



## PEAB AB YEAR-END REPORT JANUARY– DECEMBER 2010.

Operative net sales increased by 9 percent to SEK 38,184 million (35,140)

Operative operating profit amounted to SEK 1,563 million (1,601)

Earnings per share before dilution amounted to SEK 4.11 (4.52)

Orders received during the year increased by 14 percent to SEK 34,764 million (30,393)

Order backlog in Construction and Civil Engineering has grown by 11 percent to SEK 27,063 million (24,487)

Housing construction continues to grow

The Board proposes SEK 2.60 (2.50) per share as dividend



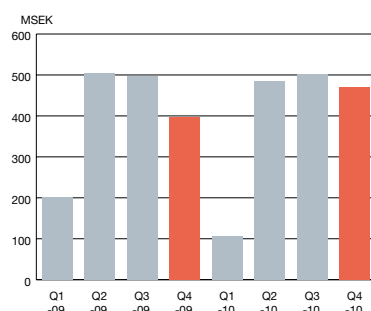
## YEAR-END REPORT JANUARY - DECEMBER 2010

### Operative net sales



Group operative net sales for 2010 amounted to SEK 38,184 million (35,140), which was an increase of 9 percent. Even after adjustments for acquired and divested units operative net sales increased by 9 percent compared with the previous year.

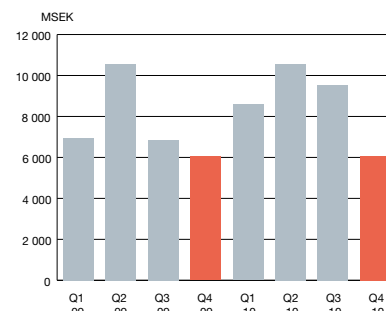
### Operative operating profit



Operative operating profit for 2010 amounted to SEK 1,563 million compared with SEK 1,601 million for the previous year.

### Construction and Civil Engineering

#### Orders received per quarter



Orders received for 2010 amounted to SEK 34,764 million compared to SEK 30,393 million for the previous year. Order backlog amounted to SEK 27,063 million compared with SEK 24,487 million per 31 December 2009.

### Group

MSEK	Jan-Dec 2010	Jan-Dec 2009	Financial objectives
Operative net sales	38,184	35,140	
Net sales	38,045	34,868	
Operative operating profit	1,563	1,601	
Operative operating margin, %	4.1	4.6	
Operating profit	1,503	1,573	
Operating margin, %	4.0	4.5	
Pre-tax profit	1,513	1,619	
Profit for the year	1,190	1,301	
Earnings per share before dilution, SEK	4.11	4.52	
Return on equity, %	15.6	18.7	> 20%
Equity/assets ratio, %	27.8	28.6	> 25%

### NEW CONTRACTS DURING THE FOURTH QUARTER

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

- Peab has been contracted to build a highway stage between Älvängen-Ramstorp on the E45 from Gothenburg to Trollhättan. The customer is the Swedish Transport Administration and the contract amounts to SEK 218 million.
- Peab has been contracted to build the so-called Hässleholmsporten in Hässleholm. Hässleholmsporten will become the country's first combination of attractive sheltered housing and condominiums. The client is Kunskapsporten and the contract amounts to SEK 137 million.
- Peab has been commissioned to carry out two contracts next to the double track railway being built between central Södertälje and the Port of Södertälje. The customer is Swedish Transport Administration and the contract amounts to SEK 177 million.
- Peab has been commissioned to build 135 new apartments on Skullerud Square in Oslo. The client is Olaf Helsets vei 1 and the contract amounts to NOK 140 million.
- Peab has been contracted to build Evolution Media City in Malmö. The client is Wihlborgs Mediacenter HB and the contract amounts to SEK 153 million.
- Peab and IKEA have agreed on a partnership revolving around IKEA's continued expansion in Sweden, Norway and Finland. Corporation will begin at conception and continue until completion of the store. The agreement entails building ten new stores following the expansion plans of each country. The order for each project will be reported when the contract for each store is signed.
- Peab has been commissioned to build new Scandic Hotel Fornebu in Oslo. Customer is IT Fornebu AS and Utstillningsplassen Eiendom AS and the contract amounts to NOK 300 million.
- Peab has been contracted to build a new swimming facility in Angered Centre in Gothenburg. The client is Higab group and the contract amounts to SEK 292 million.

## COMMENTS BY THE CEO

The Nordic construction market has gradually improved in almost every sector in 2010 and Peab has developed well considering the weak economy we came out of.

Orders received during 2010 amounted to SEK 34.8 billion compared to SEK 30.4 billion in 2009, which is an increase of 14 percent. Order backlog amounted to SEK 27.1 billion compared to SEK 24.5 billion at the end of 2009.

Operative net sales in 2010 were SEK 38,184 million (35,140) which is an increase of 9 percent. Operative operating profit for 2010 amounted to SEK 1,563 million (1,601). Production tempo has successively increased during the year but margins have been affected by orders taken during price press in 2009. In addition, the severe winter weather has driven up costs.

In 2010 Peab sold 2,179 (1,082) of own developed homes and started production on 2,113 (910). With 77 percent (76) of our housing in production already sold and a big demand we have the right conditions to increase the start up of new projects in both tenant-owned homes and our own single homes. There have also been positive developments in orders for rental projects from municipal and private property companies. The demand for housing started with a housing shortage in several different places but the improvement in the economy and low interests rates has amplified it. Now we need to make sure we have the right capacity to meet this demand.

Based on our belief in a bright future during the year we have invested in machinery, supplemental companies, project properties and large development projects.

Recovery in Swedish construction market has continued and in part accelerated. Although the most rapid development has taken place in new construction of apartment buildings single home construction is also showing good growth. A high level of start-ups in housing projects is expected to continue in 2011. New construction of commercial and public premises is also growing rapidly, which is primarily a result of swelling employment in the service sector. The civil engineering market developed more slowly in 2010 but it is expected to pick up in 2011.

Recovery in Finland and Norway has also been faster in 2010 than expected and production start-ups in apartment buildings and other building construction have increased significantly.

