

PEAB INDUSTRI AB (PUBL)

INTERIM REPORT JANUARY – JUNE 2007

PROFITABLE GROWTH

- Net sales increased by 25% of which 17% by organic growth to SEK 3,080 million (2,455*)
- Operating profit improved by 37% to SEK 240 million (175*)
- Profit after tax improved by 37% to SEK 147 million (107*)
- Earnings per share before and after dilution amounted to SEK 1.75 (1.24*)
- The Annual General Meeting at Peab AB has decided on the distribution of the shares in Peab Industri
- Refinancing implemented

*) Pro forma 2006



PEAB INDUSTRI – LEADING PRODUCER ON THE CONSTRUCTION AND CIVIL ENGINEERING MARKET

SPECIALISATION OF THE BUSINESS

Peab Industri operates within three complementary business areas: Machinery, Products and Services, all aimed at the Nordic Construction and Civil Engineering market. The main part of the group's turnover is currently generated by the Swedish market where the group has national operations with strong local presence. Business is also run in Norway and Finland.

The businesses within Peab Industri had a turnover of around SEK 6 billion during 2006 and the number of employees amounted to about 2,000.

Peab Industri will give the customer and the shareholders value by creating profitable growth, being a leading producer, having committed employees and having a local presence.

THE BUSINESS AREAS

The three business areas have different capital requirements, which is reflected in different targets concerning operating margin. The offering to the customer from each business area differs regarding rental, deliveries, transportation and different concepts of total offerings.

MACHINERY

This business area includes the group's resources within machinery, temporary electricity and crane business. This area is primarily concerned with rental, but also sells cranes and machinery via retail agreements. Business is conducted in Sweden, Norway and Finland.



PRODUCTS

This business area comprises the group's products from raw material such as gravel and rock to the production of asphalt and ready-mixed concrete. The business area also includes more refined products such as concrete building frames, ground paving and slabs and roof tiles. Business is conducted in Sweden and Finland.



SERVICES

This business area covers the group's services, including asphalt paving, transportation and machinery operations and services within the electricity, power and telecom area. Business is conducted in Sweden and Norway.



VISION

Peab Industri will deliver sustainable and profitable growth by endeavouring to be the leading producer of products and provider of services for the Construction and Civil Engineering market in northern Europe.

BUSINESS CONCEPT

By having committed employees and a local presence Peab Industri will be the most innovative, knowledgeable and reliable producer of products and provider of services for the Construction and Civil Engineering market and thereby the customer's first choice.

FINANCIAL OBJECTIVES

- Return on capital employed > 18 per cent
- Operating margin > 9 per cent
- The organic growth shall exceed the growth in the underlying market and be supplemented by acquisitions

COMMENTS FROM THE CEO

The first six months were characterised by a continued high level of activity on the Construction and Civil Engineering markets in both Sweden, clearly our largest market, and in Norway and Finland. During the first six months, we reinforced our, in many cases already leading, positions within all of our business areas.

One of our more important objectives is to create profitable growth. We can establish that the growth for the first six months was very good. Net sales increased by 25 per cent compared to the business' sales in the previous year, and the operating margin was improved from 7.1 per cent to 7.8 per cent for the first six months in 2007 compared to the corresponding period in 2006. The growth can be explained partly by the past year's acquisitions, which constitute 8 per cent, but primarily by the fact that we have safeguarded the good market conditions and by investments made to increase capacity and productivity in recent years. The organic growth amounted to 17 per cent.

Peab Industri is positively influenced by the favourable market climate that leads to high level of resource utilisation.

However, we do see signs of general price increases particularly for energy-intensive raw materials such as oil, bitumen for asphalt and cement for concrete. A keen awareness of costs, continuous rationalisations and the ability to allocate investments to the right place are therefore of considerable importance to a strengthened competitiveness and continued growth with good profitability.

On 16 May, the Peab AB Annual General Meeting made the decision on the distribution of the shares in Peab Industri. The distribution is planned for the end of September with subsequent listing on 1 October. The work on preparing the group for the listing has been ongoing via a number of activities since the autumn 2006 and, according to plan, the listing prospectus will be published on 17 September.

We are convinced that the listing will provide additional opportunities for Peab Industri to create profitability and thereby provide added value to our future shareholders.

Mats O Paulsson
CEO

FORMATION OF THE PEAB INDUSTRI GROUP

The Peab Industri group was established on 31 December 2006 by Peab Industri AB acquiring other businesses from companies within the Peab Group that are attributable to Peab's Industry business area, plus the NeTel and Peab Grundläggning companies. The acquisitions were listed at group value accounted for with Peab. In connection with this, an unconditional shareholders' contribution of SEK 600 million was injected into the Peab Industri group.

BOARD, CEO AND GROUP MANAGEMENT

On 1 January 2007, the CEO and the CFO were appointed. The Deputy CEO was appointed on 13 August. The group management thereafter consists of CEO Mats O Paulsson, Deputy CEO Karl-Gunnar Karlsson and CFO Niclas Winkvist.

The new board took up duty at Peab Industri AB on 19 March 2007, consisting of chairman Mats Paulsson and board members Jan Segerberg, Kjell Åkesson, Sara Karlsson and Fredrik Paulsson. The board was increased on 21 June through board members Eva Hörwing and CEO Mats O Paulsson.

DISTRIBUTION OF PEAB INDUSTRI

Peab AB's annual general meeting on 16 May 2007 decided on the distribution of the Peab Industri AB shares. The Peab Industri shares, divided into A-shares and B-shares respectively, are distributed in accordance with "lex Asea". The intention is to list the B-shares on the OMX Nordic Exchange on 1 October 2007.

The distribution of Peab Industri is believed to create the right conditions for and facilitate further specialisation, development, growth and profitability for both Peab and Peab Industri.

2007 timetable for the distribution of Peab Industri

| | |
|--------------|--|
| 17 September | Listing prospectus to be published on Peab's homepages www.peab.se and www.peab.com |
| 24 September | Last day for trade in Peab shares, including the right to dividends |
| 25 September | Peab to be listed, excluding the right to shares in Peab Industri |
| 27 September | Record day for separation of the shares in Peab Industri |
| 1 October | Market listing of Peab Industri's B-shares |

COMMENTS ON THE HALF-YEARLY ACCOUNTS

MARKET

Peab Industri's business is aimed at the Nordic Construction and Civil Engineering market. The majority of the sales are on the Swedish market. According to The Swedish Construction Federation's (Sveriges Byggindustriers) latest report, the construction industry in Sweden continues to enjoy positive development. Access to workforce and production capacity among the material suppliers is considered to be crucial to this development. The total building investments in Sweden is estimated to increase by 8 per cent this year and 3 per cent next year.

Prognosesenteret, Norway, expects 2007 to be a year of record for the Construction and Civil Engineering market following three years of strong growth. The growth is expected to increase by 6 per cent during 2007. Lack of capacity means that the rate of construction is expected to fall by 1 per cent in 2008, whereupon the production level is expected to increase again.

According to The Finnish Construction Federation (Rakennusteollisuus – RT), production for the Construction and Civil Engineering industry is expected to increase by 4 per cent during 2007 and 3 per cent during 2008.

The growth within the rental market for building machinery normally increases by more than the underlying construction market due to the trend of latter years where more companies choose to rent their building machinery rather than make the investments themselves.

