



PEAB AB INTERIM REPORT JANUARY– MARCH 2010.

Operative net sales decreased by 8 percent to SEK 7,189 million (7,844)

Operative operating profit amounted to SEK 107 million (202)

Earnings per share before dilution amounted to SEK 0.27 (0.57)

Severe winter had effect on net sales and operating profit

Orders received during the first quarter increased by 24 percent to SEK 8,591 million (6,949)

Order backlog for Construction and Civil Engineering increased by 11 percent to SEK 26,769 million (24,079)

Substantial increase in construction start-ups and sales of own housing developments

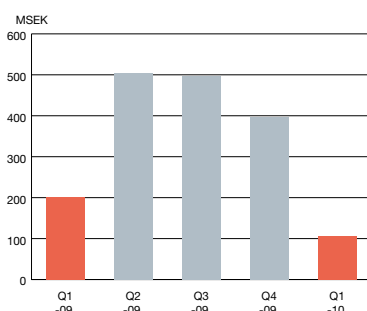
INTERIM REPORT JANUARY - MARCH 2010

Operative net sales



Group operative net sales the first quarter 2010 amounted to SEK 7,189 million (7,844), which was an decrease of 8 percent. Even after adjustments for acquired and divested units operative net sales decreased by 8 percent.

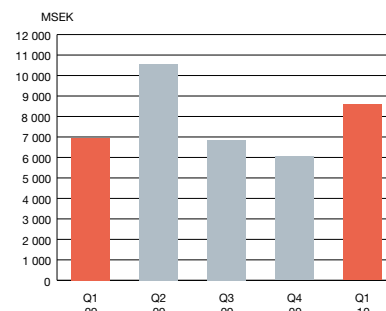
Operative operating profit



Operative operating profit the first quarter 2010 amounted to SEK 107 million compared with SEK 202 million for the same period the previous year.

Construction and Civil Engineering

Orders received per quarter



Orders received the first quarter 2010 amounted to SEK 8,591 million compared to SEK 6,949 million for the same period the previous year. Order backlog amounted to SEK 26,769 million compared with SEK 24,487 million per 31 December 2009.

Group

MSEK	Jan-Mar 2010	Jan-Mar 2009	Apr-Mar 2009/2010	Jan-Dec 2009	Financial objectives
Operative net sales	7,189	7,844	34,485	35,140	
Net sales	7,100	8,098	33,870	34,868	
Operative operating profit	107	202	1,506	1,601	
Operative operating margin, %	1.5	2.6	4.4	4.6	
Operating profit	102	233	1,442	1,573	
Operating margin, %	1.4	2.9	4.3	4.5	
Pre-tax profit	104	214	1,509	1,619	
Profit for the period	77	160	1,218	1,301	
Earnings per share before dilution, SEK	0.27	0.57	4.20	4.52	
Return on equity, %	17.0 ¹⁾	20.0 ¹⁾	17.0	18.7	> 20%
Equity/assets ratio, %	30.6	26.9	30.6	28.6	> 25%

¹⁾ Calculated on rolling 12 months

NEW CONTRACTS DURING THE FIRST QUARTER

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

- Peab is one of three contractors awarded a contract to implement an expansion of Gothenburg networks for district heating, cooling and gas. The customer is Göteborg Energi AB and Peab's share of the contract amounts to SEK 200 million.
- Peab has been contracted to perform maintenance work on Stallbacka Bridge in Trollhättan. The customer is the National Road Administration and the contract amounts to SEK 106 million.
- Peab has been commissioned to run and maintain the parks, streets, waterworks and beaches in Helsingborg. Peab received the order from Helsingborg City and the total value of the contract over a six-year period is around SEK 600 million.
- Peab has signed an agreement with the KPA Pension on transferring a land and obtain a contract to build 179 rental apartments in Fruängen in southern Stockholm. Project cost is estimated to SEK 254 million.
- Peab has been contracted to carry out a complete rebuild and expansion of student home Emilsborg at Chalmers University in Gothenburg. The customer is Chalmers University Students and the contract amounts to SEK 124 million.
- Peab has been contracted to build the new Storsjöskolan in Holmsund. The customer is Umeå municipality and the contract amounts to SEK 116 million.
- Peab has been contracted to build 70 new rental flats in Katrineberg in Mölndal. The customer is Mölndalsbostäder and the contract amounts to SEK 108 million.

COMMENTS BY THE CEO

The positive trend in our customers' requests for our products and services has continued through the first quarter. Although historically recovery is late in coming to the construction industry belief in the future is back, which can be noted in our order books. The first quarter is seasonally Peab's weakest quarter, no matter what shape the business cycle is in. In addition to this fact the unusually severe winter affected production volumes and profit negatively compared to the previous year. We have also chosen, as far as possible, to retain our personnel during this turbulent period which in the short-term has led to a slight reduction in our margins, but which in the long run is strategically the right thing to do. Operative net sales shrunk by 8 percent compared to the first quarter of 2009. Operative operating profit fell to SEK 107 million compared to SEK 202 million for the first quarter of 2009.

There was a significant rise in orders received during the first quarter amounting to SEK 8,591 million compared to SEK 6,949 million in the first quarter of 2009. This increase is spread throughout most of our production segments but is particularly strong in housing. Order backlog is growing and was SEK 26.8 billion compared to SEK 24.5 billion at the end of 2009.

