

Quarterly Report

January - March 2016

SÖLVESBORG BRIDGE
Sölvesborg

Strong level of orders received and greater cash flow

- Operative net sales SEK 8,692 million (9,001)
- Operative operating profit SEK 188 million (171)
- Operative operating margin 2.2 percent (1.9)
- Pre-tax profit SEK 146 million (106)
- Earnings per share SEK 0.42 (0.30)
- Orders received SEK 11,886 million (9,559). Order backlog SEK 31,550 million (26,750)
- Cash flow before financing SEK 910 million (621)
- Net debt SEK 2,512 million (3,269)
- Equity/assets ratio 30.6 percent (30.1)

Comments from the CEO

The first quarter was positive with a higher level of orders received and an improved operating margin. With a strong cash flow we continue to both invest in our business and cut debt.

MARKET CONDITIONS

The positive development of started up building construction investments in Sweden is expected to continue in 2016. The forecast for 2016 points to relatively weak economic growth in Norway which may entail a slight decline in start-ups of building construction for the year. In Finland no growth is expected in the collective building construction in 2016. The market conditions for civil engineering are considered good for Sweden and Norway with continued growth while the market in Finland is expected to develop sideways.

ORDER SITUATION

The order level in the first quarter of 2016 amounted to SEK 11.9 billion (9.6). Orders received have increased in all the business areas. The order backlog amounted to SEK 31.6 billion (26.8). Order backlog to be produced during the current year is on the same level as this time last year.

BUSINESS AREA DEVELOPMENT

The first quarter is seasonally weak compared to the other three quarters, particularly in Civil Engineering and Industry. Net sales decreased in business area Construction in comparison to the same quarter 2015 but the margin improved slightly. Net sales decreased in business area Civil Engineering but the margins rose. Net sales increased in business area Industry but the result was slightly lower. Net sales decreased slightly in business area Project Development but the result improved in both Housing Development and Property Development. There were no major property divestitures in Property Development in the first quarter.

GROUP DEVELOPMENT

Operative net sales amounted to SEK 8,692 million during the period (9,001). The reduction is in part due to the fact that the project Mall of Scandinavia, which was completed during the fourth quarter of 2015, had a high production rate during the comparable period. Operative operating profit improved to SEK 188 million (171), which meant an operative operating margin of 2.2 percent (1.9). Cash flow continued to be strong and cash flow before financing increased to SEK 910 million (621), which led to lower net debt by SEK 2,512 million compared to SEK 3,118 million at year-end. Reduced net debt together with low interest rates entailed better net interest.



OUTLOOK FOR THE FUTURE

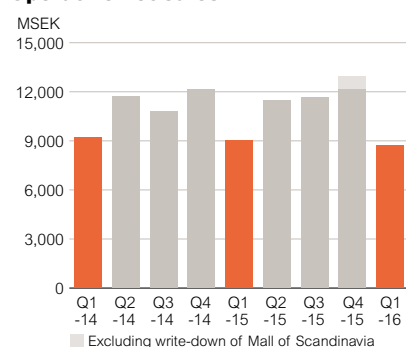
Greater order backlog with longer spans, a well-dimensioned development rights portfolio, positive market forecasts and a strong financial position spells good conditions for Peab in the coming years. At the same time there are a number of challenges that come with a strong business cycle. A shortage of resources, primarily in big city regions, higher costs, for example, for subcontractors and higher prices for land all affect our profitability. We continue to work on our ambition to be the best company in the industry. We have established three target areas to achieve this:

- Most satisfied customers in the industry
- Best workplace in the industry
- Most profitable company in the industry

*Jesper Göransson
CEO and President*

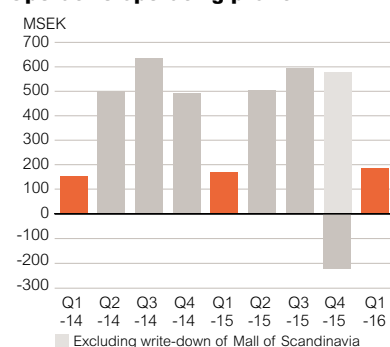
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Operative net sales



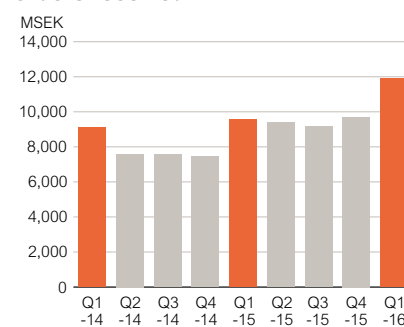
Group operative net sales for the first quarter 2016 amounted to SEK 8,692 million (9,001), which was a decrease of three percent. After adjustments for acquired and divested units net sales decreased by four percent compared to the same period last year.

Operative operating profit



Operative operating profit for the first quarter 2016 amounted to SEK 188 million compared to SEK 171 million for the same period last year.

Orders received



Orders received for the first quarter 2016 amounted to SEK 11,886 million compared to SEK 9,559 million for the same period last year. Order backlog amounted to SEK 31,550 million compared to SEK 26,991 million at the end of last year.

Group

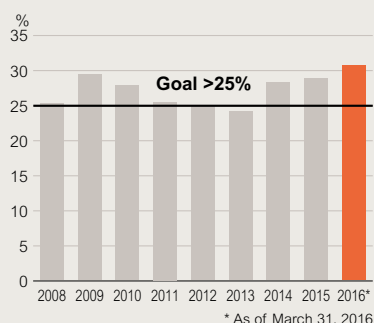
MSEK	Jan-Mar 2016	Jan-Mar 2015	Apr-Mar 2015/2016	Jan-Dec 2015
Operative net sales ¹⁾	8,692	9,001	43,943	44,252
Net sales	8,531	8,876	44,031	44,376
Operative operating profit ¹⁾	188	171	1,069	1,052
Operative operating margin, % ¹⁾	2.2	1.9	2.4	2.4
Operating profit	157	140	1,026	1,009
Operating margin, %	1.8	1.6	2.3	2.3
Pre-tax profit	146	106	946	906
Profit for the period	123	88	833	798
Earnings per share, SEK	0.42	0.30	2.83	2.71
Return on equity, %	10.3 ²⁾	13.4 ²⁾	10.3	9.9
Net debt	2,512	3,269	2,512	3,118
Equity/assets ratio, %	30.6	30.1	30.6	28.8
Number of employees	13,444	12,996	13,444	13,300

¹⁾ Operative net sales and operative operating profit are reported according to percentage of completion method corresponding segment reporting. Net sales and operating profit are reported according to legal accounting.

²⁾ Calculated on rolling 12 months.

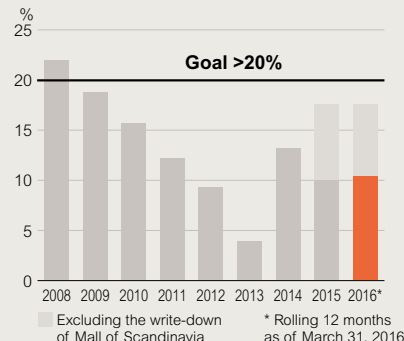
Financial goals

Equity/assets ratio



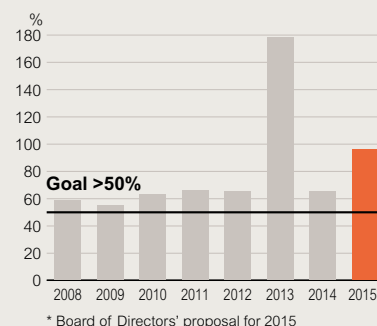
The target figure for the equity/assets ratio is at least 25 percent. On 31 March 2016 the equity/assets ratio was 30.6 percent compared to 28.8 percent at the end of last year.