2006 COMPARATIVE FIGURES

The following text indicates comparative figures for 2006 within brackets. Generally, these are pro forma figures produced in accordance with the assumption that the group was established on 1 January 2006. Note in particular that comparative figures for the last rolling 12-month period refer to pro forma for the period of July – December 2006 and actual outcome for the period of January – June 2007. For a description of principles for the set-up of the pro forma report, please see the end of the interim report on page 15.

NET SALES AND PROFIT/LOSS

Net sales for the period of January – June increased by 25 per cent to SEK 3,080 million (2,455). Adjusted for acquired units, the sales increased by 17 per cent. Of the sales for the period, SEK 300 million (303) represented sales and production outside of Sweden. Net sales for the last rolling 12-month period amounted to SEK 6,630 million compared with SEK 6,005 (pro forma) million for the full year of 2006. Since Peab Industri is conducting business on the Nordic Construction and Civil Engineering market, the group's business follows its seasonal variations. This normally means that the first quarter has lower sales than the subsequent ones.

The operating profit for the first six months amounted to SEK 240 million (175). The operating profit for the last 12-month period amounted to SEK 585 million compared to SEK 520 million (pro forma) for the year 2006.

Participations in joint ventures profit/loss is reported in accordance with the equity method. The share in profit/loss in joint ventures for the period amounted to SEK 1 million (–2). The share in profits is reported one quarter in arrears.

Net financial items during the period of January – June 2007 amounted to SEK –36 million (–26). The negative effect on the financial net is due to the group's increased net debt and higher market interest rates.

Profit after financial items amounted to SEK 204 million (149).

Tax for the period amounted to SEK –57 million (–42), corresponding to a tax rate of about 28 per cent. The current year's anticipated tax rate is expected to amount to about 28 per cent.

Profit for the period amounted to SEK 147 million (107).

INVESTMENTS, DEPRECIATIONS AND AMORTISATIONS

Net investments in tangible and intangible fixed assets for the period of January – June 2007 amounted to SEK 259 million. In addition there are acquisitions through financial lease agreements of SEK 133 million. Tangible and intangible fixed assets purchased through the acquisitions of subsidiaries amount to SEK 130 million.

Depreciation and amortisation during the period of January – June 2007 amounted to 210 SEK million (144) of which SEK 6 million (0) referred to amortisation of other intangible fixed assets.

ACQUISITIONS DURING THE PERIOD JANUARY – JUNE 2007

On 2 January 2007, Peab Industri acquired 100 per cent of the shares in ATS Kraftservice AB. The company conducts business within the expansion of networks for electricity distribution. The company has 20 employees and its turnover was about SEK 45 million during 2006.

On 2 March 2007, Peab Industri acquired 100 per cent of the shares in Bårarelaget Krancenter i Helsingborg AB. The company runs mobile crane operations in Skåne and has 68 employees. The company's turnover was about SEK 70 million during 2006.

On 11 April 2007, Peab Industri acquired the remaining 50 per cent of the shares in joint venture HB Gladökrossen.

The company then became a wholly-owned subsidiary. The company runs gravel and rock operations in the Stockholm area.

Had the acquisitions taken place on 1 January 2007, these acquisitions would have affected the group's earnings by a total of SEK 96 million and the profit for the period by SEK 3 million.

The acquired companies contributes to the profit for the period by SEK 2 million for the effects of the acquisitions on the group's assets and liabilities, please see page 13.

CASH FLOW

Cash flow before financing amounted to SEK –33 million for the first six months. Continued high investments in fixed assets and normal seasonal variations means that the cash flow before financing is negative.

DISPOSALS DURING JANUARY – JUNE 2007

On 1 January 2007, 40 per cent of the shares in Asfaltbeläggningar i Boden AB were sold to Peab Sverige AB. The sale was listed at net value accounted for in the Peab Industri group.

The company runs both asphalt and civil engineering operations, which is why a joint ownership is believed to be the most beneficial.

The company is reported in the group as a subsidiary with 40 per cent minority interests.

FINANCIAL POSITION

The net debt amounted to SEK 2,235 million on 30 June 2007. The group's equity ratio amounted to 15.1 per cent compared with 12.6 per cent at the end of the year and the gearing amounted to 3.0 on 30 June 2007.

The group's contingent liabilities, excluding joint and several liability in trading and limited partnerships, amount-

ed to SEK 4 million at the end of the period compared with SEK 41 million on 31 December 2006. The reduction is due to the fact that the charge of SEK 37 million demanded by the Competition Authority to be paid in the asphalt cartel case, on the basis of the City Court's verdict of 12 July 2007, has been considered in the form of a provision of SEK 35 million. A corresponding amount has been recorded as a long-term receivable based on the two letters of indemnity issued on 1 March 2007 by Peab AB where Peab AB undertakes to pay what Peab Industri may be sentenced to by way of competition compensation. As a consequence of the letters of indemnity issued by Peab AB, the charge has no effect on the earnings for the period.

FINANCING

Refinancing

During the second quarter, bilateral loan agreements were taken out to a total of SEK 2,300 million with four banks, Nordea, Danske Bank, Swedbank and Handelsbanken. The terms for the new loan agreements is seven years without instalment obligations. The loan agreements include financial ratio covenants in the form of interest coverage ratio and risk-bearing capital that the group shall fulfil, which is customary for this type of agreement. The loan agreements constitute Peab Industri's fundamental financing and have been complemented with different types of short-term operations financing of up to SEK 500 million plus new framework agreements for lease and hire-purchase agreements amounting to SEK 300 million.

On 30 June 2007, SEK 418 million of the seven-year facilities had been used. There is also an outstanding debt instrument to Peab AB of SEK 900 million that is estimated to be amortised on 14 September 2007 using the group's earnings and additional utilisation of the facilities. The debt to Peab AB is reported as a short-term, interest-bearing liability. Long-term interest-bearing claims of SEK 789 million were reported on 31 December 2006. The balance sheet item mainly constitutes a receivable from Peab of SEK 600 million. The receivable was settled during the first six months of 2007.

Subordinated loan

On 1 March 2007, Peab Industri issued a five-year subordinated loan of SEK 200 million which was taken out by Peab AB. In the event that Peab Industri issues convertibles as shown below, the subordinated loan shall be amortised no later than 31 December 2007 with a corresponding amount issued up to SEK 200 million.

Personnel convertibles

The annual general meetings on 16 May 2007 at Peab AB (publ) and Peab Industri AB (publ) made the decision to issue convertibles of a nominal total of no more than SEK 400 million. Peab Industri issues no more than 6.7 million convertibles.

The convertibles in Peab Industri are proposed to run from 1 December 2007 to 30 November 2012. Each convertible can, during part of December 2010 and 2011 and part of September 2012, be converted to a series B share in Peab Industri. The offer to participate in the programme is intended to be given to all Peab Industri and Peab employees on market-related terms. Each employee will be entitled to subscribe to at least 200 convertibles. The personnel must subscribe during the period as of 26 November up to and including 12 December 2007.

Peab Industri will use the proposed issue to give all employees an opportunity to participate in the company's development, which will contribute to participation and commitment.

PERSONNEL

At the end of the period, the number of employees was 2,143 compared with 1,995 as at 31 December 2006.

IMPORTANT EVENTS AFTER THE REPORT PERIOD

The extraordinary general meeting on 13 August at Peab Industri AB (publ) made the decision to issue convertibles of a nominal total of no more than SEK 200 million. Peab Industri issues no more than 3,3 million convertibles.