Naturally we consider the rising tempo in the economy positive but at the same time it puts our attractiveness as an employer to the test. By handling our resources properly we will have every opportunity to development substantially in the coming years. The fact we aspire to be the Nordic community builder requires us to combine profitability with a deep engagement in developing society.



*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, in the reporting. 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.

There is a bridge 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 14-15.

## **NET SALES AND PROFIT**

Group operative net sales for 2010 amounted to SEK 38,184 million (35,140), which was an increase of 9 percent. Even after adjustments for acquired and divested units operative net sales increased by 9 percent compared with the previous year. Adjustments in housing reporting affected net sales by SEK -139 million (-272). Group net sales for 2010 increased by 9 percent to SEK 38,045 million (34,868). Of the period's net sales, SEK 5,425 million (4,705) was attributable to sales and production outside Sweden.

Operative operating profit for 2010 amounted to SEK 1,563 million compared to SEK 1,601 million for the previous year. Adjustments in housing reporting affected operating profit by SEK -60 million (-28). Operating profit for 2010 amounted to SEK 1,503 million compared with SEK 1,573 million for the previous year. Depreciation for the year amounted to SEK 731 million (747).

The unusually severe winter weather had a negative effect on net sales and operating profit during the first quarter. The rate of production has been high ever since but operating profit has been affected by lower margins in orders received in 2009.

Net financial items amounted to SEK 10 million (46), of which net interest expense amounted to SEK -175 million (-173). The effect of valuing financial instruments at fair value affected net financial items by SEK 172 million (229), of which the income effect of valuing the Brinova holding at fair value amounted to SEK 179 million (218). The shareholding is reported at market price on the balance sheet date.

Pre-tax profit amounted to SEK 1,513 million compared with SEK 1,619 million for the previous year.

Tax for the year was SEK -323 million (-318).

Profit for the year amounted to SEK 1,190 million (1,301).

## **FINANCIAL POSITION**

The equity/assets ratio on 31 December 2010 was 27.8 percent compared with 28.6 percent at the previous year-end. Interest-bearing net debt amounted to SEK 5,719 million compared to SEK 4,571 million at previous year-end. The increase is in part due to dividends

paid, an increase in funds tied up in working capital in projects such as Fältjägaren Fastigheter AB and the purchase of shares in Catena AB. The average interest rate in the loan portfolio on 31 December 2010 was 2.9 percent (2.1).

Group liquid funds, including non-utilised credit facilities, amounted to SEK 5,274 million at the end of the year compared with SEK 6,709 million on 31 December 2009.

At the end of the year, Group contingent liabilities, excluding joint and several liabilities in trading and limited partnerships, amounted to SEK 1,602 million compared with SEK 1,999 million on 31 December 2009. Of contingent liabilities, obligations to tenant-owners' associations under construction amounted to SEK 1,449 million compared with SEK 1,624 million at the previous year-end.

## **INVESTMENTS**

Net investment of tangible and intangible assets amounted to SEK 597 million during the year. Net investments were SEK 1,493 million during the last year, of which SEK 419 million was part of the acquisition of Annehem Fastigheter. Project and development properties were acquired for a total of SEK 789 million (518) during 2010.

## **CASH FLOW**

Cash flow from current operations before changes in working capital was SEK 1,890 million (2,086), 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 -727 million (-411). Included in the change in working capital are project and development properties invested with SEK -634 million (-371).

Cash flow from investment activities amounted to SEK -1,478 million compared with SEK -884 million the last year. This includes the acquisition of project and development properties through company acquisitions. In addition, Peab acquired 19.97 percent of the shares in Catena AB during the year. Investments in tangible assets amounted to SEK 873 million (888).

Cash flow before financing amounted to SEK -315 million compared with SEK 791 million for the last year.

## **PERSONNEL**

At the end of the year, the company had 13,778 employees compared with 12,892 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 during 2010 has been run in five divisions in Sweden, one division in Norway and one division in Finland. As of 1 January 2011 a new Nordic division has been added to the business area that will handle Group property development.

Operative net sales for 2010 amounted to SEK 24,186 million compared with SEK 22,355 million for the previous year, which is an increase of 8 percent. After adjustments for acquired and divested units the increase was 7 percent.

Operative operating profit for 2010 amounted to SEK 835 million compared with SEK 814 million during the previous year. Operative operating margin sank to 3.5 percent compared with 3.6 percent for

the previous year.

Operating profit has been negatively affected by the severe winter during the first quarter but the rate of production has been high ever since. Start-ups in our own housing developments have contributed to greater profitability but operating profit has been affected by lower margins in orders received in 2009.

#### CIVIL ENGINEERING

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

Net sales for 2010 amounted to SEK 10,664 million compared with SEK 9,339 million the previous year, which is an increase of 14 percent. Even after adjustments for acquired and divested units the increase was 14 percent.

Operating profit for the year amounted to SEK 356 million compared with SEK 446 million for the previous year. Operating margin sank to 3.3 percent compared with 4.8 percent for the previous year.

Operating profit has been negatively affected by the severe winter as well as greater competition on the civil engineering market.

#### 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 2010 amounted to SEK 8,508 million compared with SEK 7,581 million for the previous year, which is an increase of 12 percent. After adjustments for acquired and divested units net sales increased by 17 percent.

Operating profit for the year amounted to SEK 544 million compared with SEK 514 million for the previous year. Operating margin sank to 6.4 percent compared with 6.8 percent for the previous year.

As a result of more activity in both construction and civil engineering operations the business area has recovered from a weak first quarter. In the fourth quarter we have seen a clear trend of improved capacity utilization and profitability.

#### ORDERS RECEIVED AND ORDER BACKLOG

##### CONSTRUCTION AND CIVIL ENGINEERING

Orders received for 2010 amounted to SEK 34,764 million compared to SEK 30,393 million for 2009.

Order backlog yet to be produced at the end of the year amounted to SEK 27,063 million compared to SEK 24,487 million at the end of last year. Order backlog has increased in both construction and civil engineering operations since the end of 2009.