During the first quarter we sold 598 (141) own developed homes and started production on 558 (85). The fact that 75 percent (73) of the homes in our ongoing housing production are sold is a good basis for starting up new projects. With efficient production and reasonable land prices in the future we believe conditions are good for growth in rental projects. Municipalities with housing shortages are acting quickly to start up housing production and Peab is active in this development. We have received several orders on rental projects during the quarter from municipal real estate companies as well as private actors.

According to the February 2010 forecast from the Swedish Construction Federation the Swedish construction market is expected to grow by 5 percent in 2010. Contributing factors to recovery are strong state finances, low interest rates and the end of the drastic drop in housing investments. The underlying need for housing is still considerable. Government stimulus funds for infrastructure are resulting in a positive development for civil engineering investments in 2010 as well.

Our way of tackling the drop in demand, which was a result of the financial crisis, has been based on the belief that it does not reflect the underlying demand. We have therefore done our utmost to retain and train our employees in order to equip the company for when the tide turns and the construction market is good again. Access to competent personnel is growing in importance as a key factor for success in the future.



*Mats Paulsson
CEO and President*

CHANGED ACCOUNTING PRINCIPLES FOR HOUSING

From 1 January 2010 Peab applies IFRIC 15, Agreements for the Construction of Real Estate. As a result of the new principle IAS 18, Revenue, will be applied to Peab's housing projects in Finland and Norway as well as Peab's own single homes in Sweden. Revenue from these projects will be recognised first when the home is handed over to the buyer.

Application of IFRIC 15 has not entailed any changes in Peab's internal project steering or financial follow-up. Segment reporting will continue to be based on the percentage of completion method since this mirrors how executive management and the board monitor the business.

A bridge will be created in segment reporting between operative reporting according to the percentage of completion method and legal reporting.

The comparable items for 2009 below have been recalculated according to the new accounting principle. For more information concerning the recalculation of comparable items for 2009, please see pages 13-14.

NET SALES AND PROFIT

Group operative net sales for the first quarter 2010 amounted to SEK 7,189 million (7,844), which was a reduction by 8 percent. Even after adjustments for acquired and divested units operative net sales decreased by 8 percent. Adjustments in housing reporting affected net sales by SEK -89 million (254). Group net sales for the first quarter of 2010 decreased by 12 percent to SEK 7,100 million (8,098). Of the period's net sales, SEK 957 million (1,071) was attributable to sales and production outside Sweden.

Operative operating profit for the first quarter of 2010 amounted to SEK 107 million compared to SEK 202 million for the same period the previous year. Adjustments in housing reporting affected operating profit by SEK -5 million (31). Operating profit for the first quarter 2010 amounted to SEK 102 million compared with SEK 233 million for the same period the previous year. Depreciations for the period amounted to SEK 178 million (186).

Net sales and profits were both affected negatively by the unusually severe winter.

Net financial items amounted to SEK 2 million (-19), of which net interest expense amounted to SEK -34 million (-48). The effect of valuing financial instruments at fair value affected net financial items by SEK 36 million (40), of which the income effect of valuing the Brinova holding at fair value amounted to SEK 41 million (42). The shareholding is reported at market price on the balance sheet date.

Pre-tax profit amounted to SEK 104 million compared with SEK 214 million for the same period the previous year.

Tax for the period was SEK -27 million (-54).

Profit for the period amounted to SEK 77 million (160).

FINANCIAL POSITION

The equity/assets ratio on 31 March 2010 was 30.6 percent compared with 28.6 percent at previous year-end. Interest-bearing net debt amounted to SEK 4,648 million compared to SEK 4,571 million at previous year-end. The average interest rate in the loan portfolio on 31 March 2010 amounted to 2.3 percent (3.2).

Group liquid funds, including non-utilised credit facilities, amounted

to SEK 6,398 million at the end of the first quarter compared with SEK 6,709 million on 31 December 2009.

At the end of the period, Group contingent liabilities, excluding joint and several liability in trading and limited partnerships, amounted to SEK 1,694 million compared with SEK 1,999 million on 31 December 2009. Of contingent liabilities, obligations to tenant-owners' associations under construction amounted to SEK 1,581 million compared with SEK 1,624 million at year-end.

INVESTMENTS

Divestment of tangible and intangible assets amounted to SEK 375 million during the period. Net investments were SEK 262 million for the corresponding period the previous year. Project and development properties were sold for SEK 106 million during the first quarter of 2010, net investments were SEK 190 million for the corresponding period the previous year.

CASH FLOW

Cash flow from current operations before changes in working capital was SEK 22 million (146), which was charged with paid tax of SEK 184 million attributable to the fiscal year 2008. Cash flow from changes in working capital was SEK -166 million (-424). Included in the change in working capital are project and development properties sold for SEK 110 million. During the corresponding period 2009 investments in project and development properties were SEK -133 million.

Cash flow from investment activities amounted to SEK -94 million compared with SEK -98 million the same period last year.

Cash flow before financing amounted to SEK -238 million compared with SEK -376 million the same period last year.

PERSONNEL

At the end of the period, the company had 12,717 employees compared with 13,160 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.

Operative net sales for the first quarter 2010 amounted to SEK 4,980 million compared with SEK 5,490 million for the same period the previous year, which corresponds to a decrease of 9 percent. Even after adjustments for acquired and divested units the decrease was 9 percent.

Operative operating profit for the period amounted to SEK 117 million compared with SEK 147 million during the same period the previous year. Operative operating margin sank to 2.3 percent compared with 2.7 percent for the same period the previous year. Operative operating margin for the latest rolling 12-month period was 3.6 percent, which is unchanged compared with full year 2009.