Return on equity



The target figure for return on equity is a yield of at least 20 percent. The return on equity calculated on a rolling 12 months was 10.3 percent (13.4). Excluding the write-down of the project Mall of Scandinavia of SEK -800 million during the fourth quarter 2015 the return on equity was 17.5 percent.

Dividends



The target figure for dividends is at least 50 percent of profit after tax. The Board of Directors' proposal for a dividend in 2015 of SEK 2.60 (2.25) per share corresponds to 96 percent (65) of profit for the year.

NET SALES AND PROFIT ¹⁾

Group operative net sales for first quarter 2016 amounted to SEK 8,692 million (9,001), which was a decrease of three percent. After adjustments for acquired and divested units net sales decreased by four percent compared to the same period last year. Adjustments in housing reporting affected net sales by SEK -161 million (-125). Group net sales for the first quarter 2016 decreased to SEK 8,531 million (8,876).

Net sales in business area Construction shrunk by nine percent. The reduction is in part due to the fact that the project Mall of Scandinavia, which was completed during the fourth quarter of 2015, had a high production rate during the comparable period. Net sales in business area Industry increased slightly. Net sales in the other business areas were on par with the first quarter of last year. Of the period's net sales SEK 1,270 million (1,361) were attributable to sales and production outside Sweden.

Operative operating profit for the first quarter 2016 amounted to SEK 188 million (171) and the operative operating margin improved to 2.2 percent (1.9). The operative margin for the latest rolling 12 month period was unchanged at 2.4 percent compared to the entire year 2015. Excluding the write-down of SEK -800 million for the project Mall of Scandinavia during the fourth quarter of 2015 the operative operating margin for the latest rolling 12 month period was 4.2 percent compared to 4.1 percent for the entire year of 2015.

The margin in business area Construction improved to 2.2 percent (2.1) and in Civil Engineering to 1.8 percent (1.5). Profit was lower in business area Industry compared to the same period the previous year. Operating profit and the operating margin improved in Project Development as a result of the continued strong housing market.

Eliminations and reversal of internal profit in our own projects has affected the result net by SEK -4 million (-16). Elimination is reversed in connection with the external divestment of a project. Adjustments in housing reporting affected operating profit by SEK -31 million (-31). Operating profit for the first quarter 2016 was SEK 157 million (140). The operating margin amounted to 1.8 percent (1.6).

Depreciation and write-downs for the period were SEK 199 million (202).

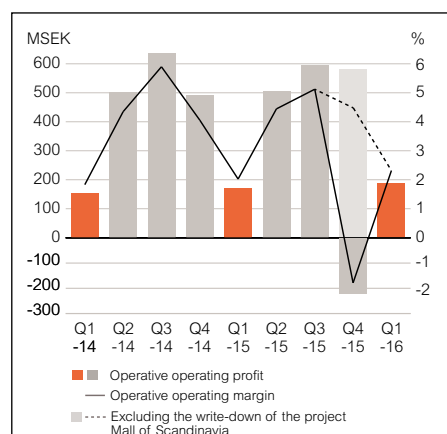
Net financial items amounted to SEK -11 million (-34). Net interest improved to SEK -19 million (-29), primarily as a result of lower net debt.

Pre-tax profit was SEK 146 million (106).

Profit for the period improved to SEK 123 million (88).

SEASONAL VARIATIONS

Group operations, particularly in Industry and Civil Engineering, are affected by fluctuations that come with the cold weather during the winter half of the year. Normally the first quarter is weaker than the rest of the year.

Operative operating profit and operative operating margin

¹⁾ Peab applies IFRIC 15, Agreements for the Construction of Real Estate, in legal reporting. IAS 18, Revenue, is applied on Peab's housing projects in Finland and Norway as well as Peab's own single homes in Sweden. Revenue from these projects is first recognized when the home is handed over to the buyer. Segment reporting is based on the percentage of completion method for all our projects since this mirrors how executive management and the Board monitor the business. There is a bridge in segment reporting between operative reporting according to the percentage of completion method and legal reporting. Operative net sales and operative operating profit are reported according to the percentage of completion method. Net sales and operating profit refer to legal reporting.

FINANCIAL POSITION

The equity/assets ratio on 31 March 2016 was 30.6 percent compared to 28.8 percent at year-end. Interest-bearing net debt amounted to SEK 2,512 million compared to SEK 3,118 million at the end of 2015. The average interest rate in the loan portfolio, including derivatives, was 2.6 percent (3.2) on 31 March 2016.

Group liquid funds, including unutilized credit facilities, were SEK 5,969 million at the end of the period compared to SEK 4,953 million on 31 December 2015.

At the end of the period Group contingent liabilities, excluding joint and several liabilities in trading and limited partnerships, amounted to SEK 10,707 million compared to SEK 9,569 million on 31 December 2015. Of contingent liabilities, obligations to tenant-owners associations under construction including advances and operation warranties were SEK 8,466 million compared to SEK 7,243 million at year-end.

INVESTMENTS AND DIVESTMENTS

During the period SEK 216 million (net divested SEK 1 million) was invested in tangible and intangible fixed assets.

Net investments in project and development properties, which are recognized as inventory items, totaled SEK 174 million (265) during the period.

CASH FLOW

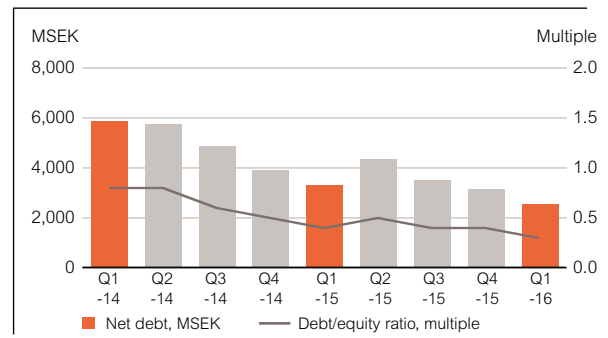
Cash flow from current operations was SEK 862 million (516). The improvement is mainly a result of a reduction in working capital.

Cash flow from investment activities was SEK 48 million compared to SEK 105 million for the comparable period.

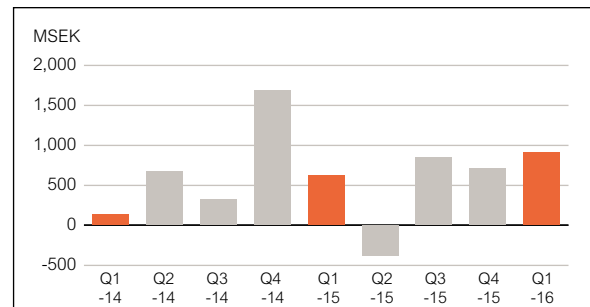
Cash flow before financing amounted to SEK 910 million compared to SEK 621 million for the same period last year.

Cash flow from financing operations amounted to SEK -1,312 million (-1,081).

Net debt



Cashflow before financing



MARIEHOLM
Gothenburg

ORDERS RECEIVED AND ORDER BACKLOG

Orders received for the first quarter 2016 amounted to SEK 11,886 million compared to SEK 9,559 million for the same period last year. The level of orders received has risen in all the business areas. Two major highway projects are included in the orders received in business area Civil Engineering, E6 Trondheim in Norway and reconstruction of E45 outside Gothenburg, each worth around SEK 1 billion. There continues to be a broad spread geographically of housing projects included in orders received for the first quarter of 2016.

