

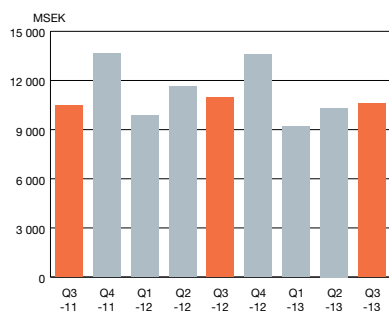


## Quarterly report January – September 2013

- Operative net sales amounted to SEK 30,153 million (32,434)
- Operative operating profit was SEK 36 million (705).  
One-off costs of SEK -920 million charged operating profit in the second quarter. Project write-downs of SEK -425 million were made during the second quarter of 2012
- Earnings per share amounted to SEK -0.24 (1.46)
- Orders received during the period amounted to SEK 26,947 million (30,270)
- Order backlog in Construction and Civil Engineering amounted to SEK 30,515 million compared to SEK 28,056 million at the end of 2012
- Extensive action plan for greater profitability progresses according to plan

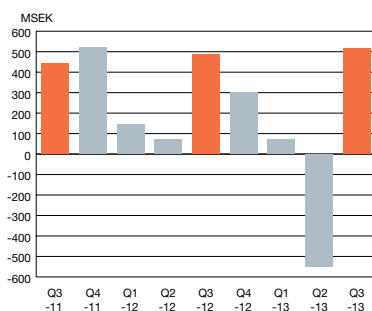
## QUARTERLY REPORT JANUARY - SEPTEMBER 2013

### Operative net sales



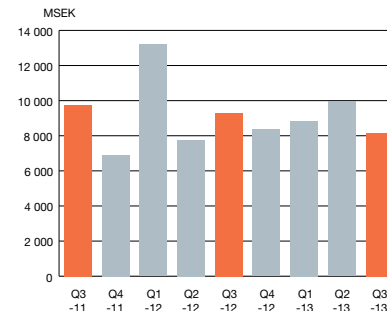
Group operative net sales for January-September 2013 amounted to SEK 30,153 million (32,434), which was a decrease of 7 percent. Even after adjustments for acquired and divested units operative net sales decreased by 7 percent compared to the same period last year.

### Operative operating profit



Operative operating profit for January-September 2013 amounted to SEK 36 million compared to SEK 705 million for the same period last year. One-off costs including value adjustments of SEK -920 million on charge the operating result in the second quarter. Project write-downs of SEK -425 million were reported during the same period 2012.

### Construction and Civil Engineering Orders received



Orders received for January-September 2013 amounted to SEK 26,947 million compared to SEK 30,270 million for the same period last year. The comparable period included the order for the Mall of Scandinavia for SEK 3,500 million. Order backlog amounted to SEK 30,515 million compared to SEK 28,056 million per 31 December 2012.

### Group

MSEK	Jan-Sep 2013	Jan-Sep 2012	Oct-Sep 2012/2013	Jan-Dec 2012	Financial objectives
Operative net sales <sup>1)</sup>	30,153	32,434	43,716	45,997	
Net sales	30,190	32,947	44,083	46,840	
Operative operating profit <sup>1)</sup>	36	705	335	1,004	
Operative operating margin, % <sup>1)</sup>	0.1	2.2	0.8	2.2	
Operating profit	51	732	376	1,057	
Operating margin, %	0.2	2.2	0.9	2.3	
Pre-tax profit	-92	577	146	815	
Profit for the period	-72	427	227	726	
Earnings per share before dilution, SEK	-0.24	1.46	0.77	2.47	
Return on equity, %	3.0 <sup>2)</sup>	10.5 <sup>2)</sup>	3.0	9.2	> 20%
Equity/assets ratio, %	22.2	23.3	22.2	24.9	> 25%

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

<sup>2)</sup> Calculated on rolling 12 months.

### NEW CONTRACTS DURING THE THIRD QUARTER

**We received several major contracts during the third quarter, including:**

- Construction of a new combined power and heating plant in Linköping. The client is Tekniska Verken in Linköping and the contract exceeds SEK 300 million.
- Construction of a new office building and measuring station in Jönköping. The client is Jönköping Energi and the contract amounts to SEK 101 million.

## COMMENTS BY THE CEO

The third quarter has been characterized by the work to implement the extensive action plan which was adopted in August. Its purpose is to create a cost-effective organization, based on local entrepreneurship. It is proceeding according to plan and the new organization will be in place in its entirety by the end of the year. Our ongoing business has developed stably during the third quarter.

Operative net sales during the period was SEK 30,153 million (32,434), which was a decrease of 7 percent compared to the same period 2012. A somewhat weaker construction cycle and a long and cold winter have entailed lower volumes in all our business areas. Operative operating profit amounted to SEK 36 million compared to SEK 705 million in the same period last year. One-off costs including value adjustments of SEK -920 million have charged Construction's profit in the second quarter. Corrected for one-off costs of SEK -920 million (-425) Construction's underlying operating margin for the period January-September 2013 amounted to 2.3 percent (2.1). Volumes were lower in Civil Engineering but profitability was stable while profit in Industry was lower than in the same period last year, largely due to lower volumes. Property Development has not made any major deals during the period and the result is also charged with negative participation results from property projects in associated companies in the process of development. Our share of the management result for Friends Arena is included in this result. Friends Arena is an essential element to the realization of Arenastaden, a completely new city district in Solna. For Peab the development of Arenastaden means considerable construction and civil engineering work, the creation of interesting development rights for housing and other projects and the opportunity to develop commercial property. All the projects are proceeding according to the plan laid out when Peab decided to participate in the development.

The level of orders received for nine months was SEK 26.9 billion compared to SEK 30.3 billion in the same period of 2012. Included in orders received in 2012 was the order amount for the Mall of Scandinavia in Arenastaden in Solna worth SEK 3.5 billion. The level of orders received for the period is stable and there are fewer major projects and more smaller and middle-sized projects than last year which is in line with our strategy. Order backlog was SEK 30.5 billion, which is the same level as at the end of the first half of the year.

The growing interest in our homes has led to a higher rate of production start-ups in housing projects. Most of the higher demand is concentrated to the Stockholm region. There were 1,213 (1,072) start-ups of our own developed houses during the period January to September and 1,254 (1,248) homes were sold. The share of sold homes in production was 71 percent compared to 76 percent at the same time last year.

An improved housing market in the second half of the year has contributed to the fact that the forecast for 2013 regarding building construction start-ups in Sweden is now on the same level as 2012. The same forecast for Norway and Finland points to



some growth, driven by strong premise construction. The market conditions for civil engineering are considered stable in all three countries although volumes are slightly lower in Finland. An international recovery in 2014 will provide a good platform in all the Nordic countries. Nonetheless Sweden and Norway are expected to have better conditions for growth than Finland.

