



Peab AB

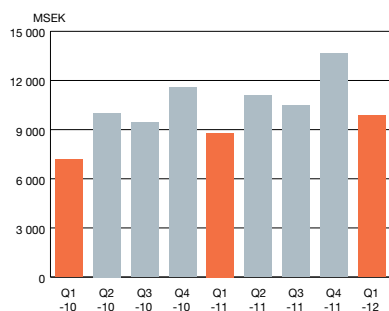
Interim Report

January – March 2012

- Operative net sales amounted to SEK 9,868 million (8,797)
- Operative operating profit amounted to SEK 144 million (102)
- Earnings per share before dilution amounted to SEK 0.27 (0.19)
- Orders received during the first quarter increased by 28 percent to SEK 13,200 million (10,306)
- Order backlog in Construction and Civil Engineering has grown by 11 percent to 32,989 million (29,689)
- Four business areas established

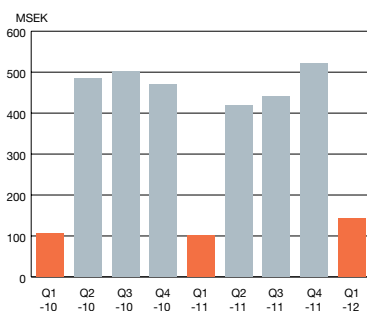
INTERIM REPORT JANUARY - MARCH 2012

Operative net sales



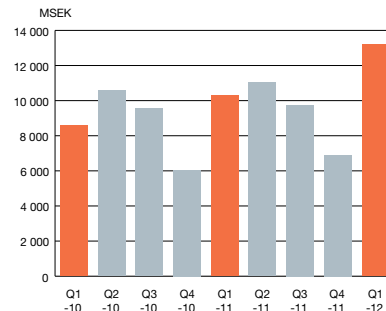
Group operative net sales the first quarter 2012 amounted to SEK 9,868 million (8,797), which was an increase of 12 percent. Even after adjustments for acquired and divested units operative net sales increased by 12 percent compared to the same period last year.

Operative operating profit



Operative operating profit the first quarter 2012 amounted to SEK 144 million compared to SEK 102 million for the same period last year.

Construction and Civil Engineering Orders received



Orders received the first quarter 2012 amounted to SEK 13,200 million compared to SEK 10,306 million for the same period last year. Order backlog amounted to SEK 32,989 million compared to SEK 28,378 million per 31 December 2011.

Group

MSEK	Jan-Mar 2012	Jan-Mar 2011	Apr-Mar 2011/2012	Jan-Dec 2011	Financial objectives
Operative net sales ¹⁾	9,868	8,797	45,086	44,015	
Net sales	9,898	8,708	44,729	43,539	
Operative operating profit ¹⁾	144	102	1,525	1,483	
Operative operating margin, % ¹⁾	1.5	1.2	3.4	3.4	
Operating profit	148	114	1,539	1,505	
Operating margin, %	1.5	1.3	3.4	3.5	
Pre-tax profit	103	74	1,224	1,195	
Profit for the period	77	55	965	943	
Earnings per share before dilution, SEK	0.27	0.19	3.32	3.26	
Return on equity, %	12.2 ²⁾	15.2 ²⁾	12.2	12.1	> 20%
Equity/assets ratio, %	26.7	28.0	26.7	25.4	> 25%

¹⁾ Operative net sales and operative operating profit are reported according to percentage of completion method. Net sales and operating profit are according to legal accounting.

²⁾ Calculated on rolling 12 months

NEW CONTRACTS DURING THE FIRST QUARTER

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

- Peab has been contracted to expand the E6 outside of Trondheim in Norway. The client is the Norwegian Public Roads Administration and the contract amounts to NOK 180 million.
- Peab has been given the responsibility for operation and maintenance in Malmö, the southern subcontractor area. The client is Malmö City and in total the contract is worth SEK 140 million spread over five years.
- Peab was already commissioned by LKAB to handle loading, transporting and receiving ore and waste rock, and to process raw goods and additives at Gruvberget in Svappavaara. LKAB has now decided to extend these contracts with Peab for another year until September 2014. The value of the extension is approximately SEK 350 million.
- Peab has been commissioned to build homes for the elderly in Sala. The client is Sala Municipality and the contract amounts to SEK 150 million. The building will house 80 rooms on four floors and will be environmentally classified under Environmental Building Gold, version 2.0.
- Peab has been commissioned to build an extension of road E22 between Rolsberga and Fogdarp in Skåne. The client is the National Transport Administration and the contract is worth SEK 106 million.
- Peab has been commissioned to build 85 new apartments in Annedal, a new city district between Stockholm and Sundbyberg. The client is HEBA and the contract is worth around SEK 143 million.
- Peab has received orders for the operation and maintenance of public roads in Värmland and Dalsland. The customer is the National Transport Administration and the total contract amounts to SEK 247 million.

COMMENTS BY THE CEO

Peab's first quarter has in general followed the development we saw during the second half of 2011. Despite an uncertainty about where the market is heading we are experiencing good demand for our products and services and a good inflow of new projects. The rate of production continues to be high. Operative net sales during the first quarter 2012 was SEK 9,868 million (8,797), which means an increase of 12 percent compared to 2011. Operative operating profit amounted to SEK 144 million compared to SEK 102 million for the same period last year. This year weather conditions have been favorable during the first quarter, which is seasonally Peab's weakest quarter, and the winter climate has had a limited effect on production, particularly in Civil engineering and Industry. Higher costs and lower revenue in ongoing production in Construction operations in Norway and Finland have charged profits during the first quarter. Swedish construction operations continue to be affected by lower level of margins in the revenue recognized in big projects where production will continue for quite some time.

