



# Interim Report

JANUARY – JUNE  
2002

Orders received increased by 19 per cent to SEK 9 867 million (8 286)

Order backlog increased by 13 per cent to SEK 13 137 million (11 575)

Operating margin rolling twelve-month in Construction and Civil Engineering Sweden was 3.2 per cent compared with 2.9 for the full year 2001

Profit after financial items was SEK 177 million compared with SEK 175 million previous year, which were charged with SEK 70 million (0) in close-down costs

The equity ratio was 24.1 per cent (21.5)

Peab's operations during 2002 have so far been marked by a continued high level of orders received and production. According to KLI's barometer the construction industry has weakened during the first six months of the year, but we are experiencing a high level of demand in our prioritised market segments. This is shown not least by the orders received for Construction and Civil Engineering totalling SEK 9 867 million, an increase of 19 per cent in comparison with the first six months of 2001.

During the year, we have increased our production of housing and also noted improved market conditions for our civil engineering resources. Not least in these areas we can see further potential for improved profitability. By additionally improving collaboration between construction production and our industrial companies we can make better use of internal resources and input goods.

We have also decided to wind up the local civil engineering operation in Norway due to poor profitability. Together with the previously announced winding-up of Maintech, these costs have been charged the six-months result by SEK 70 million. These winding-ups are implemented as measures to make Peab even stronger in the future. Operating profit

for the period of SEK 207 million, which is on a level with the previous year, is strong against this background.

The high level of orders received, a strong cashflow, improved profitability in Swedish construction operations as well as a strong industry sector on a favourable market make us view the future positively.



Mats Paulsson

### The Group

MSEK	Jan-June 2002	Jan-June 2001	July-June 2001/2002	Jan-Dec 2001	Financial objectives
Net sales	9 236	8 688	19 269	18 721	
Operating profit	207	201	661	655	
Operating margin	2.2%	2.3%	3.4%	3.5%	
Profit after financial items	177	175	579	577	
Return on capital employed	5.5%	5.6%	16.4%	16.0%	>12%
Return on equity	5.4%	6.3%	18.4%	18.7%	>15%
Profit after tax SEK per share	1.90	1.90	6.00	6.00	
Equity/assets ratio	24.1%	21.5%	24.1%	24.8%	>30%

### The construction business

MSEK	Jan-June 2002	Jan-June 2001	July-June 2001/2002	Jan-Dec 2001
Net sales	9 137	8 552	18 965	18 380
Operating profit	294	276	764	746
Operating margin	3.2%	3.2%	4.0%	4.1%

### Condensed income statement

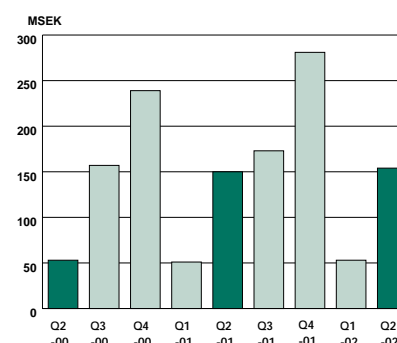
The Group MSEK	Jan-June 2002	Jan-June 2001	Apr-June 2002	Apr-June 2001	July-June 2001/2002	Jan-dec 2001
Net sales	9 236	8 688	5 113	4 858	19 269	18 721
Production and management expenses	-8 324	-7 832	-4 568	-4 362	-17 394	-16 902
<b>Gross profit</b>	<b>912</b>	<b>856</b>	<b>545</b>	<b>496</b>	<b>1 875</b>	<b>1 819</b>
Selling and administrative expenses	-705	-666	-392	-347	-1 239	-1 200
Share of profit before tax of associated companies/joint ventures	15	13	7	3	34	32
Result from participation in associated companies/joint ventures sold	9	0	6	0	18	9
Result from participation in Group companies sold	-24	-2	-12	-2	-27	-5
<b>Operating profit</b>	<b>207</b>	<b>201</b>	<b>154</b>	<b>150</b>	<b>661</b>	<b>655</b>
Profit from financial investments	-30	-26	-15	-9	-82	-78
<b>Profit after financial items</b>	<b>177</b>	<b>175</b>	<b>139</b>	<b>141</b>	<b>579</b>	<b>577</b>
Tax	-20	-21	-15	-15	-78	-79
Minority interests	4	5	2	3	3	4
<b>Profit for the period</b>	<b>161</b>	<b>159</b>	<b>126</b>	<b>129</b>	<b>504</b>	<b>502</b>
<b>Key ratios</b>						
Profit after tax, SEK/share	1,90	1,90	1,50	1,50	6,00	6,00
- after completed subscription and conversion	1,90	1,80	1,50	1,50	5,90	5,80
Share price at end of period, SEK	47,90	32,00	47,90	32,00	47,90	37,10
P/E-ratio	-	-	-	-	8,0	6,2
Outstanding shares at end of period, million	84,6	84,1	84,6	84,1	84,6	83,1
- after completed subscription and conversion	84,6	87,2	84,6	87,2	84,6	86,2
Average number of outstanding shares, million	85,0	84,1	85,1	84,1	84,3	83,9
- after completed subscription and conversion	85,5	87,2	85,1	87,2	86,1	86,9