Of the total order backlog, 29 percent (29) is expected to be produced after 2011. Construction projects accounted for 68 percent

(68) of the order backlog. Swedish operations accounted for 88 percent (89) 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 2010	31 Dec 2009	31 Dec 2008
Coming financial year	19,137	17,338	18,445
Next financial year	6,374	5,191	4,493
Thereafter	1,552	1,958	1,295
<b>Total order backlog</b>	<b>27,063</b>	<b>24,487</b>	<b>24,233</b>
<b>Orders received</b>	<b>34,764</b>	<b>30,393</b>	<b>32,269</b>

#### 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 9 percent of net sales for 2010 compared with 7 percent for full year 2009.

The number of homes in production at the end of the year was 3,212 compared with 2,832 at the end of 2009. The level of own housing development start-ups is considerably higher than last year and amounted to 2,113 (910). The portion of sold homes in production was 77 percent compared with 76 percent at the end of 2009. Low interest rates and housing shortages have contributed to the increased sales. The number of sold homes during the year was 2,179 compared with 1,082 during 2009.

We see a continued increase in demand for rentals and we work actively with several municipalities to find solutions to the housing shortage that exists in many places throughout the country. Through our partnership in Tornet AB we have established cooperation with a long-term owner of rentals and together we are developing a number of ongoing and planned housing projects.

The total holding of project and development properties at the end of the year amounted to SEK 4,921 million compared with SEK 4,132 million per 31 December 2009. The number of repurchased homes on 31 December 2010 was 213 (258), of which 66 (156) are attributable to Finnish housing companies.

#### THE CONSTRUCTION MARKET

In 2010 Nordic building construction made a dramatic recovery in nearly every sector.

Recovery in Swedish building construction has continued and in part accelerated. After three quarters start-ups in new construction projects have grown dramatically in every sector. The analytics

#### Peab's own housing development construction

	Jan-Dec 2010	Jan-Dec 2009	Jan-Dec 2008
Number of housing starts during the year	2,113	910	1,496
Number of homes sold during the year	2,179	1,082	1,282
Total number of homes under construction, at the end of the year	3,212	2,832	3,612
Share of sold homes under construction, at the end of the year	77%	76%	68%
Number of repurchased homes in the balance sheet, at the end of the year	213	258	181

company Industrifakta has once again upped its forecasts and now indicates an increase took place in building construction in progress in the area of 30 percent in 2010. Taking into consideration this unexpectedly rapid rise they have slightly lowered their forecast for building construction in 2011 to 4 percent and there may be some capacity shortages in certain sectors of the market during the year. Close to null growth or perhaps even a slight decline is indicated in the civil engineering market for 2010, but an increase of around 3 percent is anticipated in 2011. All in all this entails a total increase in start-ups in construction investments in Sweden by 16 percent in 2010 and 3 percent in 2011.

The most rapid and greatest increase in 2010 happened in the new construction of apartment buildings. Single home start-ups are on the rise as well. Although housing construction is expected to level out in 2011 there will still be a housing shortage in several growth centres in Sweden. In addition, the number of youths looking for housing is rapidly increasing and there is an acute need to open up the housing market and make it more flexible.

The construction of offices and public premises is also showing a high growth rate while refurbishing is significantly weaker. As employment in the service sector improves and retailers experience continuing good growth both new construction and refurbishing are expected to increase considerably in 2011. However, new construction of public premises is expected to diminish while an increase in renovation investments is anticipated.

The trend for investments in civil engineering in 2010 points to a decline in private investments, primarily in telecommunications, as well as weaker developments in public investments in streets and highways.

Recovery in Norway also advanced faster than expected in 2010, particularly in start-up investments in other building construction. Housing construction, on the other hand, is on par with previous forecasts of strong growth. A certain levelling out of other building construction is forecasted for 2011 while housing construction is expected to continue to grow. Building construction is believed in total to have increased by 10 percent in 2010 and the forecast for 2011 is 6 percent. There is an estimated growth of 3 percent in 2010 in the Norwegian civil engineering market and a further few percent is anticipated in 2011. All in all this entails a total increase in ongoing construction investments in Norway of 8 percent in 2010 and 6 percent in 2011.

Like Sweden housing construction in Finland has grown much more than expected. Even other building construction has developed substantially. However, a tangible levelling out is anticipated in 2011 for housing construction putting the forecast close to null growth with a little growth in other building construction. Building construction is believed to have increased in total by 20 percent in 2010 while the forecast for 2011 is a few percent's growth. Developments in civil engineering construction in Finland, however, are less positive. It looks like there has been a decline in 2010 and that there will be null growth in 2011. All in all this entails a total increase in ongoing construction investments by 14 percent in 2010 and 1 percent in 2011.

The building maintenance and renovation market continues to be stable in all three countries and around 2 percent growth is expected in both 2010 and close to 3 percent in 2011.

## **RISKS AND UNCERTAINTY FACTORS**

Peab's business is largely project related. Operational risks in day-to-day business are primarily connected to bids, percentage of completion and volume and price risks.

Structured risk assessment is crucial in the 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 mainly refer to unforeseen price hikes 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 Group is 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, for rental properties. In the beginning of 2010 Peab 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.

On 9 July 2010, an Extra General Meeting decided to divest two companies according to a section of the Companies Act (Leo-lagen). The sales referred to CompWell AB and NeTel AB. CompWell works with measuring energy and had net sales of around SEK 10 million in 2009 and a slightly negative operating profit. NeTel works within the electricity and telecom sectors and had net sales of some SEK 240 million in 2009 and near null in operating profit.

Petter Moe has been appointed new Division Manager for Peab's Norwegian construction operations. Petter is 50 years old and has recently left NCC. Petter will take over from Stein Eriksen who has chosen to leave Peab.

## **ACQUISITIONS DURING 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 is the construction of flats, as there is a great need in Östersund.

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

Peab AB has acquired a total of 2,310,000 shares, corresponding to 19.97 percent of the capital and votes in Catena AB (publ). We consider the company an interesting financial investment, short-term because of its good direct return and long-term because of the opportunities for development in the company's property.