The convertibles in Peab Industri are proposed to run from 1 December 2007 to 30 November 2012. Each convertible can, during part of December 2010 and 2011 and part of September 2012, be converted into a series B share in Peab Industri AB. The offer to participate in the programme is on market-related terms and exclusively offered to Peab AB (publ).

Peab AB must subscribe to the convertibles of a total of SEK 200 million during the period as of 26 November up to and including 1 December 2007.

Karl-Gunnar Karlsson, 51 years old, has been appointed Deputy CEO of Peab Industri AB. Karl-Gunnar has been head of the Civil Engineering division within Peab since 2005.

ACQUISITIONS AFTER THE REPORTING PERIOD

On 7 August 2007, Peab Industri acquired 100 per cent of the shares in Kvalitetsasfalt i Mellansverige AB. The company conducts business within the production and laying of asphalt in the middle parts of Sweden. The company has around 70 employees and saw a turnover of SEK 190 million during 2006. The acquisition has been approved by The Competition Authority. Since the acquisition balance has not been established at the time of this report being submitted, no specification of acquired assets and liabilities is reported.

IMPORTANT RISKS AND UNCERTAINTY FACTORS

Peab Industri acts as a supplier and a subcontractor on the Construction and Civil Engineering market. The main part of the business of Peab Industri is conducted in Sweden, business is also conducted in Norway and Finland.

A negative development on the market in the Nordic Countries could have a negative effect on the profit for Peab Industri. Since costs related to the purchasing of materials constitutes a big part of the total operating costs, price increases can have negative effects on the profit if Peab Industri cannot fully compensate for this.

The business of Peab Industri is subject to seasonal variations with the business activities being smaller during the winter season. An early winter can have a negative impact on the operating profit.

Peab Industri is exposed to financial risks mainly in the form of changes in indebtedness and interest rate levels. Peab Industri is also to a certain degree exposed to currency and credit risks.

On 12 July 2007 the City Court gave its verdict in the case of the asphalt cartel. According to the verdict, Peab Industri must pay SEK 35 million in competition compensation. Both Peab Industri and the Competition Authority have appealed against the City Court's verdict.

On 1 March 2007, Peab AB issued two letters of indemnity where Peab AB undertakes to pay what Peab Industri may be sentenced to by way of competition compensation.

THE PARENT COMPANY

EARNINGS AND FINANCIAL POSITION

The parent company reports no turnover during the first six months. Earnings after tax amounted to SEK –3 million compared to SEK 0 million in the previous year. The majority of the parent company's costs consist of common costs for the central group functions that are invoiced to the subsidiaries.

The assets amounted to SEK 2,218 million compared with SEK 0 million in the previous year and its shareholders' equity amounted to SEK 597 million compared with SEK 0 million in the previous year. During the year, no dividends were decided on or paid out to the shareholders.

Related party transactions with the parent company are shown by the note to the parent company's report on page 14.

ANNUAL GENERAL MEETING 2007

At Peab Industri AB's Annual General Meeting on 16 May, the following were decided on, among other things:

- Re-appointment of board members Mats Paulsson, Sara Karlsson, Jan Segerberg, Kjell Åkesson and Fredrik Paulsson. Mats Paulsson was re-appointed as chairman.
- New appointment of Thomas Thiel as auditor and David Olow as deputy auditor.
- Change of company category through the company being public and the company's name changing to Peab Industri AB (publ).
- Adoption of new articles of association, among other things meaning the introduction of two types of share, series A and series B.
- Split of the company's shares 50:1
- Increase of the company's share capital through a bonus issue of SEK 160 million through the issue of 9.8 million A-shares and 70.2 million B-shares.
- Approval of the issue of Peab Industri convertibles 2007/2012 of no more than 6.7 million convertibles of a nominal maximum of SEK 400 million.
- Authorise the board for the period until the next Annual General Meeting on one or more occasions to make a decision on the new share issue in total amounting to no more than 10 per cent of registered share capital.
- Authorise the board for the period until the next Annual General Meeting on one or more occasions to make a decision on whether or not the company will acquire its own shares so that the company, following the acquisition, holds no more than 10 per cent of the registered number of shares in the company.
- Authorise the board for the period until the next Annual General Meeting on one or more occasions to make a decision on whether or not the company shall dispose of own shares acquired.

IMPORTANT RISKS AND UNCERTAINTY FACTORS FOR THE PARENT COMPANY

Peab Industri AB is a holding company and is indirectly affected by the risks described above concerning the group.

ACCOUNTING PRINCIPLES

THE GROUP

The interim report for the group for the first six months of 2007 is drawn up in accordance with the IFRS standards adopted by the EU and with the interpretations of applicable IFRIC standards adopted by the EU. This report has been drawn up in accordance with IAS 34, Interim Reporting and RR 31, Interim Reporting for groups. The interim report has been drawn up in accordance with the same accounting principles and conditions as described in the 2006 Annual Report, with the exception of the income statement and its format. As of 1 January 2007, Peab Industri changed from a classified by function to a classified by cost format for the income statement. The comparative figures in the income statement have been reclassified in accordance with the new format.

Previously in its capacity of business area within the Peab group, Peab Industri adapted the format of its income statement to the income statement classified by function adapted for Peab and the Construction and Civil Engineering industry. Peab Industri runs Construction and Civil Engineering-related industrial operations. For the purpose of achieving a uniform structure as regards the external reporting and the management, as well as to facilitate comparisons with other players within the Construction and Civil Engineering-related industry, Peab Industri has decided to apply the classified by cost format for the income statement.

THE PARENT COMPANY

Peab Industri AB (publ) has established its financial reporting in accordance with the accounting principles and presumptions described in the annual report for the financial year 2006 and which are in accordance with the Annual Accounts Act and the Swedish Association for the Development of Generally Accepted Accounting Principles recommendation RR 32:06 Accounting for a legal entity.

However, an exemption is the income statement and its format. As of 1 January 2007 Peab Industri changed from a classified by function format to a classified by cost format for the income statement. The comparative figures in the income statement have been reclassified in accordance with the new format.

INFORMATION

FORTHCOMING REPORTING OCCASIONS

Peab Industri AB (publ) intends to publish financial information regarding the business year 2007 on the following occasions:

Interim Report January – September 2007: 20 November
Press release of unaudited earnings for 2007: 12 February 2008.

Questions concerning this report will be answered by:

Mats O Paulsson, CEO
telephone +46 (0)431-44 96 00
email: mats.o.paulsson@peabindustri.se

Niclas Winkvist, CFO
telephone +46 (0)431-44 96 00
email: niclas.winkvist@peabindustri.se

For further information, see also www.peab.se

The board and the CEO gives their assurance that the half-year report gives a true and fair view of the parent company's and the group's business, position and earnings and describes important risks and uncertainty factors faced by the parent company and the companies included in the group.

Ängelholm, 13 August 2007

Peab Industri AB (publ)

Mats Paulsson
Chairman

Eva Hörwing
Board Member

Sara Karlsson
Board Member

Fredrik Paulsson
Board Member

Jan Segerberg
Board Member

Kjell Åkesson
Board Member

Mats O Paulsson
Board Member and CEO

The information in this report is such that Peab Industri AB (publ) is liable to publish or has itself chosen to publish in accordance with the Exchange and Clearing Operations act and/or the Financial Instruments Trading Act. The information was submitted to the media for publication on 23 August at 07.00.