The reduction in orders received at the end of 2008 and during 2009 continues to affect us through lower recognised income and profit. Net sales and profits were also hit hard by the unusually severe winter.

CIVIL ENGINEERING

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

Net sales for the first quarter 2010 amounted to SEK 1,985 million compared with SEK 1,911 million the same period the previous year, which corresponds to an increase of 4 percent. Even after adjustments for acquired and divested units the increase was 4 percent.

Operating profit for the period amounted to SEK 65 million compared with SEK 68 million for the previous year. Operating margin sank to 3.3 percent compared with 3.6 percent the same period for the previous year. Operating margin for the latest rolling 12-month period was 4.7 percent compared with 4.8 percent for full year 2009.

INDUSTRY

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 the first quarter 2010 amounted to SEK 1,295 million compared with SEK 1,298 million the same period the previous year. Including adjustments for acquired and divested units net sales increased by 1 percent.

Operating profit for the period amounted to SEK -23 million compared with SEK 32 million the same period the previous year. Operating margin sank to -1.8 percent compared with 2.5 percent for the same period the previous year. Operating margin for the latest rolling 12-month period was 6.1 percent, compared with 6.8 percent for full year 2009. The first quarter is normally characterised by less activity than the other quarters in all the units in the business area because of the winter climate. The unusually severe winter negatively amplified the normal seasonal pattern entailing higher costs during the first quarter.

ORDERS RECEIVED AND ORDER BACKLOG CONSTRUCTION AND CIVIL ENGINEERING

Orders received for the first quarter 2010 amounted to SEK 8,591 million compared to SEK 6,949 million for the same period last year.

The order backlog still to be produced at the end of the period totalled SEK 26,769 million compared with SEK 24,487 million at previous year-end. At 31 March 2009, the order backlog was SEK 24,079 million. Order backlog has since the year-end increased in the Swedish construction divisions, division Norway and Civil Engineering.

Of the total order backlog, 40 percent (35) is expected to be produced after 2010. Construction projects accounted for 65 percent (66) of the order backlog. Swedish operations accounted for 90 percent (87) of the order backlog.

Peab's own housing development construction

	Jan-Mar 2010	Jan-Mar 2009	Jan-Dec 2009
Number of housing starts during the period	558	85	910
Number of homes sold during the period	598	141	1,082
Total number of homes under construction, at the end of the period	3,019	3,077	2,832
Share of sold homes under construction, at the end of the period	75%	73%	76%
Number of repurchased homes in the balance sheet, at the end of the period	242	201	258

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

Order backlog and orders received Construction and Civil Engineering

MSEK	31 Mar 2010	31 Mar 2009	31 Dec 2009
Current financial year	16,113	15,669	17,338
Next financial year	7,572	6,438	5,191
Thereafter	3,084	1,972	1,958
Total order backlog	26,769	24,079	24,487
Orders received	8,591	6,949	30,393

HOUSING PRODUCTION

Peab also works with its own housing development production, for example tenant-owner housing and single homes. Our own housing developments do not include rentals production. New production of Peab's own housing developments made up 8 percent of net sales for the latest rolling 12-month period compared with 7 percent for the year 2009.

The number of homes in production at the end of the period was 3,019 compared with 2,832 at the previous year-end. The number of start-ups of own housing developments is considerably higher this year compared to the previous year. The portion of sold homes in production was 75 percent compared with 76 percent at the end of 2009. Low interest rates and housing shortages have contributed to the sharp increase in sales. The number of sold homes during the period was 598 compared with 141 during the same period 2009.

We have also seen a significant increase in demand in rentals and we are working together with several municipalities to find solutions for the acute housing shortages in many parts of the country. Through our partnership in Tornet AB we have established partnership with a long-term owner of rentals.

The total holding of project and development properties at the end of the period amounted to SEK 4,026 million compared with SEK 4,132 million per 31 December 2009. The number of repurchased homes on 31 March 2010 was 242 (201), of which 133 (174) are attributable to Finnish housing companies.

THE CONSTRUCTION MARKET

Conditions for the Swedish construction market were not good in 2009 and investments shrunk by 9 percent. The fall would have been ever greater if there had not been a strong development in civil engineering construction. The Swedish Construction Federation believes Swedish construction and civil engineering markets will rise in 2010 by 5 percent as a result of new investments in housing.

Housing construction declined drastically in 2009 in Sweden. New production fell by 41 percent last year. However, the decline was

steepest in the spring of 2009 and during the second half of the year the situation began to improve. Households have become more willing to invest in homes due to Riksbank's reduced credit rates and greater confidence in the economy. In 2010 the number of housing start-ups is expected to increase to 21,000. Demographic factors such as housing shortages in growth regions and large numbers of youths point to substantial housing investments for quite some time ahead.

The government heavily invested in infrastructure in 2009 and this growth in civil engineering appears to continue into 2010. The government's investments for the near future continue to provide the basis for a good market. Even certain segments in private civil engineering investments are showing good growth, a development primarily driven by energy related investments such as the construction of wind generators and combined power and heating plants. All in all the civil engineering market grew by 8 percent in 2009 and the forecast for 2010 is an increase by 11 percent.

Private investments in premises shrunk in 2009. Although several delayed private premise projects are starting up again private investments in premises are expected to shrink in 2010 as well. An expanding segment is culture, sports, and entertainment. Two big projects of this kind are Swedbank Arena and the Stockholm Arena, which will be built by Peab. Public investments in premises continue to grow at a good rate in 2010 as well. Industrial construction investments continue to diminish in 2010.