### Net sales and profit

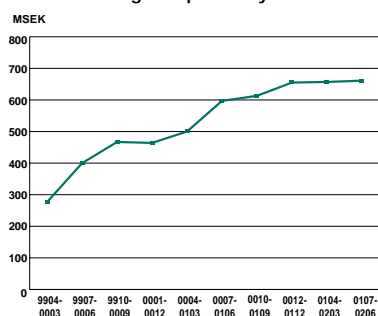
The Group's net sales for the period January-June increased by 6 per cent to SEK 9 236 million (8 688). SEK 50 million of the increase in net sales is related to acquired units. SEK 890 million (749) of the sales for the period is related to sales and productions outside Sweden.

Operating profit for the period January-June totalled SEK 207 million compared with SEK 201 million for the com-

### Operating profit per quarter excluding items affecting comparability



**Operating profit, rolling 12 months excluding items affecting comparability**



parable period previous year. Operating profit for the period have been charged with close-down costs at SEK 70 million (0) which concerns the costs for the termination of local civil engineering in Norway and the operation and maintenance company Maintech.

The level of activity and earnings are expected to be higher during the latter half of the year, compared with the first half of the year. Operating profit for the past rolling 12-month period, was SEK 661 million compared with SEK 655 million for the full year 2001.

Profit after financial items totalled SEK 177 million compared with SEK 175 million the previous year. Net financial items amounted to SEK -30 million (-26), of which net interest expense amounted to SEK -23 million (-29).

Result from participations in associated companies/joint ventures are reported according to the equity method. Result from participations in associated companies/joint ventures before tax for the period was SEK 15 million (13). Peab reports share in profits with a three-month time lag.

Tax for the period amounts to SEK -20 million (-21). Total tax charge for 2002 is expected to achieve approximately 14 per cent.

## Financial position

The equity/assets ratio was 24.1 per cent (21.5). Peab's long-term objective is for the equity/assets ratio to be over 30 per cent. The risk-bearing capital amounted to SEK 2 483 million compared with SEK 2 174 million for the corresponding period the previous year, which was equivalent to 24.6 per cent (22.0) of the total balance sheet.

Net debt totalled SEK 992 million compared with SEK 1 314 million for the corresponding moment the previous year. Due to reduced capital tied up, the loans have been amortized. The average interest rate in the loan portfolio was 5.4 per cent (5.3).

## Condensed balance sheet

The Group MSEK	30 June 2002	30 June 2001	31 Dec 2001
<b>Assets</b>			
Intangible assets	259	270	264
Tangible fixed assets	1 161	1 130	1 151
Interest-bearing long-term receivables	500	364	419
Financial fixed assets	640	805	606
Project and development properties	992	916	1 001
Inventories	178	178	180
Interest-bearing current receivables	416	693	672
Other current receivables	5 760	5 423	5 388
Short-term shareholdings	44	-	52
Liquid funds	153	97	105
<b>Total assets</b>	<b>10 103</b>	<b>9 876</b>	<b>9 838</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	2 432	2 118	2 434
Minority interests	2	7	8
Allocations	94	64	96
Interest-bearing long-term liabilities	1 889	2 419	2 063
Interest-bearing current liabilities	216	49	237
Other current liabilities	5 470	5 219	5 000
<b>Total shareholders' equity and liabilities</b>	<b>10 103</b>	<b>9 876</b>	<b>9 838</b>
<b>Key ratios</b>			
Capital employed	4 538	4 593	4 743
Return on capital employed	5.5%	5.6%	16.0%
Return on equity	5.4%	6.3%	18.7%
Share of risk-bearing capital	24.6%	22.0%	25.3%
Equity/assets ratio	24.1%	221.5%	24.8%
Net borrowing	992	1 314	1 055
Adjusted equity, SEK per share	28.80	25.30	29.40
- after completed subscription and conversion	28.80	25.10	29.10