The level of orders received was good during the first quarter and amounted to SEK 13,200 million compared to 10,306 million in the first quarter 2011. Included in orders received is Peab's single largest project ever, Mall of Scandinavia at Arenastaden in Solna, which is an order worth SEK 3.5 billion. Order backlog increased to SEK 33.0 billion compared to SEK 28.4 billion at the end of 2011.

As of 1 January 2012 the Group is presented in four business areas. The business in property development is in an initiation phase and operations have been under formation during the first quarter. We believe the demand for property projects in the Nordic region will continue to be good with a great deal of interest from both local and international players. We will continue to invest in existing and new property development projects in 2012.

Housing developments have been stable during the period although we have noticed that the sales rate is still sluggish. We sold 400 (589) of our own developed homes during the first quarter and started production on 528 (486). The increase in production start-ups of homes includes 143 in Arenastaden. Because the homes are integrated into the production of other projects in Arenastaden, the project has commenced with a lower level of presales than we otherwise require to start up production. The level of sold homes in production was 68 percent compared to 73 at the beginning of the year. As long as supply of housing loans functions we believe demand for housing with different ownership forms will continue to be good.

As we have previously stated, we believe start-ups in building construction will slow and volumes in civil engineering will be stable in the Nordic markets in 2012. This assessment is supported by marketing statistics from the beginning of the year.



Peab's strong market position and good order situation is a robust platform for stable development in the future even when market conditions are weaker. Our expansion in the past few years in combination with a wave of retirements has led to many new employees. A natural next step will be to methodically develop our organization and internal processes to increase productivity. This will also include further development of concepts and industrial construction. Our work lies in further focusing on measures to improve profitability.

*Jan Johansson
CEO and President*

NET SALES AND PROFIT ¹⁾

Group operative net sales for the first quarter 2012 amounted to SEK 9,868 million (8,797), which was an increase of 12 percent. Even after adjustments for acquired and divested units operative net sales increased by 12 percent compared to the same period last year. Adjustments in housing reporting affected net sales by SEK 30 million (-89). Group net sales for the first quarter 2012 increased by 14 percent to SEK 9,898 million (8,708). Of the period's net sales, SEK 1,830 million (1,188) was attributable to sales and production outside Sweden.

Operative operating profit for the first quarter 2012 amounted to SEK 144 million compared to SEK 102 million for the same period last year. Adjustments in housing reporting affected operating profit by SEK 4 million (12). Operating profit for the first quarter 2012 amounted to SEK 148 million compared to SEK 114 million for the same period last year. The last year has been characterized by expansion in all our Nordic operations. Construction operations in Norway and Finland have charged profit during the first quarter through higher costs and a low level of revenue in ongoing production. The Swedish construction business continues to be affected by a lower level of margins in the revenue recognized in big projects where production will continue for quite some time. Favorable weather conditions have had a positive effect in civil engineering and industry compared to the same period last year. Depreciation for the period was SEK 209 million (186).

Net financial items amounted to SEK -45 million (-40), of which net interest expense amounted to SEK -76 million (-64). The effect of valuing financial instruments at fair value affected net financial items by SEK 18 million (25), of which the income effect of valuing the Brinova holding at fair value amounted to SEK 15 million (30). The shareholding is reported at market price on the balance sheet date. Peab's holding in Catena is reported as an associated company and has therefore not been given a market value.

Pre-tax profit amounted to SEK 103 million compared to SEK 74 million for the same period last year.

Tax for the period was SEK -26 million (-19).

Profit for the period amounted to SEK 77 million (55).

FINANCIAL POSITION

The equity/assets ratio on 31 March 2012 was 26.7 percent compared to 25.4 percent at the previous year-end. Interest-bearing net debt amounted to SEK 7,008 million compared to SEK 6,626 million at the end of 2011. The increase is due to seasonal effects and investments in machines and project property. The average interest rate in the loan portfolio including derivatives on 31 March 2012 was 3.4 percent (3.2).

Group liquid funds, including non-utilized credit facilities, were SEK 4,712 million at the end of the period compared to SEK

4,944 million on 31 December 2011.

At the end of the period, Group contingent liabilities, excluding joint and several liabilities in trading and limited partnerships, amounted to SEK 2,742 million compared to SEK 2,136 million on 31 December 2011. Of contingent liabilities, obligations to tenant-owners' associations under construction were SEK 1,782 million compared to SEK 1,554 million at the previous year-end.

INVESTMENTS

Net investment of tangible and intangible assets amounted to SEK 306 million (220) during the period. Project and development properties were invested for a total of SEK 193 million during the first quarter 2012. Project and development properties were net divested for a total of SEK 6 million for the same period last year.

CASH FLOW

Cash flow from current operations before changes in working capital was SEK 309 million (178). Cash flow from changes in working capital was SEK -429 million (-504) and is a result of seasonal effects. The acquisition of project and development property for SEK 247 million (42) is also included in the change in working capital.

Cash flow from investment activities was SEK 76 million compared to SEK -636 million the same period the previous year. The period has been affected positively by the settlement of interest-bearing receivables. The comparable period included significant investments in housing and property development projects as well as strategic company acquisitions. Cash flow before financing amounted to SEK -44 million compared to SEK -962 million for the same period the last year.