According to Prognosesenteret, construction and civil engineering investments in Norway have fallen by 5 percent in 2009 and will fall by 4 percent in 2010.

The construction and civil engineering markets in Finland have fallen by 13 percent in 2009 and will fall by 2 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 in project reporting. 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.

The financial crisis together with, among other things, new banking coverage requirements continue to restrict access to credit. This can make financing difficult for customers, suppliers and subcontractors. It can also lead to the postponement of planned investments as well as difficulties in meeting 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 2009 Annual Report.

IMPORTANT EVENTS DURING THE REPORT PERIOD

Peab, Fabege and Brinova founded in 2009 a new real estate company, Tornet AB, which will own rental properties. In the beginning of 2010 Peab has transferred to Tornet AB 314 rentals and commercial premises with a total floor space of approximately 49,000 square metres and a market value of approximately SEK 440 million, which corresponded 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 has been transferred to Tornet AB. These transactions have not had any effect on Peab's profit.

ACQUISITIONS AFTER THE REPORT PERIOD

Peab has from Norrvidden acquired 50 percent of the shares in Fältjägaren Fastigheter AB in Östersund and becomes sole owner of Fältjägaren. Fältjägaren owns and develops the former regimental area I5 in central Östersund. In 2005 the work began with rebuilding the barrack buildings and new construction of commercial space. The next step in the development will be to begin construction of flats, as there is a great need in Östersund.

Peab has acquired all shares in the company Ångström & Mellgren AB. The company conducts operations within project development, construction and construction maintenance in the Area of Mälardalen in the centre of Sweden. Ångström & Mellgren has about 85 employees and sales during 2009 amounted to SEK 247 million.

ACCOUNTING PRINCIPALS

This interim report is presented according to the IFRS standards and interpretations of valid standards, IFRICs, that have been adopted by EU. This report is presented in accordance with IAS 34, Interim financial reporting.

From 1 January 2010 the Group applies IFRIC 15, Agreements for the Construction of Real Estate. According to the current principle revenue and profit and loss is reported according to IAS 11, Construction contracts, with the percentage of completion method calculated on the percentage completion and sales degree. As a result of the new principle IAS 18, Revenue, will be applied to Peab's housing projects in Finland and Norway as well as Peab's own single homes in Sweden. Revenue from these projects will be recognised first when the home is handed over to the buyer. This means that revenue and profit and loss are postponed. Expenses are recognised as work-in-progress in the balance sheet and on account invoices to customers are reported as non-interest-bearing liabilities. Loans to finance housing projects will be reported as interest-bearing liabilities. Comparable items in the balance sheet for 2008-12-31 and quarterly accounts in 2009 have been recalculated.

IAS 11 is still deemed applicable on tenant-owner housing projects

in Sweden and they will continue to be reported according to the percentage of completion method. However, sales degree will not be taken into account, which entails a change in accounting estimates of aggregated profit. This will be applied in future reporting starting 1 January 2010.

Segment reporting will continue to be based on the percentage of completion method since this mirrors how executive management and the board monitor the business.

A bridge will be created in segment reporting between operative reporting according to the percentage of completion method and legal reporting.

For more information concerning comparable items for 2009 please see pages 13-14.

The amended standards IFRS 3, Business combinations, and IAS 27, Consolidated and separate financial reports, have not affected financial reporting during the first quarter of 2010. However, these standards are expected to have an effect on future acquisitions.

The parent company's reports have been prepared according to the Swedish Company Accounts Act and RFR 2.3, Accounting rules for legal entities.

This interim report has otherwise been presented according to the same accounting principles and prerequisites as described in the Annual Report of 2009.

HOLDINGS OF OWN SHARES

At the beginning of 2010 Peab's own B share holding was 4,906,220 which corresponds to 1.7 percent of the total number of shares. No changes have taken place in the first quarter of 2010.

THE PEAB SHARE

Peab's B share is listed on the NASDAQ OMX Stockholm, Mid Cap list. As of 10 May 2010, the price of the Peab share was SEK 41.30, a decrease of 10 percent during 2010. During the same period, the Swedish stock market increased by 5 percent according to general index in the business magazine "Affärsvärlden". During 2010, the Peab share has been quoted at a maximum of SEK 48.10 and a minimum of SEK 37.10.

PARENT COMPANY

The parent company Peab AB's net sales first quarter 2010 amounted to SEK 20 million (23) and mainly consisted of internal Group services. Profit after tax amounted to SEK -20 million (-8).

The parent company's assets mainly consist of participations in Group companies amounting to SEK 11,634 million (11,431), shares in Brinova Fastigheter AB worth SEK 434 million (217) and convertible bonds in Peab Industri AB worth SEK 575 million (572). The assets have been financed from equity of SEK 6,627 million (6,456) and long-term liabilities amounting to SEK 7,265 million (6,105).