## Change in shareholders' equity

The Group MSEK	Share capital	Restricted reserves	Unrestricted reserves	Total share- holders' equity
Opening balance, 1 January 2001	842	449	751	2 042
Dividend			-109	-109
Repurchase of own shares			-33	-33
Exchange rate differences			30	30
Accumulated exchange rate differences in divested foreign operations			2	2
Transfer between restricted and unrestricted equity		99	-99	0
Net profit for the year			502	502
<b>Closing balance, 31 December 2001</b>	<b>842</b>	<b>548</b>	<b>1 044</b>	<b>2 434</b>
Dividend			-179	-179
New share issue	30	37		67
Repurchase of own shares			-70	-70
Exchange rate differences			19	19
Transfer between restricted and unrestricted equity		56	-56	0
Net profit for the period			161	161
<b>Closing balance, 30 June 2002</b>	<b>872</b>	<b>641</b>	<b>919</b>	<b>2 432</b>

The disposal liquid funds in the Group were SEK 1 729 million at the end of the period compared with SEK 1 359 million, 30 June 2001.

The Group's contingent liabilities were SEK 865 million at the end of the period compared with SEK 797 million, 31 December 2001.

## Investments

Net investments of fixed assets totalled SEK 139 million for the first six months (112) of which shares and participations were net invested for SEK 5 million (net sold 5). During this period, project and development properties were net sold for SEK 9 million (net invested 35).

## Cash flow

Cash flow before financing amounted to SEK 448 million (417), during the first six months. For the latest 12-month rolling period cash flow before financing amounted to SEK 664 million compared with SEK 633 million for the whole year 2001. Dividend of SEK 179 million has been distributed and Peab shares have been repurchased for SEK 70 million. Interest-bearing liabilities have been amortized by SEK 195 million net during the first six months. According to Peab's financial objectives, the cash flow before financing is to be positive and increasing.

## Personnel

The number of employees at the end of the period was 11 162 compared with 10 472 the previous year. This increase was primarily due to acquisitions and organic growth carried out in the Construction and Civil engineering operations, mainly in Sweden.

## Condensed cash flow statement

The Group MSEK	Jan-June 2002	Jan-June 2001	Apr-June 2002	Apr-June 2001	July-June 2001/2002	Jan-dec 2001
Cash flow from current operations before change in working capital	285	103	216	201	731	549
Cash flow from changes in working capital	67	736	4	193	-57	612
<b>Cash flow from current operations</b>	<b>352</b>	<b>839</b>	<b>220</b>	<b>394</b>	<b>674</b>	<b>1 161</b>
Acquisition of subsidiaries	-18	-229	-17	76	-50	-261
Sale of subsidiaries	40	1	44	1	42	3
Acquisition of fixed assets	-138	-251	-98	-249	-628	-741
Sale of fixed assets	212	57	16	-15	626	471
<b>Cash flow from investment operations</b>	<b>96</b>	<b>-422</b>	<b>-55</b>	<b>-187</b>	<b>-10</b>	<b>-528</b>
<b>Cash flow before financing</b>	<b>448</b>	<b>417</b>	<b>165</b>	<b>207</b>	<b>664</b>	<b>633</b>
Cash flow from financing operations	-401	-421	-147	-198	-624	-644
<b>Cash flow for the period</b>	<b>47</b>	<b>-4</b>	<b>18</b>	<b>9</b>	<b>40</b>	<b>-11</b>
Liquid funds at the start of the period	105	99	134	87	97	99
Exchange rate differences in liquid funds	1	2	1	1	18	17
<b>Liquid funds at the end of the period</b>	<b>153</b>	<b>97</b>	<b>153</b>	<b>97</b>	<b>153</b>	<b>105</b>