Peab has acquired Cramo Entreprenad AB and Yttre Miljö AB that have combined net sales in 2009 of SEK 120 million.

Peab has acquired all the shares in A-frakt AB. The company, which is domiciled in Arvidsjaur, runs transportation operations in the north of Sweden. In 2009 the company's net sales were SEK 110 million.

Peab has acquired 91 percent of the shares in Telemark Vestfold Entreprenör AS and 33 percent of the shares in Telemark Vestfold Utvikling AS. Net sales in the acquired companies amount to NOK 250 million and they are domiciled in Skien. The takeover was in January 2011.

## ACCOUNTING PRINCIPLES

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 in the reporting. According to the previous principle applied income and profit were 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 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, Construction Contract, 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. This amended estimation has been applied in reporting after 1 January 2010.

Segment reporting still continues 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 14-15.

The amended standards IFRS 3, Business combinations, and IAS 27, Consolidated and separate financial reports, have been applied since the start of 2010 and they have only affected acquisitions in 2010.

Since Peab received two seats on the board through an extra general meeting in Catena AB in October 2010, giving Peab significant influence, the holding is now reported as an associated company. Associated company participation will be reported in Peab with a quarter's delay.

The parent company's reports have been prepared according to the Swedish Company Accounts Act and RFR 2, 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. Peab's Annual General Meeting on 11 May 2010 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. During the year 4,524,000 B shares have been repurchased. In connection with an acquisition 122,000 B shares were sold. As of 31 December 2010, Peab's own B share holding amounted to 9,308,220 B shares, corresponding to 3.1 percent of the total number of shares.

## THE PEAB SHARE

Peab's B share is listed on the NASDAQ OMX Stockholm, Large Cap list. As of 31 December 2010, the price of the Peab share was SEK 57.25, an increase of 24 percent during 2010. During the same period, the Swedish stock market increased by 23 percent according

## 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
Acquisition of own shares during the year					4,524,000	-4,524,000
Disposal of own shares during the year					-122,000	122,000
<b>Share capital and number of shares 31 December 2010</b>	<b>1,583.9</b>	<b>34,319,957</b>	<b>261,729,773</b>	<b>296,049,730</b>	<b>9,308,220</b>	<b>286,741,510</b>

to general index in the business magazine "Affärsvärlden". During 2010, the Peab share has been quoted at a maximum of SEK 58.00 and a minimum of SEK 36.20.

#### **PARENT COMPANY**

The parent company Peab AB's net sales for 2010 amounted to SEK 82 million (96) and mainly consisted of internal Group services. Profit after tax amounted to SEK 1,429 million (522).

The parent company's assets mainly consist of participations in Group companies amounting to SEK 11,728 million (11,634), shares in Catena AB worth SEK 263 million (-), shares in Brinova Fastigheter AB worth SEK 572 million (393) and convertible bonds in Peab Industri AB worth SEK 581 million (573). The assets have been financed from equity of SEK 7,355 million (6,646) and long-term liabilities amounting to SEK 6,256 million (7,147).

The parent company's liquid assets amounted to SEK 3 million (11) 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 2.60 per share (2.50) is proposed for year 2010. Excluding the 9,308,220 shares owned by Peab AB as at 15 February 2011, which do not entitle to dividend, the proposed dividend is equivalent to a total dividend distribution of SEK 746 million (728). Calculated as a share of the group's reported profit after tax, the proposed dividend amounts to 63 percent (55). The proposed dividend is equivalent to a direct return of 4.6 percent based on the closing price on 15 February 2011.

#### **ANNUAL GENERAL MEETING**

The Annual General Meeting of Peab will be held on 10 May 2011 at Grevieparken in Grevie.

#### **NOMINATING COMMITTEE**

At the Annual General Meeting held on 11 May 2010, Malte Åkerström (chairman), Leif Franzon, Göran Grosskopf and Erik Paulsson were appointed to the Peab nominating committee.

#### **FUTURE FINANCIAL INFORMATION**

- |  |                  |
|--|------------------|
| • Annual report 2010   | April 2011       |
| • Interim report January-March 2011 and Annual General Meeting | 10 May 2011      |
| • Half-year report January-June 2011                           | 23 August 2011   |
| • Interim report January-September 2011                        | 22 November 2011 |
| • Year-end report 2011   | 15 February 2012 |

*Förslöv, 16 February 2011*

*Mats Paulsson  
CEO and President*

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



## Condensed income statement for the Group

MSEK	Jan-Dec 2010	Jan-Dec 2009	Oct-Dec 2010	Oct-Dec 2009
Net sales	38,045	34,868	11,538	9,228
Production costs	-34,533	-31,286	-10,491	-8,278
<b>Gross profit</b>	<b>3,512</b>	<b>3,582</b>	<b>1,047</b>	<b>950</b>
Sales and administrative expenses	-2,139	-2,118	-656	-588
Profit from participation in joint ventures/ associated companies	95	19	29	-7
Other operating income	38	90	19	17
Other operating costs	-3	0	-3	0
<b>Operating profit</b>	<b>1,503</b>	<b>1,573</b>	<b>436</b>	<b>372</b>
Net financial items	10	46	28	6
<b>Pre-tax profit</b>	<b>1,513</b>	<b>1,619</b>	<b>464</b>	<b>378</b>
Tax	-323	-318	-60	-8
<b>Profit for the period</b>	<b>1,190</b>	<b>1,301</b>	<b>404</b>	<b>370</b>
<b>Profit for the period, attributable to:</b>				
Shareholders in parent company	1,187	1,295	403	369
Non-controlling interests	3	6	1	1
<b>Profit for the period</b>	<b>1,190</b>	<b>1,301</b>	<b>404</b>	<b>370</b>
<b>Key ratios</b>				
Earnings per share, SEK	4.11	4.52	1.39	1.27
- after dilution	3.99	4.52	1.29	1.26
Average number of outstanding shares, million	288.6	286.7	286.7	291.1
- after dilution	297.4	295.4	295.5	299.9
Return on capital employed, %	11.7	13.1		
Return on equity, %	15.6	18.7		