Investments in infrastructure and housing are a prerequisite for long-term growth in a country. We are therefore glad to see all the initiatives taken lately, many in the capital, regarding investments in the subway system and housing. These projects are good for both Sweden and the construction and civil engineering markets.

The extensive action plan we are implementing entails a new work method closer to our customers and local markets as well as more cost-efficient operations. Together with a stable construction market driven by a higher rate of housing construction this provides us with the right conditions to once again achieve satisfactory profitability.

*Jesper Göransson  
CEO and President*

## **EXTENSIVE ACTION PLAN FOR GREATER PROFITABILITY**

One of Peab's four business areas, business area Construction, has been insufficiently profitable for a while. Peab is therefore implementing extensive and important rationalizations in its Nordic construction operations. The change entails replacing eight divisions and 30 regions with 12 regions in Sweden, two in Norway and two in Finland. The result will be a local organization focused on customers, employees and production. In order to increase specialization, and thereby improve cost efficiency, housing production regions will be created in Stockholm/Mälardalen, Gothenburg and the Öresund region. Construction maintenance operations will be run in a nationwide region concentrated to major cities. Operations in Norway and Finland will be run in two regions in each country that will be fully integrated into the management model for business area Construction.

Through this action plan Peab will incorporate all housing development into the previous business area Property Development, now renamed business area Project Development. The new business area will handle everything regarding Peab's housing and property developments including the capital tied up in project developments.

Up until now Peab's construction system for housing production has been run in Peab PGS AB and in Skandinaviska Byggelement AB. Both units will have the same management and will be run under business area Industry.

The primary purpose of the action plan is to create a cost-efficient organization. Redundancy after implementation of the action plan is at this point in time estimated at more than 100 white-collar workers.

Annual savings are estimated at SEK 350 million starting in 2014. The savings will be achieved by a more cost-efficient organization with lower personnel costs, the effects of greater specialization and synergies in our concept for industrial construction.

In total SEK 920 million has been reserved in the second quarter 2013 for the action plan. The reservation comprises assessed redundancy costs for personnel, value corrections of project properties, an updated assessment of the project result for Tele2 Arena as well as a review of the final cost forecasts in another three projects that are almost finished.

Given the background of the above pervasive action plan to increase profitability in Peab the Board has decided that the one-off cost totaling SEK -700 million after taxes will not be included in the calculation of the dividend proposal that will be presented to the Annual General Meeting 2014.

Peab will report according to the new structure with business areas Construction, Civil Engineering, Industry and Project Development starting with the quarterly report for the fourth quarter for 2013. Prior to this, the translated comparable numbers for the quarters in 2012 and up to the third quarter in 2013 will be published.

### **NET SALES AND PROFIT <sup>1)</sup>**

Group operative net sales for January-September 2013 amounted to SEK 30,153 million (32,434), which was a decrease of 7 percent. Even after adjustments for acquired and divested units operative net

sales decreased by 7 percent compared to same period last year. Adjustments in housing reporting affected net sales by SEK 37 million (513). Group net sales for January-September 2013 decreased by 8 percent to SEK 30,190 million (32,947). Of the period's net sales, SEK 5,843 million (6,779) were attributable to sales and production outside Sweden.

Operative operating profit for January-September 2013 amounted to SEK 36 million compared to SEK 705 million for the same period last year. One-off costs including value adjustments of SEK -920 million have charged the operating profit for the period. Project adjustments of SEK -425 million were included in the same period last year.

Adjustments in housing reporting affected operating profit by SEK 15 million (27). Operating profit January-September 2013 amounted to SEK 51 million (732). Corrected for one-off costs profit was down in Construction compared to last year, largely due to a weaker construction cycle and a lower level of orders received, but the operating margin amounting to 2.3 percent (2.1) was higher. This is largely due to a weaker construction cycle and a lower level of orders received. Volumes were lower in Civil Engineering but profitability was stable while profit in Industry was lower than in the same period last year, largely due to lower volumes. Positive effects on profits from property sales of SEK 27 million, compared to SEK 73 million from the same period last year, are included in the business area Property Development.

Depreciation for the period was SEK 600 million (634).

Net financial items amounted to SEK -143 million (-155), of which net interest expense amounted to SEK -189 million (-218).

Pre-tax profit was SEK -92 million (577).

Tax for the period was SEK 20 million (-150).

Profit for the period was SEK -72 million (427).

### **FINANCIAL POSITION**

The equity/assets ratio on 30 September 2013 was 22.2 percent compared to 24.9 percent at the previous year-end. Interest-bearing net debt amounted to SEK 6,899 million compared to SEK 6,478 million at the end of 2012. Net debt has been affected by the paid dividend of SEK 472 million (620). The average interest rate in the loan portfolio, including derivatives, was 3.1 percent (3.2) on 30 September 2013.

Group liquid funds, including unutilized credit facilities, were SEK 3,888 million at the end of the period compared to SEK 5,661 million on 31 December 2012. During the third quarter existing credit facilities shrunk by SEK 1,450 million when the refinancing of the Group's long-term credit facilities came into force in order to be better adjusted to Peab's future needs.

At the end of the period Group contingent liabilities, excluding joint and several liabilities in trading and limited partnerships, amounted to SEK 4,299 million compared to SEK 4,457 million on 31 December 2012. Of contingent liabilities, obligations to tenant-owners associations under construction were SEK 2,331 million compared to SEK 2,623 million at the previous year-end.

<sup>1)</sup> Peab applies IFRIC 15, *Agreements for the Construction of Real Estate*, in the reporting. IAS 18, *Revenue*, is applied on Peab's housing projects in Finland and Norway as well as Peab's own single homes in Sweden. Revenue from these projects are 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.

## INVESTMENTS

Tangible and intangible fixed assets were invested during the period for SEK 169 million (713). Investments in project and development properties totaled SEK 360 million (1,233) during the period.

## CASH FLOW

Cash flow from current operations was SEK -758 million (-438). The acquisition and investments of project and development property for SEK -1,093 million (-896) is included in the cash flow from current operations, mostly in business area Property Development.

Cash flow from investment activities was SEK 243 million compared to SEK -279 million the same period last year. The rate of investments is lower than in previous years which, together with divestitures, contributed to a positive cash flow from investment operations.

Cash flow before financing amounted to SEK -515 million compared to SEK -717 million for the same period last year.

## ORDERS RECEIVED AND ORDER BACKLOG CONSTRUCTION AND CIVIL ENGINEERING

Orders received for January-September 2013 amounted to SEK 26,947 million compared to SEK 30,270 million for the same period last year. The Mall of Scandinavia was included in the comparable period for SEK 3,500 million. The level of orders received was evenly divided among various product segments and well spread geographically.

Order backlog yet to be produced at the end of the period amounted to SEK 30,515 million compared to SEK 31,379 million at the end of the same period last year.