ORDERS RECEIVED AND ORDER BACKLOG CONSTRUCTION AND CIVIL ENGINEERING

Orders received for the first quarter 2012 amounted to SEK 13,200 million compared to SEK 10,306 million for the same period last year. Included in orders received is Peab's single largest project ever, the Mall of Scandinavia in Solna, worth around SEK 3,500 million.

Order backlog yet to be produced at the end of the period amounted to SEK 32,989 million compared to SEK 29,689 million the same period last year. The increase is attributable to construction operations.

Of the total order backlog, 38 percent (39) is expected to be produced after 2012. Construction projects accounted for 70 percent (65) of the order backlog. Swedish operations accounted for 86 percent (87) of the order backlog.

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

¹⁾ 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. Segment reporting is based on the percentage of completion method for all our projects 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. Operative net sales and operative operating profit are reported according to the percentage of completion method. Net sales and operating profit are reporting according to legal accounting.

Order backlog and orders received

Construction and Civil Engineering

MSEK	31 Mar 2012	31 Mar 2011	31 Dec 2011
Current financial year	20,505	18,118	21,578
Next financial year	7,869	8,962	5,164
Thereafter	4,615	2,609	1,636
Total order backlog	32,989	29,689	28,378
Orders received	13,200	10,306	37,986

PERSONNEL

At the end of the period, the company had 14,463 employees compared to 14,006 at the same time the previous year.

COMMENTS ON THE BUSINESS AREAS

As of 1 January 2012 the Peab Group is presented in four different business areas: Construction, Civil Engineering, Industry and Property Development. Comparable figures for the year 2011 have been translated into the new business areas. The business areas are also operating segments.

Construction of our own development projects are presented in segment reporting according to the percentage of completion method. Unrealized internal profits and net sales are eliminated within the Group. When our own housing development projects are divested these effects are returned to the Group and the capital gains from the sales are reported in business area Property Development.

Construction

Business area Construction comprises the Group's construction related services and own housing projects. Operations are run in five divisions in Sweden, one division in Norway, one division in Finland.

Operative net sales for the first quarter 2012 amounted to SEK 6,513 million (6,089), which is an increase of 7 percent. Even after adjustments for acquired and divested units the increase was 7 percent.

Operative operating profit for the first quarter 2012 amounted to SEK 139 million (139). Operative operating margin sank to 2.1 percent compared to 2.3 percent for the same period last year. Operative margin for the latest rolling 12 month period was 2.1 percent compared to 2.2 percent for full year 2011.

The past year has been characterized by expansion in all our Nordic operations. Construction operations in Norway and Finland have charged profit during the first quarter through higher costs and a low level of revenue in ongoing production. The Swe-

dish construction business continues to be affected by a lower level of margins in the revenue recognized in big projects where production will continue for quite some time.

All types of housing such as apartment buildings with tenant-owner rights and rentals as well as condominiums are produced in business area Construction. We also produce a certain amount of single homes. Project development and ownership of apartments for rent are handled in business area Property Development.

New production of Peab's own housing developments made up 10 percent of net sales for the first quarter 2012 compared to 12 percent for the same period the last year.

The number of homes in production at the end of the period was 3,420 compared to 3,470 the previous year-end. The level of own housing development start-ups is slightly higher than last year and amounted to 528 (486). The increase in production start-ups of homes includes 143 in Arenastaden. Because the homes are integrated into the production of other projects in Arenastaden, the project has commenced with a lower level of presales than we otherwise require to start up production. The number of sold homes during the period was 400 compared to 589 during the same period 2011.

The number of sold homes in production was 68 percent compared to 73 percent at the end of the year.

The current financial turbulence as well as the ceiling on mortgages in Sweden has entailed longer sales processes. This has a negative effect on our ability to start up new projects, given the requirements for presales at the start of production. Continued concern on the market results in lower interest rates and this is favorable for construction.

The housing demand is affected by several factors such as demography, the economy, interest rates and access to housing loans. All in all these factors indicate a good demand for housing with different kinds of ownership forms in the long-term and we have noticed the demand for apartment buildings with rentals continues to be strong.

The number of repurchased homes on 31 March 2012 was 171 compared to 183 per 31 December 2011 and is evenly divided in Sweden, Finland and Norway.

Civil Engineering

The business area Civil Engineering works in the Local civil engineering market, Infrastructure and heavy industry as well as Operation & maintenance. The operations are run in geographical regions in Sweden, Norway and Finland.

Peab's own housing development construction

	Jan-Mar 2012	Jan-Mar 2011	Jan-Dec 2011
Number of housing starts during the period	528	486	1,711
Number of homes sold during the period	400	589	1,531
Total number of homes under construction, at the end of the period	3,420	3,249	3,470
Share of sold homes under construction, at the end of the period	68%	80%	73%
Number of repurchased homes in the balance sheet, at the end of the period	171	193	183

Net sales for the first quarter 2012 amounted to SEK 2,454 million compared to SEK 2,376 million for the same period last year, which is an increase of 3 percent. Even after adjustments for acquired and divested units the increase was 3 percent.

Operating profit for the first quarter 2012 amounted to SEK 38 million (38). Operating margin amounted to 1.5 percent compared to 1.6 percent for the same period last year. Operative margin for the latest rolling 12 month period was 3.4 percent, which is unchanged compared to full year 2011.

