for the period, attributable to:				
Shareholders in parent company	1,559	1,002	446	345
Minority interests	7	0	2	0
Total comprehensive income for the period	1,566	1,002	448	345

Condensed balance sheet for the Group

MSEK	31 Dec 2009	31 Dec 2008
Assets		
Intangible assets	2,281	2,112
Tangible assets	4,904	4,335
Interest-bearing long-term receivables	387	453
Other financial fixed assets	1,253	697
Deferred tax assets	123	595
Total fixed assets	8,948	8,192
Project and development properties	4,132	3,614
Inventories	492	528
Interest-bearing current receivables	388	329
Other current receivables	9,860	11,038
Short-term holdings	904	1,007
Liquid funds	1,584	984
Total current assets	17,360	17,500
Total assets	26,308	25,692
Equity and liabilities		
Equity	7,709	6,462
Liabilities		
Interest-bearing long-term liabilities	5,690	5,580
Other long-term liabilities	319	317
Total long-term liabilities	6,009	5,897
Interest-bearing current liabilities	2,042	1,235
Other current liabilities	10,548	12,098
Total current liabilities	12,590	13,333
Total liabilities	18,599	19,230
Total equity and liabilities	26,308	25,692
Key ratios		
Capital employed	15,441	13,277
Equity/assets ratio, %	29.3	25.2
Net debt	4,469	4,042
Equity per share, SEK	26.33	22.86
- after dilution	27.47	24.13
Number of outstanding shares at the end of the period, million	291.1	278.7
- after dilution	299.9	287.5

Condensed statement of changes in Group's equity

MSEK	31 Dec 2009	31 Dec 2008
Equity attributable to shareholders in parent company		
Opening equity on 1 January	6,370	3,600
Total comprehensive income for the period	1,559	1,002
Cash dividend	-637	-377
Acquisition of own shares	-11	-282
Disposal of own shares	252	12
New share issue	133	2,386
Conversion convertible promissory notes	-	4
Issued convertible promissory notes	-	35
Deferred tax on temporary differences referring to the loan part of convertible promissory notes	-	-10
Closing equity	7,666	6,370
Equity attributable to minority interests		
Opening equity on 1 January	92	6
Total comprehensive income for the period	7	0
Acquisition of minority shares	-56	87
Disposal of minority shares	-	-1
Closing equity	43	92
Total closing equity	7,709	6,462

Condensed cash flow statement for the Group

MSEK	Jan-Dec 2009	Jan-Dec 2008	Oct-Dec 2009	Oct-Dec 2008
Cash flow from current operations before changes in working capital	2,114	1,144	748	363
Cash flow from changes in working capital	-546	-1,441	849	367
Cash flow from current operations	1,568	-297	1,597	730
Acquisition of subsidiaries	62	-452	-22	-264
Disposal of subsidiaries	-16	12	-2	3
Acquisition of fixed assets	-1,068	-622	-372	-60
Sales of fixed assets	139	95	-96	19
Cash flow from investment operations	-883	-967	-492	-302
Cash flow before financing	685	-1,264	1,105	428
Cash flow from financing operations	-204	2,019	-338	1,143
Cash flow for the period	481	755	767	1,571
Cash at the beginning of the period	1,991	1,212	1,713	405
Exchange rate differences in cash	16	24	8	15
Cash at the end of the period	2,488	1,991	2,488	1,991

Net sales and operating profit per business area

MSEK	Net sales		Operating profit		Operating margin	
	Jan-Dec 2009	Jan-Dec 2008	Jan-Dec 2009	Jan-Dec 2008	Jan-Dec 2009	Jan-Dec 2008
Construction	22,355	26,493	814	1,075	3.6%	4.1%
Civil Engineering	9,339	9,132	446	434	4.8%	4.8%
Industry	7,581	8,581	514	855	6.8%	10.0%
Group functions	180	101	-173	-160		
Eliminations	-4,315	-4,545		-2		
Total	35,140	39,762	1,601	2,202	4.6%	5.5%
Total excl. Industry		34,132		1,349		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 two divisions, Industry and Construction systems. 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 had 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 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-Dec 2009	Pro forma Jan-Dec 2008
Net sales	35,140	39,762
Production costs	-31,529	-35,477
Gross profit	3,611	4,285
Sales and administrative expenses	-2,118	-2,104
Profit from participation in joint ventures/associated companies	18	-4
Other operating income	90	25
Operating profit	1,601	2,202
Net financial items	46	-490
Pre-tax profit	1,647	1,712
Tax	-326	12
Profit for the period	1,321	1,724
Profit for the period, attributable to:		
Shareholders in parent company	1,315	1,724
Minority interests	6	0
Profit for the period	1,321	1,724
Key ratios		
Earnings per share, SEK	4.59	6.10
- after dilution	4.58	6.05
Average number of outstanding shares, million	286.7	282.7
- after dilution	295.4	291.6