## Condensed comprehensive income statement for the Group

MSEK	Jan-Dec 2010	Jan-Dec 2009	Oct-Dec 2010	Oct-Dec 2009
<b>Profit for the period</b>	<b>1,190</b>	<b>1,301</b>	<b>404</b>	<b>370</b>
<b>Other comprehensive income</b>				
Translation differences for the period from translation of foreign operations	-167	61	-14	13
Profit/loss from currency risk hedging in foreign operations	65	-51	3	-7
Translation differences transferred to profit for the year	-3	-	-	-
Changes in fair value of cash flow hedges for the period	33	283	89	43
Changes in fair value of cash flow hedges transferred to profit for the year	-	3	-	3
Tax attributable to components in other comprehensive income	-47	-50	-9	5
<b>Other comprehensive income for the period</b>	<b>-119</b>	<b>246</b>	<b>69</b>	<b>57</b>
<b>Total comprehensive income for the period</b>	<b>1,071</b>	<b>1,547</b>	<b>473</b>	<b>427</b>
<b>Total comprehensive income for the period, attributable to:</b>				
Shareholders in parent company	1,068	1,540	472	425
Non-controlling interests	3	7	1	2
<b>Total comprehensive income for the period</b>	<b>1,071</b>	<b>1,547</b>	<b>473</b>	<b>427</b>

## Condensed balance sheet for the Group

MSEK	31 Dec 2010	31 Dec 2009	31 Dec 2008
<b>Assets</b>			
Intangible assets	2,190	2,281	2,112
Tangible assets	4,847	4,904	4,335
Interest-bearing long-term receivables	474	387	453
Other financial fixed assets	2,056	1,253	696
Deferred tax recoverables	90	157	621
<b>Total fixed assets</b>	<b>9,657</b>	<b>8,982</b>	<b>8,217</b>
Project and development properties	4,921	4,132	3,823
Inventories	411	492	528
Work in progress	1,263	1,216	1,287
Interest-bearing current receivables	36	388	329
Other current receivables	10,482	8,916	10,379
Short-term holdings	1	904	1,007
Liquid funds	809	1,584	984
<b>Total current assets</b>	<b>17,923</b>	<b>17,632</b>	<b>18,337</b>
<b>Total assets</b>	<b>27,580</b>	<b>26,614</b>	<b>26,554</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>7,673</b>	<b>7,606</b>	<b>6,378</b>
<b>Liabilities</b>			
Interest-bearing long-term liabilities	5,437	5,741	5,767
Deferred tax liabilities	326	-	-
Other long-term liabilities	298	319	317
<b>Total long-term liabilities</b>	<b>6,061</b>	<b>6,060</b>	<b>6,084</b>
Interest-bearing current liabilities	1,602	2,093	1,257
Other current liabilities	12,244	10,855	12,835
<b>Total current liabilities</b>	<b>13,846</b>	<b>12,948</b>	<b>14,092</b>
<b>Total liabilities</b>	<b>19,907</b>	<b>19,008</b>	<b>20,176</b>
<b>Total equity and liabilities</b>	<b>27,580</b>	<b>26,614</b>	<b>26,554</b>
<b>Key ratios</b>			
Capital employed	14,712	15,440	13,402
Equity/assets ratio, %	27.8	28.6	24.0
Net debt	5,719	4,571	4,251
Equity per share, SEK	26.76	25.98	22.55
- after dilution	27.93	27.13	23.83
Number of outstanding shares at the end of the year, million	286.7	291.1	278.7
- after dilution	295.5	299.9	287.5

## Condensed statement of changes in Group's equity

MSEK	31 Dec 2010	31 Dec 2009
<b>Equity attributable to shareholders in parent company</b>		
Opening equity on 1 January	7,563	6,370
Adjustment for changed accounting principle	-	-84
Adjusted equity on 1 January	7,563	6,286
Profit for the year	1,187	1,295
Other comprehensive income for the year	-119	245
Comprehensive income for the year	1,068	1,540
Cash dividend	-728	-637
Acquisition of own shares	-177	-11
Disposal of own shares	4	252
New share issue	-	133
Acquisition of non-controlling interests, controlling interests already	-57	-
<b>Closing equity</b>	<b>7,673</b>	<b>7,563</b>
<b>Non-controlling interests</b>		
Opening equity on 1 January	43	92
Profit for the year	3	7
Acquisition of non-controlling interests, controlling interests already	-46	-57
Acquisition of jointly owned subsidiaries, non-controlling interests already	-	1
<b>Closing equity</b>	<b>0</b>	<b>43</b>
<b>Total closing equity</b>	<b>7,673</b>	<b>7,606</b>

## Condensed cash flow statement for the Group

	Jan-Dec 2010	Jan-Dec 2009	Oct-Dec 2010	Oct-Dec 2009
<b>MSEK</b>				
Cash flow from current operations before changes in working capital	1,890	2,086	807	721
Cash flow from changes in working capital	-727	-411	-28	783
<b>Cash flow from current operations</b>	<b>1,163</b>	<b>1,675</b>	<b>779</b>	<b>1,504</b>
Acquisition of subsidiaries	-400	62	-178	-22
Disposal of subsidiaries	58	-16	66	-2
Acquisition of fixed assets	-1,298	-1,069	-625	-372
Sales of fixed assets	162	139	51	-96
<b>Cash flow from investment operations</b>	<b>-1,478</b>	<b>-884</b>	<b>-686</b>	<b>-492</b>
<b>Cash flow before financing</b>	<b>-315</b>	<b>791</b>	<b>93</b>	<b>1,012</b>
Cash flow from financing operations	-1,330	-310	-837	-245
<b>Cash flow for the period</b>	<b>-1,645</b>	<b>481</b>	<b>-744</b>	<b>767</b>
Cash at the beginning of the period	2,488	1,991	1,561	1,713
Exchange rate differences in cash	-33	16	-7	8
<b>Cash at the end of the period</b>	<b>810</b>	<b>2,488</b>	<b>810</b>	<b>2,488</b>