Order backlog yet to be produced at the end of the period amounted to SEK 31,550 million compared to SEK 26,750 million at the end of the same period last year.

Of the total order backlog, 45 percent (35) is expected to be produced after 2016 (2015). Swedish operations accounted for 84 percent (87) of the order backlog.

No orders received or order backlog is given for the business area Industry.

Orders received and order backlog

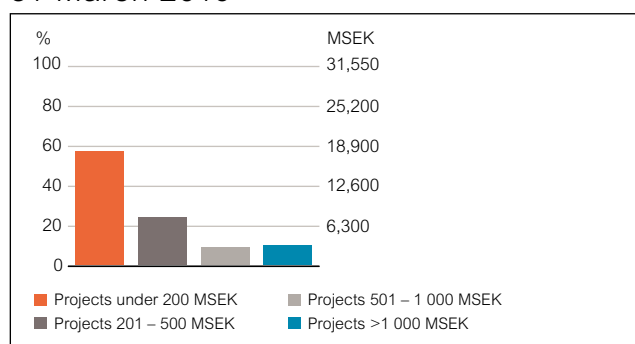
Orders received	Jan-Mar	Jan-Mar	Apr-Mar	Jan-Dec
MSEK	2016	2015	2015/2016	2015
Construction	7,300	6,589	26,710	25,999
Civil Engineering	4,221	3,092	11,562	10,433
Project Development	1,773	1,215	7,056	6,498
Eliminations	-1,408	-1,337	-5,189	-5,118
Group	11,886	9,559	40,139	37,812

Order backlog	31 Mar 2016	31 Mar 2015	31 Dec 2015
MSEK			
Construction	21,666	18,936	19,529
Civil Engineering	9,476	8,519	7,292
Project Development	4,895	3,419	4,357
Eliminations	-4,487	-4,124	-4,187
Group	31,550	26,750	26,991

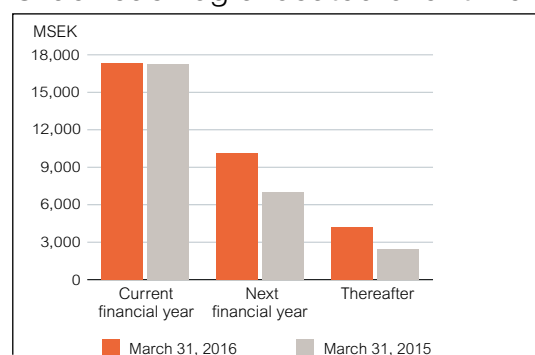
WE RECEIVED SEVERAL MAJOR CONTRACTS AND AGREEMENTS DURING THE FIRST QUARTER, INCLUDING:

- Construction of new buildings that will be integrated into the existing plant at SCA's pulp mill in Östrand outside Sundsvall. The client is SCA and the order value is SEK 380 million.
- Renovation and extension of Nälstaskolan in Vällingby. The client is Skolfastigheter i Stockholm AB and the contract amounts to SEK 229 million.
- Construction of a section of the E6 highway between Trondheim and Melhus, Norway. The client is the Norwegian Public Roads Administration and the contract amounts to NOK 1.16 billion.
- Construction of a new office building in Lund. The client is Wahlborgs and the contract amounts to SEK 234 million.
- Construction of a new raw water pipeline, which better will safeguard western Skåne's drinking water supply in the long term. The client is Sydsvatten AB and the contract amounts to SEK 232 million.
- Construction of a new port terminal in Tromsø. The client is Tromsø Havn KF and the contract amounts to NOK 305 million.
- Reconstruction of the E45 in central Gothenburg. The customer is the Swedish Transport Administration and the contract amounts to SEK 1,020 million.
- Construction of new offices in Solna. The client is Vasakronan and the contract amounts to SEK 300 million.
- Construction of 166 new rental apartments in central Malmö. The client is MKB Fastighets AB and the contract amounts to SEK 327 million.
- Renovation and extension of Värnamo Hospital. The client is Regionfastigheter in Jönköping Län and the contract amounts to SEK 237 million.
- Construction of 234 student apartments on KTH Campus, Stockholm. The customer is Akademiska Hus and the contract amounts to SEK 224 million.

Project allocation of order backlog, 31 March 2016



Order backlog allocated over time



COMMENTS ON THE BUSINESS AREAS

The Peab Group is presented in four different business areas: Construction, Civil Engineering, Industry and Project Development. The business areas are also operating segments.

Recognition of internal projects between business areas Construction and Project Development

The net sales and result in business area Construction presented refer to the contract construction in our own housing projects, in rental projects and other projects for business area Project Development. The percentage of completion method is used in the reporting. Net sales for both contract construction and the developer part of our own housing projects are reported in business area Project Development. The booked result consists of the result

in the developer part using the percentage of completion method. The underlying sales value of property projects on our own balance sheet that are sold in the form of a company via shares is recognized as net sales and the booked value on the balance sheet is recognized as an expense.

Group functions

In addition to the business areas, central companies, certain subsidiaries and other holdings are presented as Group functions. The central companies primarily consist of the parent company Peab AB, Peab Finans and Peab Support (Shared service center).

Net sales and operating profit per business area

MSEK	Net sales				Operating profit				Operating margin			
	Jan-Mar 2016	Jan-Mar 2015	Apr-Mar 2015/2016	Jan-Dec 2015	Jan-Mar 2016	Jan-Mar 2015	Apr-Mar 2015/2016	Jan-Dec 2015	Jan-Mar 2016	Jan-Mar 2015	Apr-Mar 2015/2016	Jan-Dec 2015
Construction	5,199	5,683	24,161	24,645	116	120	571	575	2.2%	2.1%	2.4%	2.3%
Civil Engineering	2,029	2,110	10,367	10,448	37	32	386	381	1.8%	1.5%	3.7%	3.6%
Industry	1,894	1,845	10,849	10,800	-12	2	634	648	-0.6%	0.1%	5.8%	6.0%
Project Development	1,376	1,416	7,565	7,605	78	47	429	398	5.7%	3.3%	5.7%	5.2%
– of which Property Development	76	77	1,633	1,634	4	-11	25	10	5.3%	-14.3%	1.5%	0.6%
– of which Housing Development	1,300	1,339	5,932	5,971	74	58	404	388	5.7%	4.3%	6.8%	6.5%
Group functions	204	202	838	836	-27	-14	-113	-100				
Eliminations	-2,010	-2,255	-9,037	-9,282	-4	-16	-38	-50				
Operative excluding write-down ¹⁾	8,692	9,001	44,743	45,052	188	171	1,869	1,852	2.2%	1.9%	4.2%	4.1%
Construction - write-down of project Mall of Scandinavia			-800	-800			-800	-800				
Operative ¹⁾	8,692	9,001	43,943	44,252	188	171	1,069	1,052	2.2%	1.9%	2.4%	2.4%
Adjustment for housing reporting ²⁾	-161	-125	88	124	-31	-31	-43	-43				
Legal	8,531	8,876	44,031	44,376	157	140	1,026	1,009	1.8%	1.6%	2.3%	2.3%

¹⁾ According to the percentage of completion method (IAS 11)

²⁾ Adjustment in accounting principle for own single homes in Sweden as well as housing in Finland and Norway according to the completed contract method (IAS 18)

BUSINESS AREA CONSTRUCTION

With local roots close to customers business area Construction performs contract work for both external and internal customers. Construction projects include everything from new production of housing, public and commercial premises to renovations and extensions as well as construction maintenance.

