

Press release

13 October 2008 – 08:40 a.m.

Peab stops issue of convertibles 2008/2012

Peab's Annual General Meeting on 15 May 2008 approved the Board's proposal to issue and transfer 2,000,000 convertibles on 1 December 2008 (Peab convertibles 2008/2012) to new employees in Peab. According to the decision by the AMG the rate and interest of the convertibles would be based on market terms in the autumn of 2008, and the offer was to be made to employees in November 2008.

In light of the current financial turbulence, the changed conditions on the market since the AMG decision, and the likely assumption that the offer to new employees is no longer in the interest of the shareholders, the Board has decided to stop the program to issue, and to new employees transfer, Peab convertibles 2008/2012.

Peab's Board intends to bring up the matter of convertibles to new employees once again at the next Annual General Meeting.

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This information is such that Peab AB is obliged to publish in accordance with Swedish law regarding the securities market and/or the Financial Instruments Trading Act or has itself chosen to publish. The information was submitted for publication at 08:40 a.m. on 13 October 2008.

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Peab is one of the leading construction and civil engineering companies in the Nordic countries with approximately 12 000 employees and a net sale exceeding SEK 30 billion. The Group's subsidiaries have strategically located offices in Sweden, Norway and Finland. The share is listed on the OMX Nordic Exchange, Stockholm. The registered office of the Group is at Förslöv, Skåne in south of Sweden.

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