The Local civil engineering market has had a positive development during the period as a result of higher activity on the construction market. Volumes has been lower in Operation & maintenance due to the milder winter weather. Infrastructure and heavy industry has had a high production rate but profit is lower than in the same period last year.

Industry

Business area Industry is run in seven market segments; Asphalt, Concrete, Gravel & Rock, Transportation & Machines, Foundations, Rentals and Industrial Construction. All of them work on the Nordic construction and civil engineering markets.

Net sales for the first quarter 2012 amounted to SEK 1,994 million compared to SEK 1,689 million for the same period last year, which is an increase of 18 percent. Even after adjustments for acquired and divested units, net sales increased by 18 percent. A large part of the increase in net sales refers to transportation operations that have lower margins and tie up less capital compared to Peab's other industrial operations.

Operating profit for the first quarter 2012 amounted to SEK 26 million compared to SEK -1 million for the same period last year. Operating margin has increased and was 1.3 percent compared to -0,1 percent for the same period last year. Operative margin for the latest rolling 12 month period was 6.7 percent, which is unchanged compared to full year 2011.

Net sales and profit in Concrete, Rentals and Industrial Construction has increased compared to the previous year as a result of high activity on the civil engineering and construction markets. Milder winter weather has been favorable for Asphalt, Gravel & Rock and Foundations but at the same time a greater price press, in above all Asphalt, has had a negative effect on profitability.

Property Development

Group operations revolving around acquisitions, development and divestiture of commercial property and rental property in the Nordic region are now run in the new business area Property Development.

This business is followed up in three areas; listed holdings, associated companies and joint ventures and wholly owned subsidiaries and projects. Listed holdings consists of shares in Brinova and Catena. Associated companies and joint ventures consists of, for instance, Peab's ownership in Tornet (ownership of apartments for rent), in Centur (ownership and development of commercial property), in companies connected to the development of Arenastaden as well as other holdings. Wholly owned subsidiaries and projects consists of a number of holdings that include everything from land for development where zoning is being worked out to completed projects ready for sale. Net sales and

operating profit from operations is derived from running our wholly owned property, shares in the profit from associated companies and joint ventures as well as capital gains from the divestiture of completed property and shares in associated companies and joint ventures.

During the first quarter net sales were SEK 63 million (40) and operating profit amounted to SEK 25 million (5). This includes capital gains of SEK 38 million (-) from property sales.

We believe the demand for property projects in the Nordic region will continue to be good with a great deal of interest from both local and international players. We will continue to invest in existing and new property development projects in 2012.

THE CONSTRUCTION MARKET

Recovery in building construction continued in Sweden at a higher rate than anticipated in 2011. However, all growth was related to premises and industrial/logistics, commercial and public premises increased dramatically. On the other hand start-ups of new housing dropped by around 10 percent and building construction on the whole declined towards the end of the year. Analysis company Industrifakta believes this decline has continued during the first quarter of 2012 and that start-ups of building construction will continue to fall by some 17 percent in total during 2012. At the same time the high level of ongoing production in 2011 is expected to keep construction at its current level during the first half of 2012. Swedish civil engineering continued to develop negatively in 2011, but this sector should turn around and grow by at least two percent in 2012, largely due to the extensive need for renovation in railroads and roads as well as major investments in energy supply. All in all Industrifakta expects building construction and civil engineering investments to shrink by around 12 percent in 2012.

The increase in start-ups in building construction was also substantial in Norway during 2011 and here housing construction increased dramatically as well. A negative turn is expected in every sector in 2012 with the exception of single home construction. Forecasts indicate a total drop by 18 percent start-ups in building construction, but strong developments in personal income and employment can soften the fall. Civil engineering in Norway is expected to continue to grow well and increase by about 8 percent. All in all building construction and civil engineering are expected to shrink by around 12 percent in 2012, which is mostly explained by a turn down from the unexpectedly high rise in 2011.

Finland is more directly affected by the turbulence in EMU than Sweden and Norway. As a result developments were much weaker there in 2011 and there was a reduction in building construction start-ups. The drop was particularly dramatic in apartment building renovations. In 2012 a certain leveling off in housing construction and a reduction in private premises is expected. However, the forecast for public sector construction is positive. All in all building construction is expected to remain the same if the debt crisis in EMU continues to stabilize. Civil engineering developed weakly in 2011 as well, but major investment needs in roads and energy supply can contribute to growth by a few percent in 2012. This would entail a leveling off of all construction in Finland to close to zero growth. However, there is a considerable risk for a setback.

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, that tenders submitted are correctly priced 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 cannot 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 2011 Annual Report.

IMPORTANT EVENTS DURING THE PERIOD

Peab was divided into four business areas on 1 January 2012; Construction, Civil Engineering, Industry and Property Development. In keeping with this, executive management has been expanded to include the managers of each business area. Peab's executive management after the change:

- Jan Johansson, CEO and President
- Jesper Göransson, Deputy CEO and CFO
- Mats Johansson, Deputy CEO, Strategy / HR
- Tore Hallersbo, Deputy CEO and BA Manager Construction
- Tore Nilsson, BA Manager Civil Engineering
- Karl-Gunnar Karlsson, BA Manager Industry
- Tomas Anderson, BA Manager Property Development

Tina Hermansson Berg has been appointed Director of Human Resources. She will take up her new position on 1 June 2012 and will become a member of executive management. Mats Johansson, the former HR director, will continue in executive management, now in charge of Ethics and Security. Tina Hermansson Berg is currently Executive Vice President of Human Resources & Corporate Communication at Mölnlycke Health Care AB.