Of the total order backlog, 75 percent (75) is expected to be produced after 2013. Swedish operations accounted for 85 percent (87) of the order backlog.

No orders received or order backlog is given for the business areas Industry or Property Development.

### Orders received and Order backlog Construction and Civil Engineering

#### Orders received

MSEK	Jan-Sep 2013	Jan-Sep 2012	Oct-Sep 2012/2013	Jan-Dec 2012
Construction	19,274	21,339	25,120	27,185
Civil Engineering	8,563	10,021	11,271	12,729
Eliminations	-890	-1,090	-971	-1,171
<b>Group</b>	<b>26,947</b>	<b>30,270</b>	<b>35,420</b>	<b>38,743</b>

#### Order backlog

MSEK	30 Sep 2013	30 Sep 2012	31 Dec 2012
Construction	22,089	22,372	20,132
Civil Engineering	9,142	9,783	8,610
Eliminations	-716	-776	-686
<b>Group</b>	<b>30,515</b>	<b>31,379</b>	<b>28,056</b>

### Peab's own housing development construction

	Jan-Sep 2013	Jan-Sep 2012	Jan-Dec 2012
Number of housing starts during the period	1,213	1,072	1,679
Number of homes sold during the period	1,254	1,248	1,738
Total number of homes under construction, at the end of the period	2,982	3,126	3,134
Share of sold homes under construction, at the end of the period	71%	76%	72%
Number of repurchased homes in the balance sheet, at the end of the period	162	203	191

## PERSONNEL

At the end of the period, the company had 13,528 employees compared to 14,650 at the same time the previous year.

## COMMENTS ON THE BUSINESS AREAS

The Peab Group is presented in four different business areas: Construction, Civil Engineering, Industry and Property Development.

Construction of our own development projects booked as an asset in our balance sheet is 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 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.

Operative net sales for January-September 2013 amounted to SEK 17,919 million (19,652), which is a decrease of 9 percent. Even after adjustments for acquired and divested units the decrease was 9 percent.

Operative operating profit for the period amounted to SEK -500 million (-5). One-off costs including value adjustments of SEK -920 million have charged the operating profit during the period. Project adjustments of SEK -425 million were included in the same period last year. Cleared of one-off costs the operative operating margin in Construction was 2.3 percent compared to 2.1 percent for the same period 2012.

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 of apartments for rent are handled in business area Property Development.

New production of Peab's own housing developments made up 9 percent (9) of Group's operative net sales for Jan-Sep 2013.

Conditions for housing developments are relatively unchanged with a big housing shortage but loan ceilings, drawn out planning processes and municipal special demands create long lead times. The growing interest home buyers have been showing in our homes has led to a higher rate of production start-ups in housing projects. We continue to sell well in ongoing projects. The level of own housing development start-ups amounted to 1,213 (1,072). The number of sold homes during the period was 1,254 compared to 1,248 during the same period last year. The number of homes in production at the end of the period were 2,982 compared to 3,134 the previous year-end. The share of sold homes in production was 71 percent compared to 72 percent at the previous year-end.

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 30 September 2013 was 162 compared to 191 per 31 December 2012.

### **Civil Engineering**

The business area Civil Engineering works in the market segments Local market, Infrastructure and heavy construction as well as Operations and maintenance. The operations are run in geographical regions in Sweden, Norway and Finland.

Net sales for January-September 2013 amounted to SEK 8,030 million compared to SEK 8,765 million for same period last year, which is a decrease of 8 percent.

Operating profit for the period amounted to SEK 258 million (278). The operating margin was 3.2 percent (3.2). The operating margin for the latest rolling 12 month period was 3.5 percent which is unchanged compared to full year 2012.

The long, cold winter has had a negative effect on net sales and profits. Net sales and profits were lower in Local market compared to last year. Net sales have increased in Operations and maintenance but profitability is too low. Competition on the operations and maintenance market has increased which has pressed prices. Net sales have contracted in Infrastructure but profit has improved.

### **Industry**

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

Net sales for January-September 2013 amounted to SEK 7,476 million compared to SEK 7,972 million for the same period last year, which was a decrease of 6 percent. Even after adjustments for divested units the decrease was 6 percent.

The operating profit for the period was SEK 455 million compared to SEK 563 million for same period last year. The operating margin was 6.1 percent compared to 7.1 percent for the same period last year. The operating margin for the latest rolling 12 month period was 6.6 percent compared to 7.3 percent for full year 2012.

The weaker construction cycle and the cold winter have affected the business area negatively. The segments Gravel and Rock and Transportation and Machines have also been affected by lower volumes in large infrastructure projects. Net sales are lower in every unit leading to lower profits compared to the same period last year, except in Asphalt where the result is the same.

### **Property Development**

Group operations revolving around acquisitions, development and divestiture of commercial property and rental property in the Nordic region are run in the business area Property Development through wholly owned and partly owned companies and projects. Partly owned companies consists of, for instance, Peab's ownership in Tor-net (ownership of apartments for rent), in Centur (ownership and development of commercial property) and in companies connected to the development of Arenastaden in Solna. 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 partly owned companies and joint ventures as well as capital gains from the divestiture of completed property and shares in partly owned companies and joint ventures.

During the period net sales were SEK 304 million (240) and operating profit amounted to SEK -45 million (26). Operating profit is charged with negative participation results from property projects in associated companies in the process of development. Our share of the management result for Friends Arena is included in this result. Friends Arena is an essential element to the realization of Arenastaden, a completely new city district in Solna. For Peab the development of Arenastaden means considerable construction and civil engineering work, the creation of interesting development rights for housing and other projects and the opportunity to develop commercial property. All the projects are proceeding according to the plan laid out when Peab decided to participate in the development. Profits from property sales had a positive effect of SEK 27 million compared to SEK 73 million last year.

### **THE CONSTRUCTION MARKET**

The analysis company Industrifakta is not expecting any material change in volumes for total start-ups in building construction this year or the next but there are major differences in developments between sectors.

Building construction in Sweden is for the moment primarily driven by housing construction where volumes are on the rise in new construction of both single homes and apartment buildings. This is an increase from a historically low level for single homes. Apartment building reconstruction has turned up sharply, largely due to the flush of renovation in housing projects built in the 60s. Industrifakta expects good growth in this sector, both this year and the next.

While housing construction is growing Industrifakta expects private and public premise construction to remain on the same level this year and then contract slightly in 2014. The level of public premise construction is affected by a turn back from the large volumes of the last two years. Private premise construction is to a higher degree affected by business cycle.

The level of civil engineering construction is not expected to change this year compared with 2012. It is expected to rise next year but at a much slower rate than in 2012 when the energy sector and investments in roads and streets pushed up volumes.