## Net sales and operating profit per business area

MSEK	Net sales		Operating profit		Operating margin	
	Jan-Dec 2010	Jan-Dec 2009	Jan-Dec 2010	Jan-Dec 2009	Jan-Dec 2010	Jan-Dec 2009
Construction	24,186	22,355	835	814	3.5%	3.6%
Civil Engineering	10,664	9,339	356	446	3.3%	4.8%
Industry	8,508	7,581	544	514	6.4%	6.8%
Group functions	146	180	-172	-173		
Eliminations	-5,320	-4,315				
<b>Operative<sup>1)</sup></b>	<b>38,184</b>	<b>35,140</b>	<b>1,563</b>	<b>1,601</b>	<b>4.1%</b>	<b>4.6%</b>
Adjustment for housing reporting <sup>2)</sup>	-139	-272	-60	-28		
<b>Legal</b>	<b>38,045</b>	<b>34,868</b>	<b>1,503</b>	<b>1,573</b>	<b>4.0%</b>	<b>4.5%</b>

<sup>1)</sup> According to the percentage of completion method (IAS 11)

<sup>2)</sup> 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

	Oct-Dec 2010	Jul-Sep 2010	Apr-Jun 2010	Jan-Mar 2010	Oct-Dec 2009	Jul-Sep 2009	Apr-Jun 2009	Jan-Mar 2009	Oct-Dec 2008 <sup>3)</sup>
<b>MSEK</b>									
Net sales	11,538	9,124	10,283	7,100	9,228	8,448	9,094	8,098	9,408
Production costs	-10,491	-8,289	-9,283	-6,470	-8,278	-7,603	-8,045	-7,359	-8,638
<b>Gross profit</b>	<b>1,047</b>	<b>835</b>	<b>1,000</b>	<b>630</b>	<b>950</b>	<b>845</b>	<b>1,049</b>	<b>739</b>	<b>770</b>
Sales and administrative expenses	-656	-401	-560	-522	-588	-397	-597	-536	-514
Profit from participation in joint ventures/associated companies	29	26	51	-11	-7	12	14	-	-6
Other operating income	19	6	8	5	17	18	25	30	-7
Other operating costs	-3	0	0	0	0	0	0	0	0
<b>Operating profit</b>	<b>436</b>	<b>466</b>	<b>499</b>	<b>102</b>	<b>372</b>	<b>478</b>	<b>491</b>	<b>233</b>	<b>243</b>
Net financial items	28	55	-75	2	6	46	13	-19	-208
<b>Pre-tax profit</b>	<b>464</b>	<b>521</b>	<b>424</b>	<b>104</b>	<b>378</b>	<b>524</b>	<b>504</b>	<b>214</b>	<b>35</b>
Tax	-60	-131	-105	-27	-8	-134	-122	-54	329
<b>Profit for the period</b>	<b>404</b>	<b>390</b>	<b>319</b>	<b>77</b>	<b>370</b>	<b>390</b>	<b>382</b>	<b>160</b>	<b>364</b>
<b>Profit for the period, attributable to:</b>									
Shareholders in parent company	403	390	315	79	369	387	381	159	364
Non-controlling interests	1	0	4	-2	1	3	1	1	0
<b>Profit for the period</b>	<b>404</b>	<b>390</b>	<b>319</b>	<b>77</b>	<b>370</b>	<b>390</b>	<b>382</b>	<b>160</b>	<b>364</b>
<b>Key ratios</b>									
Earnings per share, SEK	1.39	1.36	1.09	0.27	1.27	1.33	1.35	0.57	2.20
- after dilution	1.29	1.35	1.08	0.27	1.26	1.32	1.34	0.57	2.20
Average number of outstanding shares, million	286.7	286.8	290.0	291.1	291.1	291.1	282.2	281.1	166.6
- after dilution	295.5	295.6	298.8	299.9	299.9	299.9	292.0	289.9	175.5

### Business areas

	Oct-Dec 2010	Jul-Sep 2010	Apr-Jun 2010	Jan-Mar 2010	Oct-Dec 2009	Jul-Sep 2009	Apr-Jun 2009	Jan-Mar 2009	Oct-Dec 2008 <sup>3) 4)</sup>
<b>MSEK</b>									
<b>Net sales</b>									
Construction	7,552	5,619	6,035	4,980	5,996	4,988	5,881	5,490	7,066
Civil Engineering	3,319	2,657	2,703	1,985	2,700	2,355	2,373	1,911	2,803
Industry	2,265	2,556	2,392	1,295	2,024	2,218	2,041	1,298	2,211
Group functions	46	33	34	33	50	49	42	39	39
Eliminations	-1,613	-1,453	-1,150	-1,104	-1,244	-1,127	-1,050	-894	-1,315
<b>Operative <sup>1)</sup></b>	<b>11,569</b>	<b>9,412</b>	<b>10,014</b>	<b>7,189</b>	<b>9,526</b>	<b>8,483</b>	<b>9,287</b>	<b>7,844</b>	<b>10,804</b>
Adjustment for housing reporting <sup>2)</sup>	-31	-288	269	-89	-298	-35	-193	254	
<b>Legal</b>	<b>11,538</b>	<b>9,124</b>	<b>10,283</b>	<b>7,100</b>	<b>9,228</b>	<b>8,448</b>	<b>9,094</b>	<b>8,098</b>	
<b>Operating profit</b>									
Construction	241	198	279	117	194	178	295	147	138
Civil Engineering	113	99	79	65	118	131	129	68	144
Industry	160	232	175	-23	122	210	150	32	214
Group functions	-45	-26	-49	-52	-36	-23	-69	-45	-39
Eliminations	-	-	-	-	-	-	-	-	-1
<b>Operative <sup>1)</sup></b>	<b>469</b>	<b>503</b>	<b>484</b>	<b>107</b>	<b>398</b>	<b>496</b>	<b>505</b>	<b>202</b>	<b>456</b>
Adjustment for housing reporting <sup>2)</sup>	-33	-37	15	-5	-26	-18	-14	31	
<b>Legal</b>	<b>436</b>	<b>466</b>	<b>499</b>	<b>102</b>	<b>372</b>	<b>478</b>	<b>491</b>	<b>233</b>	
<b>Order situation</b>									
Orders received	6,056	9,547	10,570	8,591	6,039	6,854	10,551	6,949	6,420
Order backlog at the end of the period	27,063	30,753	29,039	26,769	24,487	26,694	26,728	24,079	24,233

