

Year-end report



JANUARY - DECEMBER 2003

Net sales amounted to SEK 20 086 million
(19 818)

Profit for the year amounted to SEK 226 million
(488)

Profit per share amounted to SEK 2.70 (5.80)

The foreign activities burden the operating
profit by SEK 194 million

Continued high order backlog amounting to
SEK 13 590 million (12 852)

The Board of Director's propose unchanged
dividend of SEK 2.20 per share

Managing Director's comments

During the year, the building and construction market suffered declining levels of investment, especially in Stockholm and the Mälardalen where a general decline has resulted in increased levels of vacant commercial property and a general weakening of house prices. The weaker demand for commercial premises and homes has led to a more cautious project evaluation, which has resulted in impaired profitability within Stockholm and the Mälardalen. The profitability in other parts of the country has been at satisfactory levels. However, despite the market, Peab enjoyed good orders received and as at 31 December 2003 the order backlog amounted to SEK 13 590 million, which bodes well for the future.

In the fourth quarter, the Norwegian business was burdened by additional negative outcomes of old disputes. This has led us to assess the remaining disputes extremely cautiously. Totally has the current Norwegian business burdened the operating profit of the year with SEK -119 million, of which SEK -66 million corresponded to the outcome of disputes and SEK -59 million are additional provisions for ongoing disputes and claims. The current result in ongoing projects in Norway was SEK 6 million. Following the acquisition of Seicon, Peab's Finnish business is now large enough to allow the creation of the right opportunities for the future. Costs, associated with the coordination of the Finnish business, reduced profits by SEK 20 million during the fourth quarter.

Peab's industrial companies presents good profitability in a weak building and construction market. Despite a customer-loss of SEK 20 million in conjunction with the bankruptcy of PNB, profit in the Industry business sector amounted to SEK 276 million.

Following the distribution of Brinova, Peab is now an out-and-out building and civil engineering company with stable conditions to develop in the Nordic market. During the year Peab has underpin in additional its position within the geographical areas and the market segments where we operate. The acquisition of Seicon and that of interesting project and development properties is but one example. The commitment to the production establishment in Katrineholm is a step towards an industrial building process.

We expect the Swedish building market 2004 to be at same level with the previous year. We start the year with good order backlog and an effective and profitable business in Sweden. After the measures we have taken in Norway and Finland such as strengthen organizations, adjustments of valuable and supplementary acquisitions, it should be possible to achieve profitability in these activities too during 2004.

The work of enhancing the efficiency of the organisation continues unabated with the ambition to always obtain the right quality and price to our clients.

Mats Paulsson
Managing Director

The Group

MSEK	Jan-Dec 2003	Jan-Dec 2002	Jan-Dec 2001	Jan-Dec 2000
Net sales	20 086	19 818	18 721	15 704
Operating profit	305	636	655	664
Operating margin	1.5%	3.2%	3.5%	4.2%
Profit after financial items	240	552	577	642
Return on equity	9.2%	18.8%	22.3%	25.3%
Profit after tax, SEK per share	2.70	5.80	6.00	6.30
Equity/assets ratio	21.8%	28.2%	24.8%	22.7%

Net sales and profit

The Group's net sales for the year amounted to SEK 20 086 million (19 818). Of the period's sales SEK 2 076 million (1 902) referred to sales and production outside Sweden.

Operating profits for the year amounted to SEK 305 million compared to SEK 636 million for the previous year. The profit from foreign activities amounted during the year to SEK -194 million (-177). In addition, profits from the Swedish activities were reduced by SEK 30 million stemming from customer losses on a civil engineering project and SEK 20 million stemming from the bankruptcy in PNB. During the previous year, the result increased SEK 175 million stemming from selling the share in Klara Zenit and decreased with costs from the winding up of Maintech with SEK -34 million.

Profit after financial items for the year amounted to SEK 240 million compared to SEK 552 million for the corresponding period the previous year. Net financial items amounted to SEK -65 million (-84). Net interest income amounted to SEK -52 million (-47) and the deterioration is primarily the result of an increase in tied-up capital.