A slight slowdown in Norway's economy is becoming apparent. Public finances are, however, good and unemployment is low. Industrifakta expects total building construction investments, measured in project start-ups, to grow further this year. The shaky world economy, signals that domestic unemployment is rising and a slight slowdown on the housing market can affect new production of housing negatively in 2014. Private premise construction appears to be very strong this year, which increases the risk for a negative reaction in 2014. Public building construction is expected to contract slightly this year after the dramatic rise in 2012 and because political uncertainty can delay decisions at local levels. Signals that civil engineering construction will grow this year and next year have intensified the past quarter. Good public finances, new government and major needs in communications and energy are driving this growth.

Industrifakta believes total building construction in Finland can rise slightly this year. The weak development in housing construction is holding down total building construction investments at the same time a substantial increase in public building construction lifts volumes in building construction on the whole. Private premise construction is also increasing slightly. Over capacity and a high level of unemployment will mostly likely continue to dampen investments in 2014. The forecast for civil engineering construction continues to be negative, contracting this year and unchanged volumes in 2014.

## 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. The largest risk in fixed price contracts is a miscalculation in the tender. In addition, there is a risk that price hikes cut into profitability without being able to claim compensation from the customer.

The Group is exposed to financial risks such as changes in debt and interest rate levels.

For further information on risks and uncertainty factors, see the 2012 Annual Report.

## IMPORTANT EVENTS DURING THE PERIOD

Peab is working on several major projects for Northland Resources that are connected to the iron ore mine outside Pajala. On February 8, 2013 Northland Resources applied for a company reconstruction. As a part of a long-term financial solution for Northland, the company raised USD 335 million through the issue of bonds. A consortium consisting of Folksam, Metso, Norrskenet and Peab has invested USD 22 million each in Northland bonds. Outstanding debts to Peab will be converted into an interest-bearing supplier loan with semi-annual amortization from January 2016 until maturity, at the latest in July 2020. The refinancing of Northland in May 2013 are estimated to ensure outstanding debts and that Peab can continue to work on existing construction contracts and the 10 year contract for the transportation of iron ore from Pajala to Svappavaara.

Jesper Göransson was appointed CEO and acting President of Peab on 25 March and on August 20 Jesper was appointed President and

CEO of Peab. He succeeded Jan Johansson. Jesper has worked at Peab since 1996 and has long and solid experience in leading positions in the company, among them Deputy CEO, and he has been a member of Peab's executive management since 2006.

Tore Hallersbo, deputy CEO, decided to leave his post in Peab. Tore had been a member of executive management since 2009 and held various senior positions in business area Construction since 2011.

During the second quarter new areas of responsibility were created in executive management. Roger Linnér was appointed COO and BA Construction Manager. Roger has worked at Peab since 1996, most recently as BA Civil Engineering Manager. Karl-Gunnar Karlsson, BA Industry Manager was made BA Civil Engineering Manager as well. Karl-Gunnar has worked at Peab since 2003. Niclas Winkvist, Business Support and Investments Manager, will be responsible for coordinating Peab's construction operations in Norway and Finland. All of them are already members of executive management.

Niclas Winkvist was made CFO of the Peab Group. This post also comprises responsibility for Business Support and Investments, which Niclas was already responsible for. Niclas has worked at Peab since 1995.

Peab refinanced existing credit agreements totaling SEK 5,450 million maturing in May and September 2014, with a new credit facility of SEK 5,000 million maturing on 2 September 2016.

## IMPORTANT EVENTS AFTER THE PERIOD

Peab has secured new funding through three issues of bonds totaling SEK 450 million during the MTN program, which was established in February 2012. The loan limit for the MTN program is SEK 3,000 million and bonds totaling SEK 1,450 million are outstanding after the above issues.

## HOLDINGS OF OWN SHARES

At the beginning of 2013 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 during the period January-September 2013.

## THE PEAB SHARE

Peab's B share is listed on the NASDAQ OMX Stockholm, Large Cap list. As of 13 November 2013, the price of the Peab share was SEK 38.88, an increase of 25 percent during 2013. During the same period, the Swedish stock market increased by 19 percent according to the general index in the business magazine "Affärsvärlden". During 2013, the Peab share has been quoted at a maximum of SEK 39.89 and a minimum of SEK 30.81.

## 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 2013	1,583.9	34,319,957	261,729,773	296,049,730	1,086,984	294,962,746
<b>Share capital and number of shares 30 September 2013</b>	<b>1,583.9</b>	<b>34,319,957</b>	<b>261,729,773</b>	<b>296,049,730</b>	<b>1,086,984</b>	<b>294,962,746</b>

## Report on the Group income statement in summary

MSEK	Jan-Sep 2013	Jan-Sep 2012	Jul-Sep 2013	Jul-Sep 2012	Oct-Sep 2012/2013	Jan-Dec 2012
Net sales	30,190	32,947	10,514	11,379	44,083	46,840
Production costs	-28,551	-30,590	-9,627	-10,357	-41,500	-43,539
<b>Gross profit</b>	<b>1,639</b>	<b>2,357</b>	<b>887</b>	<b>1,022</b>	<b>2,583</b>	<b>3,301</b>
Sales and administrative expenses	-1,642	-1,646	-424	-485	-2,374	-2,378
Profit from participation in joint ventures/associated companies	9	1	8	-8	26	18
Other operating income	58	39	22	-5	147	128
Other operating costs	-13	-19	-6	-18	-6	-12
<b>Operating profit</b>	<b>51</b>	<b>732</b>	<b>487</b>	<b>506</b>	<b>376</b>	<b>1,057</b>
Net financial items	-143	-155	-58	-65	-230	-242
<b>Pre-tax profit</b>	<b>-92</b>	<b>577</b>	<b>429</b>	<b>441</b>	<b>146</b>	<b>815</b>
Tax	20	-150	-90	-116	81	-89
<b>Profit for the period</b>	<b>-72</b>	<b>427</b>	<b>339</b>	<b>325</b>	<b>227</b>	<b>726</b>

### Profit for the period, attributable to:

Shareholders in parent company	-72	430	339	325	228	730
Non-controlling interests	0	-3	0	0	-1	-4
<b>Profit for the period</b>	<b>-72</b>	<b>427</b>	<b>339</b>	<b>325</b>	<b>227</b>	<b>726</b>

### Key ratios

Earnings per share, SEK	-0.24	1.46	1.15	1.10	0.77	2.47
- after dilution	-0.24	1.46	1.15	1.10	0.77	2.47
Average number of outstanding shares, million	295.0	295.0	295.0	295.0	295.0	295.0
- after dilution	295.0	303.8	295.0	303.8	296.4	303.0
Return on capital employed, %	3.7 <sup>1)</sup>	8.2 <sup>1)</sup>			3.7	7.7
Return on equity, %	3.0 <sup>1)</sup>	10.5 <sup>1)</sup>			3.0	9.2