IMPORTANT EVENTS AFTER THE PERIOD

Peab has redeemed its forward contract for the purchase of 940,000 shares in Lemminkäinen Oyj, which is equivalent to 4.78 percent of the company's shares and votes. This means Peab directly owns 2,080,225 shares in Lemminkäinen Oyj, corresponding to 10.59 percent of both shares and votes.

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.

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 2011.

HOLDINGS OF OWN SHARES

At the beginning of 2012 Peab's own B share holding was 1,086,984 which corresponds to 0.4 percent of the total number of shares. No changes have taken place in the first quarter of 2012.

THE PEAB SHARE

Peab's B share is listed on the NASDAQ OMX Stockholm, Large Cap list. As of 14 May 2012, the price of the Peab share was SEK 35.92 a increase of 5 percent during 2012. During the same period, the Swedish stock market increased by 3 percent according to general index in the business magazine "Affärsvärlden". During 2012, the Peab share has been quoted at a maximum of SEK 39.70 and a minimum of SEK 32.00.

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 2012	1,583.9	34,319,957	261,729,773	296,049,730	1,086,984	294,962,746
Share capital and number of shares 31 March 2012	1,583.9	34,319,957	261,729,773	296,049,730	1,086,984	294,962,746

PARENT COMPANY

The parent company Peab AB's net sales for the first quarter 2012 amounted to SEK 24 million (24) and mainly consisted of internal Group services. Profit after tax amounted to SEK -7 million (-22).

The parent company's assets mainly consist of participations in Group companies amounting to SEK 11,522 million (11,728), shares in Catena AB worth SEK 133 million (263), shares in Brinova Fastigheter AB worth SEK 506 million (602), shares in Lemminkäinen Oyj worth SEK 195 million (–) and convertible bonds in Peab Industri AB worth SEK 583 million (579). The assets have been financed from equity of SEK 8,162 million (7,332) and long-term liabilities amounting to SEK 5,256 million (6,122).

The parent company's liquid assets amounted to SEK 9 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 2012 21 August 2012
- Interim report January-September 2012 14 November 2012
- Year-end report 2012 14 February 2013

Förslöv 15 May 2012

Jan Johansson

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-Mar 2012	Jan-Mar 2011	Apr-Mar 2011/2012	Jan-Dec 2011
Net sales	9,898	8,708	44,729	43,539
Production costs	-9,191	-8,014	-41,019	-39,842
Gross profit	707	694	3,710	3,697
Sales and administrative expenses	-567	-604	-2,228	-2,265
Profit from participation in joint ventures/ associated companies	-10	3	11	24
Other operating income	19	22	55	58
Other operating costs	-1	-1	-9	-9
Operating profit	148	114	1,539	1,505
Net financial items	-45	-40	-315	-310
Pre-tax profit	103	74	1,224	1,195
Tax	-26	-19	-259	-252
Profit for the period	77	55	965	943

Profit for the period, attributable to:

Shareholders in parent company	79	55	967	943
Non-controlling interests	-2	0	-2	0
Profit for the period	77	55	965	943

Key ratios

Earnings per share, SEK	0.27	0.19	3.32	3.26
- after dilution	0.27	0.19	3.32	3.26
Average number of outstanding shares, million	295.0	286.7	291.0	288.9
- after dilution	303.8	295.5	299.8	297.7
Return on capital employed, %	10.6 ¹⁾	11.8 ¹⁾	10.6	10.5
Return on equity, %	12.2 ¹⁾	15.2 ¹⁾	12.2	12.1

¹⁾ Calculated on rolling 12 months

Condensed comprehensive income statement for the Group

MSEK	Jan-Mar 2012	Jan-Mar 2011	Apr-Mar 2011/2012	Jan-Dec 2011
Profit for the period	77	55	965	943
Other comprehensive income				
Translation differences for the period from translation of foreign operations	4	-25	29	0
Profit/loss from currency risk hedging in foreign operations	-3	9	-11	1
Translation differences transferred to profit for the period	-	-	-1	-1
Changes for the period in fair value of available-for-sale financial assets	7	-	-10	-17
Changes in fair value of cash flow hedges for the period	128	7	-83	-204
Share in associated companies' other comprehensive income	-1	-	-3	-2
Tax attributable to components in other comprehensive income	-8	-10	18	16
Other comprehensive income for the period	127	-19	-61	-207
Total comprehensive income for the period	204	36	904	736
Total comprehensive income for the period, attributable to:				
Shareholders in parent company	206	36	906	736
Non-controlling interests	-2	0	-2	0
Total comprehensive income for the period	204	36	904	736