REVIEW REPORT

REVIEW REPORT CONCERNING PEAB INDUSTRI AB (PUBL), CORPORATE ID NO. 556594-9558, INTERIM REPORT FOR THE PERIOD OF 1 JANUARY – 30 JUNE 2007 WITH ACCOMPANYING PRO FORMA REPORT

INTRODUCTION

I have reviewed of the enclosed interim report for the period of 1 January 2007 – 30 June 2007. The board of directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. My responsibility is to express a conclusion on this interim report based on my review.

ORIENTATION AND SCOPE OF THE REVIEW

I have carried out my review in accordance with the Standard for Review SÖG 2410, Review of financial interim information performed by the company's appointed auditor. A review consists of making inquiries, primarily to persons responsible for financial matters and accounting matters, to carry out an analytical review and to apply other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable me to obtain a level of assurance that would make me aware of all significant matters that might have been identified if an audit had been performed. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion based on an audit.

CONCLUSION

Based on my review, nothing has come to my attention that causes me to believe that the enclosed interim report is not, in all material aspects, in accordance with IAS 34 and the Annual Accounts Act and on the part of the parent company in accordance with the Annual Accounts Act.

AUDITOR'S REPORT REGARDING THE PRO FORMA REPORTING

I have also reviewed the pro forma report that is included in the abovementioned interim report.

The pro forma report have been drawn up only for the purpose to inform about how the restructuring within the Peab group and the establishment of the Peab Industri group would have affected the income statement and balance sheet of Peab Industri for the financial year 2006.

RESPONSIBILITY OF THE BOARD AND THE MANAGING DIRECTOR

It is the board and the managing director that are responsible for the preparation of the pro forma reporting in accordance with the preconditions stated on pages 15–16 (the pro forma preconditions).

RESPONSIBILITY OF THE AUDITOR

It is my responsibility to give a statement concerning whether the pro forma report is prepared in accordance with the pro forma preconditions.

REVIEW PERFORMED

My work, including an independent review of the underlying financial information, have mainly consisted of comparing the non-adjusted financial information with the underlying financial information, make a judgement of the documentation supporting the pro forma adjustments and discuss the pro forma reporting with the management.

I have planned and performed my work to be able to receive the information and the explanations that I have judged as necessary to be able to with a high but not absolute certainty assure that the pro forma reporting have been prepared in accordance with the pro forma preconditions.

STATEMENT

It is my opinion that the pro forma reporting has been drawn up in accordance with the conditions indicated on pages 15–16 and in accordance with the accounting principles applied by the Peab Industri AB group.

Ångelholm, 13 August 2007

Thomas Thiel
Authorized public accountant

INCOME STATEMENT IN SUMMARY – THE GROUP

| MSEK | Pro forma ¹⁾ | | Pro forma ¹⁾ | | Pro forma ¹⁾ | |
|---|-------------------------|-------------------|-------------------------|-------------------|--------------------------------------|-------------------|
| | Jan – Jun 2007 | Jan – Jun 2006 | Apr – Jun 2007 | Apr – Jun 2006 | Jul – Jun ²⁾ 2006/2007 | Jan – Dec 2006 |
| Net sales | 3,080 | 2,455 | 1,920 | 1,667 | 6,630 | 6,005 |
| Other operating income | 52 | 4 | 43 | 3 | 55 | 7 |
| | 3,132 | 2,459 | 1,963 | 1,670 | 6,685 | 6,012 |
| Operating expenses | | | | | | |
| Change in inventories of finished goods and work in progress | 43 | 11 | 20 | -6 | 87 | 55 |
| Materials and services | -1,999 | -1,588 | -1,230 | -1,033 | -4,392 | -3,981 |
| Employee benefit expenses | -611 | -474 | -354 | -311 | -1,199 | -1,062 |
| Other costs | -116 | -87 | -73 | -57 | -170 | -141 |
| Depreciation and amortisation | -210 | -144 | -110 | -73 | -432 | -366 |
| Result from participations in joint ventures | 1 | -2 | 1 | -1 | 6 | 3 |
| Operating profit | 240 | 175 | 217 | 189 | 585 | 520 |
| Financial net, expenses | -36 | -26 | -21 | -14 | -68 | -58 |
| Profit before tax | 204 | 149 | 196 | 175 | 517 | 462 |
| Income taxes | -57 | -42 | -55 | -49 | -144 | -129 |
| Profit for the period | 147 | 107 | 141 | 126 | 373 | 333 |
| – Profit attributable to shareholders' in Parent Company | 149 | 106 | 141 | 123 | 376 | 333 |
| – Profit attributable to minority interest | -2 | 1 | 0 | 3 | -3 | 0 |
| Key ratios | | | | | | |
| Earnings per share, before and after dilution, SEK ³⁾ | 1.75 | 1.24 | 1.65 | 1.44 | 4.41 | 3.90 |
| Average number of outstanding shares, before and after dilution, millions ³⁾ | 85.3 | 85.3 | 85.3 | 85.3 | 85.3 | 85.3 |

BALANCE SHEET IN SUMMARY – THE GROUP

| MSEK | 30 Jun 2007 | Pro forma ¹⁾ | |
|---|----------------|------------------------------|----------------|
| | | 31 Dec ⁴⁾ 2006 | 31 Dec 2006 |
| Assets | | | |
| Goodwill | 216 | 219 | 219 |
| Other intangible assets | 108 | 82 | 82 |
| Tangible assets | 2,468 | 2,146 | 2,146 |
| Participations in joint ventures | 41 | 41 | 41 |
| Interest bearing long-term receivables | | | 789 |
| Other long-term receivables | 50 | 19 | 19 |
| Total fixed assets | 2,883 | 2,507 | 3,296 |
| Inventories | 276 | 235 | 235 |
| Interest bearing short-term receivables | 5 | 5 | 5 |
| Other current receivables | 1,645 | 1,181 | 1,181 |
| Investments | 2 | 6 | 6 |
| Cash and bank balances | 204 | 204 | 45 |
| Total current assets | 2,132 | 1,631 | 1,472 |
| Total assets | 5,015 | 4,138 | 4,768 |
| Equity and liabilities | | | |
| Equity | 757 | 600 | 600 |
| Liabilities | | | |
| Interest bearing long-term liabilities | 1,118 | 2,022 | 2,652 |
| Other long-term liabilities | 118 | 63 | 63 |
| Deferred tax liabilities | 142 | 122 | 122 |
| Total long-term liabilities | 1,378 | 2,207 | 2,837 |
| Interest bearing short-term liabilities | 1,326 | 199 | 199 |
| Other current liabilities | 1,554 | 1,132 | 1,132 |
| Total current liabilities | 2,880 | 1,331 | 1,331 |
| Total liabilities | 4,258 | 3,538 | 4,168 |
| Total equity and liabilities | 5,015 | 4,138 | 4,768 |

Since the group was founded at 31 December 2006, no comparative balance sheet is accounted for as per 30 June 2006.

1) See chapter Pro forma reporting, page 15

2) Pro forma for the period July – December 2006, actual for the period January – June 2007

3) There are no dilution effects concerning earnings per share since there has been no issue of financial instruments that can cause dilution effects

4) Balance sheet pro forma as per 31 December 2006 take into account the refinancing performed during 2007. The refinancing comprises the settlement of financial assets and liabilities.