<sup>1)</sup> According to the percentage of completion method (IAS 11)

<sup>2)</sup> 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)

<sup>3)</sup> Not adjusted for changes in the accounting principle concerning housing

<sup>4)</sup> Proforma including Peab Industri

## Condensed income statement for the parent company

MSEK	Jan-Dec 2010	Jan-Dec 2009	Oct-Dec 2010	Oct-Dec 2009
Net sales	82	96	22	25
Administrative expenses	-152	-153	-35	-34
<b>Operating profit</b>	<b>-70</b>	<b>-57</b>	<b>-13</b>	<b>-9</b>
<b>Result from financial investments</b>				
Profit from participation in Group companies	1,390	365	-52	-13
Profit from participation in associated companies	59	-	59	-
Other financial items	-15	41	19	-1
<b>Profit after financial items</b>	<b>1,364</b>	<b>349</b>	<b>13</b>	<b>-23</b>
Appropriations	0	160	0	160
<b>Pre-tax profit</b>	<b>1,364</b>	<b>509</b>	<b>13</b>	<b>137</b>
Tax	65	13	14	-29
<b>Profit and comprehensive income for the period</b>	<b>1,429</b>	<b>522</b>	<b>27</b>	<b>108</b>

## Condensed balance sheet for the parent company

MSEK	31 Dec 2010	31 Dec 2009
<b>Assets</b>		
<b>Fixed assets</b>		
Machinery and equipment	2	2
Participation in Group companies	11,728	11,634
Participation in associated companies	263	-
Receivables from Group companies	1,015	1,546
Other securities held as fixed assets	602	430
Other long-term receivables	1	1
<b>Total fixed assets</b>	<b>13,611</b>	<b>13,613</b>
<b>Current assets</b>		
Accounts receivable	0	0
Receivables from Group companies	27	59
Interest-bearing current receivables	5	284
Prepaid expenses and accrued income	8	8
Liquid funds	3	11
<b>Total current assets</b>	<b>43</b>	<b>362</b>
<b>Total assets</b>	<b>13,654</b>	<b>13,975</b>
<b>Equity and liabilities</b>		
<b>Equity</b>	<b>7,355</b>	<b>6,646</b>
<b>Untaxed reserves</b>	<b>0</b>	<b>0</b>
<b>Long-term liabilities</b>		
Liabilities to Group companies	5,670	6,567
Convertible promissory note	581	573
Deferred tax liabilities	5	7
<b>Total long-term liabilities</b>	<b>6,256</b>	<b>7,147</b>
<b>Current liabilities</b>		
Accounts payable	4	7
Liabilities to Group companies	4	5
Income tax liabilities	1	136
Other liabilities	4	6
Accrued expenses and deferred income	30	28
<b>Total current liabilities</b>	<b>43</b>	<b>182</b>
<b>Total liabilities</b>	<b>6,299</b>	<b>7,329</b>
<b>Total equity and liabilities</b>	<b>13,654</b>	<b>13,975</b>
<b>Pledged assets and contingent liabilities for the parent company</b>		
Pledged assets	-	-
Contingent liabilities	15,126	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
<b>MSEK</b>						
Net sales	7,844	254	8,098	17,131	61	17,192
Production costs	-7,135	-224	-7,359	-15,359	-45	-15,404
<b>Gross profit</b>	<b>709</b>	<b>30</b>	<b>739</b>	<b>1,772</b>	<b>16</b>	<b>1,788</b>
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
<b>Operating profit</b>	<b>202</b>	<b>31</b>	<b>233</b>	<b>707</b>	<b>17</b>	<b>724</b>
Net financial items	-19	0	-19	-6	0	-6
<b>Pre-tax profit</b>	<b>183</b>	<b>31</b>	<b>214</b>	<b>701</b>	<b>17</b>	<b>718</b>
Tax	-47	-7	-54	-176	0	-176
<b>Profit for the period</b>	<b>136</b>	<b>24</b>	<b>160</b>	<b>525</b>	<b>17</b>	<b>542</b>

#### Profit for the period, attributable to:

Shareholders in parent company	135	24	159	523	17	540
Non-controlling interests	1	0	1	2	0	2
<b>Profit for the period</b>	<b>136</b>	<b>24</b>	<b>160</b>	<b>525</b>	<b>17</b>	<b>542</b>

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

#### Total comprehensive income for the period, attributable to:

Shareholders in parent company	297	23	320	685	17	702
Non-controlling interests	1	0	1	3	0	3
<b>Total comprehensive income for the period</b>	<b>298</b>	<b>23</b>	<b>321</b>	<b>688</b>	<b>17</b>	<b>705</b>

### Balance sheet

	2009-03-31			2009-06-30		
	Reported balance sheet	Adjustment	Adjusted balance sheet	Reported balance sheet	Adjustment	Adjusted balance sheet
<b>MSEK</b>						
<b>Assets</b>						
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
<b>Total fixed assets</b>	<b>8,438</b>	<b>18</b>	<b>8,456</b>	<b>8,417</b>	<b>25</b>	<b>8,442</b>
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
<b>Total current assets</b>	<b>16,320</b>	<b>318</b>	<b>16,638</b>	<b>16,810</b>	<b>289</b>	<b>17,099</b>
<b>Total assets</b>	<b>24,758</b>	<b>336</b>	<b>25,094</b>	<b>25,227</b>	<b>314</b>	<b>25,541</b>
<b>Equity and liabilities</b>						
<b>Equity</b>	<b>6,823</b>	<b>-61</b>	<b>6,762</b>	<b>6,576</b>	<b>-67</b>	<b>6,509</b>
<b>Liabilities</b>						
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
<b>Total long-term liabilities</b>	<b>5,952</b>	<b>132</b>	<b>6,084</b>	<b>5,478</b>	<b>109</b>	<b>5,587</b>
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
<b>Total current liabilities</b>	<b>11,983</b>	<b>265</b>	<b>12,248</b>	<b>13,173</b>	<b>272</b>	<b>13,445</b>
<b>Total equity and liabilities</b>	<b>24,758</b>	<b>336</b>	<b>25,094</b>	<b>25,227</b>	<b>314</b>	<b>25,541</b>