Operations in business area Construction are run via some 150 local offices around the Nordic area, organized in 11 regions in Sweden, two in Norway and two in Finland. There are three specialized housing production areas in Stockholm, Gothenburg and the Öresund region. Construction maintenance operations are run in a nationwide region primarily focused on the big city areas. Other regions are responsible for all types of construction projects in their geographic area.

NET SALES AND PROFIT

Net sales for the first quarter 2016 shrunk by nine percent and amounted to SEK 5,199 million (5,683). The reduction is primarily due to the fact that the project Mall of Scandinavia, which was completed during the fourth quarter of 2015, had a high production rate during the comparable period. Net sales consists of a higher proportion of housing construction.

Operating profit for the period amounted to SEK 116 million (120) and the operating margin was 2.2 percent (2.1). The operating margin for the latest 12 month rolling period was -1.0 percent compared to -0.9 percent for the entire year of 2015. Excluding the write-down of SEK -800 million for the project Mall of Scandinavia during the fourth quarter of 2015 the operating margin for the latest rolling 12 month period was 2.4 percent compared to 2.3 percent for the entire year of 2015.

ORDERS RECEIVED AND ORDER BACKLOG

Orders received increased by eleven percent during the period compared to same period last year and amounted to SEK 7,300 million (6,589). Orders received were well diversified in terms of products and geography.

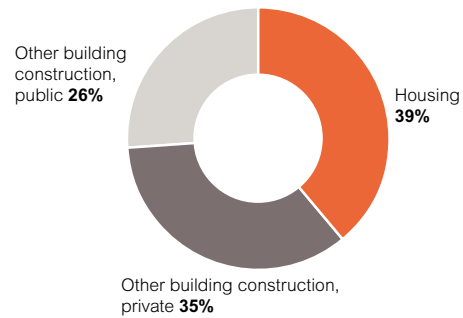
Order backlog 31 March 2016 amounted to SEK 21,666 million (18,936).

Key ratios

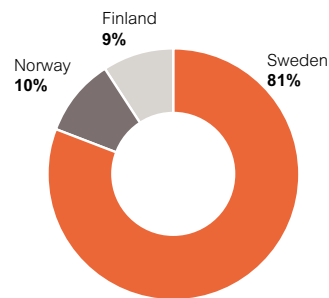
	Jan-Mar 2016	Jan-Mar 2015	Apr-Mar 2015/2016	Jan-Dec 2015
Net sales, MSEK	5,199	5,683	23,361	23,845
Operating profit, MSEK	116	120	-229	-225
Operating margin, %	2.2	2.1	-1.0	-0.9
Orders received, MSEK	7,300	6,589	26,710	25,999
Order backlog, MSEK	21,666	18,936	21,666	19,529
Number of employees	6,412	6,207	6,412	6,320

Net sales

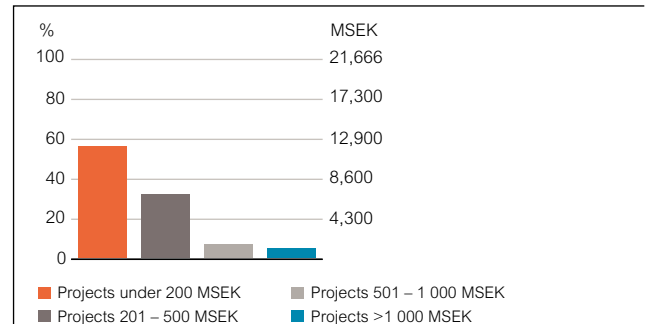
per type of operation, rolling 12 month



per geographic market, rolling 12 month



Project allocation of order backlog, 31 March 2016



BUSINESS AREA CIVIL ENGINEERING

Business area Civil Engineering is a leading civil engineering supplier in Sweden with operations in Norway and Finland as well. The business area builds and maintains roads, railroads, bridges and other infrastructure. Peab's civil engineering operations are primarily directed at the local market and are organized in geographic regions and specialized product areas.

Local market works with landscaping and pipelines, foundation work and builds different kinds of facilities.

Infrastructure and heavy construction builds roads, railroads, bridges, tunnels and ports. It also builds heavier facilities for industry and the public sector.

Operation and maintenance provides just that for national and municipal highway and street networks as well as care of parks and outdoor property. It also operates sewage and water supply networks.

NET SALES AND PROFIT

The first quarter is seasonally the weakest quarter in Civil Engineering. Net sales for the first quarter 2016 amounted to SEK 2,029 million (2,110) which was a decrease of four percent. The reduction was primarily due to lower activity in Infrastructure.

Operating profit for the first quarter 2016 amounted to SEK 37 million (32) and the operating margin improved to 1.8 percent (1.5). The operating margin for the latest 12 month rolling period was 3.7 percent compared to 3.6 percent for the entire year of 2015.

ORDERS RECEIVED AND ORDER BACKLOG

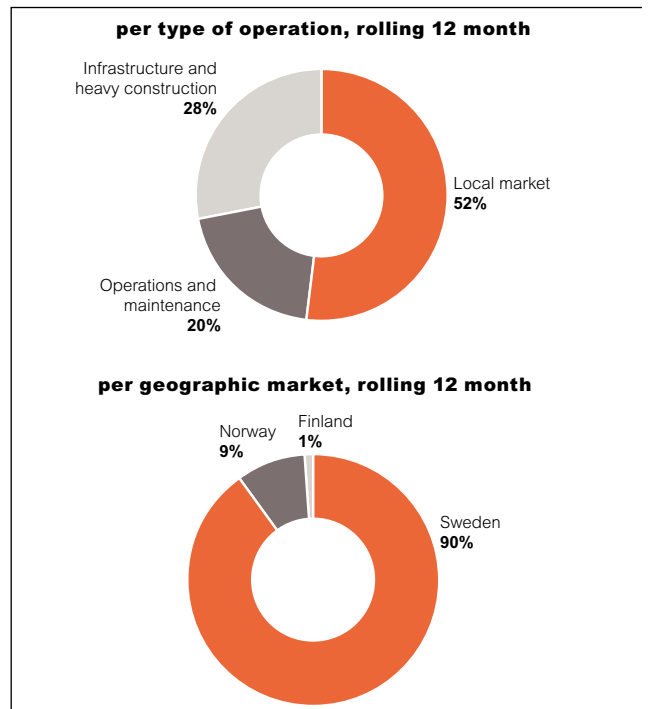
Orders received increased by 37 percent during the first quarter 2016 and amounted to SEK 4,221 million (3,092). The increase refers primarily to Infrastructure.

Order backlog on 31 March 2016 amounted to SEK 9,476 million (8,519).