<sup>1)</sup> Calculated on rolling 12 months

## Report on the Group income statement and other comprehensive income in summary

MSEK	Jan-Sep 2013	Jan-Sep 2012	Jul-Sep 2013	Jul-Sep 2012	Oct-Sep 2012/2013	Jan-Dec 2012
<b>Profit for the period</b>	<b>-72</b>	<b>427</b>	<b>339</b>	<b>325</b>	<b>227</b>	<b>726</b>

### Other comprehensive income

#### Items that can be reclassified or have been reclassified to income for the period

Translation differences for the period from translation of foreign operations	-138	-46	-77	-47	-104	-12
Profit/loss from currency risk hedging in foreign operations	-	13	-	16	-15	-2
Changes for the period in fair value of available-for-sale financial assets	15	-55	6	10	-17	-87
Changes in fair value of cash flow hedges for the period	86	51	5	-28	69	34
Change in fair value of cashflow hedges carried over to profit for the period	-46	-	-	-	-63	-17
Share in associated companies' and joint ventures' other comprehensive income	0	-2	0	-1	1	-1
Tax referring to items that can be reclassified or have been reclassified to income for the period	-35	5	-3	7	-25	15
	<b>-118</b>	<b>-34</b>	<b>-69</b>	<b>-43</b>	<b>-154</b>	<b>-70</b>

#### Items that cannot be reclassified to income for the period

Revaluation of defined benefit pension plans	-	-	-	-	10	10
Tax referring to items that cannot be reclassified to income for the period	-	-	-	-	-3	-3
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>7</b>

### Other comprehensive income for the period

<b>Other comprehensive income for the period</b>	<b>-118</b>	<b>-34</b>	<b>-69</b>	<b>-43</b>	<b>-147</b>	<b>-63</b>
<b>Total comprehensive income for the period</b>	<b>-190</b>	<b>393</b>	<b>270</b>	<b>282</b>	<b>80</b>	<b>663</b>

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

Shareholders in parent company	-190	396	270	282	81	667
Non-controlling interests	0	-3	0	0	-1	-4
<b>Total comprehensive income for the period</b>	<b>-190</b>	<b>393</b>	<b>270</b>	<b>282</b>	<b>80</b>	<b>663</b>



## Report on balance sheet for the Group in summary

MSEK	30 Sep 2013	30 Sep 2012	31 Dec 2012
<b>Assets</b>			
Intangible assets	2,067	2,189	2,126
Tangible assets	4,072	4,442	4,443
Interest-bearing long-term receivables	1,637	1,160	1,157
Other financial fixed assets	1,798	1,809	1,829
Deferred tax recoverables	231	234	233
<b>Total fixed assets</b>	<b>9,805</b>	<b>9,834</b>	<b>9,788</b>
Project and development properties	6,825	6,672	6,239
Inventories	430	456	465
Work-in-progress	1,050	1,197	1,106
Interest-bearing current receivables	614	516	567
Other current receivables	13,312	14,090	13,471
Short-term holdings	21	11	10
Liquid funds	838	303	429
<b>Total current assets</b>	<b>23,090</b>	<b>23,245</b>	<b>22,287</b>
<b>Total assets</b>	<b>32,895</b>	<b>33,079</b>	<b>32,075</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>7,312</b>	<b>7,706</b>	<b>7,979</b>
<b>Liabilities</b>			
Interest-bearing long-term liabilities	7,244	7,676	6,787
Deferred tax liabilities	334	311	444
Other long-term liabilities	431	457	536
<b>Total long-term liabilities</b>	<b>8,009</b>	<b>8,444</b>	<b>7,767</b>
Interest-bearing current liabilities	2,765	2,428	1,854
Other current liabilities	14,809	14,501	14,475
<b>Total current liabilities</b>	<b>17,574</b>	<b>16,929</b>	<b>16,329</b>
<b>Total liabilities</b>	<b>25,583</b>	<b>25,373</b>	<b>24,096</b>
<b>Total equity and liabilities</b>	<b>32,895</b>	<b>33,079</b>	<b>32,075</b>
<b>Key ratios</b>			
Capital employed	17,321	17,810	16,620
Equity/assets ratio, %	22.2	23.3	24.9
Net debt	6,899	8,114	6,478
Equity per share, SEK	24.79	26.13	27.05
- after dilution	24.79	27.34	27.05
Number of outstanding shares at the end of the period, million	295.0	295.0	295.0
- after dilution	295.0	303.8	295.0

## Report on changes in Group's equity in summary

MSEK	30 Sep 2013	30 Sep 2012	31 Dec 2012
<b>Equity attributable to shareholders in parent company</b>			
Opening equity on 1 January	7,978	7,947	7,947
Adjustment retroactive application	-	-14	-14
Adjusted opening equity on 1 January	7,978	7,933	7,933
Profit for the period	-72	430	730
Other comprehensive income for the period	-118	-34	-63
Comprehensive income for the period	-190	396	667
Cash dividend	-472	-620	-620
Acquisition of non-controlling interests, controlling interests held already	-4	-	-2
<b>Closing equity</b>	<b>7,312</b>	<b>7,709</b>	<b>7,978</b>
<b>Non-controlling interests</b>			
Opening equity on 1 January	1	0	0
Comprehensive income for the period	0	-3	-4
Acquisition of non-controlling interests, controlling interests held already	-1	-	-
New share issue	-	-	5
<b>Closing equity</b>	<b>0</b>	<b>-3</b>	<b>1</b>
<b>Total closing equity</b>	<b>7,312</b>	<b>7,706</b>	<b>7,979</b>

## Report on Group cash flow in summary

MSEK	Jan-Sep 2013	Jan-Sep 2012	Jul-Sep 2013	Jul-Sep 2012	Oct-Sep 2012/2013	Jan-Dec 2012
Cash flow from current operations before changes in working capital	543	1,024	590	703	785	1,266
Cash flow from changes in working capital	-1,301	-1,462	-1,124	-678	-602	-763
<b>Cash flow from current operations</b>	<b>-758</b>	<b>-438</b>	<b>-534</b>	<b>25</b>	<b>183</b>	<b>503</b>
Acquisition of subsidiaries	-21	-318	-	-205	-109	-406
Disposal of subsidiaries	163	94	20	2	204	135
Acquisition of fixed assets	-1,044	-1,158	-323	-193	-1,259	-1,373
Sales of fixed assets	1,145	1,103	526	523	2,157	2,115
<b>Cash flow from investment operations</b>	<b>243</b>	<b>-279</b>	<b>223</b>	<b>127</b>	<b>993</b>	<b>471</b>
<b>Cash flow before financing</b>	<b>-515</b>	<b>-717</b>	<b>-311</b>	<b>152</b>	<b>1,176</b>	<b>974</b>
Cash flow from financing operations	937	35	845	-72	-591	-1,493
<b>Cash flow for the period</b>	<b>422</b>	<b>-682</b>	<b>534</b>	<b>80</b>	<b>585</b>	<b>-519</b>
Cash at the beginning of the period	439	970	334	219	314	970
Exchange rate differences in cash	-2	26	-9	15	-40	-12
<b>Cash at the end of the period</b>	<b>859</b>	<b>314</b>	<b>859</b>	<b>314</b>	<b>859</b>	<b>439</b>

## PARENT COMPANY

The parent company Peab AB's net sales for January-September 2013 amounted to SEK 64 million (72) and mainly consisted of internal Group services. Profit after tax amounted to SEK 182 million (-16).