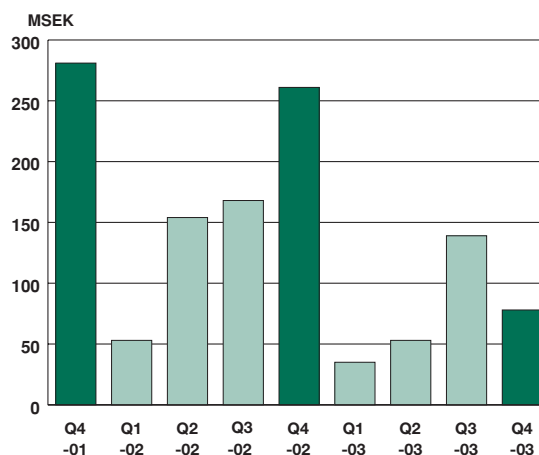
Other financial items amounted to SEK -13 million (-37) net.

Shares in the profits of associated companies/joint ventures are booked in accordance with the equity method. The share of profits for the year in associated companies/joint ventures before tax amounted to SEK 8 million (34).

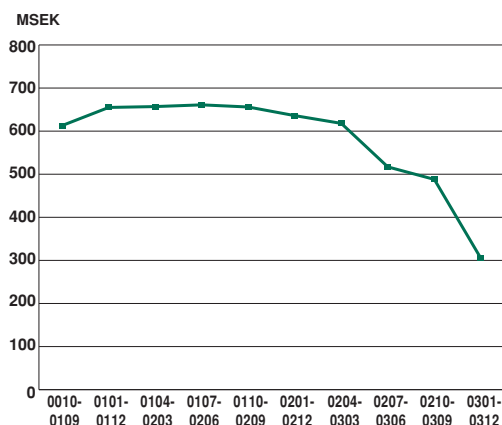
The construction business

MSEK	Jan-Dec 2003	Jan-Dec 2002	Jan-Dec 2001	Jan-Dec 2000
Net sales	20 068	19 699	18 337	15 447
Operating profit	427	787	753	645
Operating margin	2.1%	4.0%	4.1%	4.2%

Operating profit per quarter



Operating profit, rolling 12-month



Peab recognises shares in profits one quarter in arrears.
The tax expense for the year amounted to -11 (-66).

Financial position

The equity/assets ratio was 21.8 per cent (28.2). The decline is principally attributable to the effects of the distribution of Brinova.

Net debt amounted to SEK 1 331 million, compared to SEK 987 million the previous year. The increase is attributable to investments in project and development properties, acquisition of subsidiaries, the investment in the Katrineholm factory and an increase in outstanding customer accounts.

The average interest rate on the loan portfolio at the end of the period amounted to 3.9 per cent (5.0).

The Group's disposal liquid funds amounted to SEK 2 418 million at the end of the year compared to SEK 2 201 million as at year end 2002.

The Group's contingent liabilities amounted to SEK 830 million at the year end compared to SEK 887 million on 31 December 2002. This amount includes the whole of the SEK 227 million charge that the Swedish Competition Authority is demanding Peab to pay relative to participation in asphalt cartels. Provisions that may affect profits will be made if and when a reliable appraisal of the size of Peab's undertaking is possible.

Investments

Net investments for the year in tangible and intangible fixed assets amounted to SEK 682 million (447). Investments for the year mainly comprise the Katrineholm factory, acquisition of subsidiaries and investment in the other industrial business. The net change in shares and participations amounted to SEK -360 million (51) and mainly stems from the effects of the Brinova distribution. During the year 2003 net sum of SEK 50 million was disposed in project and development properties (net invested 151). In the distribution of Brinova, project and development property to a book value of SEK 457 million was transferred. Excluding these properties, project and development property to a value of SEK 407 million was acquired during the year.

Cash flow

Cash flow before financing for the year amounted to SEK -379 million (808). The deterioration in cash flow mainly stems from strategic investments in the Swedish and Finnish building construction business and in the Industry business area as well as an increase in working capital. The increase in

working capital is attributable to the acquisition of project and development property and in increased outstanding customer accounts. As a result of weaker public finances, the contractors must finance public investment to a greater extent than before.

The increase in capital tied up in investment activities mainly stems from subscription in the convertible debt in Brinova, investment in the Katrineholm factory and acquisitions of subsidiaries.

In total this initiatives burdens the cash flow but creates possibilities for the future.

Personnel

At the end of the period, the company employed a staff of 10 492 compared to 10 277 at the same time the previous year.

Comments by business sector

From 2003 onwards, Group operations will be reported as three business sectors; Construction and Civil Engineering, Industry and Trust/Management. The previous business sector Operations under Termination will no longer constitute a separate area but will be included under Trust/Management. Recommendation RR 19 of the Swedish Financial Accounting Standards Council introduced during 2002, "Discontinuing operations", requires that operations that constitute a substantial organisational unit which are to be phased out must be accounted for separately in their own accounts.