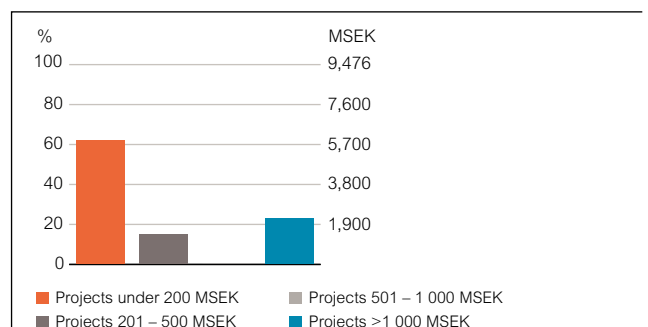
Key ratios

	Jan-Mar 2016	Jan-Mar 2015	Apr-Mar 2015/2016	Jan-Dec 2015
Net sales, MSEK	2,029	2,110	10,367	10,448
Operating profit, MSEK	37	32	386	381
Operating margin, %	1.8	1.5	3.7	3.6
Orders received, MSEK	4,221	3,092	11,562	10,433
Order backlog, MSEK	9,476	8,519	9,476	7,292
Number of employees	3,039	3,045	3,039	3,019

Net sales



Project allocation of order backlog, 31 March 2016



BUSINESS AREA INDUSTRY

Business area Industry is a complete supplier of all the products and services needed in order to carry out construction and civil engineering projects cost efficiently.

Business area Industry is run in seven product areas; Asphalt, Concrete, Gravel and rock, Transportation and machines, Foundations, Rentals and Construction system (Industrial Construction). All of them work on the Nordic construction and civil engineering markets.

NET SALES AND PROFIT

The first quarter is seasonally the weakest quarter in Industry. Net sales for the first quarter 2016 increased by three percent and amounted to SEK 1,894 (1,845). Operating profit for the first quarter 2016 amounted to SEK -12 million (2). The reduction was primarily attributable to Asphalt operations. Calendar effects with an early Easter during the first quarter have somewhat affected net sales and profit. The operating margin decreased to -0.6 percent (0.1). The operating margin was 5.8 percent during the latest rolling 12 month period compared to 6.0 percent for the entire year of 2015.

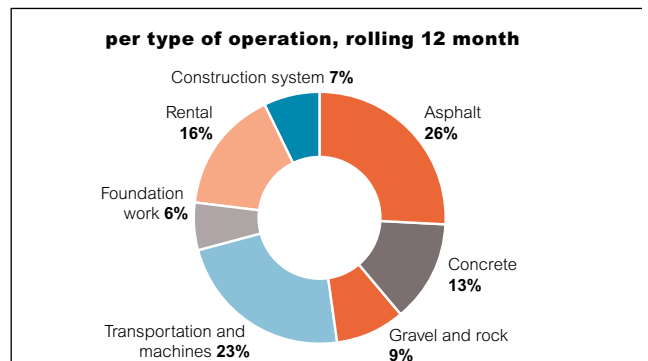
Capital employed in Industry at the end of the period amounted to SEK 4,748 million (4,828).

Key ratios

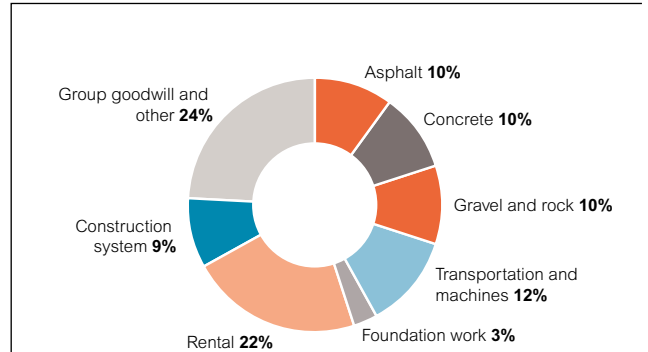
	Jan-Mar 2016	Jan-Mar 2015	Apr-Mar 2015/2016	Jan-Dec 2015
Net sales, MSEK	1,894	1,845	10,849	10,800
Operating profit, MSEK	-12	2	634	648
Operating margin, %	-0.6	0.1	5.8	6.0
Capital employed, MSEK	4,748	4,828	4,748	4,885
Number of employees	3,216	3,019	3,216	3,204
Concrete, thousands of m ³ ¹⁾	191	186	995	990
Asphalt, thousands of tons ¹⁾	24	27	2,350	2,353
Gravel and rock, thousands of tons ¹⁾	1,845	1,764	11,086	11,005

1) Refers to sold volume

Net sales



Capital employed, 31 March 2016



BUSINESS AREA PROJECT DEVELOPMENT

Business area Project Development is responsible for the Group's acquisition, development and sales of housing and commercial property. The ability to understand and predict society's and customers' needs and demands regarding location and design is what makes Peab successful when it comes to developing attractive and sustainable housing and property.

Project Development takes place in wholly owned projects or in cooperation with other partners through joint ventures. The area is run in two segments – Housing Development and Property Development.

Housing Development develops all kinds of housing such as apartment buildings in tenancy ownership, ownership and rental form as well as single homes.

Operations in Property Development revolve around the acquisition, development and divestiture of commercial property in wholly owned and partly owned companies. As a property developer Peab has broad range of expertise in enriching and developing areas and land for commercial space or uses such as offices, malls, hotels, industries and sports facilities.

Projects in wholly owned companies consist of everything from land for development in the process of being zoned to completed projects ready for divestment.

Peab's primary ambition is to work with development projects based on the development rights on our own balance sheet. Collaboration with other partners via joint ventures may take place from time to time during a project. The goal is to create capital efficient developments with partners that bolster business and profit generation.

NET SALES AND PROFIT

Operative net sales for the first quarter 2016 in business area Project Development amounted to SEK 1,376 million (1,416). Operative operating profit increased to SEK 78 million (47).

Capital employed in Project Development at the end of the period amounted to SEK 10,043 million (11,124).

HOUSING DEVELOPMENT

Operative net sales for the first quarter 2016 in Housing Development amounted to SEK 1,300 million (1,339). Operative operating profit amounted to SEK 74 million (58) and the operative operating margin improved to 5.7 percent (4.3). The operative operating margin was 6.8 percent during the latest rolling 12 month period compared to 6.5 percent for the entire year of 2015.

The number of start-ups of our own developed homes has increased and amounted to 542 units (488) with a good geographic spread. The number of sold homes during the first quarter 2016 was 496 (550). The number of own developed homes in production at the end of the period was 4,074 (4,150). The level of sold homes in production was 81 percent compared to 82 percent at year-end. The number of repurchased homes per 31 March 2016 was 56 (85).

**Key ratios**

	Jan-Mar 2016	Jan-Mar 2015	Apr-Mar 2015/2016	Jan-Dec 2015
Operative net sales ¹⁾ , MSEK	1,376	1,416	7,565	7,605
of which Property Development	76	77	1,633	1,634
of which Housing Development ¹⁾	1,300	1,339	5,932	5,971
Operative operating profit ¹⁾ , MSEK	78	47	429	398
of which Property Development	4	-11	25	10
of which Housing Development ¹⁾	74	58	404	388
Operative operating margin ¹⁾ , %	5.7	3.3	5.7	5.2
of which Property Development	5.3	-14.3	1.5	0.6
of which Housing Development ¹⁾	5.7	4.3	6.8	6.5
Capital employed at the end of period, MSEK	10,043	11,124	10,043	10,838
Orders received Housing Development, MSEK	1,773	1,215	7,056	6,498
Order backlog Housing Development, MSEK	4,895	3,419	4,895	4,357
Number of employees	302	259	302	285

¹⁾ According to the percentage of completion method (IAS11).

PROPERTY DEVELOPMENT

Net sales and operating profit from operations is derived from managing wholly owned property, shares in the result from partly owned companies as well as capital gains/losses from the divestiture of completed projects and shares in partly owned companies.

During first quarter 2016 net sales in Property Development were SEK 76 million (77) and operating profit was SEK 4 million (-11).