The parent company's assets mainly consist of participations in Group companies amounting to SEK 12,909 million (11,477) and shares in Lemminkäinen Oyj worth SEK 272 million (284). The Catena holding of SEK 133 million and convertible promissory notes in Peab Industri AB of SEK 586 million are included in the comparable year.

The assets have been financed from equity of SEK 6,945 million (7,458) and long-term liabilities amounting to SEK 6,391 million (5,047).

The parent company's liquid funds amounted to SEK 2 million (5) at the end of the period.

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

## Report on the parent company income statement in summary

MSEK	Jan-Sep 2013	Jan-Sep 2012	Jul-Sep 2013	Jul-Sep 2012	Oct-Sep 2012/2013	Jan-Dec 2012
Net sales	64	72	21	24	88	96
Administrative expenses	-122	-120	-28	-39	-152	-150
<b>Operating profit</b>	<b>-58</b>	<b>-48</b>	<b>-7</b>	<b>-15</b>	<b>-64</b>	<b>-54</b>
<b>Result from financial investments</b>						
Profit from participation in Group companies	324	53	-	33	183	-88
Profit from participation in associated companies	-	5	-	-	22	27
Other financial items	-139	-66	-56	-34	-185	-112
<b>Pre-tax profit</b>	<b>127</b>	<b>-56</b>	<b>-63</b>	<b>-16</b>	<b>-44</b>	<b>-227</b>
Tax	55	40	16	12	15	0
<b>Profit for the period</b>	<b>182</b>	<b>-16</b>	<b>-47</b>	<b>-4</b>	<b>-29</b>	<b>-227</b>

## Report on the parent company income statement and other comprehensive income in summary

MSEK	Jan-Sep 2013	Jan-Sep 2012	Jul-Sep 2013	Jul-Sep 2012	Oct-Sep 2012/2013	Jan-Dec 2012
<b>Profit for the period</b>	<b>182</b>	<b>-16</b>	<b>-47</b>	<b>-4</b>	<b>-29</b>	<b>-227</b>
<b>Other comprehensive income</b>						
<b>Items that can be reclassified or have been reclassified to income for the period</b>						
Changes for the period in fair value of available-for-sale financial assets	16	-70	4	1	-13	-99
<b>Total comprehensive income for the period</b>	<b>198</b>	<b>-86</b>	<b>-43</b>	<b>-3</b>	<b>-42</b>	<b>-326</b>

## Report on balance sheet for the parent company in summary

MSEK	30 Sep 2013	30 Sep 2012	31 Dec 2012
<b>Assets</b>			
Machinery and equipment	1	2	2
Participation in Group companies	12,909	11,477	12,547
Participation in associated companies	–	133	–
Receivables from Group companies	–	796	1,586
Interest-bearing long-term receivables	191	56	105
Other securities held as fixed assets	279	304	277
Deferred tax recoverables	53	38	–
Other long-term receivables	1	1	1
<b>Total fixed assets</b>	<b>13,434</b>	<b>12,807</b>	<b>14,518</b>
Receivables from Group companies	99	30	46
Other current receivables	2	–	2
Prepaid expenses and accrued income	6	11	5
Liquid funds	2	5	3
<b>Total current assets</b>	<b>109</b>	<b>46</b>	<b>56</b>
<b>Total assets</b>	<b>13,543</b>	<b>12,853</b>	<b>14,574</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>6,945</b>	<b>7,458</b>	<b>7,219</b>
<b>Untaxed reserves</b>	<b>156</b>	<b>156</b>	<b>156</b>
Liabilities to Group companies	6,391	4,450	7,122
Convertible promissory note	–	597	–
<b>Total long-term liabilities</b>	<b>6,391</b>	<b>5,047</b>	<b>7,122</b>
Accounts payable	11	12	55
Liabilities to Group companies	2	2	2
Income tax liabilities	–	118	1
Other liabilities	3	11	3
Accrued expenses and deferred income	35	49	16
<b>Total current liabilities</b>	<b>51</b>	<b>192</b>	<b>77</b>
<b>Total liabilities</b>	<b>6,442</b>	<b>5,239</b>	<b>7,199</b>
<b>Total equity and liabilities</b>	<b>13,543</b>	<b>12,853</b>	<b>14,574</b>
<b>Pledged assets and contingent liabilities for the parent company</b>			
Pledged assets	–	–	–
Contingent liabilities	22,268	19,484	20,760

### NOTE 1 ACCOUNTING PRINCIPLES

This quarterly 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.

Amended IAS 19 Employee benefits eliminates the current rules that make it possible to even out actuary gains and losses over time. Instead actuary gains and losses will be recognized in other comprehensive income as they occur. The yield on plan assets in the result is recognized for an amount calculated on the discount rate used when calculating employee benefit obligations. The difference between the real and calculated yield of plan assets is

recognized in other comprehensive income. The amendments are applied from the financial year 2013 and retroactively.

Amendments in IAS 19 has affected Group equity per 1 January 2012 by SEK -14 million after taking deferred tax into consideration. The translation effect on the Group result was SEK 1 million and SEK 7 million on other comprehensive income for 2012.

Equity at the end of 2012 was affected by SEK -6 million taking deferred tax into consideration.

This quarterly report has otherwise been presented according to the same accounting principles and prerequisites as described in the Annual Report of 2012.