As a consequence of the introduction of Recommendation RR 25 of the Swedish Financial Accounting Standards Council, "Segment Reporting", from 2003 onwards certain profit/loss items and balance sheet items will be redistributed. Depreciation of Group excess value and Group goodwill, which was previously entered under the Trust/Management business area, will now be divided up among the respective business areas. Previously distributed central costs are charged to the Trust/Management business area in their entirety. The costs referring to financial leasing agreements capitalised in the Group accounts will be distributed out to the respective business sectors. Capital employed attributable to the above items has been redistributed to the respective business sectors.

Comparable figures for previous periods have been translated for the sake of comparability.

Construction and Civil Engineering

Net sales for Construction and Civil Engineering amounted for the year 2003 to SEK 17 601 million, compared to SEK 17 427 million the previous year.

Operating profits for the year amounted to SEK 151 million, compared to SEK 487 million the previous year. The operating margin for the Swedish Construction and Civil Engineering business sector for the year 2003 stood at 2.2 per cent compared to 4.2 per cent for the full year 2002. During the previous year, the result increased SEK 175 million stemming from selling the share in Klara Zenit.

The weak market affecting both housing production and commercial projects in Stockholm and Mälardalen region has resulted in a more cautious evaluation of projects. Profit for the period was affected by customer losses attributable to the bankruptcy of a consortium member. The project refers to a works contract for an incineration plant for Sakab in Kumla. A total of SEK 45 million was reserved for the project, of which SEK 30 million has burden the results for the year and SEK 15 million burden the 2002 financial year.

Capital employed in Construction and Civil Engineering amounted to SEK 2 985 million (2 317). Return on capital employed for the year 2003 was 6.2 per cent, compared to 23.4 per cent for the full year 2002.

We assess that the weak Swedish building and construction market will continue throughout 2004. With good market coverage, production focus and flexible resources, Peab has the organisation needed to achieve good profitability even in times of economic slowdown. New forms of financing for road and railway construction are expected to create increased room in state-finance for new projects.

The operating profits on overseas activities amounted to a total of SEK -194 million (-177). In the fourth quarter the Norwegian business was burdened by additional negative outcomes of old disputes, which has led us to assess the remaining disputes extremely cautiously. Total the Norwegian business has burdened the operating profits with SEK -119 million, of which SEK -66 million corresponded to the outcome of disputes and SEK -59 million are additional provisions for ongoing disputes and claims. The current result in ongoing production in Norway was SEK 6 million. In Finland, an overhaul of Peab's former business activities has been carried out as a result of the acquisition of Seicon. Besides previously recognised costs, an additional SEK 20 million related to mergers has burdened profits during the fourth quarter. In total, the Finnish business burdened operating profits by SEK -75 million.

Order backlog and orders received construction and civil engineering			
MSEK	2003-12-31	2002-12-31	2001-12-31
Coming financial year	10 089	9 153	9 059
Next financial year	2 632	2 925	1 975
Thereafter	869	774	539
Total order backlog	13 590	12 852	11 573
Orders received	18 339	19 121	16 747

The orders received within Construction and Civil Engineering for January-December amounted to SEK 18 339 million (19 121). The single largest order is the commission to build the northern stage of the new E4 between Uppsala and Mehedeby. The order has been made by the Swedish National Road Administration and the contract is worth SEK 924 million. Peab continues to enjoy the trust of the Swedish healthcare sector through the commission it has received to build a new clinical research centre at the MAS university hospital in Malmö for Regionfastigheter, the contract is worth a total of SEK 415 million. During the fourth quarter a large number of major orders have been received, including the commission to build a shopping centre in the Tuna Park area of Eskilstuna, with the Alecta occupational pension company as the ultimate owner once the project has been completed. Peab's contract is a trust-based contract and the value of the project is SEK 337 million.

Peab is also building a new shopping centre in Partille, immediately to the east of Gothenburg, for a contract value of about SEK 500 million. The order has been placed by Sten & Ström, Sweden. After the end of the period, Peab has been commissioned to build 129 new apartments in central Malmö. The order has been placed by Riksbyggen, and the contract is worth SEK 215 million.

Order backlog at the end of the year totalled SEK 13 590 million compared to SEK 12 852 million at the same time last year, this represents an increase of 6 per cent. Of the total order backlog 26 per cent (29) will be produced after the coming year.