Quarterly data

Group

MSEK	Oct-Dec 2009	Jul-Sep 2009	Apr-Jun 2009	Jan-Mar 2009	Oct-Dec 2008	Jul-Sep 2008	Apr-Jun 2008	Jan-Mar 2008	Oct-Dec 2007
Net sales	9,526	8,483	9,287	7,844	9,408	7,891	9,203	7,630	9,607
Production costs	-8,550	-7,620	-8,224	-7,135	-8,638	-7,139	-8,293	-6,959	-8,756
Gross profit	976	863	1,063	709	770	752	910	671	851
Sales and administrative expenses	-588	-397	-597	-536	-514	-345	-479	-435	-416
Profit from participation in joint ventures/associated companies	-7	12	14	-1	-6	-3	6	-3	31
Other operating income	17	18	25	30	-7	0	3	29	6
Operating profit	398	496	505	202	243	404	440	262	472
Net financial items	6	46	13	-19	-208	-125	-15	13	-26
Pre-tax profit	404	542	518	183	35	279	425	275	446
Tax	-11	-139	-129	-47	329	-69	-111	-70	-128
Profit for the period	393	403	389	136	364	210	314	205	318
Profit for the period, attributable to:									
Shareholders in parent company	392	400	388	135	364	210	314	205	318
Minority interests	1	3	1	1	0	0	0	0	0
Profit for the period	393	403	389	136	364	210	314	205	318
Key ratios									
Earnings per share, SEK	1.35	1.39	1.37	0.48	2.20	1.27	1.87	1.22	1.92
- after dilution	1.34	1.37	1.37	0.50	2.28	1.21	1.79	1.17	1.84
Average number of outstanding shares, million	291.1	291.1	282.2	281.1	166.6	165.9	167.3	168.5	169.6
- after dilution	299.9	299.9	292.0	289.9	175.5	174.7	176.1	177.4	172.7

Business areas

MSEK	Oct-Dec 2009	Jul-Sep 2009	Apr-Jun 2009	Jan-Mar 2009	Oct-Dec 2008	Jul-Sep 2008	Apr-Jun 2008	Jan-Mar 2008	Oct-Dec 2007
Net sales									
Construction	5,996	4,988	5,881	5,490	7,066	5,930	7,291	6,206	7,617
Civil Engineering	2,700	2,355	2,373	1,911	2,803	2,322	2,291	1,716	2,407
Industry	2,024	2,218	2,041	1,298	2,211	2,531	2,410	1,429	-
Group functions	50	49	42	39	39	18	22	22	17
Eliminations	-1,244	-1,127	-1,050	-894	-1,315	-1,122	-1,219	-889	-434
Total	9,526	8,483	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
Operating profit									
Construction	194	178	295	147	138	326	375	236	361
Civil Engineering	118	131	129	68	144	127	105	58	138
Industry	122	210	150	32	214	300	270	71	-
Group functions	-36	-23	-69	-45	-39	-49	-40	-32	-27
Eliminations	-	-	-	-	-1	0	-2	1	-
Total	398	496	505	202	456	704	708	334	-
Total excluding Industry	-	-	-	-	243	404	440	262	472
Order situation									
Orders received	6,039	6,854	10,551	6,949	6,420	7,953	8,432	9,464	9,024
Order backlog at the end of the period	24,487	26,694	26,728	24,079	24,233	27,307	27,306	28,091	26,299

Condensed income statement for the parent company

MSEK	Jan-Dec 2009	Jan-Dec 2008	Oct-Dec 2009	Oct-Dec 2008
Net sales	96	53	25	15
Administrative expenses	-153	-158	-34	-44
Operating profit	-57	-105	-9	-29
Result from financial investments				
Profit from participation in Group companies	365	271	-13	-386
Other financial items	41	-474	-1	-248
Profit after financial items	349	-308	-23	-663
Appropriations	160	-159	160	-159
Pre-tax profit	509	-467	137	-822
Tax	13	120	-29	66
Profit for the period	522	-347	108	-756