## NOTE 2 OPERATING SEGMENT

### Group Jan-Sep 2013

MSEK	Con- struction	Civil Engine- ering	Industry	Property Develop- ment	Group functions	Elimina- tions	Total operative for the Group <sup>1)</sup>	Adjustment for housing reporting <sup>2)</sup>	Group
External sales	17,446	7,031	4,897	285	22	472	30,153	37	30,190
Internal sales	473	999	2,579	19	259	-4,329	0		0
<b>Total income</b>	<b>17,919</b>	<b>8,030</b>	<b>7,476</b>	<b>304</b>	<b>281</b>	<b>-3,857</b>	<b>30,153</b>	<b>37</b>	<b>30,190</b>
<b>Operating profit</b>	<b>-500</b>	<b>258</b>	<b>455</b>	<b>-45</b>	<b>-127</b>	<b>-5</b>	<b>36</b>	<b>15</b>	<b>51</b>
<b>Operating margin, %</b>	<b>-2.8</b>	<b>3.2</b>	<b>6.1</b>	<b>-14.8</b>			<b>0.1</b>		<b>0.2</b>
Net financial items									-143
<b>Pre-tax profit</b>									<b>-92</b>
Tax									20
<b>Profit for the period</b>									<b>-72</b>
Other comprehensive income for the period									-118
<b>Total comprehensive income for the period</b>									<b>-190</b>

### Group Jan-Sep 2012

MSEK	Con- struction	Civil Engine- ering	Industry	Property Develop- ment	Group functions	Elimina- tions	Total operative for the Group <sup>1)</sup>	Adjustment for housing reporting <sup>2)</sup>	Group
External sales	19,339	7,857	4,965	221	5	47	32,434	513	32,947
Internal sales	313	908	3,007	19	78	-4,325	0		0
<b>Total income</b>	<b>19,652</b>	<b>8,765</b>	<b>7,972</b>	<b>240</b>	<b>83</b>	<b>-4,278</b>	<b>32,434</b>	<b>513</b>	<b>32,947</b>
<b>Operating profit</b>	<b>-5</b>	<b>278</b>	<b>563</b>	<b>26</b>	<b>-142</b>	<b>-15</b>	<b>705</b>	<b>27</b>	<b>732</b>
<b>Operating margin, %</b>	<b>0.0</b>	<b>3.2</b>	<b>7.1</b>	<b>10.8</b>			<b>2.2</b>		<b>2.2</b>
Net financial items									-155
<b>Pre-tax profit</b>									<b>577</b>
Tax									-150
<b>Profit for the period</b>									<b>427</b>
Other comprehensive income for the period									-34
<b>Total comprehensive income for the period</b>									<b>393</b>

### Group Jan-Dec 2012

MSEK	Con- struction	Civil Engine- ering	Industry	Property Develop- ment	Group functions	Elimina- tions	Total operative for the Group <sup>1)</sup>	Adjustment for housing reporting <sup>2)</sup>	Group
External sales	27,601	11,448	6,623	321	4		45,997	843	46,840
Internal sales	391	1,195	4,100	24	105	-5,815	0		0
<b>Total income</b>	<b>27,992</b>	<b>12,643</b>	<b>10,723</b>	<b>345</b>	<b>109</b>	<b>-5,815</b>	<b>45,997</b>	<b>843</b>	<b>46,840</b>
<b>Operating profit</b>	<b>-11</b>	<b>440</b>	<b>788</b>	<b>51</b>	<b>-232</b>	<b>-32</b>	<b>1,004</b>	<b>53</b>	<b>1,057</b>
<b>Operating margin, %</b>	<b>0.0</b>	<b>3.5</b>	<b>7.3</b>	<b>14.8</b>			<b>2.2</b>		<b>2.3</b>
Net financial items									-242
<b>Pre-tax profit</b>									<b>815</b>
Tax									-89
<b>Profit for the period</b>									<b>726</b>
Other comprehensive income for the period									-63
<b>Total comprehensive income for the period</b>									<b>663</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)

### NOTE 3 FINANCIAL ASSETS AND LIABILITIES VALUED AT FAIR VALUE

Measurement of fair value is based on a three level hierarchy;

**Level 1:** prices that reflect quoted prices on an active market for identical assets.

**Level 2:** based on direct or indirect inputs observable to the market not included in level 1.

**Level 3:** based on inputs unobservable to the market.

The table below shows the allocated level for financial assets and financial liabilities recognized at fair value in the Group's balance sheet.

Group				
30 Sep 2013	Level 1	Level 2	Level 3	Total
<b>MSEK</b>				
<b>Assets</b>				
Other securities held as fixed assets	272		54	326 <sup>1)</sup>
Prepaid expenses and accrued income		1		1 <sup>2)</sup>
<b>Total assets</b>	<b>272</b>	<b>1</b>	<b>54</b>	<b>327</b>
<b>Liabilities</b>				
Other long-term liabilities		23		23 <sup>3)</sup>
Accrued expenses and deferred income		3		3 <sup>4)</sup>
<b>Total liabilities</b>	<b>-</b>	<b>26</b>	<b>-</b>	<b>26</b>

<sup>1)</sup> Are included in the balance sheet item Other financial assets totaling SEK 1,798 million.

<sup>2)</sup> Are included in the balance sheet item Other current assets totaling SEK 13,312 million.

<sup>3)</sup> Are included in the balance sheet item Other long-term liabilities totaling SEK 431 million.

<sup>4)</sup> Are included in the balance sheet item Other current liabilities totaling SEK 14,809 million.

For a description of how fair value has been calculated see the Annual report 2012, note 36 page 71. The fair value of financial assets and liabilities is estimated to be, in principle, the same as their booked values.

### ANNUAL GENERAL MEETING

The Annual General Meeting of Peab will be held on 13 May 2014 at Grevieparken in Grevie.

### NOMINATING COMMITTEE

At the Annual General Meeting held on 14 May 2013, Göran Grosskopf, Magnus Swärdh, Malte Åkerström and Mats Rasmussen were appointed to the Peab nominating committee.

Shareholders wishing to propose candidates to Peab's nominating committee can do so at email address [valberedning@peab.se](mailto:valberedning@peab.se) or by writing to Peab AB, Att. Nominating Committee, SE-260 92 Förslöv, Sweden. In order to be considered by the 2014 AGM, nominations must be received by the company no later than 20 January 2014.

### FUTURE FINANCIAL INFORMATION

- Year-end report 2013 13 February 2014
- Annual report 2013 April 2014
- Quarterly report January-March 2014 and Annual General Meeting 13 May 2014
- Quarterly report January-June 2014 22 August 2014
- Quarterly report January-September 2014 13 November 2014

Förslöv, 14 November 2013

Jesper Göransson  
CEO and President

### REVIEW REPORT

We have reviewed the interim report for Peab AB (publ) as of 30 September 2013 and the nine-month period which ended on this date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements (SÖG) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and the generally accepted auditing practice. Consequently a review does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act in the case of the Group and in accordance with the Annual Accounts Act in the case of the parent company.