Construction projects accounted for 67 per cent (72) of the order backlog. Several commissions of long duration constitute a stable basis for both the Construction and the Civil Engineering sectors. Swedish operations accounted for 88 per cent (88) of the backlog.

The total holding of project and development properties amounted to SEK 1 106 million compared to SEK 1 156 million at the end of the year. Peab's ambition is to commit approximately SEK 1 billion to project and development properties. As at 31 December Peab's project portfolio contained at the turn of the year 151 projects corresponding to building rights over a total of about 1.6 million square metres. The major part of these building rights was in the growth regions of Malmö, Gothenburg, Stockholm, and Mälardalen.

Building rights		
thousand sq.m	2003-12-31	2002-12-31
Housing	985	742
Commercial premises	405	423
Industrial premises	163	125
Total	1 553	1 290
Number of projects	151	124

Industry

The Industry business sector comprises the Group's activities within ready-mixed concrete, concrete production and prefab, rock/gravel, transport, manufacture and laying of asphalt, and plant and crane hire.

Net sales in the Industry business sector amounted 2003 to SEK 3 697 million (3 397).

Industry's operating profits amounted 2003 to SEK 276 million (300). Profits were reduced by SEK 20 million in customer losses as a result of the bankruptcy in PNB.

Capital employed in the Industry business area amounted to SEK 1 825 million (1 684). Return on capital employed for the year 2003 was 15.1 per cent, compared to 19.1 per cent for the year 2002.

Peab's concrete and rock and gravel company Swerock made continued positive progress during 2003. Swerock has significant deliveries to the group's current infrastructure projects and is well positioned for the future.

The establishment of Peab's new production plant at Katrineholm, which will play an important role in the development of a new Peab building system, has now been taken into use. The first delivery of concrete elements has been to a housing project in Svedala.

Subsequent to the acquisitions and expansion of recent years, Peab Asphalt has greater production resources at its disposal than was formerly the case. There is some over-capacity partly due to the postponement of road construction projects until a later date. The 2004 order position is good as a result of the forthcoming surfacing work in Peab's major road construction projects.

Plant and machinery hire operations at Lambertsson Sverige continue to run at high capacity and the company has set up operations in Norway and Finland at those locations where Peab is engaged in building and construction activities. Lambertssons Kran is feeling the downturn in commercial building and construction, which is resulting in reduced volumes. The Plant and Crane Hire businesses have now been coordinated under a common organisation in order to increase market presence and improve customer contacts.

Trust/Management

Trust/Management comprises the central companies, certain subsidiaries and joint ventures and other holdings. Operating profit amounted to SEK -122 million (-151). Shares of profit/loss in main associated companies/joint ventures amounted to SEK 4 million (17) and common group costs amounted to a total of SEK -119 million (-145).

Distribution of Brinova

In accordance with the resolution of the AGM of 15 May 2003, Brinova Fastigheter AB comprising the Group's investment properties has been distributed to Peab's shareholders. The impact of SEK -581 million distribution has reduced the Group's equity. During 2003 Peab has subscribed for a debenture loan to the value of SEK 253 million in Brinova. B-shares in Brinova is listed on the Stockholms Stock Exchange's O-list.

Important events during the period of the report

Peab has during the year acquired a total of 90 per cent of the shares of the Finnish construction company Seicon. During 2002, Seicon's turnover amounted to EUR 110 million. Seicon had at acquisition about 300 employees and an order backlog in excess of EUR 60 million. Following the acquisition, it is assessed that Peab will have a turnover in Finland of about EUR 160 million. Seicon was consolidated into the Peab Group as of 30 September 2003 and has resulted in an increase of about SEK 400 million in the Group's balance sheet total.

Peab has acquired the Finnish owned family business Vasa Betong with turnover of about EUR 4 million. Vasa Betong, comprising three factories, engages in the fabrication and sale of ready mixed concrete in the same geographical area as Seicon. The acquisition enables Peab to establish itself in the Finnish concrete market and to achieve synergies with the rest of the Finnish business.

Important events subsequent to the report period

Peab's Deputy Managing Director, CFO Mats Leifland has returned to his post at Peab from 1 February 2004, having handed over the managing directorship of Brinova.

The Peab-share

Peab's B-share is listed on the Stockholm Stock Exchange's O-list. As at 30 December 2003, the price of the Peab share was SEK 43.60, which is equivalent to a decline of 12 per cent, not taken into consideration the distribution of Brinova, corresponding to a value per share of SEK 5.60, at the date of distribution. During the corresponding period, the Swedish stock market increased by 30 per cent according to Affärsvärlden's Generalindex.