Condensed balance sheet for the Group

MSEK	31 Mar 2012	31 Mar 2011	31 Dec 2011
Assets			
Intangible assets	2,213	2,199	2,231
Tangible assets	4,695	4,479	4,580
Interest-bearing long-term receivables	918	749	1,314
Other financial fixed assets	2,542	2,109	2,567
Deferred tax recoverables	205	91	158
Total fixed assets	10,573	9,627	10,850
Project and development properties	5,373	5,292	5,180
Inventories	445	439	416
Work in progress	1,715	1,413	1,689
Interest-bearing current receivables	268	35	237
Other current receivables	11,446	10,184	12,007
Short-term holdings	12	0	9
Liquid funds	706	540	961
Total current assets	19,965	17,903	20,499
Total assets	30,538	27,530	31,349
Equity and liabilities			
Equity	8,151	7,709	7,947
Liabilities			
Interest-bearing long-term liabilities	6,991	6,000	7,412
Deferred tax liabilities	390	260	376
Other long-term liabilities	414	261	420
Total long-term liabilities	7,795	6,521	8,208
Interest-bearing current liabilities	1,921	1,650	1,735
Other current liabilities	12,671	11,650	13,459
Total current liabilities	14,592	13,300	15,194
Total liabilities	22,387	19,821	23,402
Total equity and liabilities	30,358	27,530	31,349
Key ratios			
Capital employed	17,063	15,360	17,094
Equity/assets ratio, %	26.7	28.0	25.4
Net debt	7,008	6,326	6,626
Equity per share, SEK	27.64	26.89	26.94
- after dilution	28.79	28.06	28.10
Number of outstanding shares at the end of the period, million	295.0	286.7	295.0
- after dilution	303.8	295.5	303.8

Condensed statement of changes in Group's equity

MSEK	31 Mar 2012	31 Mar 2011	31 Dec 2011
Equity attributable to shareholders in parent company			
Opening equity on 1 January	7,947	7,673	7,673
Profit for the period	79	55	943
Other comprehensive income for the period	127	-19	-207
Comprehensive income for the period	206	36	736
Cash dividend	-	-	-746
Acquisition of own shares	-	-	-16
Disposal of own shares	-	-	300
Closing equity	8,153	7,709	7,947
Non-controlling interests			
Opening equity on 1 January	0	0	0
Profit for the period	-2	0	0
Closing equity	-2	0	0
Total closing equity	8,151	7,709	7,947

Condensed cash flow statement for the Group

MSEK	Jan-Mar 2012	Jan-Mar 2011	Apr-Mar 2011/2012	Jan-Dec 2011
Cash flow from current operations before changes in working capital	309	178	2,323	2,192
Cash flow from changes in working capital	-429	-504	-2,057	-2,132
Cash flow from current operations	-120	-326	266	60
Acquisition of subsidiaries	-58	-176	-211	-329
Disposal of subsidiaries	55	-1	133	77
Acquisition of fixed assets	-348	-497	-1,199	-1,348
Sales of fixed assets	427	38	858	469
Cash flow from investment operations	76	-636	-419	-1,131
Cash flow before financing	-44	-962	-153	-1,071
Cash flow from financing operations	-204	692	331	1,227
Cash flow for the period	-248	-270	178	156
Cash at the beginning of the period	970	810	540	810
Exchange rate differences in cash	-4	-	-	4
Cash at the end of the period	718	540	718	970

Net sales and operating profit per business area

MSEK	Net sales				Operating profit				Operating margin			
	Jan-Mar 2012	Jan-Mar 2011	Apr-Mar 2011/2012	Jan-Dec 2011	Jan-Mar 2012	Jan-Mar 2011	Apr-Mar 2011/2012	Jan-Dec 2011	Jan-Mar 2012	Jan-Mar 2011	Apr-Mar 2011/2012	Jan-Dec 2011
Construction	6,513	6,089	28,246	27,822	139	139	600	600	2.1%	2.3%	2.1%	2.2%
Civil Engineering	2,454	2,376	11,632	11,554	38	38	390	390	1.5%	1.6%	3.4%	3.4%
Industry	1,994	1,689	10,709	10,404	26	-1	720	693	1.3%	-0.1%	6.7%	6.7%
Property Development	63	40	212	189	25	5	51	31	39.7%	12.5%	24.1%	16.4%
Group functions	28	28	132	132	-77	-77	-210	-210				
Eliminations	-1,184	-1,425	-5,845	-6,086	-7	-2	-26	-21				
Operative ¹⁾	9,868	8,797	45,086	44,015	144	102	1,525	1,483	1.5%	1.2%	3.4%	3.4%
Adjustment for housing reporting ²⁾	30	-89	-357	-476	4	12	14	22				
Legal	9,898	8,708	44,729	43,539	148	114	1,539	1,505	1.5%	1.3%	3.4%	3.5%

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 2012	Oct-Dec 2011	Jul-Sep 2011	Apr-Jun 2011	Jan-Mar 2011	Oct-Dec 2010	Jul-Sep 2010	Apr-Jun 2010	Jan-Mar 2010
MSEK									
Net sales	9,898	13,244	10,557	11,030	8,708	11,538	9,124	10,283	7,100
Production costs	-9,191	-12,068	-9,609	-10,151	-8,014	-10,491	-8,289	-9,283	-6,470
Gross profit	707	1,176	948	879	694	1,047	835	1,000	630
Sales and administrative expenses	-567	-665	-517	-479	-604	-656	-401	-560	-522
Profit from participation in joint ventures/associated companies	-10	-14	18	17	3	29	26	51	-11
Other operating income	19	14	12	10	22	19	6	8	5
Other operating costs	-1	-7	-1	-	-1	-3	0	0	0
Operating profit	148	504	460	427	114	436	466	499	102
Net financial items	-45	-74	-107	-89	-40	28	55	-75	2
Pre-tax profit	103	430	353	338	74	464	521	424	104
Tax	-26	-51	-93	-89	-19	-60	-131	-105	-27
Profit for the period	77	379	260	249	55	404	390	319	77
Profit for the period, attributable to:									
Shareholders in parent company	79	379	259	250	55	403	390	315	79
Non-controlling interests	-2	0	1	-1	0	1	0	4	-2
Profit for the period	77	379	260	249	55	404	390	319	77
Key ratios									
Earnings per share, SEK	0.27	1.31	0.90	0.87	0.19	1.39	1.36	1.09	0.27
- after dilution	0.27	1.30	0.90	0.87	0.19	1.39	1.35	1.08	0.27
Average number of outstanding shares, million	295.0	288.9	287.2	286.7	286.7	286.7	286.8	290.0	291.1
- after dilution	303.8	297.7	296.0	295.5	295.5	295.5	295.6	298.8	299.9