There were no important property divestitures in Property Development in the first quarter. The first quarter last year included profit of SEK 1 million from property divestitures.

The result from partly owned companies has improved somewhat in relationship to last year.

Projects under construction included in capital employed in Property Development were, among others, an office building in Ulriksdal and a hotel in Västerås. Investment properties include two office buildings in Finland, one in Helsinki and one in Åbo, a hotel in Hyllie and an office building in Sigtuna, both of these in Sweden. Financial statements and others include borrowing to partly owned companies and working capital.

Own housing development construction

	Jan-Mar 2016	Jan-Mar 2015	Apr-Mar 2015/2016	Jan-Dec 2015
Number of housing starts during the period	542	488	2,417	2,363
Number of sold homes during the period	496	550	2,241	2,295
Total number of homes under construction, at the end of the period	4,074	4,150	4,074	4,043
Share of sold homes under construction, at the end of the period	81%	84%	81%	82%
Number of repurchased homes in the balance sheet, at the end of the period	56	85	56	61

Capital employed

MSEK	31 Mar 2016	31 Mar 2015	31 Dec 2015
Development rights for housing	3,804	2,954	3,831
Commercial development rights	539	710	543
Projects under construction, Property Development	796	1,322	944
Investment properties, Property Development	1,609	1,535	1,244
Participation in joint ventures	722	757	693
Financial statements and others	2,573	3,846	3,583
Total	10,043	11,124	10,838

Development rights for housing

Number, approx.	31 Mar 2016	31 Mar 2015	Jan-Dec 2015
Development rights on our own balance sheet	17,100	14,900	17,400
Development rights via joint ventures	4,300	6,900	4,400
Development rights via options etc.	6,600	6,900	6,800
Total	28,000	28,700	28,600



Strategic joint ventures

Fastighets AB Centur

Owens, manages and develops commercial property.

Peab's share: 50 percent

Partner: Balder

Geography: Stockholm, Gothenburg and the Öresund region

Book value on properties, 31 March 2016: SEK 4,432 million

Tornet Bostadsproduktion AB

Builds and manages attractive and environmentally friendly rentals in larger cities.

Peab's share: 31 percent

Partner: Riksbbyggen, Folksam and Balder

Geography: Stockholm, the Mälaren region, Gothenburg and the Öresund region

Book value on properties, 31 March 2016: SEK 1,886 million

THE CONSTRUCTION MARKET

Sweden

The total started up building construction investments developed positively in 2015. Market growth was almost entirely a result of an increase in housing production, where the rise in construction of new apartment buildings was particularly strong. Office, retail and industrial building construction volumes fell while building construction in the public sector and in civil engineering remained more or less on the same level. The GNP mushroomed in 2015. There are several important factors that support growth and demand in the coming years. One of them is the recent escalation of refugees arriving in the country which initially increases public consumption. Others are record low interest rates, the decline in unemployment and the continued upward trend in housing prices. Industrifakta forecasts a slight rise in total building construction in 2016, followed by a stronger one in 2017. Developments in the collective volume of civil engineering investments indicate a relatively unchanged level this year with somewhat of an upswing in 2017.

Norway

The drop in prices for oil appears to have thus far primarily affected the petroleum industry, while the effects on other businesses have been limited. The economy slowed in 2015 and growth has been relatively weak. The forecast indicates continued slow growth this year followed by a small rise in 2017. A certain decline in building construction investments is expected in 2016. Housing construction will most likely be affected by the slower growth in the economy and greater unemployment. Office and retail building construction is also expected to have a weak development due to the cooler economy resulting from the crisis in the oil industry. Civil engineering construction grew rather strongly in 2015 and is expected to continue to grow well in 2016.

Finland

Finland's GNP grew marginally in 2015. However, the fact that there was an upturn means that Finland's economy, after several years of negative development, has most likely hit bottom. Recovery of the economy is expected to continue this year and next, although not on any major scale. After the turndown in 2014 of collective volumes in started up building construction investments there was a noticeable rise in 2015, which is expected to

lead to a slight downturn this year. It is possible that there will be a positive development in apartment building renovation and even building construction in the public sector while the other sectors remain weak. Zero growth in Finland's economy is also reflected in civil engineering construction which in 2015 stayed at the level of 2014 and is expected to develop sideways both this year and the next.

Housing

	2016	2017	2018
Sweden	→	↗	↗
Norway	↘	↘	→
Finland	↘	→	↗

*Forecast for started-up housing investments, new and renovations
Source: Industrifakta*

Other building construction

	2016	2017	2018
Sweden	→	↗	↗
Norway	→	→	→
Finland	↘	→	↗

*Forecast for started-up other building construction investments, new and renovations (Industry, office/retail etc. and public premises)
Source: Industrifakta*

Civil engineering

	2016	2017	2018
Sweden	→	↗	-
Norway	↑	↗	-
Finland	→	→	-

*Forecast for civil engineering investments
Source: Industrifakta*



RISKS AND UNCERTAINTY FACTORS

Peab's business is exposed to operational and financial risks. The impact of these risks on Peab's result and position depends on how well we handle the day-to-day business. In addition, Peab faces circumstantial risks such as developments in the economy and altered conditions like changes in laws and regulations and other political decisions.

Handling operational risks is a constant ongoing process since there are always a large number of projects that are beginning, up and running and ending. Operational risks are taken care of in the line organization in each business area. The financial risks are connected to tying up capital and the need for capital, primarily in the form of interest rate risk and refinancing risk. Financial risks are dealt with on Group level.

For further information on risks and uncertainty factors, see the 2015 Annual Report.

HOLDINGS OF OWN SHARES

At the beginning of 2016 Peab's own B shareholding was 1,086,984 which corresponds to 0.4 percent of the total number of shares. No changes have taken place during the first quarter 2016.

THE PEAB SHARE

Peab's B share is listed on the Nasdaq Stockholm, Large Cap list. As of 9 May 2016, the price of the Peab share was SEK 66.70, an increase of three percent during 2016. During the same period, the Swedish stock market decreased by six percent according to the general index in the business magazine "Affärsvärlden". During 2016 the Peab share has been quoted at a maximum of SEK 76.00 and a minimum of SEK 54.60.

IMPORTANT EVENTS AFTER THE END OF THE PERIOD

The Board of Directors proposes that the Annual General Meeting on 10 May 2016 authorize the transfer of 50 percent of the shares in Peab's fully owned subsidiary Peab FU Linné AB with the subsidiaries Annehem Hyllie Point 3 AB and Annehem Hyllie Point 4 AB to Volito Fastigheter AB. Peab FU Linné AB and the subsidiaries own the properties Vårdshuset 5 and Vårdshuset 4 that contain a hotel and development rights for offices. The property is situated at Hyllie Stationstorg in Malmö, Sweden.

The purchase price for the transfer is based on an underlying property value of SEK 777 million, of which SEK 565 million refer to Vårdshuset 5 (the hotel) and SEK 212 million to Vårdshuset 4 (development rights for offices etc.). The Board of Directors believes that based on the fairness opinion and value evaluations conducted that the terms for the negotiated transfer, including the purchase price, are on par with market terms and that the underlying contracts contain the customary guarantees and conditions.

Karl-Axel Granlund, member of the Board of Directors of Peab AB is also indirectly the principle owner of Volito AB and therefore indirectly controls Volito Fastigheter AB. The Board of Directors therefore considers the transfer to be a transaction with related parties that according to the Leo Law and general good practice on the stock market should be submitted to the Annual General Meeting for approval by a special majority, meaning that in order to be approved the Board of Director's proposal must be approved by shareholders with at least nine tenth of the submitted votes and shares represented at the Annual General Meeting.