CASH FLOW STATEMENT IN SUMMARY – THE GROUP

| MSEK | Jan – Jun 2007 | Apr – Jun 2007 | Jan – Dec ¹⁾ 2006 |
|---|-------------------|-------------------|---------------------------------|
| Profit before tax | 204 | 196 | 0 |
| Depreciation and amortisation | 210 | 110 | |
| Other adjustments | –4 | 1 | 0 |
| Income taxes paid | –19 | –10 | 0 |
| Cash flow from current operations before change in working capital | 391 | 297 | 0 |
| Cash flow from change in working capital | –109 | –169 | |
| Cash flow from current operations | 282 | 128 | 0 |
| Acquisition of subsidiaries | –65 | –2 | 43 |
| Disposal of subsidiaries | 9 | | |
| Acquisition of fixed assets | –289 | –135 | –500 |
| Disposal of fixed assets | 30 | –2 | |
| Cash flow from investing activities | –315 | –139 | –457 |
| Cash flow before financing | –33 | –11 | –457 |
| Cash flow from financing activities | 191 | 148 | 502 |
| Cash flow for the period | 158 | 137 | 45 |
| Cash at the beginning of the period | 45 | 67 | – |
| Exchange rate differences in cash | 1 | 0 | |
| Cash at the end of the period | 204 | 204 | 45 |

1) The group was established as per 31 December 2006. Cash flow during 2006 is only attributable to the financing of the group and its acquisition of subsidiaries.

CHANGE IN SHAREHOLDERS' EQUITY IN SUMMARY – THE GROUP

| MSEK | 30 Jun 2007 | 31 Dec 2006 |
|--|----------------|----------------|
| Shareholders' equity attributable to shareholders in Parent Company | | |
| Opening balance shareholders' equity, 1 January | 600 | 0 |
| Changes in translation reserve for the period | 1 | 0 |
| Profit for the period | 149 | 0 |
| Total changes in funds recognised directly in shareholders' equity excluding transactions with the company's owners | 750 | 0 |
| Group contribution received | | 152 |
| Group contribution paid | | –152 |
| Tax on group contribution | | 0 |
| Shareholders' contribution received | | 600 |
| Closing balance shareholders' equity | 750 | 600 |
| Equity attributable to minority interests | | |
| Opening balance shareholders' equity, 1 January | 0 | – |
| Minority interest related to acquisitions during the period | | 0 |
| Minority interest related to disposals during the period | 9 | |
| Earnings for the period | –2 | |
| Closing balance | 7 | 0 |
| Total closing balance shareholders' equity | 757 | 600 |

NET SALES, OPERATING PROFIT AND OPERATING MARGIN PER BUSINESS AREA

| Net sales MSEK | Pro forma | | | Pro forma | | Pro forma |
|--------------------|-------------------|-------------------|-------------------|-------------------|--------------------------------------|-------------------|
| | Jan – Jun 2007 | Jan – Jun 2006 | Apr – Jun 2007 | Apr – Jun 2006 | Jul – Jun ¹⁾ 2006/2007 | Jan – Dec 2006 |
| Machinery | 647 | 419 | 318 | 220 | 1,121 | 893 |
| Products | 1,211 | 1,070 | 762 | 760 | 2,754 | 2,613 |
| Services | 1,318 | 1,016 | 904 | 720 | 2,939 | 2,637 |
| Elimination | –96 | –50 | –64 | –33 | –184 | –138 |
| Total group | 3,080 | 2,455 | 1,920 | 1,667 | 6,630 | 6,005 |

| Operating profit MSEK | Pro forma | | | Pro forma | | Pro forma |
|--------------------------|-------------------|-------------------|-------------------|-------------------|--------------------------------------|-------------------|
| | Jan – Jun 2007 | Jan – Jun 2006 | Apr – Jun 2007 | Apr – Jun 2006 | Jul – Jun ¹⁾ 2006/2007 | Jan – Dec 2006 |
| Machinery | 140 | 91 | 67 | 45 | 253 | 204 |
| Products | 77 | 60 | 103 | 88 | 251 | 234 |
| Services | 23 | 24 | 47 | 56 | 81 | 82 |
| Total group | 240 | 175 | 217 | 189 | 585 | 520 |

| Operating margin Percentage | Pro forma | | | Pro forma | | Pro forma |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------------------------|-------------------|
| | Jan – Jun 2007 | Jan – Jun 2006 | Apr – Jun 2007 | Apr – Jun 2006 | Jul – Jun ¹⁾ 2006/2007 | Jan – Dec 2006 |
| Machinery | 21.6 | 21.7 | 21.1 | 20.5 | 22.6 | 22.8 |
| Products | 6.4 | 5.6 | 13.5 | 11.6 | 9.1 | 9.0 |
| Services | 1.7 | 2.4 | 5.2 | 7.8 | 2.8 | 3.1 |
| Total group | 7.8 | 7.1 | 11.3 | 11.3 | 8.8 | 8.7 |

KEY RATIOS

| MSEK if nothing else is stated | Pro forma | | | Pro forma | | Pro forma | |
|---|-------------------|-------------------|-------------------|-------------------|--------------------------------------|-------------------|-------------------|
| | Jan – Jun 2007 | Jan – Jun 2006 | Apr – Jun 2007 | Apr – Jun 2006 | Jul – Jun ¹⁾ 2006/2007 | Jan – Dec 2006 | Jan – Dec 2006 |
| Net sales | 3,080 | 2,455 | 1,920 | 1,667 | 6,630 | 6,005 | |
| Income statement items | | | | | | | |
| Operating profit before depreciation, amortisation and impairment charges (EBITDA) | 450 | 319 | 327 | 262 | 1,017 | 886 | |
| Operating profit (EBIT) | 240 | 175 | 217 | 189 | 585 | 520 | |
| Operating profit, % of net sales | 7.8 | 7.1 | 11.3 | 11.3 | 8.8 | 8.7 | |
| Capital structure at the end of the period | | | | | | | |
| Net debt | 2,235 | | 2,235 | | 2,235 | 2,012 | 2,012 |
| Gearing | 3.0 | | 3.0 | | 3.0 | 3.4 | 3.4 |
| Capital employed | 3,201 | | 3,201 | | 3,201 | 2,821 | 3,451 |
| Equity ratio, % | 15.1 | | 15.1 | | 15.1 | 14.5 | 12.6 |
| Earnings | | | | | | | |
| Return on capital employed, % ²⁾ | 8.6 | | 7.7 | | 20.5 | 20.0 | |
| Return on equity, % ²⁾ | 21.3 | | 20.2 | | 53.8 | 48.9 | |
| Data per share | | | | | | | |
| Earnings per share, before and after dilution, SEK ³⁾ | 1.75 | 1.24 | 1.65 | 1.44 | 4.41 | 3.90 | |
| Equity per share, SEK ³⁾ | 8.80 | | 8.80 | | 8.80 | 7.04 | 7.04 |
| Average number of outstanding shares, before and after dilution, millions ³⁾ | 85.3 | 85.3 | 85.3 | 85.3 | 85.3 | 85.3 | 85.3 |
| Other | | | | | | | |
| Number of employees | 2,143 | | 2,143 | | 2,143 | 1,995 | 1,995 |

1) Pro forma for the period July – December 2006, actual for the period January – June 2007.

2) Earnings have not been calculated for the prior periods since the calculation is performed based on equity on average and there is no pro forma income statement and balance sheet for the periods prior to the financial year 2006.

3) There are no dilution effects since there has been no issue of financial instruments that can cause dilution effects.

RELATED PARTY TRANSACTIONS – THE GROUP

All transactions with related parties consist of normal business transactions performed at market terms.