Business areas

	Jan-Mar 2012	Oct-Dec 2011	Jul-Sep 2011	Apr-Jun 2011	Jan-Mar 2011	Oct-Dec 2010 ¹⁾	Jul-Sep 2010 ¹⁾	Apr-Jun 2010 ¹⁾	Jan-Mar 2010 ¹⁾
MSEK									
Net sales									
Construction	6,513	9,013	5,998	6,722	6,089	7,552	5,619	6,035	4,980
Civil Engineering	2,454	3,413	2,835	2,930	2,376	3,319	2,657	2,703	1,985
Industry	1,994	3,017	3,023	2,675	1,689	2,265	2,556	2,392	1,295
Property Development	63	65	47	37	40				
Group functions	28	32	28	44	28	46	33	34	33
Eliminations	-1,184	-1,885	-1,461	-1,315	-1,425	-1,613	-1,453	-1,150	-1,104
Operative ²⁾	9,868	13,655	10,470	11,093	8,797	11,569	9,412	10,014	7,189
Adjustment for housing reporting ³⁾	30	-411	87	-63	-89	-31	-288	269	-89
Legal	9,898	13,244	10,557	11,030	8,708	11,538	9,124	10,283	7,100
Operating profit									
Construction	139	220	99	142	139	241	198	279	117
Civil Engineering	38	128	109	115	38	113	99	79	65
Industry	26	229	269	196	-1	160	232	175	-23
Property Development	25	9	13	4	5				
Group functions	-77	-58	-44	-31	-77	-45	-26	-49	-52
Eliminations	-7	-7	-4	-8	-2				
Operative ²⁾	144	521	442	418	102	469	503	484	107
Adjustment for housing reporting ³⁾	4	-17	18	9	12	-33	-37	15	-5
Legal	148	504	460	427	114	436	466	499	102
Order situation									
Orders received	13,200	6,902	9,751	11,027	10,306	6,056	9,547	10,570	8,591
Order backlog at the end of the period	32,989	28,378	32,888	31,515	29,689	27,063	30,753	29,039	26,769

¹⁾ Not translated according to the new business area structure

²⁾ According to the percentage of completion method (IAS 11)

³⁾ 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)

Condensed income statement for the parent company

MSEK	Jan-Mar 2012	Jan-Mar 2011	Apr-Mar 2011/2012	Jan-Dec 2011
Net sales	24	24	99	99
Administrative expenses	-37	-41	-141	-145
Operating profit	-13	-17	-42	-46
Result from financial investments				
Profit from participation in Group companies	20	–	1,882	1,862
Profit from participation in associated companies	–	–	6	6
Other financial items	-27	-21	-255	-249
Profit after financial investments	-20	-38	1,591	1,573
Appropriations	–	–	-156	-156
Pre-tax profit	-20	-38	1,435	1,417
Tax	13	16	-128	-125
Profit for the period	-7	-22	1,307	1,292

Condensed comprehensive income statement for the parent company

MSEK	Jan-Mar 2012	Jan-Mar 2011	Apr-Mar 2011/2012	Jan-Dec 2011
Profit for the period	-7	-22	1,307	1,292
Other comprehensive income				
Changes for the period in fair value of available-for-sale financial assets	-17	–	-38	-21
Total comprehensive income for the period	-24	-22	1,269	1,271

