

Press release from Peab AB, 16 July 2003

Peab to build the infrastructure in a GSM-R network in Norway

Peab's wholly-owned subsidiary Netel has been commissioned to carry out the building of infrastructure in the GSM-R network in Norway. The work has been commissioned by Jernbaneverket (the equivalent of Railtrack in the UK) and the contract is worth in the region of NOK 650-700 million.

GSM-R is a joint European train radio system which coordinates safety matters and simplifies traffic monitoring in the European railway network.

Netel's commission includes the establishment of some 800 base stations around Norway and the installation of equipment to ensure proper signalling in approximately 300 tunnels. Thus the contract comprises the physical infrastructure of the project except for the actual GSM-R system, where the operational responsibility lies. A decision will be made as to which company is to be assigned this operational-related contract shortly.

Netel will begin work during the autumn of 2003, and the contract will take between 3 and 5 years to complete depending on the granting of permits.

"This is an important contract for Netel. Now we are able to boost our position as one the leading players in the area of telecommunications infrastructure construction," says Mr Erik Salling, MD of Netel.

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Peab is one of the leading construction and civil engineering companies in the Nordic countries with 11 000 employees and a turnover of approximately SEK 19 billion. The Group's subsidiaries have strategically located offices in Sweden, Norway and Finland. The share is listed on the Stockholm Stock Exchange. The registered office of the Group is at Förslöv, Skåne in south of Sweden.

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