The parent company's liquid assets amounted to SEK 4 million (2) 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

- 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, 11 May 2010

Mats Paulsson
CEO and President

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

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 2010	1,583.9	34,319,957	261,729,773	296,049,730	4,906,220	291,143,510
Share capital and number of shares 31 March 2010	1,583.9	34,319,957	261,729,773	296,049,730	4,906,220	291,143,510

Condensed income statement for the Group

MSEK	Jan-Mar 2010	Jan-Mar 2009	Apr-Mar 2009/2010	Jan-Dec 2009
Net sales	7,100	8,098	33,870	34,868
Production costs	-6,470	-7,359	-30,397	-31,286
Gross profit	630	739	3,473	3,582
Sales and administrative expenses	-522	-536	-2,104	-2,118
Profit from participation in joint ventures/ associated companies	-11	0	8	19
Other operating income	5	30	65	90
Operating profit	102	233	1,442	1,573
Net financial items	2	-19	67	46
Pre-tax profit	104	214	1,509	1,619
Tax	-27	-54	-291	-318
Profit for the period	77	160	1,218	1,301
Profit for the period, attributable to:				
Shareholders in parent company	79	159	1,215	1,295
Minority interests	-2	1	3	6
Profit for the period	77	160	1,218	1,301
Key ratios				
Earnings per share, SEK	0.27	0.57	4.20	4.52
- after dilution	0.30	0.58	4.21	4.52
Average number of outstanding shares, million	291.1	281.1	289.1	286.7
- after dilution	299.9	289.9	297.9	295.4
Return on capital employed, %	12.3 ¹⁾	15.1 ¹⁾	12.3	13.1
Return on equity, %	17.0 ¹⁾	20.0 ¹⁾	17.0	18.7

¹⁾ Calculated on rolling 12-months

Condensed comprehensive income statement for the Group

MSEK	Jan-Mar 2010	Jan-Mar 2009	Apr-Mar 2009/2010	Jan-Dec 2009
Profit for the period	77	160	1,218	1,301
Other comprehensive income				
Translation differences for the period from translation of foreign operations	-50	133	-122	61
Profit/loss from currency risk hedging in foreign operations	18	-65	32	-51
Changes in fair value of cash flow hedges for the period	-16	102	165	283
Changes in fair value of cash flow hedges transferred to profit for the year	-	-	3	3
Tax attributable to components in other comprehensive income	-12	-11	-51	-50
Other comprehensive income for the period	-60	159	27	246
Total comprehensive income for the period	17	319	1,245	1,547
Total comprehensive income for the period, attributable to:				
Shareholders in parent company	19	318	1,241	1,540
Minority interests	-2	1	4	7
Total comprehensive income for the period	17	319	1,245	1,547

Condensed balance sheet for the Group

MSEK	31 Mar 2010	31 Mar 2009	31 Dec 2009	31 Dec 2008
Assets				
Intangible assets	2,259	2,195	2,281	2,112
Tangible assets	4,372	4,328	4,904	4,335
Interest-bearing long-term receivables	271	334	387	453
Other financial fixed assets	1,532	923	1,253	696
Deferred tax recoverables	197	676	157	621
Total fixed assets	8,631	8,456	8,982	8,217
Project and development properties	4,026	3,804	4,132	3,823
Inventories	505	492	492	528
Work in progress	1,328	1,122	1,216	1,287
Interest-bearing current receivables	413	332	388	329
Other current receivables	8,357	9,131	8,916	10,379
Short-term holdings	903	1,106	904	1,007
Liquid funds	760	651	1,584	984
Total current assets	16,292	16,638	17,632	18,337
Total assets	24,923	25,094	26,614	26,554
Equity and liabilities				
Equity	7,623	6,762	7,606	6,378
Liabilities				
Interest-bearing long-term liabilities	4,971	5,777	5,741	5,767
Other long-term liabilities	287	307	319	317
Total long-term liabilities	5,258	6,084	6,060	6,084
Interest-bearing current liabilities	2,024	1,408	2,093	1,257
Other current liabilities	10,018	10,840	10,855	12,835
Total current liabilities	12,042	12,248	12,948	14,092
Total liabilities	17,300	18,332	19,008	20,176
Total equity and liabilities	24,923	25,094	26,614	26,554
Key ratios				
Capital employed	14,618	13,947	15,440	13,402
Equity/assets ratio, %	30.6	26.9	28.6	24.0
Net debt	4,648	4,762	4,571	4,251
Equity per share, SEK	26.04	23.75	25.98	22.55
- after dilution	27.20	24.98	27.13	23.83
Number of outstanding shares at the end of the period, million	291.1	283.2	291.1	278.7
- after dilution	299.9	292.0	299.9	287.5

Condensed statement of changes in Group's equity

MSEK	31 Mar 2010	31 Mar 2009	31 Dec 2009
Equity attributable to shareholders in parent company			
Opening equity on 1 January	7,563	6,370	6,370
Adjustment for changed accounting principle	-	-84	-84
Adjusted equity on 1 January	7,563	6,286	6,286
Total comprehensive income for the period	19	320	1,540
Cash dividend	-	-	-637
Acquisition of own shares	-	-11	-11
Disposal of own shares	-	-	252
New share issue	-	133	133
Closing equity	7,582	6,728	7,563
Equity attributable to minority interests			
Opening equity on 1 January	43	92	92
Total comprehensive income for the period	-2	1	7
Acquisition of minority shares	-	-59	-56
Closing equity	41	34	43
Total closing equity	7,623	6,762	7,606

Condensed cash flow statement for the Group

MSEK	Jan-Mar 2010	Jan-Mar 2009	Apr-Mar 2009/2010	Jan-Dec 2009
Cash flow from current operations before changes in working capital	22	146	1,962	2,086
Cash flow from changes in working capital	-166	-424	-153	-411
Cash flow from current operations	-144	-278	1,809	1,675
Acquisition of subsidiaries	-74	-6	-6	62
Disposal of subsidiaries	-4	-14	-6	-16
Acquisition of fixed assets	-120	-340	-849	-1,069
Sales of fixed assets	104	262	-19	139
Cash flow from investment operations	-94	-98	-880	-884
Cash flow before financing	-238	-376	929	791
Cash flow from financing operations	-580	145	-1,035	-310
Cash flow for the period	-818	-231	-106	481
Cash at the beginning of the period	2,488	1,991	1,757	1,991
Exchange rate differences in cash	-7	-3	12	16
Cash at the end of the period	1,663	1,757	1,663	2,488