During 2003, the Peab share has been quoted at a maximum of SEK 49.30 and a minimum of SEK 37.00. Peab's B-share was listed exclusive of Brinova from 13 October 2003.

Holdings of own shares

At the start of the year 2003, Peab's holding of own shares amounted to 2 900 000 B-shares, corresponding to 3.3 per cent of the total number of shares. No share buybacks were undertaken during the year. During the year, Peab sold 460 000 B-shares as part of the purchase price of two previous company acquisitions. Subsequent to this, Peab's holding of own shares amounted to 2 440 000 B-shares, corresponding to 2.8 per cent of the total number of shares.

Number of shares, 31 December 2003

Number of registered shares	87 195 944
Repurchases	-2 900 000
Disposal of own shares	460 000
Number of outstanding shares	84 755 944

Accounting principles

This Year-end report has been prepared in accordance with the Swedish Accounting Standards Council's recommendations. The introduction of Recommendation RR 25 of the Swedish Financial Accounting Standards Council - Segment Reporting has resulted in a redistribution of profit/loss account and balance sheet items. See comments by business area. From 2003, Recommendation RR 22 of the Swedish Financial Accounting Standards Council - Presentation of Financial Statements - will be applied. The introduction of this recommendation has resulted in the overdraft facility being reclassified from a long-term to short-term liability in the balance sheet. Therefore, for the 2002 comparative year, SEK 264 million has been reclassified. Other newly introduced recommendations which came into force during the period of the report have been taken account of but have had no impact on the accounts. In general, the same accounting principles have been used as in the latest annual report.

Proposed Dividend

A dividend of SEK 2.20 per share (2.20) is proposed for 2003. Calculated as a share of the Group's reported profit after tax, the proposed dividend amounts to 82 per cent (38). Exclusive of the 2 440 000 B-shares owned by Peab AB, which do not entitle to dividend, the proposed dividend is equivalent to a total dividend distribution of SEK 186 million (186). The proposed dividend is equivalent to a yield of 5.60 per cent based on the closing price on 11 February 2004.

The Annual General Meeting

The Annual General Meeting (AGM) will be held at Grevieparken, Grevie on Thursday 13 May 2004, at 3 pm.

Appointment of Board Members

Those shareholders that wish to submit nominations for board members in advance can contact the chairman of the appointments committee, Mr Ulf H Jansson. Contacts will be arranged by the secretary of the Board of Directors, Ms Karin Malmgren, Peab AB, SE-260 92 Förlöv, phone. +46 431-890 00.

Forthcoming information

The annual report for the 2003 financial year will be published on Peab's website at the end of March 2004. The Annual General Meeting will be held on 13 May 2004 and the quarterly report for the first quarter of 2004 will be published on the same day. The half-year report will be published on 26 August, and the nine-month report on 25 November. The 2004 year-end report will be published on 17 February 2005.

Förlöv, 12 February 2004

Mats Paulsson
Managing Director

Condensed income statement				
The Group MSEK	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002
Net sales	5 995	5 761	20 086	19 818
Production and management expenses	-5 567	-5 198	-18 459	-17 953
Gross profit	428	563	1 627	1 865
Selling and administrative expenses	-353	-359	-1 335	-1 291
Share of profit before tax of associated companies/joint ventures	2	14	8	34
Result from participation in associated companies/joint ventures sold	-	55	4	60
Result from participation in Group companies sold	1	-12	1	-32
Operating profit	78	261	305	636
Profit from financial items	-26	-3	-65	-84
Profit after financial items	52	258	240	552
Tax	16	-29	-11	-66
Minority interests	-10	-2	-3	2
Profit for the period	58	227	226	488
Key ratios				
Profit per share, SEK	0.70	2.70	2.70	5.80
– after completed subscription and conversion	0.70	2.60	2.70	5.70
Share price at end of period, SEK	43.60	49.40	43.60	49.40
P/E-ratio	-	-	16.1	8.5
Outstanding shares at end of period, million	84.8	84.3	84.8	84.3
– after completed subscription and conversion	84.8	84.3	84.8	84.3
Average number of outstanding shares, million	84.8	84.3	84.7	84.6
– after completed subscription and conversion	84.8	84.3	84.7	84.9

