



Press Release

29 June 2011 – 08.45 a.m.

Peab and Northland sign Letter of Intent to form a company for transport logistics

Peab and Northland have signed a Letter of Intent to form a joint venture that will manage the entire logistical chain, transporting iron ore from the Kaunisvaara mine in Pajala to the loading of ships in Narvik.

The ambition is to establish the joint venture during the third quarter of 2011, and that one or two additional partners will be invited to become shareholders.

The joint venture is scheduled to be operational by the end of 2012, which coincides with the start of production in Kaunisvaara. The joint venture will manage the entire logistic chain, which includes the loading of iron ore in Kaunisvaara onto trucks for transport to the Svappavaara terminal, where the goods will be transferred onto rail cars. The joint venture will also operate the trains from Svappavaara to the port of Narvik, including the storage of goods and the loading on to ships.

The annual output of the Kaunisvaara mine is estimated at 12 million tons of ore and 5 million tons of concentrated iron ore, during the years 2013-2022.

This is a Letter of Intent and when the final agreements are signed, an appropriate press release will be sent out.

- To develop and refine the logistics are of high priority in Peab and this is a huge logistical task. We are pleased that we can develop our cooperation with Northland. The experience we have from past mining projects, will be important in this work, says Peab's CEO Jan Johansson in a statement.

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Peab AB discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act.

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Previous press releases from Peab are available at www.peab.com

Peab is one of the leading construction and civil engineering companies in the Nordic countries, with about 14,000 employees and net sales exceeding SEK 38 billion. The Group's subsidiaries have strategically located offices in Sweden, Norway and Finland. The Corporate Office is located in Förslöv on Bjärehalvön in southern Sweden. The share is listed on NASDAQ OMX Stockholm.