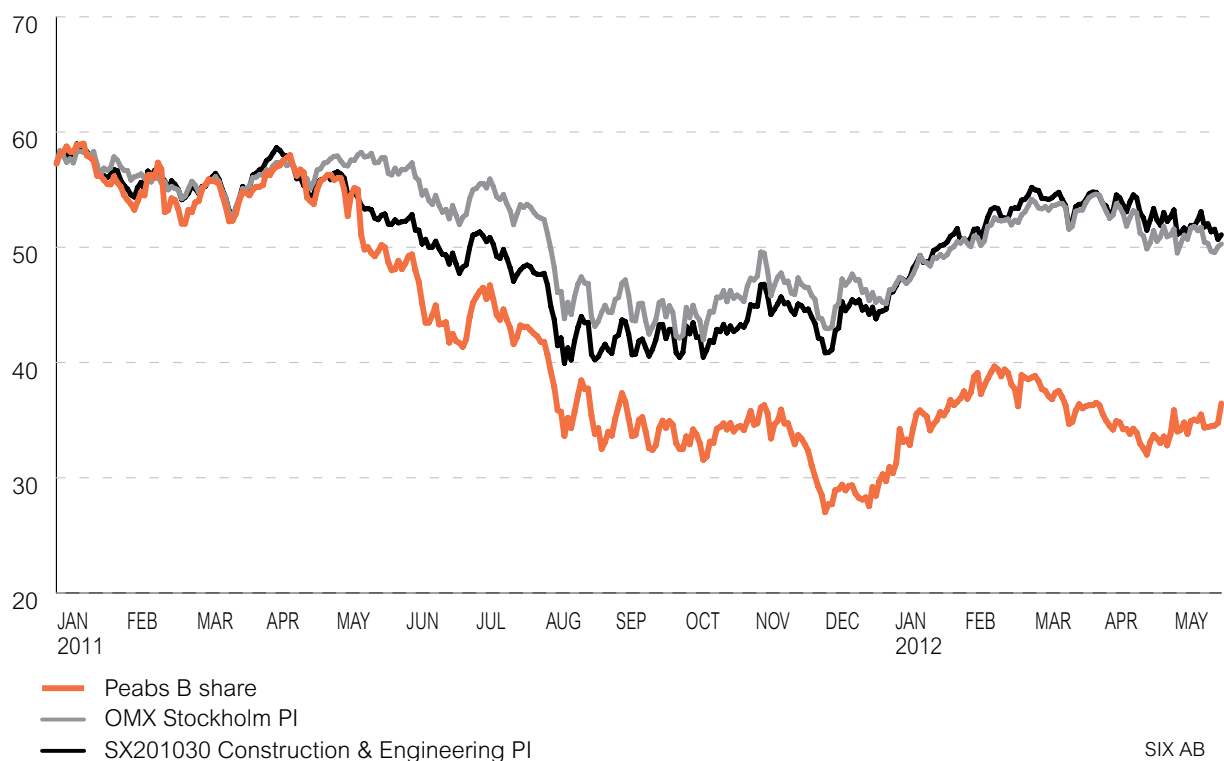
Condensed balance sheet for the parent company

MSEK	31 Mar 2012	31 Mar 2011	31 Dec 2011
Assets			
Machinery and equipment	2	2	2
Participation in Group companies	11,522	11,728	11,525
Participation in associated companies	133	263	133
Receivables from Group companies	1,276	733	1,447
Interest-bearing long-term receivables	18	–	–
Other securities held as fixed assets	718	630	709
Deferred tax recoverables	10	11	–
Other long-term receivables	1	1	1
Total fixed assets	13,680	13,368	13,817
Accounts receivable	2	0	–
Receivables from Group companies	30	31	37
Interest-bearing current receivables	–	5	–
Tax assets	–	1	–
Other receivables	–	83	–
Prepaid expenses and accrued income	24	16	7
Liquid funds	9	2	2
Total current assets	65	138	46
Total assets	13,745	13,506	13,863
Equity and liabilities			
Equity	8,162	7,332	8,164
Untaxed reserves	156	0	156
Liabilities to Group companies	4,664	5,539	4,794
Convertible promissory note	592	583	590
Deferred tax liabilities	–	–	2
Total long-term liabilities	5,256	6,122	5,386
Accounts payable	7	13	11
Liabilities to Group companies	2	2	2
Income tax liabilities	119	–	120
Other liabilities	14	5	6
Accrued expenses and deferred income	29	32	18
Total current liabilities	171	52	157
Total liabilities	5,427	6,174	5,543
Total equity and liabilities	13,745	13,506	13,863
Pledged assets and contingent liabilities for the parent company			
Pledged assets	–	–	–
Contingent liabilities	18,212	15,760	18,195

List of shareholders 31 March 2012

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	11,918,299	24,125,914	8.1	22.2
Karl-Axel Granlund with family and companies		17,912,000	17,912,000	6.1	3.0
Anita Paulsson with family and companies	4,261,431	6,013,905	10,275,336	3.5	8.0
Fredrik Paulsson with family and companies	4,261,430	6,002,154	10,263,584	3.5	8.0
Kamprad family foundation		8,581,236	8,581,236	2.9	1.4
Peab's profit sharing foundation		7,803,432	7,803,432	2.6	1.3
Folksam		6,900,000	6,900,000	2.3	1.1
Lannebo Funds		6,370,745	6,370,745	2.2	1.1
Danica Pension		4,113,928	4,113,928	1.4	0.7
Handelsbanken Funds		3,908,644	3,908,644	1.3	0.6
Swedbank Robur Funds		3,381,165	3,381,165	1.1	0.6
Länsförsäkringar Funds		3,297,101	3,297,101	1.1	0.5
SEB Investment Management		3,139,595	3,139,595	1.1	0.5
Svante Paulsson with family and companies	1,720,908	1,350,705	3,071,613	1.0	3.1
Sara Karlsson with family and companies	1,778,140	863,299	2,641,439	0.9	3.1
Foreign owners		28,128,931	28,128,931	9.5	4.6
Others	335,523	106,559,040	106,894,563	36.1	18.2
Number of outstanding shares	34,319,957	260,642,789	294,962,746		
Peab AB		1,086,984	1,086,984	0.4	0.2
Number of registered shares	34,319,957	261,729,773	296,049,730	100.0	100.0

Source: Euroclear Sweden AB



SIX AB



Peab is the Nordic Community Builder with 15,000 employees and a net sales exceeding SEK 40 billion. The Group's subsidiaries have strategically located offices in Sweden, Norway and Finland. The registered office of the Group is at Förslöv, Skåne in south of Sweden. The share is listed on NASDAQ OMX Stockholm.

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