The transaction would have a positive effect on Peab's profit of about SEK 100 million in the second quarter of 2016 and net debt in Peab would contract by around SEK 500 million.



Report on the Group income statement in summary

MSEK	Jan-Mar 2016	Jan-Mar 2015	Apr-Mar 2015/2016	Jan-Dec 2015
Net sales	8,531	8,876	44,031	44,376
Production costs	-7,828	-8,203	-40,776	-41,151
Gross profit	703	673	3,255	3,225
Sales and administrative expenses	-564	-547	-2,313	-2,296
Profit from participation in joint ventures	-1	-1	-3	-3
Other operating income	22	30	98	106
Other operating costs	-3	-15	-11	-23
Operating profit	157	140	1,026	1,009
Net financial items	-11	-34	-80	-103
Pre-tax profit	146	106	946	906
Tax	-23	-18	-113	-108
Profit for the period	123	88	833	798
Profit for the period, attributable to:				
Shareholders in parent company	123	88	833	798
Non-controlling interests	0	0	0	0
Profit for the period	123	88	833	798
Key ratios				
Earnings per share before and after dilution, SEK	0.42	0.30	2.83	2.71
Average number of outstanding shares, million	295.0	295.0	295.0	295.0
Return on capital employed, %	8.6 ¹⁾	12.3 ¹⁾	8.6	8.2
Return on equity, %	10.3 ¹⁾	13.4 ¹⁾	10.3	9.9

1) Calculated on rolling 12 months

Report on the Group income statement and other comprehensive income in summary

MSEK	Jan-Mar 2016	Jan-Mar 2015	Apr-Mar 2015/2016	Jan-Dec 2015
Profit for the period	123	88	833	798
Other comprehensive income				
Items that can be reclassified or have been reclassified to income for the period				
Translation differences for the period from translation of foreign operations	42	11	-124	-155
Translation differences transferred to profit for the period	-	-	1	1
Changes for the period in fair value of available-for-sale financial assets	1	33	58	90
Changes in fair value of cash flow hedges for the period	-5	-17	40	28
Shares in joint ventures' other comprehensive income	0	-	-1	-1
Tax referring to items that can be reclassified or have been reclassified to income for the period	4	4	-18	-18
	42	31	-44	-55
Items that cannot be reclassified to income for the period				
Revaluation of defined benefit pension plans	0	-	0	0
Tax referring to items that cannot be reclassified to income for the period	0	-	0	0
	0	-	0	0
Other comprehensive income for the period	42	31	-44	-55
Total comprehensive income for the period	165	119	789	743
Total comprehensive income for the period, attributable to:				
Shareholders in parent company	165	119	789	743
Non-controlling interests	0	0	0	0
Total comprehensive income for the period	165	119	789	743

Report on balance sheet for the Group in summary

MSEK	31 Mar 2016	31 Mar 2015	31 Dec 2015
Assets			
Intangible assets	1,994	2,033	1,994
Tangible assets	3,686	3,643	3,654
Interest-bearing long-term receivables	1,981	1,613	2,199
Other financial fixed assets	1,330	1,418	1,374
Deferred tax recoverables	108	150	102
Total fixed assets	9,099	8,857	9,323
Project and development properties	6,903	6,777	6,742
Inventories	376	365	363
Work-in-progress	1,159	1,296	1,010
Interest-bearing current receivables	191	470	210
Other current receivables	8,714	8,879	9,520
Short-term holdings	–	20	8
Liquid funds	481	334	865
Total current assets	17,824	18,141	18,718
Total assets	26,923	26,998	28,041
Equity and liabilities			
Equity	8,241	8,116	8,076
Liabilities			
Interest-bearing long-term liabilities	1,862	2,753	3,301
Deferred tax liabilities	455	561	455
Other long-term liabilities	728	738	749
Total long-term liabilities	3,045	4,052	4,505
Interest-bearing current liabilities	3,303	2,953	3,099
Other current liabilities	12,334	11,877	12,361
Total current liabilities	15,637	14,830	15,460
Total liabilities	18,682	18,882	19,965
Total equity and liabilities	26,923	26,998	28,041
Key ratios			
Capital employed	13,406	13,822	14,476
Equity/assets ratio, %	30.6	30.1	28.8
Net debt	2,512	3,269	3,118
Equity per share, SEK	27.94	27.51	27.38
Number of outstanding shares at the end of the period, million	295.0	295.0	295.0

Report on changes in Group's equity in summary

MSEK	31 Mar 2016	31 Mar 2015	31 Dec 2015
Equity attributable to shareholders in parent company			
Opening equity on 1 January	8,076	7,997	7,997
Profit for the period	123	88	798
Other comprehensive income for the period	42	31	-55
Comprehensive income for the period	165	119	743
Cash dividend	–	–	-664
Closing equity	8,241	8,116	8,076
Non-controlling interests			
Opening equity on 1 January	0	0	0
Comprehensive income for the period	0	0	0
Closing equity	0	0	0
Total closing equity	8,241	8,116	8,076

Report on Group cash flow in summary

MSEK	Jan-Mar 2016	Jan-Mar 2015	Apr-Mar 2015/2016	Jan-Dec 2015
Cash flow from current operations before changes in working capital	411	385	2,380	2,354
Cash flow from changes in working capital				
Increase (-) / Decrease (+) of project and development properties	-162	-101	-100	-39
Increase (-) / Decrease (+) of inventories	-153	-283	288	158
Increase (-) / Decrease (+) of current receivables / current liabilities	766	515	603	352
Cash flow from changes in working capital	451	131	791	471
Cash flow from current operations	862	516	3,171	2,825
Acquisition of subsidiaries/ businesses	-31	-	-61	-30
Disposal of subsidiaries/ businesses	6	75	6	75
Acquisition of fixed assets	-243	-255	-1,579	-1,591
Sales of fixed assets	316	285	539	508
Cash flow from investment operations	48	105	-1,095	-1,038
Cash flow before financing	910	621	2,076	1,787
Cash flow from financing operations	-1,312	-1,081	-1,894	-1,663
Cash flow for the period	-402	-460	182	124
Cash at the beginning of the period	873	812	354	812
Exchange rate differences in cash	10	2	-55	-63
Cash at the end of the period	481	354	481	873

Parent company

The parent company Peab AB's net sales for 2016 amounted to SEK 54 million (60) and mainly consisted of internal Group services. Profit after tax amounted to SEK -55 million (-5).

The parent company's assets mainly consist of participations in Group companies amounting to SEK 11,776 million (11,894) and shares in Lemminkäinen Oyj worth SEK 318 million (245). The assets have been financed from equity of SEK 5,854 million (6,431) and long-term liabilities amounting to SEK 6,343 million (5,916).

The parent company's liquid funds amounted to SEK 0 million (13) at the end of the period. The parent company is indirectly affected by the risks described in the section Risks and Uncertainty Factors.