Förslöv, 14 November 2013

Alf Svensson  
Authorised Public  
Accountant

Thomas Thiel  
Authorised Public  
Accountant



## Quarterly data

### Group

MSEK	Jul-Sep 2013	Apr-Jun 2013	Jan-Mar 2013	Oct-Dec 2012	Jul-Sep 2012	Apr-Jun 2012	Jan-Mar 2012	Oct-Dec 2011	Jul-Sep 2011
Net sales	10,514	10,369	9,307	13,893	11,379	11,670	9,898	13,244	10,557
Production costs	-9,627	-10,288	-8,636	-12,949	-10,357	-11,042	-9,191	-12,068	-9,609
<b>Gross profit</b>	<b>887</b>	<b>81</b>	<b>671</b>	<b>944</b>	<b>1,022</b>	<b>628</b>	<b>707</b>	<b>1,176</b>	<b>948</b>
Sales and administrative expenses	-424	-643	-575	-732	-485	-594	-567	-665	-517
Profit from participation in joint ventures/associated companies	8	10	-9	17	-8	19	-10	-14	18
Other operating income	22	12	24	89	-5	25	19	14	12
Other operating costs	-6	-5	-2	7	-18	0	-1	-7	-1
<b>Operating profit</b>	<b>487</b>	<b>-545</b>	<b>109</b>	<b>325</b>	<b>506</b>	<b>78</b>	<b>148</b>	<b>504</b>	<b>460</b>
Net financial items	-58	-59	-26	-87	-65	-45	-45	-74	-107
<b>Pre-tax profit</b>	<b>429</b>	<b>-604</b>	<b>83</b>	<b>238</b>	<b>441</b>	<b>33</b>	<b>103</b>	<b>430</b>	<b>353</b>
Tax	-90	127	-17	61	-116	-8	-26	-51	-93
<b>Profit for the period</b>	<b>339</b>	<b>-477</b>	<b>66</b>	<b>299</b>	<b>325</b>	<b>25</b>	<b>77</b>	<b>379</b>	<b>260</b>
<b>Profit for the period, attributable to:</b>									
Shareholders in parent company	339	-477	66	300	325	26	79	379	259
Non-controlling interests	0	0	0	-1	0	-1	-2	0	1
<b>Profit for the period</b>	<b>339</b>	<b>-477</b>	<b>66</b>	<b>299</b>	<b>325</b>	<b>25</b>	<b>77</b>	<b>379</b>	<b>260</b>
<b>Key ratios</b>									
Earnings per share, SEK	1.15	-1.62	0.22	1.01	1.10	0.09	0.27	1.31	0.90
- after dilution	1.15	-1.62	0.22	1.01	1.10	0.09	0.27	1.30	0.90
Average number of outstanding shares, million	295.0	295.0	295.0	295.0	295.0	295.0	295.0	288.9	287.2
- after dilution	295.0	295.0	295.0	300.7	303.8	303.8	303.8	297.7	296.0

### Business areas

MSEK	Jul-Sep 2013	Apr-Jun 2013	Jan-Mar 2013	Oct-Dec 2012	Jul-Sep 2012	Apr-Jun 2012	Jan-Mar 2012	Oct-Dec 2011	Jul-Sep 2011
<b>Net sales</b>									
Construction	5,682	6,364	5,873	8,340	6,175	6,964	6,513	9,013	5,998
Civil Engineering	2,939	2,709	2,382	3,878	3,195	3,116	2,454	3,413	2,835
Industry	3,086	2,694	1,696	2,751	3,048	2,930	1,994	3,017	3,023
Property Development	91	105	108	105	91	86	63	65	47
Group functions	94	94	93	26	25	30	28	32	28
Eliminations	-1,273	-1,642	-942	-1,537	-1,595	-1,499	-1,184	-1,885	-1,461
<b>Operative <sup>1)</sup></b>	<b>10,619</b>	<b>10,324</b>	<b>9,210</b>	<b>13,563</b>	<b>10,939</b>	<b>11,627</b>	<b>9,868</b>	<b>13,655</b>	<b>10,470</b>
Adjustment for housing reporting <sup>2)</sup>	-105	45	97	330	440	43	30	-411	87
<b>Legal</b>	<b>10,514</b>	<b>10,369</b>	<b>9,307</b>	<b>13,893</b>	<b>11,379</b>	<b>11,670</b>	<b>9,898</b>	<b>13,244</b>	<b>10,557</b>
<b>Operating profit</b>									
Construction	139	-761	122	-6	107	-251	139	220	99
Civil Engineering	102	125	31	162	124	116	38	128	109
Industry	305	177	-27	225	303	234	26	229	269
Property Development	-12	-20	-13	25	-26	27	25	9	13
Group functions	-19	-58	-50	-90	-25	-40	-77	-58	-44
Eliminations	-1	-11	7	-17	5	-13	-7	-7	-4
<b>Operative <sup>1)</sup></b>	<b>514</b>	<b>-548</b>	<b>70</b>	<b>299</b>	<b>488</b>	<b>73</b>	<b>144</b>	<b>521</b>	<b>442</b>
Adjustment for housing reporting <sup>2)</sup>	-27	3	39	26	18	5	4	-17	18
<b>Legal</b>	<b>487</b>	<b>-545</b>	<b>109</b>	<b>325</b>	<b>506</b>	<b>78</b>	<b>148</b>	<b>504</b>	<b>460</b>
<b>Order situation</b>									
Orders received	8,158	9,941	8,848	8,473	9,302	7,768	13,200	6,902	9,751
Order backlog at the end of the period	30,515	30,591	28,815	28,056	31,379	31,145	32,989	28,378	32,888

<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)

## List of shareholders 31 October 2013

Shareholder	A shares	B shares	Total no of shares	Proportion of capital, %	Proportion of votes, %
Mats Paulsson with companies	9,754,910	37,255,750	47,010,660	15.9	22.3
Karl-Axel Granlund with family and companies		18,402,000	18,402,000	6.2	3.0
Anita Paulsson with family and companies	4,277,811	6,013,905	10,291,716	3.5	8.1
Fredrik Paulsson with family and companies	4,277,810	6,002,154	10,279,964	3.5	8.1
Svante Paulsson with family and companies	7,824,715	1,350,705	9,175,420	3.1	13.2
Sara Karlsson with family and companies	7,881,948	863,299	8,745,247	3.0	13.2
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		7,750,000	7,750,000	2.6	1.3
Handelsbanken Funds		6,046,243	6,046,243	2.0	1.0
Danica Pension		3,772,695	3,772,695	1.3	0.6
Länsförsäkringar Funds		3,756,831	3,756,831	1.3	0.6
Lannebo Fonder		3,543,744	3,543,744	1.2	0.6
Swedbank Robur Funds		3,533,099	3,533,099	1.2	0.6
Skandia Liv		3,454,157	3,454,157	1.2	0.6
Foreign owners		38,194,621	38,194,621	12.9	6.3
Others	302,763	104,318,918	104,621,681	35.2	17.6
<b>Number of outstanding shares</b>	<b>34,319,957</b>	<b>260,642,789</b>	<b>294,962,746</b>		
Peab AB		1,086,984	1,086,984	0.4	0.2
<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





Peab is the Nordic Community Builder with 14,000 employees and net sales of some SEK 45 billion. The Group's subsidiaries have strategically located offices in Sweden, Norway and Finland. Group headquarters are located in Förslöv, Skåne in south of Sweden. The share is listed on NASDAQ OMX Stockholm.

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