Net sales and operating profit per business area

MSEK	Net sales				Operating profit				Operating margin			
	Jan-Mar 2010	Jan-Mar 2009	Apr-Mar 2009/2010	Jan-Dec 2009	Jan-Mar 2010	Jan-Mar 2009	Apr-Mar 2009/2010	Jan-Dec 2009	Jan-Mar 2010	Jan-Mar 2009	Apr-Mar 2009/2010	Jan-Dec 2009
Construction	4,980	5,490	21,845	22,355	117	147	784	814	2.3%	2.7%	3.6%	3.6%
Civil Engineering	1,985	1,911	9,413	9,339	65	68	443	446	3.3%	3.6%	4.7%	4.8%
Industry	1,295	1,298	7,578	7,581	-23	32	459	514	-1.8%	2.5%	6.1%	6.8%
Group functions	33	39	174	180	-52	-45	-180	-173				
Eliminations	-1,104	-894	-4,525	-4,315								
Operative¹⁾	7,189	7,844	34,485	35,140	107	202	1,506	1,601	1.5%	2.6%	4.4%	4.6%
Adjustment for housing reporting ²⁾	-89	254	-615	-272	-5	31	-64	-28				
Legal	7,100	8,098	33,870	34,868	102	233	1,442	1,573	1.4%	2.9%	4.3%	4.5%

¹⁾ According to the percentage of completion method (IAS 11)

²⁾ Adjustment in accounting principle for own single homes in Sweden as well as housing in Finland and Norway according to the completed contract method (IAS 18)

Quarterly data

Group

	Jan-Mar 2010	Oct-Dec 2009	Jul-Sep 2009	Apr-Jun 2009	Jan-Mar 2009	Oct-Dec 2008 ³⁾	Jul-Sep 2008 ³⁾	Apr-Jun 2008 ³⁾	Jan-Mar 2008 ³⁾
MSEK									
Net sales	7,100	9,228	8,448	9,094	8,098	9,408	7,891	9,203	7,630
Production costs	-6,470	-8,278	-7,603	-8,046	-7,359	-8,638	-7,139	-8,293	-6,959
Gross profit	630	950	845	1,048	739	770	752	910	671
Sales and administrative expenses	-522	-588	-397	-597	-536	-514	-345	-479	-435
Profit from participation in joint ventures/associated companies	-11	-7	12	14	-	-6	-3	6	-3
Other operating income	5	17	18	25	30	-7	0	3	29
Operating profit	102	372	478	490	233	243	404	440	262
Net financial items	2	6	46	13	-19	-208	-125	-15	13
Pre-tax profit	104	378	524	503	214	35	279	425	275
Tax	-27	-8	-134	-122	-54	329	-69	-111	-70
Profit for the period	77	370	390	381	160	364	210	314	205
Profit for the period, attributable to:									
Shareholders in parent company	79	369	387	380	159	364	210	314	205
Minority interests	-2	1	3	1	1	0	0	0	0
Profit for the period	77	370	390	381	160	364	210	314	205
Key ratios									
Earnings per share, SEK	0.27	1.27	1.33	1.35	0.57	2.20	1.27	1.87	1.22
- after dilution	0.30	1.26	1.32	1.34	0.58	2.28	1.21	1.79	1.17
Average number of outstanding shares, million	291.1	291.1	291.1	282.2	281.1	166.6	165.9	167.3	168.5
- after dilution	299.9	299.9	299.9	292.0	289.9	175.5	174.7	176.1	177.4

Business areas

	Jan-Mar 2010	Oct-Dec 2009	Jul-Sep 2009	Apr-Jun 2009	Jan-Mar 2009	Oct-Dec 2008 ³⁾	Jul-Sep 2008 ³⁾	Apr-Jun 2008 ³⁾	Jan-Mar 2008 ³⁾
MSEK									
Net sales									
Construction	4,980	5,996	4,988	5,881	5,490	7,066	5,930	7,291	6,206
Civil Engineering	1,985	2,700	2,355	2,373	1,911	2,803	2,322	2,291	1,716
Industry	1,295	2,024	2,218	2,041	1,298	2,211	2,531	2,410	1,429
Group functions	33	50	49	42	39	39	18	22	22
Eliminations	-1,104	-1,244	-1,127	-1,050	-894	-1,315	-1,122	-1,219	-889
Operative¹⁾	7,189	9,526	8,483	9,287	7,844	10,804	9,679	10,795	8,484
Adjustment for housing reporting ²⁾	-89	-298	-35	-193	254				
Legal	7,100	9,228	8,448	9,094	8,098				
Operating profit									
Construction	117	194	178	295	147	138	326	375	236
Civil Engineering	65	118	131	129	68	144	127	105	58
Industry	-23	122	210	150	32	214	300	270	71
Group functions	-52	-36	-23	-69	-45	-39	-49	-40	-32
Eliminations	-	-	-	-	-	-1	0	-2	1
Operative¹⁾	107	398	496	505	202	456	704	708	334
Adjustment for housing reporting ²⁾	-5	-26	-18	-15	31				
Legal	102	372	478	490	233				
Order situation									
Orders received	8,591	6,039	6,854	10,551	6,949	6,420	7,953	8,432	9,464
Order backlog at the end of the period	26,769	24,487	26,694	26,728	24,079	24,233	27,307	27,306	28,091