The group have had the following related party transactions

| Related party | Period | Sales | Purchases | Interest income | Interest expenses | Receivables balance sheet date | Liabilities balance sheet date |
|----------------|--------------|-------|-----------|-----------------|-------------------|--------------------------------|--------------------------------|
| Peab | Jan–Jun 2007 | 1,037 | 53 | 3 | 25 | 406 | 1,140 |
| Joint ventures | Jan–Jun 2007 | 2 | 3 | 0 | | 3 | 1 |

On 1 January 2007, 40 per cent of the shares in Asfaltbeläggningar i Boden AB were sold to Peab Sverige AB. The sale was listed at net value accounted for in the Peab Industri group with a net value of SEK 9 million. In connection to the refinancing performed, receivables and liabilities with the Peab group have been settled. For further information, see chapter Financing on page 5.

ACQUISITION OF SUBSIDIARIES

| MSEK | Recognised value of the acquired companies prior to acquisition | Adjusted fair value | Fair value recognised in the group |
|--|---|---------------------|------------------------------------|
| Intangible assets | 0 | 14 | 14 |
| Tangible assets | 71 | 40 | 111 |
| Inventories | 2 | | 2 |
| Other current receivables | 23 | | 23 |
| Cash and bank balances | 9 | | 9 |
| Provisions | -1 | | -1 |
| Deferred tax liability | -9 | -16 | -25 |
| Interest bearing liabilities | -40 | | -40 |
| Current liabilities | -21 | | -21 |
| Net identifiable assets and liabilities | 34 | 38 | 72 |
| Group goodwill | | | 5 |
| Purchase price | | | 77 |
| Less: purchase price not paid | | | -3 |
| Less: liquid funds in acquired companies | | | -9 |
| Net cash outflow | | | 65 |

Goodwill related to the acquisitions above consist of estimated synergies from the implementation of the acquired subsidiaries in the Peab Industri group. The acquired values according to the above are preliminary and can be subject to adjustments.

KEY RATIO DEFINITIONS**Profit/loss before depreciation (EBITDA)**

Operating profit/loss before depreciation, amortisation and impairment charges

Operating profit/loss (EBIT)

Profit/loss before financial items and tax

Operating margin

Operating profit/loss in per cent of net sales

Net debt

Interest-bearing liabilities reduced by cash and bank balances and interest-bearing assets

Gearing

Net debt divided by shareholders' equity

Capital employed

Balance sheet total at the end of the period reduced by non-interest-bearing operating liabilities and provisions

Equity ratio

Shareholder's equity in per cent of balance sheet total

Return on capital employed

Profit/loss after financial items with the addition of financial costs in per cent of average capital employed

Return on shareholder's equity

Profit/loss for the period attributable to shareholdings in the parent company divided by the average shareholder's equity attributable to shareholdings in the parent company

Earnings per share before dilution

Profit/loss for the period attributable to shareholdings in the parent company divided by the average number of outstanding shares during the period

Earnings per share after dilution

Profit/loss for the period attributable to shareholdings in the parent company divided by the average number of outstanding shares during the period plus the average number of shares that are added on conversion of the outstanding number of convertibles

Shareholder's equity per share

Shareholder's equity attributable to shareholdings in the parent company divided by the number of outstanding shares at the end of the period

INCOME STATEMENT IN SUMMARY – PARENT COMPANY

| MSEK | Jan–Jun 2007 | Jan–Jun 2006 | Apr–Jun 2007 | Apr–Jun 2006 | Jul–Jun 2006/2007 | Jan–Dec 2006 |
|---|-----------------|-----------------|-----------------|-----------------|----------------------|-----------------|
| Net sales | 0 | | | | 0 | |
| Other operating income | 10 | | 5 | | 10 | |
| | 10 | 0 | 5 | 0 | 10 | |
| Operating expenses | | | | | | |
| Materials and services | 0 | | | | 0 | |
| Employee benefit expenses | –9 | | –6 | | –9 | |
| Other costs | –12 | | –7 | | –12 | 0 |
| Depreciation, amortisation and impairment charges | 0 | | 0 | | 0 | |
| Operating profit | –11 | 0 | –8 | 0 | –11 | 0 |
| Financial net, income | 7 | 0 | 5 | 0 | 7 | 0 |
| Profit before tax | –4 | 0 | –3 | 0 | –4 | 0 |
| Income taxes | 1 | 0 | 0 | 0 | 1 | 0 |
| Profit for the period | –3 | 0 | –3 | 0 | –3 | 0 |

BALANCE SHEET IN SUMMARY – PARENT COMPANY

| MSEK | 30 Jun 2007 | 30 Jun 2006 | 31 Dec 2006 |
|---|----------------|----------------|----------------|
| Assets | | | |
| Tangible assets | 0 | | |
| Interest bearing long-term receivables | 2,065 | 0 | 650 |
| Participation in group companies | 2 | | 2 |
| Total fixed assets | 2,067 | 0 | 652 |
| Other current receivables | 8 | | |
| Cash and bank balances | 143 | | |
| Total current assets | 151 | 0 | 0 |
| Total assets | 2,218 | 0 | 652 |
| Equity and liabilities | | | |
| Equity | 597 | 0 | 600 |
| Liabilities | | | |
| Interest bearing long-term liabilities | 504 | | 52 |
| Total long-term liabilities | 504 | 0 | 52 |
| Interest bearing short-term liabilities | 1,101 | | |
| Other liabilities | 16 | 0 | |
| Total current liabilities | 1,117 | 0 | 0 |
| Total liabilities | 1,621 | 0 | 52 |
| Total equity and liabilities | 2,218 | 0 | 652 |

RELATED PARTY TRANSACTIONS – PARENT COMPANY

The parent company have had the following related party transactions

| Related party, Amounts in MSEK | Period | Sale of services | Purchase of services | Interest income | Interest expenses | Receivables balance sheet date | Liabilities balance sheet date |
|---------------------------------|--------------|---------------------|-------------------------|--------------------|----------------------|--------------------------------------|--------------------------------------|
| Subsidiaries | Jan–Jun 2007 | 10 | 0 | 15 | 0 | 2,069 | 86 |
| Companies within the Peab Group | Jan–Jun 2007 | | 4 | 0 | 12 | | 1,100 |

PRO FORMA REPORTING

BACKGROUND

The Peab Industri group was established on 31 December 2006 by Peab Industri AB acquiring other businesses from companies within the Peab Group that are attributable to Peab's Industry business area, plus the NeTel and Peab Grundläggning companies. The acquisitions were listed at group value accounted for with Peab which does not reflect the market values. The Peab Industri group consists of about 50 companies in Sweden, Norway and Finland.

SHAREHOLDER'S EQUITY AND FINANCING

In connection with the establishment of the group, an unconditional shareholders' contribution of SEK 600 million was injected into the Peab Industri group which, together with registered share capital in the parent company of SEK 0.1 million, constitutes the group's shareholders' equity on 31 December 2006.

On 22 May 2007, the Peab Industri group was refinanced by bilateral loan agreements being taken out to a total of SEK 2,300 million with four banks. The loan agreements constitute Peab Industri's fundamental financing and have been supplemented with different types of short-term operating finance and framework agreements for lease purchase agreements and hire-purchase agreements. Peab Industri also issued a subordinated loan on 1 March 2007 of SEK 200 million, taken out by Peab AB, which is intended to be amortised when convertible debt instruments are issued at the end of the year.

GENERAL INFORMATION ABOUT THE PRO FORMA REPORTING

The following pro forma reporting has been drawn up to illustrate the way in which the Peab Industri group would have been structured had the group been formed and shareholder's equity and financing been established in accordance with the above on 1 January 2006 regarding the pro forma income statement and 31 December 2006 for the pro forma balance sheet respectively.