Condensed balance sheet		
The Group MSEK	31 Dec 2003	31 Dec 2002
Assets		
Intangible assets	340	244
Tangible fixed assets	1 618	1 337
Interest-bearing long-term receivables	417	344
Financial fixed assets	605	705
Project and development properties	1 106	1 156
Inventories	220	186
Interest-bearing short-term receivables	260	203
Other current receivables	5 553	5 468
Short-term shareholdings	48	18
Liquid funds	206	191
Total assets	10 373	9 852
Shareholders' equity and liabilities		
Shareholders' equity	2 196	2 750
Minority interests	63	30
Allocations	95	182
Interest-bearing long-term liabilities	1 847	1 397
Interest-bearing short-term liabilities	415	346
Other current liabilities	5 757	5 147
Total shareholders' equity and liabilities	10 373	9 852
Key ratios		
Capital employed	4 520	4 523
Return on equity	9.2%	18.8%
Return on capital employed	9.2%	15.1%
Equity/assets ratio	21.8%	28.2%
Net debt	1 331	987
Adjusted equity per share, SEK	26.70	33.00

Change in shareholders' equity

The Group MSEK	Share capital	Restricted reserves	Unrestricted reserves	Total share- holders' equity
Opening balance, 1 January 2002	842	548	1 044	2 434
Cash dividend			-179	-179
New share issue	30	37		67
Repurchase of own shares			-85	-85
Exchange rates differences			25	25
Transfer between restricted and unrestricted equity		8	-8	0
Net profit for the year			488	488
Closing balance, 31 December 2002	872	593	1 285	2 750
Cash dividend			-186	-186
Distribution of shares in Brinova Fastigheter AB			-581	-581
Disposal of own shares			20	20
Exchange rates differences			-33	-33
Transfer between restricted and unrestricted equity		-135	135	0
Net profit for the period			226	226
Closing balance, 31 December 2003	872	458	866	2 196

Condensed cash flow statement

The Group MSEK	Oct-Dec 2003	Oct-Dec 2002	Jan-Dec 2003	Jan-Dec 2002
Cash flow from current operations before change in working capital	215	129	538	624
Cash flow from changes in working capital	548	-174	-88	-53
Cash flow from current operations	763	-45	450	571
Acquisition of subsidiaries	-23	-16	-304	-36
Sales of subsidiaries	66	7	69	31
Acquisition of fixed assets	-152	-125	-674	-331
Sales of fixed assets	9	361	80	573
Cash flow from investment operations	-100	227	-829	237
Cash flow before financing	663	182	-379	808
Cash flow from financing operations	-597	-109	403	-724
Cash flow for the period	66	73	24	84
Liquid funds at the start of the period	147	111	191	105
Exchange rate differences in liquid funds	-7	7	-9	2
Liquid funds at the end of the period	206	191	206	191

Net sales and operating profit per business area

	Net sales			Operating profit			Operating margin		
	Jan-Dec 2003	Jan-Dec 2002	Jan-Dec 2001	Jan-Dec 2003	Jan-Dec 2002	Jan-Dec 2001	Jan-Dec 2003	Jan-Dec 2002	Jan-Dec 2001
MSEK									
Construction and Civil Engineering									
Sweden	15 687	15 658	14 487	345	664	442	2.2%	4.2%	3.1%
Abroad	1 914	1 769	1 541	-194	-177	2	-10.1%	-10.0%	0.1%
Total	17 601	17 427	16 028	151	487	444	0.9%	2.8%	2.8%
Industry									
Swerock/Asfalt	3 118	2 798	2 762	154	160	168	4.9%	5.7%	6.1%
Plant/Cranes	579	599	605	122	140	141	21.1%	23.4%	23.3%
Total	3 697	3 397	3 367	276	300	309	7.5%	8.8%	9.2%
Trust/Management	96	171	432	-122	-151	-98			
Elimination	-1 308	-1 177	-1 106						
The Group	20 086	19 818	18 721	305	636	655	1.5%	3.2%	3.5%
Capital employed	4 520	4 523	4 743						
Return on capital employed	9.2%	15.1%	16.0%						

Discontinuing operations

The profit and loss account divided by remaining activities along with those parts which were recognised in the accounts of the Peab Group attributable to Brinova is shown below.