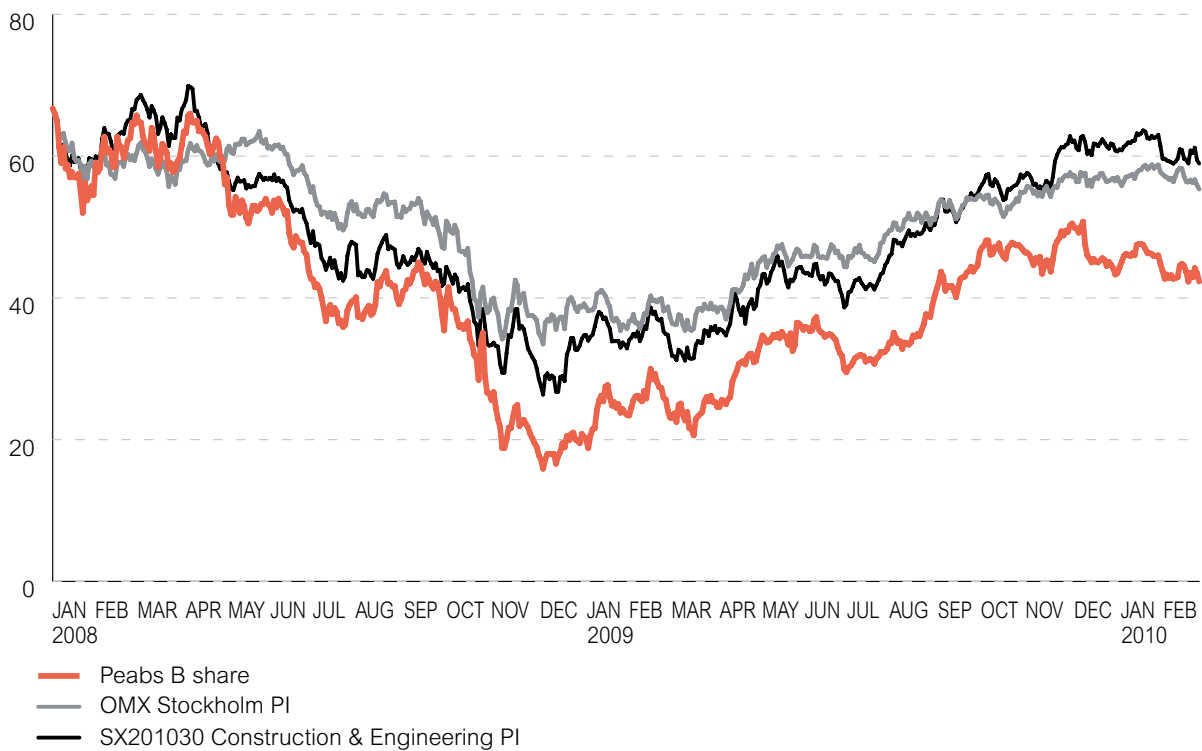
Condensed balance sheet for the parent company

MSEK	31 Dec 2009	31 Dec 2008
Assets		
Fixed assets		
Machinery and equipment	2	3
Participation in Group companies	11,634	11,276
Receivables from Group companies	971	655
Other securities held as fixed assets	430	227
Interest-bearing long-term receivables	575	59
Other long-term receivables	1	1
Total fixed assets	13,613	12,221
Current assets		
Accounts receivable	0	-
Receivables from Group companies	59	29
Interest-bearing current receivables	284	306
Other current receivables	-	40
Prepaid expenses and accrued income	8	6
Liquid funds	11	2
Total current assets	362	383
Total assets	13,975	12,604
Equity and liabilities		
Equity		
Equity	6,646	6,342
Untaxed reserves	0	160
Long-term liabilities		
Liabilities to Group companies	6,567	5,180
Convertible promissory note	573	566
Deferred tax liabilities	7	9
Total long-term liabilities	7,147	5,755
Current liabilities		
Accounts payable	7	24
Liabilities to Group companies	5	3
Income tax liabilities	136	132
Other liabilities	6	144
Accrued expenses and deferred income	28	44
Total current liabilities	182	347
Total equity and liabilities	13,975	12,604
Pledged assets and contingent liabilities for the parent company		
Pledged assets	-	-
Contingent liabilities	13,626	11,972

List of shareholders 31 December 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	5,957,050	10,218,481	3.5	8.0
Swedbank Robur Funds		8,305,429	8,305,429	2.8	1.4
Peab's profit sharing foundation		4,785,108	4,785,108	1.6	0.8
SEB Investment Management		4,483,880	4,483,880	1.5	0.7
Svante Paulsson with family and companies	1,720,908	2,393,580	4,114,488	1.4	3.2
Handelsbanken Funds		3,887,352	3,887,352	1.3	0.6
Danica Pension		3,237,317	3,237,317	1.1	0.5
Lannebo Funds		3,000,000	3,000,000	1.0	0.5
Sara Karlsson with family and companies	1,778,140	1,218,067	2,996,207	1.0	3.1
Foreign owners		32,485,849	32,485,849	11.0	5.4
Others	335,523	108,651,983	108,987,506	36.7	18.7
Number of outstanding shares	34,319,957	256,823,553	291,143,510		
Peab AB		4,906,220	4,906,220	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