The pro forma reporting is intended to describe a hypothetical situation and has been produced only to provide information and clarify facts. The intention is not to present the financial position or the earnings that the business actually should have achieved had the group been formed at the reported times. The intention is neither to show the actual financial position nor the business' earnings for any future time or period.

The pro forma reporting is based on the established and reviewed carve out accounts for 2006 for the Peab Industri group.

The Peab Industri group is not completely identical to Peab's previous Industri business area. Before the distribution, the constituent companies were overhauled to achieve an optimal group structure for an independent listed industrial company. The overhaul resulted in both of the groups, Peab Grundläggning and NeTel, being added to Peab Industri.

On the basis of Peab Industri's acquisitions of operational net assets at the values reported in Peab at group level, including the fact that the Peab Industri group was not capitalised until the end of 2006 and refinanced during 2007, the financial historical information is set up as a basis for the pro forma in accordance with the carve out principles. The carve out accounts includes the Peab Industri group's operational income statement and balance sheet.

All the reports that are included in the established carve out are part of the reviewed 2006 accounts for the Peab Industri group.

ACCOUNTING PRINCIPLES FOR THE PEAB INDUSTRI GROUP

Both the carve out accounts and the pro forma reporting have been drawn up in accordance with the accounting principles that apply to the Peab Industri group for the 2006 financial year and that are described in the 2006 annual report. The carve out accounts and the pro forma reporting have been established with the application of International Financial Reporting Standards (IFRS).

As of 1 January 2007, Peab Industri changed from a classified by function to a classified by cost format for the income statement. See also accounting principles on page 7. The income statement in both the carve out accounts and the pro forma reporting is in the classified by cost format.

ADJUSTMENTS AND ASSUMPTIONS

Peab Industri AB's acquisition of the companies within Peab's Industri business area together with the two groups NeTel and Peab Grundläggning was performed on 31 December 2006 at the group values reported in Peab. On 1 January 2007, Peab Industri sold 40 per cent of the shares in Asfaltbeläggningar i Boden AB to Peab.

Regarding the pro forma income statement and balance sheet, these are based on the 2006 reviewed carve out income statement and balance sheet, which show the Peab Industri group's operating profit and operating net assets.

In the columns "Adjustments" and "Shareholders' contribution/refinancing" the pro forma adjustments made are accounted for. These adjustments are described in the notes to the balance sheet. All these adjustments are facts that will be of a permanent nature for the Peab Industri group.

Income statement adjustments

The "Adjustments" column shows the pro forma adjustments made, which are described in the notes to the income statement.

The income statement is adjusted for administration costs arising for Peab Industri as an independent listed company, for financing costs that are attributable to current financing, as well as for tax.

The administration costs have increased by SEK 16 million, of which employee benefit expenses amount to SEK 12 million and other costs amount to SEK 4 million. The calculation is based on costs of the functions that have been transferred from Peab and forthcoming costs arising for Peab Industri as an independent listed company. The administration cost are presumably charged to the quarter on a linear basis throughout the year.

The financial net for the Peab Industri group has been calculated at SEK –58 million. The net operating assets were initially financed by a shareholders' contribution of SEK 600 million and by other interest-bearing liabilities. The average borrowing is calculated per quarter to take into account seasonal variations and investments during the year that affect the net debt. The cash flow from the operating business during 2006 has also been taken into account. The interest has been calculated on the basis of the terms in the refinancing performed during 2007. The main part of the total interest bearing liabilities within Peab Industri consist of loans running with a variable interest rate. For 2006, the interest was calculated on the basis of the group's terms regarding margins in accordance with the refinancing that took place during 2007 and at the 2006 prevailing controlling interest rates. Underlying controlling interest rates have risen during 2007 compared with 2006.

The pro forma tax has been based on the assumption that the average tax assessment rate is 28 per cent. The tax assessment rate is calculated on the basis of the local tax assessment rate in the countries in which the Peab Industri group operates and weighted on the basis of earnings in each country.

The minority share in the earnings for the year 2006 has been adjusted on the basis of the sale of 40 per cent of Asfaltbeläggningar i Boden which took place on 1 January 2007.

Balance sheet adjustments

For the balance sheet, two columns show "Adjustments" and "Shareholders' contribution/refinancing". The "Adjustments" column shows existing external financing concerning parts of the fixed assets and parts of the operating capital before refinancing.

The "Shareholders' contribution/refinancing" column shows the external interest-bearing receivables and liabilities that together with the shareholders' contribution replace receivables and liabilities against the Peab group.

Long-term receivable on the group bank account have been reclassified as cash and bank balances. The receivable of SEK 600 million has been accounted net against long-term interest bearing liabilities.

The Peab Industri group's financing in the form of interest-bearing receivables and liabilities against the Peab group has partially been replaced by external interest-bearing receivables and liabilities in accordance with the refinancing that took place during 2007.

INCOME STATEMENT PRO FORMA – GROUP

| MSEK | Jan – Jun 2006 | Adjust- ments ¹⁾ | Pro forma Jan – Jun 2006 | Jan – Dec 2006 | Adjust- ments ¹⁾ | Pro forma Jan – Dec 2006 |
|--|-------------------|--------------------------------|--------------------------------|-------------------|--------------------------------|--------------------------------|
| Net sales | 2,455 | | 2,455 | 6,005 | | 6,005 |
| Other operating income | 4 | | 4 | 7 | | 7 |
| | 2,459 | | 2,459 | 6,012 | | 6,012 |
| Operating expenses | | | | | | |
| Change in inventories of finished goods and work in progress | 11 | | 11 | 55 | | 55 |
| Materials and services | –1,588 | | –1,588 | –3,981 | | –3,981 |
| Employee benefit expenses | –468 | –6 | –474 | –1,050 | –12 | –1,062 |
| Other costs | –85 | –2 | –87 | –137 | –4 | –141 |
| Depreciation, amortisation and impairment charges | –144 | | –144 | –366 | | –366 |
| Result from participations in joint ventures | –2 | | –2 | 3 | | 3 |
| Operating profit | 183 | –8 | 175 | 536 | –16 | 520 |
| Financial net, expenses | | –26 | –26 | | –58 | –58 |
| Profit before tax | 183 | –34 | 149 | 536 | –74 | 462 |
| Income taxes | | –42 | –42 | | –129 | –129 |
| Profit for the period | 183 | –76 | 107 | 536 | –203 | 333 |
| – Profit attributable to shareholders' in Parent Company | 182 | –77 | 106 | 536 | –203 | 333 |
| – Profit attributable to minority interest | 1 | 1 | 1 | 0 | 0 | 0 |