	Remaining operations		Discontinuing operations		The Group total	
	Jan-Dec 2003	Jan-Dec 2002	Jan-Dec 2003	Jan-Dec 2002	Jan-Dec 2003	Jan-Dec 2002
MSEK						
Net sales	20 077	19 775	9	43	20 086	19 818
Operating costs	-19 779	-19 184	-10	-32	-19 789	-19 216
Participations in ass. companies/joint ventures	7	13	1	21	8	34
Operating profit	305	604	0	32	305	636
Result from financial investments	-60	-68	-5	-16	-65	-84
Profit after financial items	245	536	-5	16	240	552
Tax	-12	-62	1	-4	-11	-66
Minorities	-3	2	0	0	-3	2
Net profit for the period	230	476	-4	12	226	488
Profit per share, SEK	2.70	5.70	0.00	0.10	2.70	5.80

During the period January-December 2003, losses from discontinuing operations amounted to SEK -4 million (12). During 2003 the Brinova holding has been deconsolidated after the decision on Peab's AGM concerning the Brinova spin off. The result during January-December is therefore not comparable with the same period last year.

Cash flow from current operations attributable to activities which was distributed amounted to SEK -4 million during the period January-December 2003, compared to SEK -3 million during the 2002 full year. This has been calculated as profit for the period after financial items adjusted for depreciation and shares in associated companies/joint ventures result and tax.

The Group's equity has been reduced by total SEK 581 million, from which SEK 17 million refer to costs relating to the distribution.

Quarterly figures

The group per quarter									
The Group MSEK	Oct-Dec 2003	Jul-Sep 2003	Apr-Jun 2003	Jan-Mar 2003	Oct-Dec 2002	Jul-Sep 2002	Apr-Jun 2002	Jan-Mar 2002	Oct-Dec 2001
Net sales	5 995	4 995	5 014	4 082	5 761	4 821	5 113	4 123	5 662
Production and management expenses	-5 567	-4 587	-4 583	-3 722	-5 198	-4 431	-4 568	-3 756	-5 087
Gross profit	428	408	431	360	563	390	545	367	575
Selling and administrative expenses	-353	-273	-381	-328	-359	-227	-392	-313	-312
Share of profit before tax associated companies/joint ventures	2	5	3	-2	14	5	7	8	12
Result from participations in associated companies/joint ventures sold	-	-1	-	5	55	-4	6	3	8
Result from participations in Group companies sold	1	-	-	-	-12	4	-12	-12	-2
Operating profit	78	139	53	35	261	168	154	53	281
Profit from financial items	-26	-11	-6	-22	-3	-51	-15	-15	-21
Profit after financial items	52	128	47	13	258	117	139	38	260
Tax	16	-18	-7	-2	-29	-17	-15	-5	-40
Minority interests	-10	8	-1	0	-2	0	2	2	0
Profit for the period	58	118	39	11	227	100	126	35	220
Profit per share, SEK	0.70	1.40	0.50	0.10	2.70	1.20	1.50	0.40	2.60
– after completed subscription and conversion	0.70	1.40	0.50	0.10	2.60	1.20	1.50	0.40	2.60
Average number of outstanding shares, million	84.8	84.8	84.8	84.4	84.3	84.3	85.1	84.9	83.2
– after completed subscription and conversion	84.8	84.8	84.8	84.4	84.3	84.3	85.1	86.0	86.2

Business area per quarter									
MSEK	Oct-Dec 2003	Jul-Sep 2003	Apr-Jun 2003	Jan-Mar 2003	Oct-Dec 2002	Jul-Sep 2002	Apr-Jun 2002	Jan-Mar 2002	Oct-Dec 2001
Net sales									
Construction and Civil Engineering	5 333	4 169	4 342	3 757	5 219	4 002	4 438	3 768	4 875
Industry	1 041	1 113	1 002	541	887	1 049	931	530	949
Trust/Management	24	19	19	34	23	23	59	66	163
Elimination	-403	-306	-349	-250	-368	-253	-315	-241	-325
Total	5 995	4 995	5 014	4 082	5 761	4 821	5 113	4 123	5 662
Operating profit									
Construction and Civil Engineering	25	36	35	55	233	60	116	78	205
Industry	73	130	67	6	84	108	90	18	80
Trust/Management	-20	-27	-49	-26	-56	0	-52	-43	-4
Total	78	139	53	35	261	168	154	53	281
Order situation Construction and Civil Engineering									
Orders received	4 525	5 171	4 178	4 465	5 064	4 190	4 836	5 031	4 598
Order backlog at the end of the period	13 590	14 282	13 412	13 509	12 852	13 235	13 137	12 824	11 573