¹⁾ According to the percentage of completion method (IAS 11)

²⁾ Adjustment in accounting principle for own single homes in Sweden as well as housing in Finland and Norway according to the completed contract method (IAS 18)

³⁾ Not adjusted for changes in the accounting principle concerning housing

Condensed income statement for the parent company

MSEK	Jan-Mar 2010	Jan-Mar 2009	Apr-Mar 2009/2010	Jan-Dec 2009
Net sales	20	23	93	96
Administrative expenses	-43	-39	-157	-153
Operating profit	-23	-16	-64	-57
Result from financial investments				
Profit from participation in Group companies	-	-	365	365
Other financial items	-13	-6	34	41
Profit after financial items	-36	-22	335	349
Appropriations	-	-	160	160
Pre-tax profit	-36	-22	495	509
Tax	16	14	15	13
Profit for the period	-20	-8	510	522

Condensed balance sheet for the parent company

MSEK	31 Mar 2010	31 Mar 2009	31 Dec 2009
Assets			
Fixed assets			
Machinery and equipment	2	3	2
Participation in Group companies	11,634	11,431	11,634
Receivables from Group companies	1,403	120	1,546
Other securities held as fixed assets	470	267	430
Deferred tax recoverables	15	5	-
Interest-bearing long-term receivables	-	631	-
Other long-term receivables	1	1	1
Total fixed assets	13,525	12,458	13,613
Current assets			
Accounts receivable	7	1	0
Receivables from Group companies	20	2	59
Interest-bearing current receivables	284	308	284
Prepaid tax	2	-	-
Other current receivables	78	92	-
Prepaid expenses and accrued income	16	60	8
Liquid funds	4	2	11
Total current assets	411	465	362
Total assets	13,936	12,923	13,975
Equity and liabilities			
Equity			
	6,627	6,456	6,646
Untaxed reserves			
	0	160	0
Long-term liabilities			
Liabilities to Group companies	6,684	5,538	6,567
Convertible promissory note	575	567	573
Deferred tax liabilities	6	-	7
Total long-term liabilities	7,265	6,105	7,147
Current liabilities			
Accounts payable	9	4	7
Liabilities to Group companies	2	1	5
Income tax liabilities	-	131	136
Other liabilities	5	36	6
Accrued expenses and deferred income	28	30	28
Total current liabilities	44	202	182
Total liabilities	7,309	6,307	7,329
Total equity and liabilities	13,936	12,923	13,975
Pledged assets and contingent liabilities for the parent company			
Pledged assets	-	-	-
Contingent liabilities	13,962	12,158	13,626

Recalculation according to new accounting principles for housing production

Income statement

	Jan - Mar 2009			Jan - Jun 2009		
	Reported income statement	Adjustment	Adjusted income statement	Reported income statement	Adjustment	Adjusted income statement
MSEK						
Net sales	7,844	254	8,098	17,131	61	17,192
Production costs	-7,135	-224	-7,359	-15,359	-45	-15,404
Gross profit	709	30	739	1,772	16	1,788
Sales and administrative expenses	-536	0	-536	-1,133	0	-1,133
Profit from participation in joint venture/associated companies	-1	1	0	13	1	14
Other operating income	30	0	30	55	0	55
Operating profit	202	31	233	707	17	724
Net financial items	-19	0	-19	-6	0	-6
Pre-tax profit	183	31	214	701	17	718
Tax	-47	-7	-54	-176	0	-176
Profit for the period	136	24	160	525	17	542

Profit for the period, attributable to:

Shareholders in parent company	135	24	159	523	17	540
Minority interests	1	0	1	2	0	2
Profit for the period	136	24	160	525	17	542

Statements of

comprehensive income

	Reported comprehensive income		Adjusted comprehensive income		Adjusted comprehensive income	
	Reported comprehensive income	Adjustment	Adjusted comprehensive income	Reported comprehensive income	Adjustment	Adjusted comprehensive income
MSEK						
Profit for the period	136	24	160	525	17	542
Period change in translation reserve	136	-1	135	97	0	97
Changes in other comprehensive income	26	-	26	66	0	66
Other comprehensive income for the period	162	-1	161	163	0	163
Total comprehensive income for the period	298	23	321	688	17	705

Total comprehensive income for the period, attributable to:

Shareholders in parent company	297	23	320	685	17	702
Minority interests	1	0	1	3	0	3
Total comprehensive income for the period	298	23	321	688	17	705

Balance sheet

	2009-03-31			2009-06-30		
	Reported balance sheet	Adjustment	Adjusted balance sheet	Reported balance sheet	Adjustment	Adjusted balance sheet
MSEK						
Assets						
Intangible assets	2,195	0	2,195	2,181	0	2,181
Tangible assets	4,328	0	4,328	4,284	0	4,284
Interest-bearing long-term receivables	334	0	334	348	0	348
Other financial fixed assets	923	0	923	983	0	983
Deferred tax recoverables	658	18	676	621	25	646
Total fixed assets	8,438	18	8,456	8,417	25	8,442
Project and development properties	3,804	0	3,804	4,081	0	4,081
Inventories	492	0	492	522	0	522
Work in progress	-	1,122	1,122	-	973	973
Interest-bearing current receivables	332	0	332	323	0	323
Other current receivables	9,935	-804	9,131	10,505	-684	9,821
Short-term holdings	1,106	0	1,106	904	0	904
Liquid funds	651	0	651	475	0	475
Total current assets	16,320	318	16,638	16,810	289	17,099
Total assets	24,758	336	25,094	25,227	314	25,541
Equity and liabilities						
Equity	6,823	-61	6,762	6,576	-67	6,509
Liabilities						
Interest-bearing long-term liabilities	5,645	132	5,777	5,178	109	5,287
Other long-term liabilities	307	0	307	300	0	300
Total long-term liabilities	5,952	132	6,084	5,478	109	5,587
Interest-bearing current liabilities	1,353	55	1,408	2,139	54	2,193
Other current liabilities	10,630	210	10,840	11,034	218	11,252
Total current liabilities	11,983	265	12,248	13,173	272	13,445
Total equity and liabilities	24,758	336	25,094	25,227	314	25,541