## 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
<b>MSEK</b>						
Net sales	25,614	26	25,640	35,140	-272	34,868
Production costs	-22,979	-28	-23,007	-31,529	243	-31,286
<b>Gross profit</b>	<b>2,635</b>	<b>-2</b>	<b>2,633</b>	<b>3,611</b>	<b>-29</b>	<b>3,582</b>
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
<b>Operating profit</b>	<b>1,203</b>	<b>-1</b>	<b>1,202</b>	<b>1,601</b>	<b>-28</b>	<b>1,573</b>
Net financial items	40	0	40	46	0	46
<b>Pre-tax profit</b>	<b>1,243</b>	<b>-1</b>	<b>1,242</b>	<b>1,647</b>	<b>-28</b>	<b>1,619</b>
Tax	-315	5	-310	-326	8	-318
<b>Profit for the period</b>	<b>928</b>	<b>4</b>	<b>932</b>	<b>1,321</b>	<b>-20</b>	<b>1,301</b>
<b>Profit for the period attributable to:</b>						
Shareholders in parent company	923	4	927	1,315	-20	1,295
Non-controlling interests	5	0	5	6	0	6
<b>Profit for the period</b>	<b>928</b>	<b>4</b>	<b>932</b>	<b>1,321</b>	<b>-20</b>	<b>1,301</b>

### Statements of comprehensive income

	Reported comprehensive income		Adjusted comprehensive income		Reported comprehensive income		Adjusted comprehensive income	
	Reported comprehensive income	Adjustment	Adjusted comprehensive income	Reported comprehensive income	Adjustment	Adjusted comprehensive income		
<b>MSEK</b>								
<b>Profit for the period</b>	<b>928</b>	<b>4</b>	<b>932</b>	<b>1,321</b>	<b>-20</b>	<b>1,301</b>		
Period change in translation reserve	49	-1	48	60	1	61		
Changes in other comprehensive income	141	0	141	185	0	185		
<b>Other comprehensive income for the period</b>	<b>190</b>	<b>-1</b>	<b>189</b>	<b>245</b>	<b>1</b>	<b>246</b>		
<b>Total comprehensive income for the period</b>	<b>1,118</b>	<b>3</b>	<b>1,121</b>	<b>1,566</b>	<b>-19</b>	<b>1,547</b>		
<b>Total comprehensive income for the period, attributable to:</b>								
Shareholders in parent company	1,113	3	1,116	1,559	-19	1,540		
Non-controlling interests	5	0	5	7	0	7		
<b>Total comprehensive income for the period</b>	<b>1,118</b>	<b>3</b>	<b>1,121</b>	<b>1,566</b>	<b>-19</b>	<b>1,547</b>		

### Balance sheet

	2009-09-30			2009-12-31		
	Reported balance sheet	Adjustment	Adjusted balance sheet	Reported balance sheet	Adjustment	Adjusted balance sheet
<b>MSEK</b>						
<b>Assets</b>						
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
<b>Total fixed assets</b>	<b>8,937</b>	<b>30</b>	<b>8,967</b>	<b>8,948</b>	<b>34</b>	<b>8,982</b>
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
<b>Total current assets</b>	<b>17,653</b>	<b>158</b>	<b>17,811</b>	<b>17,360</b>	<b>272</b>	<b>17,632</b>
<b>Total assets</b>	<b>26,590</b>	<b>188</b>	<b>26,778</b>	<b>26,308</b>	<b>306</b>	<b>26,614</b>
<b>Equity and liabilities</b>						
<b>Equity</b>	<b>7,259</b>	<b>-81</b>	<b>7,178</b>	<b>7,709</b>	<b>-103</b>	<b>7,606</b>
<b>Liabilities</b>						
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
<b>Total long-term liabilities</b>	<b>5,700</b>	<b>10</b>	<b>5,710</b>	<b>6,009</b>	<b>51</b>	<b>6,060</b>
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
<b>Total current liabilities</b>	<b>13,631</b>	<b>259</b>	<b>13,890</b>	<b>12,590</b>	<b>358</b>	<b>12,948</b>
<b>Total equity and liabilities</b>	<b>26,590</b>	<b>188</b>	<b>26,778</b>	<b>26,308</b>	<b>306</b>	<b>26,614</b>

## List of shareholders 31 December 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 family and 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
Anita Paulsson with family and companies	4,261,431	5,957,050	10,218,481	3.5	8.0
Lannebo Funds		8,448,379	8,448,379	2.9	1.4
Folksam		6,900,000	6,900,000	2.3	1.1
Peab's profit sharing foundation		5,685,108	5,685,108	1.9	0.9
Swedbank Robur Funds		5,042,116	5,042,116	1.7	0.8
Danica Pension		3,724,444	3,724,444	1.3	0.6
Handelsbanken Funds		3,659,547	3,659,547	1.2	0.6
SEB Investment Management		3,474,495	3,474,495	1.2	0.6
Svante Paulsson with family and companies	1,720,908	1,343,580	3,064,488	1.0	3.1
Sara Karlsson with family and companies	1,778,140	863,299	2,641,439	0.9	3.1
Foreign owners		36,710,167	36,710,167	12.4	6.1
Others	335,523	100,245,430	100,580,953	34.0	17.2
<b>Number of outstanding shares</b>	<b>34,319,957</b>	<b>252,421,553</b>	<b>286,741,510</b>		
Peab AB		9,308,220	9,308,220	3.1	1.5
<b>Number of registered shares</b>	<b>34,319,957</b>	<b>261,729,773</b>	<b>296,049,730</b>	<b>100.0</b>	<b>100.0</b>

Source: Euroclear Sweden AB