1) See chapter Pro forma reporting, page 15

BALANCE SHEET PRO FORMA – GROUP

| MSEK | Carve out 31 Dec 2006 | Adjustments²⁾ | Shareholders' contribution/ Refinancing³⁾ | Pro forma 31 Dec 2006 |
|---|--------------------------------------|---------------------------------|---|--------------------------------------|
| Assets | | | | |
| Goodwill | 219 | | | 219 |
| Other intangible assets | 82 | | | 82 |
| Tangible assets | 2,146 | | | 2,146 |
| Participations in joint ventures | 41 | | | 41 |
| Interest bearing long-term receivables | | 30 | -30 | |
| Other long-term receivables | 19 | | | 19 |
| Total fixed assets | 2,507 | 30 | -30 | 2,507 |
| Inventories | 235 | | | 235 |
| Interest bearing short-term receivables | | 5 | | 5 |
| Other current receivables | 1,181 | | | 1,181 |
| Investments | | 6 | | 6 |
| Cash and bank balances | | 204 | | 204 |
| Total current assets | 1,416 | 215 | | 1,631 |
| Total assets | 3,923 | 245 | -30 | 4,138 |
| Equity and liabilities | | | | |
| Equity | | | 600 | 600 |
| Liabilities | | | | |
| Interest bearing long-term liabilities | | 561 | 1,461 | 2,022 |
| Other long-term liabilities | 63 | | | 63 |
| Deferred tax liabilities | 122 | | | 122 |
| Total long-term liabilities | 185 | 561 | 1,461 | 2,207 |
| Interest bearing short-term liabilities | | 199 | | 199 |
| Other current liabilities | 1,132 | | | 1,132 |
| Total current liabilities | 1,132 | 199 | | 1,331 |
| Total liabilities | 1,317 | 760 | 1,461 | 3,538 |
| Total equity and liabilities | 1,317 | 760 | 2,061 | 4,138 |
| Net assets | 2,606 | | | |

2) For comments, see Balance sheet adjustments

3) For comments, see Shareholders' contribution/Refinancing

Income statement adjustments

Administration costs arising for Peab Industri as an independent listed company, consisting of

| | MSEK |
|---|-------------|
| Employee benefit expenses | -12 |
| Other costs | -4 |
| | -16 |
| Finance net, based on the refinancing performed | -58 |
| Tax, based on an assumed average tax assessment rate of 28 per cent | -129 |

Income statement adjustments, quarterly

| MSEK | Jan–Jun 2006 | Jan–Dec 2006 |
|---|-------------------------|-------------------------|
| Administration costs arising for Peab Industri as an independent listed company, consisting of; | | |
| Employee benefit expenses | -6 | -12 |
| Other costs | -2 | -4 |
| | -8 | -16 |
| Finance net, based on the refinancing performed | -26 | -58 |
| Tax, based on an assumed average tax assessment rate of 28 per cent | -42 | -129 |

Balance sheet adjustments

| | MSEK |
|---|-------------|
| Long-term interest bearing receivables – receivable Peab AB | 30 |
| Short-term interest bearing receivables | 5 |
| Investments | 6 |
| Cash and bank balances | 204 |
| Long-term interest bearing liabilities – existing external financing | 561 |
| Short-term interest bearing liabilities – existing external financing | 199 |

Shareholders' contribution/Refinancing

| | |
|---|-------|
| Interest bearing long-term receivable Peab AB, accounted for net against interest bearing long-term liabilities | -30 |
| Unconditional shareholders' contribution received, 31 December 2006 | 600 |
| Interest bearing liabilities, net, to the Peab Group, refinanced by external borrowings | 1,461 |

THE PEAB INDUSTRI SHARES

The share capital in Peab Industri AB amounted to SEK 160 million on 30 June 2007, distributed between 80.1 million shares. After the end of the accounting period, a bonus issue took place on 26 July, which increased the number of

shares to 85.3 million. The number of shares in Peab Industri AB then corresponds to the number of outstanding shares in Peab AB that is thereby entitled to a dividend.

The shares in Peab Industri are distributed among 9.8 million A-shares and 75.5 million B-shares.

DEVELOPMENT OF THE SHARE CAPITAL IN PEAB INDUSTRI

| Year | Transaction | Change in share capital, SEK | Total share capital, SEK | Ratio per share, SEK | Total no of shares |
|---------------|---------------|------------------------------|--------------------------|----------------------|--------------------|
| 18 July, 2000 | Establishment | 100,000 | 100,000 | 100 | 1,000 |
| 16 May, 2007 | Split 50:1 | | 100,000 | 2 | 50,000 |
| 16 May, 2007 | Bonus issue | 160,000,000 | 160,100,000 | 2 | 80,050,000 |
| 26 July, 2007 | Bonus issue | 10,409,096 | 170,509,096 | 2 | 85,254,548 |

LIST OF SHAREHOLDERS IN PEAB INDUSTRI AB AT 31 JULY 2007

The following shows Peab Industri's shareholder structure and distribution into size classes based on information from VPC as if Peab Industri had been distributed as per 31 July 2007. Initially, the shareholder structure is the same as in Peab, which has around 18,600 shareholders.

| | A-shares | B-shares | Total no of shares | Proportion of capital, % | Proportion of votes, % |
|--|------------------|-------------------|--------------------|--------------------------|------------------------|
| Mats Paulsson with companies | 2,787,117 | 9,617,755 | 12,404,872 | 14.6 | 21.6 |
| Erik Paulsson with family and companies | 3,487,890 | 5,702,514 | 9,190,404 | 10.8 | 23.4 |
| Karl-Axel Granlund with companies | | 5,100,000 | 5,100,000 | 6.0 | 2.9 |
| Fredrik Paulsson with family and companies | 1,201,171 | 1,696,450 | 2,897,621 | 3.4 | 7.9 |
| Stefan Paulsson with family and companies | 1,201,172 | 1,681,056 | 2,882,228 | 3.4 | 7.9 |
| Swedbank Robur Funds | | 1,901,589 | 1,901,589 | 2.2 | 1.1 |
| Skandia Life | | 1,274,700 | 1,274,700 | 1.5 | 0.7 |
| JP Morgan Chase Bank | | 1,162,367 | 1,162,367 | 1.4 | 0.7 |
| Handelsbanken Funds | | 1,039,219 | 1,039,219 | 1.2 | 0.6 |
| Svante Paulsson with family and companies | 491,688 | 700,580 | 1,192,268 | 1.4 | 3.2 |
| Sara Karlsson with family | 508,040 | 348,019 | 856,059 | 1.0 | 3.1 |
| Other | 128,624 | 45,224,597 | 45,353,221 | 53.1 | 26.9 |
| Number of registered shares | 9,805,702 | 75,448,846 | 85,254,548 | 100.0 | 100.0 |

As at 31 July 2007, Peab AB's holdings of own shares amounts to 1,815,000 which are not entitled to dividends and are not included in the schedule above.

DISTRIBUTION OF SHAREHOLDINGS 31 JULY 2007

| No of shares | No of shareholders | Proportion of share capital, % | Proportion of votes, % |
|---------------|--------------------|--------------------------------|------------------------|
| 1–500 | 9,921 | 2.4 | 1.1 |
| 501–1,000 | 3,877 | 3.9 | 1.9 |
| 1,001–5,000 | 3,740 | 10.9 | 5.4 |
| 5,001–10,000 | 613 | 5.5 | 2.7 |
| 10,001–20,000 | 181 | 3.1 | 1.6 |
| 20,001– | 265 | 74.2 | 87.3 |
| | 18,597 | 100.0 | 100.0 |

| Share class | No of shares | Number of votes | Proportion of share capital, % | Proportion of votes, % |
|-------------|-------------------|-----------------|--------------------------------|------------------------|
| A | 9,805,702 | 10 | 11.5 | 56.5 |
| B | 75,448,846 | 1 | 88.5 | 43.5 |
| | 85,254,548 | | 100.0 | 100.0 |



Peab Industri AB (publ), Vallhall Park, building 27, SE-262 74 Ängelholm.
Phone +46 431 44 96 00, Fax +46 431 44 96 01, Corporate Id no 556594-9558
www.peab.se, www.peab.com