## Net sales and Operating profit per business sectors

MSEK	Net sales				Operating profit				Operating margin			
	Jan-June 2002	Jan-June 2001	July-June 2001/2002	Jan-Dec 2001	Jan-June 2002	Jan-June 2001	July-June 2001/2002	Jan-Dec 2001	Jan-June 2002	Jan-June 2001	July-June 2001/2002	Jan-Dec 2001
Construction and Civil Engineering	8 206	7 639	16 646	16 071	181	154	453	426	2.2%	2.0%	2.7%	2.7%
Industry	1 461	1 388	3 432	3 367	113	122	311	320	7.7%	8.8%	9.0%	9.5%
Trust/Management	46	161	274	389	-53	-75	-49	-71				
Operations under Termination	79	-	79	-	-34	-	-54	-20				
Internal sales	-556	-500	-1 162	-1 106								
<b>Total</b>	<b>9 236</b>	<b>8 688</b>	<b>19 269</b>	<b>18 721</b>	<b>207</b>	<b>201</b>	<b>661</b>	<b>655</b>	<b>2.2%</b>	<b>2.3%</b>	<b>3.4%</b>	<b>3.5%</b>
Capital employed	4 538	4 593	4 538	4 743								
Return on capital employed, percent	5.5%	5.6%	16.4%	16.0%								

## Construction and Civil Engineering

Peab's Swedish construction and civil engineering operations have during the first six months of 2002 continued to show a positive development of orders received, net sales and operating profit. It is generally considered that the level of activity in the Swedish construction industry is slackening, however demand for housing remains at a high level in municipalities where growth is high. On this market Peab's focus on housing production with a production cost adapted to a broader group of clients has proven successful.

Civil engineering operations show a high level of orders received during the first six months of 2002. During the current year, a number of major road projects have been obtained. Peab has a high level of competence in road construction and has access to important input goods

through the companies in the Industry business sector.

Peab's international activities consist of operations in Norway and Finland. During the first half of the year, a new management has been appointed in Norway. Re-valued projects, close-down of operations focused on local civil engineering and settlements of disputes have been charged to income during the period at SEK 36 million. Peab in Finland mainly concentrates on reconstruction and renovation work. Operations in Norway and Finland do not show satisfactory profitability at present. It is considered that the organisational changes undertaken and the review of operations will ensure future profitability.

Net sales for Construction and Civil Engineering increased by SEK 567 million to SEK 8 206 million. This increase entails an increase in sales of 7 per cent.

Operating profit improved by 18 per

cent to SEK 181 million in comparison with SEK 154 million the previous year. The operating margin for the Swedish construction and civil engineering operations during the past rolling twelve-month period improved to 3.2 per cent in comparison with 2.9 per cent for the full year 2001.

The order inflow for the period January-June increased by 19 per cent to SEK 9 867 million (8 286). The good inflow during the first six months is gratifying not least because it spans over all product categories and has a good geographical spread. A good future capacity use of our production resources means that we are continuing to be selective as regards the price scenario in our tenders. Moreover, our tendering policy has been made more stringent with regard to major civil engineering projects which have led us to refrain from submitting a tender on a number of occasions. Housing projects

Construction and civil engineering												
MSEK	Net sales				Operating profit				Operating margin			
	Jan-June 2002	Jan-June 2001	July-June 2001/2002	Jan-Dec 2001	Jan-June 2002	Jan-June 2001	July-June 2001/2002	Jan-Dec 2001	Jan-June 2002	Jan-June 2001	July-June 2001/2002	Jan-Dec 2001
Sweden	7 384	6 966	14 948	14 530	217	154	480	417	2.9%	2.2%	3.2%	2.9%
Abroad	822	673	1 690	1 541	-36	0	-27	9	-4.4%	0.0%	-1.6%	0.6%
<b>Total</b>	<b>8 206</b>	<b>7 639</b>	<b>16 638</b>	<b>16 071</b>	<b>181</b>	<b>154</b>	<b>453</b>	<b>426</b>	<b>2.2%</b>	<b>2.0%</b>	<b>2.7%</b>	<b>2.7%</b>
Orders received	9 867	8 286	18 393	16 747								
Order backlog	13 137	11 575	13 137	11 573								
Capital employed	2 178	2 531	2 178	2 536								
Return on capital employed	9.4%	7.9%	22.4%	20.9%								
Cash flow <sup>1</sup>	213	175	518	481								
Gross investments	173	179	238	242								
Number of employees	9 229	8 581	9 229	8 727								

<sup>1</sup>Operating profit plus depreciation

Building rights		
thousand sq.m	2002-06-30	2001-12-31
Housing	679	715
Commercial premises	333	339
Industrial premises	126	148
<b>Total</b>	<b>1 138</b>	<b>1 202</b>
<b>Number of projects</b>	<b>122</b>	<b>136</b>

