

Press Release

8 February 2016

Write-down by SEK 800 million of project Mall of Scandinavia – does not affect dividend capacity in 2015

Mall of Scandinavia

The Mall of Scandinavia in Solna, Peab's largest project ever, has been a challenge from the beginning, in part because of the size of the project and in part because of changes made during the course of the project. The project has turned out to be considerably more expensive than the original contract signed in the autumn of 2011 due to these major changes. This has made it difficult to determine the final result of the project. The project has been reviewed after the mall was opened on 12 November 2015 and thereafter written-down by SEK 800 million. The write-down will charge Business Area Construction in the fourth quarter of 2015.

Dividend capacity

The underlying business in Peab generates stable results. At the same time Peab's financial position has been significantly reinforced in the past few years, this despite the fact that the project Mall of Scandinavia has affected both net debt and liquidity. The write-down of Mall of Scandinavia does not affect liquidity. As a result the board's dividend proposal for the financial year 2015 will not be affected by the write-down. The year end report for 2015 will be presented on 16 February 2015.

“The project has been extremely challenging from the moment the contract was signed at the end of 2011. The structure of the construction contract, all the major changes in the project and an inadequate dialogue with our client has made the project much more expensive. The write-down is based on accounting rules and has nothing to do with the ongoing discussions with our client. Our financial position will continue to be strong after the write-down and the rest of our business generates stable results,” says Jesper Göransson CEO of Peab.

Peab AB discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication on 8 February 2016 at 8:00 a.m.

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