Five-year review

The Group					
MSEK	2003	2002	2001	2000	1999 ¹⁾
Income statement items					
Net sales	20 086	19 818	18 721	15 704	13 841
Operating profit	305	636	655	664	246
Profit after financial items	240	552	577	642	162
Net profit for the year	226	488	502	449	233
Balance sheet items					
Fixed assets	2 980	2 630	2 440	2 250	3 145
Current assets	7 393	7 222	7 398	6 796	3 430
Total assets	10 373	9 852	9 838	9 046	6 575
Shareholders' equity	2 196	2 750	2 434	2 042	1 514
Minority interests	63	30	8	10	6
Provisions	95	182	96	220	173
Long-term liabilities	1 847	1 397	1 918	2 115	2 048
Current liabilities	6 172	5 493	5 382	4 659	2 834
Total shareholders' equity and liabilities	10 373	9 852	9 838	9 046	6 575
Key ratios					
Operating margin, per cent	1.5	3.2	3.5	4.2	1.8
Profit margin, per cent	2.0	3.5	4.0	5.1	2.2
Adjusted equity	2 259	2 780	2 442	2 052	1 520
Return on equity, per cent	9.2	18.8	22.3	25.3	14.5
Capital employed	4 520	4 523	4 743	4 690	3 712
Rewturn on capital employed, per cent	9.2	15.1	16.0	19.1	8.3
Equity/assets ratio, per cent	21.8	28.2	24.8	22.7	23.1
Net borrowings	1 331	987	1 055	1 527	1 107
Debt/equity ratio, multiple	0.9	0.6	0.9	1.3	1.4
Interest coverage ratio, multiple	2.9	5.0	4.3	5.1	2.1
Orders: Construction and Civil Engineering					
Orders received	18 339	19 121	16 747	17 362	12 111
Order backlog at year-end	13 590	12 852	11 573	10 895	7 188
Share data					
Earning after actual tax, SEK/share	2.70	5.80	6.00	6.30	3.40
– after completed subscription and conversion	2.70	5.70	5.80	5.10	2.50
Adjusted equity, SEK/share	26.70	33.00	29.40	24.40	22.00
– after completed subscription and conversion	26.70	33.00	29.10	24.30	21.20
Share price at year-end, SEK	43.60	49.40	37.10	33.50	18.10
Dividend, SEK/share ²⁾	2.20	2.20	2.10	1.30	0.80
Number of shares at year-end, millions	84.8	84.3	83.1	84.1	69.1
– after completed subscription and conversion	84.8	84.3	86.2	87.2	93.4
Average number of outstanding shares, millions	84.7	84.6	83.9	71.5	69.1
– after completed subscription and conversion	84.7	84.9	86.9	90.0	93.4

Altered definition

Return on equity

Profit after financial items deducted for tax according to the profit and loss account presented as a percentage of average equity. Comparable figures for previous periods have been translated for the sake of comparability.

¹⁾ The Year 1999 has not been adjusted for changed accounting principles that came into effect in 2001.

²⁾ For 2003, the Board of Directors' proposal to the AGM.

List of shareholders, 31 December 2003

Shareholders	A-shares	B-shares	Total no of shares	Proportion of capital, %	Proportion of votes, %
Erik Paulsson with family and company	3 487 890	3 699 358	7 187 248	8.2%	22.0%
Mats Paulsson with company	2 753 244	4 197 623	6 950 867	8.0%	18.1%
Mohammed Al-Amoudi with company	0	18 854 865	18 854 865	21.6%	10.7%
Fredrik Paulsson with family and company	987 340	977 811	1 965 151	2.3%	6.2%
Stefan Paulsson with family and company	987 340	962 479	1 949 819	2.2%	6.2%
Svante Paulsson with family and company	640 890	528 880	1 169 770	1.3%	4.0%
Sara Karlsson with family and company	640 890	347 687	988 577	1.1%	3.9%
Karl-Axel Granlund with company	0	4 700 000	4 700 000	5.4%	2.7%
AMF Pension funds	0	2 947 400	2 947 400	3.4%	1.7%
LKAB	0	1 776 200	1 776 200	2.0%	1.0%
Robur funds	0	1 279 800	1 279 800	1.5%	0.7%
SEB funds	0	878 500	878 500	1.0%	0.5%
SHB funds and Life	0	854 514	854 514	1.0%	0.5%
Others	308 108	32 945 125	33 253 233	38.2%	20.4%
Total shares outstanding	9 805 702	74 950 242	84 755 944		
Peab AB	0	2 440 000	2 440 000	2.8%	1.4%
Total shares registered	9 805 702	77 390 242	87 195 944	100.0%	100.0%

Source: SIS Ägarservice, VPC