Order backlog and orders received Construction and Civil Engineering				
MSEK	2002-06-30	2001-06-30	2000-06-30	2001-12-31
Current financial year	7 220	6 367	5 540	9 059
Next financial year	4 472	4 282	3 223	1 975
Thereafter	1 445	926	1 262	539
<b>Total order backlog</b>	<b>13 137</b>	<b>11 575</b>	<b>10 025</b>	<b>11 573</b>
<b>Orders received</b>	<b>9 867</b>	<b>8 286</b>	<b>8 901</b>	<b>16 747</b>

predominate in the order inflow including a commission to build 330 apartments in central Gothenburg for Bostads AB Poseidon. This contract is worth SEK 287 million. Peab has also been commissioned to construct 556 new housing units in Stockholm. The contracts are being carried out together with HSB and Peab's share of the project being SEK 450 million.

As regards road projects, Peab has won the commission to build 13 kilometres of new motorway on the E20 past Strängnäs. The contract is worth SEK 292 million. In addition, Peab has won the contract for improvements to the E4 past Örkelljunga and Skånes Fagerhult in northern Skåne. This contract is worth SEK 408 million. The client for both projects is the National Road Administration and work is expected to be completed during 2005. Peab has also won the contract from the National Road Administration to be responsible for operation and maintenance work in part of southern Norrland. This includes a total of 4 200 kilometres of roads in five operating areas. The contract is worth approximately SEK 600 million with option for an additional SEK 240 million.

The industrial projects include the commission of building a new laboratory for AstraZeneca at Södertälje. This contract is worth SEK 200 million and the

commission is expected to be completed in November 2003.

As regards commercial construction, Peab has been commissioned to carry out reconstruction and extension of a large office property at Medborgarplatsen in Stockholm. The contract is worth SEK 675 million and the client is Drott and Atrium. This reconstruction and extension is expected to be completed in summer 2004.

The order backlog remaining to be produced at the end of the period was SEK 13 137 million in comparison with SEK 11 575 million at the same time last year. This is an increase of 13 per cent. A number of relatively large orders have extended the planned production time for the order backlog. The proportion of construction projects was 70 per cent (74). These contracts with a long production time will provide a stable base for the construction and civil engineering operation and for Peab's industrial companies. Operations in Sweden accounted for 87 per cent (90) of the order backlog.

Peab's own project development is becoming increasingly important for the operations of the construction business. The total holding of project and development properties is mainly unchanged since 1 January and totals SEK 992 million. Peab aims to commit approximately SEK 1 000 million in project and development prop-

erties. On 30 June, Peab's project portfolio consisted of 122 projects for building rights totalling approximately 1.1 million sq.m. The main part of these building rights is in the growth regions, Malmö, Gothenburg, Stockholm and Mälardalen.



Industry												
MSEK	Net sales				Operating profit				Operating margin			
	Jan-June 2002	Jan-June 2001	July-June 2001/2002	Jan-Dec 2001	Jan-June 2002	Jan-June 2001	July-June 2001/2002	Jan-Dec 2001	Jan-June 2002	Jan-June 2001	July-June 2001/2002	Jan-Dec 2001
Swerock/Asfalt	1 156	1 083	2 835	2 762	40	51	170	181	3.5%	4.7%	6.0%	6.6%
Plant/Cranes	305	305	605	605	73	71	141	139	23.9%	23.3%	23.3%	23.0%
<b>Total</b>	<b>1 461</b>	<b>1 388</b>	<b>3 440</b>	<b>3 367</b>	<b>113</b>	<b>122</b>	<b>311</b>	<b>320</b>	<b>7.7%</b>	<b>8.8%</b>	<b>9.0%</b>	<b>9.5%</b>
Capital employed	1 217	1 017	1 217	1 171								
Return on capital employed	9.3%	12.8%	28.0%	30.8%								
Cash flow <sup>1</sup>	175	180	434	439								
Gross investments	84	180	229	325								
Number of employees	1 687	1 521	1 687	1 551								

<sup>1</sup>Operating profit plus depreciation

## Industry

The Industry business sector consists of the group's operations in ready-mixed concrete, concrete products, gravel/rock, transport, manufacture and asphalt surfacing and plant and crane hire.