Recalculation according to new accounting principles for housing production

Income statement	Jan - Sep 2009			Jan - Dec 2009		
	Reported income statement	Adjustment	Adjusted income statement	Reported income statement	Adjustment	Adjusted income statement
MSEK						
Net sales	25,614	26	25,640	35,140	-272	34,868
Production costs	-22,979	-28	-23,007	-31,529	243	-31,286
Gross profit	2,635	-2	2,633	3,611	-29	3,582
Sales and administrative expenses	-1,530	0	-1,530	-2,118	0	-2,118
Profit from participation in joint ventures/associated companies	25	1	26	18	1	19
Other operating income	73	0	73	90	0	90
Operating profit	1,203	-1	1,202	1,601	-28	1,573
Net financial items	40	0	40	46	0	46
Pre-tax profit	1,243	-1	1,242	1,647	-28	1,619
Tax	-315	5	-310	-326	8	-318
Profit for the period	928	4	932	1,321	-20	1,301
Profit for the period attributable to:						
Shareholders in parent company	923	4	927	1,315	-20	1,295
Minority interests	5	0	5	6	0	6
Profit for the period	928	4	932	1,321	-20	1,301
Statements of comprehensive income						
MSEK	Reported comprehensive income	Adjustment	Adjusted comprehensive income	Reported comprehensive income	Adjustment	Adjusted comprehensive income
Profit for the period	928	4	932	1,321	-20	1,301
Period change in translation reserve	49	-1	48	60	1	61
Changes in other comprehensive income	141	0	141	185	0	185
Other comprehensive income for the period	190	-1	189	245	1	246
Total comprehensive income for the period	1,118	3	1,121	1,566	-19	1,547
Total comprehensive income for the period, attributable to:						
Shareholders in parent company	1,113	3	1,116	1,559	-19	1,540
Minority interests	5	0	5	7	0	7
Total comprehensive income for the period	1,118	3	1,121	1,566	-19	1,547
Balance sheet						
	2009-09-30			2009-12-31		
	Reported balance sheet	Adjustment	Adjusted balance sheet	Reported balance sheet	Adjustment	Adjusted balance sheet
MSEK						
Assets						
Intangible assets	2,149	0	2,149	2,281	0	2,281
Tangible assets	4,714	0	4,714	4,904	0	4,904
Interest-bearing long-term receivables	284	0	284	387	0	387
Other financial fixed assets	1,167	0	1,167	1,253	0	1,253
Deferred tax recoverables	623	30	653	123	34	157
Total fixed assets	8,937	30	8,967	8,948	34	8,982
Project and development properties	4,385	0	4,385	4,132	0	4,132
Inventories	546	0	546	492	0	492
Work in progress	-	925	925	-	1,216	1,216
Interest-bearing current receivables	340	0	340	388	0	388
Other current receivables	10,669	-767	9,902	9,860	-944	8,916
Short-term holdings	904	0	904	904	0	904
Liquid funds	809	0	809	1,584	0	1,584
Total current assets	17,653	158	17,811	17,360	272	17,632
Total assets	26,590	188	26,778	26,308	306	26,614
Equity and liabilities						
Equity	7,259	-81	7,178	7,709	-103	7,606
Liabilities						
Interest-bearing long-term liabilities	5,416	10	5,426	5,690	51	5,741
Other long-term liabilities	284	0	284	319	0	319
Total long-term liabilities	5,700	10	5,710	6,009	51	6,060
Interest-bearing current liabilities	2,585	0	2,585	2,042	51	2,093
Other current liabilities	11,046	259	11,305	10,548	307	10,855
Total current liabilities	13,631	259	13,890	12,590	358	12,948
Total equity and liabilities	26,590	188	26,778	26,308	306	26,614

List of shareholders 31 March 2010

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	11,916,299	24,123,914	8.1	22.2
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
Folksam		9,100,000	9,100,000	3.1	1.5
Peab's profit sharing foundation		5,685,108	5,685,108	1.9	0.9
SEB Investment Management		4,486,780	4,486,780	1.5	0.7
Swedbank Robur Funds		4,281,910	4,281,910	1.4	0.7
Danica Pension		3,502,559	3,502,559	1.2	0.6
Government of Norway		3,436,708	3,436,708	1.2	0.6
Länsförsäkringar Funds		3,285,976	3,285,976	1.1	0.5
Svante Paulsson with family and companies	1,720,908	1,343,580	3,064,488	1.0	3.1
Handelsbanken Funds		3,077,560	3,077,560	1.0	0.5
Lannebo Funds		3,000,000	3,000,000	1.0	0.5
Sara Karlsson with family and companies	1,778,140	863,299	2,641,439	0.9	3.1
Foreign owners		32,827,181	32,827,181	11.1	5.4
Others	335,523	105,607,904	105,943,427	35.8	18.1
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