Net sales in the Industry business sector increased by 5 per cent to SEK 1 461 million (1 388).

Operating profit in Industry totalled SEK 113 million (122). The first six months was characterised by lower activity than the second six months due to the winter climate.

For Swerock, some decline in volume for ready-mixed concrete has been noticeable in the Stockholm and Mälardal region. The reduced production of commercial properties and new establishments has led to tougher market conditions. Increased housing production is expected on a full-year basis to lead to unchanged total volumes for ready-mixed concrete.

Swerock has split up its activities at the beginning of the year. The investment on production of concrete elements, through a new production plant for housing elements in Katrineholm, will be carried out by the company Skandinaviska Byggelement. Establishment of the facility at Katrineholm has started and is expected to be in operation in a year. Concrete operations will be concentrated under the company name St: Eriks. Swerock will retain ready-made concrete, gravel/rock and transport/machinery. The split makes it possible to an increased specialisation and an offensive effort in respective operation.

Asphalt operations are the activity that is most affected by seasonal variations in volume and result. Peab Asfalt has at its disposal larger production resources than previously after the expansion in recent years. This is a charge on income during the beginning of the year, when the production level is low.

Plant hire, which is carried out in the Lambertsson Sverige, has continued at practically full capacity. Peab's civil engineering operations have obtained a number of operating and maintenance agreements in Norrland, which will generate important commissions for Lambertsson Sverige's operations with temporary electricity.

Lambertssons Kran has a continued high capacity utilisation and good profitability. In addition to leasing and service of cranes, the company has good profitability in trading with cranes and crane parts.

## Trust/Management

The Trust/Management business sector accounts for central companies, certain subsidiaries and associated companies/joint ventures, depreciation of Group-related surplus values relating to shares in subsidiaries, as well as other Group adjustments. Operating profit for the period was SEK -53 million (-75). Shares in results of central associated companies/joint ventures was included at SEK 7 million (4) and group-related expenses including goodwill depreciation at a total of SEK -60 million (-70).

Capital employed totalled SEK 966 million (907). From the first quarter of 2002, the part of the project and development properties which are not for the moment being developed in the construction production are included in Trust/Management. The properties book value totalled SEK 432 million on 30 June 2002. All of these properties are going to be sold, in some cases after they have been developed in the construction operation. Of the remaining capital employed, the share in Birsta SEK 71 million, the share in Skånehus SEK 147 million, lending to Skånehus SEK 72 million and the shareholding in Boliden SEK 44 million. During the first six months, the claim on Investeringsallskapet 1999 AB has been

redeemed, which has reduced capital employed by SEK 260 million.

## Operations under Termination

A decision has been taken to wind up the subsidiary Maintech. The result for the period was SEK -34 million, which is wholly attributable to the costs of the total termination of operations in the Maintech group.

Winding-up operations in Poland have continued according to plan and are expected to be completed this year.

Capital employed in Operations under Termination amounted to SEK 177 million (139) and includes Maintech and 50 per cent of Skånehus corresponding to the reduction of Peab's ownership of the company that has been decided upon.

## Important events during the period covered by the report

The holders of the 1997/2002 warrant have subscribed shares in accordance with the warrant certificates. Peab has issued 3 060 000 new B-shares and received SEK 67 million in equity. All shareholder instruments linked to the Peab share have now been wound up.

Peab has received payment for a claim on Investeringsallskapet 1999 AB at a nominal SEK 200 million. The transaction had no effect on income although it reduced Peab's balance-sheet total by approximately SEK 260 million.

Dalkia has acquired five wholly and partly owned companies from Peab's subsidiary Maintech Industripartner AB.

## Important events after the end of the period covered by the report

Peab has divested the two remaining companies in the operation and maintenance company Maintech. Industriteknik Nord AB has been acquired by M&H Invest and Nordisk Teknologi i Norr AB has been acquired by Bamek. These close-downs entailed a total expense of SEK 19 million, which has been charged to income during the second quarter.

## The Peab-share

Peab's B share is since 1 July 2002 listed on Stockholm stock exchange's Attract40 list. The Peab share's closing price on 30 June 2002 was SEK 47.90, which is an increase since 1 January of 29 per cent. The Swedish stock exchange, measured with Affärsvärlden's general index, fell during the corresponding period by 24 per cent. During 2002 the Peab share has been listed at a peak of SEK 54.50 and a lowest price of SEK 32.10.

## Repurchase of shares

It was decided at Peab's A.G.M on 16

May 2002 to authorise the board to repurchase a maximum of 8 700 000 Peab shares during the period until the next A.G.M. On the basis of this authorisation, Peab's board has decided to repurchase further a maximum of 1 000 000 B-shares. Peab's holding of its own shares was 2 000 000 B-shares on the date of the A.G.M.

Until 30 June 2002, 2 580 000 B-shares, corresponding 3.0 per cent of the total number of shares, have been repurchased for SEK 103 million at an average price of SEK 40.06.

### Number of shares 2002-06-30

Opening balance 2002-01-01	84 135 944
New issue (warrants)	3 060 000
<b>Number of registered shares</b>	<b>87 195 944</b>
Repurchase	-2 580 000
<b>Number of outstanding shares</b>	<b>84 615 944</b>

After the end of the period, a further 320 000 B-shares have been repurchased which means that the total number of shares repurchased now amounts to 2 900 000 B-shares repurchased for SEK 118 million at an average price of SEK 40.84.

## Parent company

Sales for the parent company Peab AB totalled SEK 26 million (24), consisting mainly of intra-group services. The loss after tax was SEK -87 million (136), of which SEK 0 million (232) was attributable to dividends from subsidiaries. The parent company's assets mainly consist of participations in group and associated companies of SEK 4 362 million (4 407) and interest-bearing receivables of SEK 79 million (325). The assets have been financed by shareholders' equity of SEK 2 781 million (2 833) and long-term receivables of SEK 1 578 million (1 875).

## Accounting principles

This interim report has been drawn up in accordance with the Swedish Financial Accounting Standards Council's recommendations. New recommendations, which have come into effect during the report period, have been taken into consideration but have not had any effect on the accounts. The same accounting principles have been applied as in the most recent annual report.

## Future information

The interim report for the first nine months of 2002 will be published on 20 November and the year-end report on 13 February 2003.

Förlöv, 29 August 2002

*Mats Paulsson*  
Managing Director

## Review report

I have reviewed this interim report in accordance with the recommendation issued by FAR.

A review is considerably limited in scope compared with an audit.

Nothing has come to my attention that causes me to believe that the interim report does not comply with the requirements of the Exchange and Clearing Operations Act and the Annual Accounts Act.

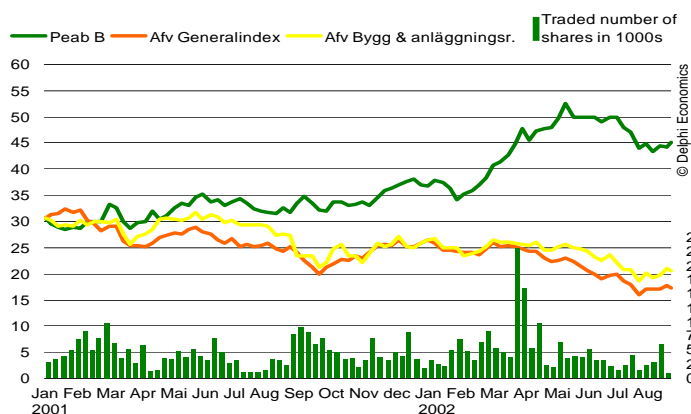
Förlöv, 29 August 2002

*Thomas Thiel*  
Authorised Public Accountant

### List of shareholders, 31 July 2002

Shareholder	Total no. of shares	Proportion of capital, %	Proportion of votes, %
Erik Paulsson with family and company	7 087 248	8.1	21.9
Mats Paulsson with company	7 100 867	8.1	18.2
Mohammed Al-Amoudi	18 854 865	21.6	10.7
Fredrik Paulsson with company	1 959 504	2.2	6.2
Stefan Paulsson with company	1 951 638	2.2	6.2
Sara Karlsson with family and company	1 165 377	1.3	4.0
Svante Paulsson with family and company	1 169 770	1.3	4.0
Karl-Axel Granlund with company	4 620 000	5.3	2.6
AMF Pension funds	2 307 000	2.7	1.3
Bank Julius Baer	1 837 500	2.1	1.0
LKAB	1 771 200	2.0	1.0
SHB funds and Life	1 223 748	1.4	0.7
Robur funds	1 172 000	1.3	0.7
Peab AB	2 900 000	3.3	1.7
Others	32,075,227	37.1	19.8
<b>Total shares registered</b>	<b>87 195 944</b>	<b>100.0</b>	<b>100.0</b>

Source: SIS Ägarservice, VPC



## Quarterly figures

The Group per quarter									
The Group MSEK	Apr-June 2002	Jan-Mar 2002	Oct-Dec 2001	July-Sep 2001	Apr-June 2001	Jan-Mar 2001	Oct-Dec 2000	July-Sep 2000	Apr-June 2000
Net sales	5 113	4 123	5 662	4 371	4 858	3 830	4 856	4 034	3 771
Production and management expenses	-4 568	-3 756	-5 087	-3 983	-4 362	-3 470	-4 363	-3 581	-3 384
<b>Gross profit</b>	<b>545</b>	<b>367</b>	<b>575</b>	<b>388</b>	<b>496</b>	<b>360</b>	<b>493</b>	<b>453</b>	<b>387</b>
Selling and administrative expenses	-392	-313	-312	-222	-347	-319	-267	-288	-294
Share of profit before tax of associated companies/ joint ventures	7	8	12	7	3	10	9	-8	-7
Result from participations in associated companies/ joint ventures	6	3	8	1	0	-	-10	0	-1
Result from participation in Group companies sold	-12	-12	-2	-1	-2	-	14	0	-32
Items affecting comparability	-	-	-	-	-	-	-	-	200
<b>Operating profit</b>	<b>154</b>	<b>53</b>	<b>281</b>	<b>173</b>	<b>150</b>	<b>51</b>	<b>239</b>	<b>157</b>	<b>253</b>
Result from financial items	-15	-15	-21	-31	-9	-17	27	-20	-13
<b>Result after financial items</b>	<b>139</b>	<b>38</b>	<b>260</b>	<b>142</b>	<b>141</b>	<b>34</b>	<b>266</b>	<b>137</b>	<b>240</b>
Tax	-15	-5	-40	-18	-15	-6	-79	-34	-73
Minority interests	2	2	0	-1	3	2	0	1	0
<b>Profit for the period</b>	<b>126</b>	<b>35</b>	<b>220</b>	<b>123</b>	<b>129</b>	<b>30</b>	<b>187</b>	<b>104</b>	<b>167</b>
Result after tax, SEK/share	1,50	0,40	2,60	1,50	1,50	0,40	2,50	1,50	2,40
– after completed subscription and conversion	1,50	0,40	2,60	1,40	1,50	0,30	2,10	1,20	1,80
Average number of outstanding shares, million	85,1	84,9	83,2	84,1	84,1	84,1	78,3	69,5	69,1
– after completed subscription and conversion	85,1	86,0	86,2	87,2	87,2	87,2	87,3	87,6	91,5

Business sector per quarter									
MSEK	Apr-June 2002	Jan-Mar 2002	Oct-Dec 2001	July-Sep 2001	Apr-June 2001	Jan-Mar 2001	Oct-Dec 2000	July-sep 2000	Apr-June 2000
<b>Net sales</b>									
Construction and Civil Engineering	4 438	3 768	4 875	3 557	4 178	3 461	4 274	3 328	3 320
Industry	931	530	949	1 030	884	504	779	813	731
Trust/Management	-20	66	163	65	74	87	107	107	10
Operations under Termination	79	0	0	0	0	0	0	0	0
Internal sales	-315	-241	-325	-281	-278	-222	-304	-214	-290
<b>Total</b>	<b>5 113</b>	<b>4 123</b>	<b>5 662</b>	<b>4 371</b>	<b>4 858</b>	<b>3 830</b>	<b>4 856</b>	<b>4 034</b>	<b>3 771</b>
<b>Operating profit</b>									
Construction and Civil Engineering	111	70	198	74	106	48	201	69	77
Industry	92	21	84	114	95	27	85	109	56
Trust/Management	-15	-38	-1	5	-51	-24	-47	-21	171
Operations under Termination	-34	0	0	-20	0	0	0	0	-51
<b>Total</b>	<b>154</b>	<b>53</b>	<b>281</b>	<b>173</b>	<b>150</b>	<b>51</b>	<b>239</b>	<b>157</b>	<b>253</b>
<b>Order situation Construction and Civil Engineering</b>									
Orders received	4 836	5 031	4 598	3 863	4 245	4 041	4 586	3 875	4 303
Order backlog at the end of the period	13 137	12 824	11 573	11 859	11 575	11 482	10 895	10 585	10 025