Report on the parent company income statement in summary

MSEK	Jan-Mar 2016	Jan-Mar 2015	Apr-Mar 2015/2016	Jan-Dec 2015
Net sales	54	60	261	267
Administrative expenses	-88	-25	-347	-284
Operating profit	-34	35	-86	-17
Result from financial investments				
Profit from participation in Group companies	-	-	0	0
Other financial items	-34	-41	-142	-149
Result after financial investments	-68	-6	-228	-166
Appropriations	-	-	220	220
Pre-tax profit	-68	-6	-8	54
Tax	13	1	21	9
Profit for the period	-55	-5	13	63

Report on the parent company income statement and other comprehensive income in summary

MSEK	Jan-Mar 2016	Jan-Mar 2015	Apr-Mar 2015/2016	Jan-Dec 2015
Profit for the period	-55	-5	13	63
Other comprehensive income				
Items that can be reclassified or have been reclassified to income for the period				
Changes for the period in fair value of available-for-sale financial assets	8	22	73	87
Total comprehensive income for the period	-47	17	86	150

Report on balance sheet for the parent company in summary

MSEK	31 Mar 2016	31 Mar 2015	31 Dec 2015
Assets			
Machinery and equipment	1	1	1
Participation in Group companies	11,776	11,894	11,776
Interest-bearing long-term receivables	318	245	310
Deferred tax recoverables	88	71	88
Total fixed assets	12,183	12,211	12,175
Accounts receivable	0	1	1
Receivables from Group companies	67	150	1,263
Tax assets	19	10	4
Other current receivables	2	28	3
Prepaid expenses and accrued income	15	10	7
Liquid funds	0	13	8
Total current assets	103	212	1,286
Total assets	12,286	12,423	13,461
Equity and liabilities			
Equity	5,854	6,431	5,900
Untaxed reserves	0	0	0
Liabilities to Group companies	6,318	5,895	6,465
Other provisions	25	21	25
Total long-term liabilities	6,343	5,916	6,490
Accounts payable	20	13	24
Liabilities to Group companies	13	11	992
Other liabilities	7	7	7
Accrued expenses and deferred income	49	45	48
Total current liabilities	89	76	1,071
Total liabilities	6,432	5,992	7,561
Total equity and liabilities	12,286	12,423	13,461
Pledged assets and contingent liabilities for the parent company			
Pledged assets	–	–	–
Contingent liabilities	23,293	21,261	23,012

NOTE 1 ACCOUNTING PRINCIPLES

The quarterly report has been prepared according to the IFRS standards that have been adopted by EU as well as the interpretations that have been adopted by EU of the valid standards, IFRICs. This report has been prepared according to IAS 34, Interim financial reporting. In addition to the financial reports and their accompanying notes further information according to IAS 34.16A can be found in other sections of the quarterly report.

The parent company reports have been prepared according to the Swedish Company Accounts Act and RFR 2, Accounting rules for legal entities. New standards and interpretations have not had any material effect on Group accounting.

The quarterly report has otherwise been prepared according to the same accounting principles and conditions described in the Annual Report 2015.

NOTE 2 OPERATING SEGMENT**Group Jan-Mar 2016**

MSEK	Con- struction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Total opera- tive for the Group ¹⁾	Adjustment for housing reporting ²⁾	Group
External sales	4,300	1,804	1,202	1,368	18	0	8,692	-161	8,531
Internal sales	899	225	692	8	186	-2,010	–		–
Total income	5,199	2,029	1,894	1,376	204	-2,010	8,692	-161	8,531
Operating profit	116	37	-12	78	-27	-4	188	-31	157
Operating margin, %	2.2	1.8	-0.6	5.7			2.2		1.8
Net financial items									-11
Pre-tax profit									146
Tax									-23
Profit for the period									123
Capital employed (closing balance)			4,748	10,043					

Group Jan-Mar 2015

MSEK	Con- struction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Total opera- tive for the Group ¹⁾	Adjustment for housing reporting ²⁾	Group
External sales	4,595	1,865	1,151	1,407	22	-39	9,001	-125	8,876
Internal sales	1,088	245	694	9	180	-2,216	–		–
Total income	5,683	2,110	1,845	1,416	202	-2,255	9,001	-125	8,876
Operating profit	120	32	2	47	-14	-16	171	-31	140
Operating margin, %	2.1	1.5	0.1	3.3			1.9		1.6
Net financial items									-34
Pre-tax profit									106
Tax									-18
Profit for the period									88
Capital employed (closing balance)			4,828	11,124					

Group Jan-Dec 2015

MSEK	Con- struction	Civil Engineering	Industry	Project Development	Group functions	Eliminations	Total opera- tive for the Group ¹⁾	Adjustment for housing reporting ²⁾	Group
External sales	19,668	9,394	7,565	7,565	60	0	44,252	124	44,376
Internal sales	4,177	1,054	3,235	40	776	-9,282	–		–
Total income	23,845	10,448	10,800	7,605	836	-9,282	44,252	124	44,376
Operating profit	-225	381	648	398	-100	-50	1,052	-43	1,009
Operating margin, %	-0.9	3.6	6.0	5.2			2.4		2.3
Net financial items									-103
Pre-tax profit									906
Tax									-108
Profit for the year									798
Capital employed (closing balance)			4,885	10,838					

¹⁾ According to the percentage of completion method (IAS 11)

²⁾ Adjustment in accounting to the completed contract method (IAS 18) for own single homes in Sweden as well as housing in Finland and Norway

During the fourth quarter 2015 the project Mall of Scandinavia in Solna was written down by SEK -800 million, which affected both net sales and the operating profit in business area Construction.

For more information about each segment, see pages 7–12.

NOTE 3 FINANCIAL ASSETS AND LIABILITIES VALUED AT FAIR VALUE

The table below shows the allocated level for financial assets and financial liabilities recognized at fair value in the Group's balance sheet. Measurement of fair value is based on a three level hierarchy;

Level 1: prices that reflect quoted prices on an active market for identical assets.

Level 2: based on direct or indirect inputs observable to the market not included in level 1.

Level 3: based on inputs unobservable to the market.

For a description of how fair value has been calculated see the Annual Report 2015, note 34. The fair value of financial assets and liabilities is estimated to be, in principle, the same as their booked values.

Group	31 Mar 2016				31 Mar 2015				31 Dec 2015				
	MSEK	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets													
Other securities held as fixed assets	318		29	347	245		71	316	310		49	359	
<i>Whereof shareholding in listed company</i>	318			318	245			245	310			310	
<i>Whereof investment in an unlisted fund</i>			29	29		71	71				49	49	
Other current receivables				–		2		2		5		5	
<i>Whereof currency swaps</i>				–		2		2		5		5	
Total assets	318	–	29	347	245	2	71	318	310	5	49	364	
Liabilities													
Other long-term liabilities		149		149	189			189	144			144	
<i>Whereof commodity hedge</i>		8		8	2			2	7			7	
<i>Whereof interest rate swaps</i>		141		141	187			187	137			137	
Other current liabilities		1		1	6			6	1			1	
<i>Whereof currency swaps</i>		1		1	6			6	1			1	
Total liabilities	–	150	–	150	–	195	–	195	–	145	–	145	
Parent company													
MSEK	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	
Assets													
Other securities held as fixed assets	318			318	245			245	310			310	
<i>Whereof shareholding in listed company</i>	318			318	245			245	310			310	
Total assets	318	–	–	318	245	–	–	245	310	–	–	310	

The table below is a reconciliation between the opening and closing balance for assets included in level 3.

Group	Other securities held as fixed assets		
	MSEK	31 Mar 2016	31 Mar 2015
Opening balance	49	66	66
Investments during the period	1	1	13
Dividends received	-37	–	-50
Reported in profit for the period *	20	–	28
Reported in other comprehensive income	-4	4	-8
Closing balance	29	71	49

* Reported in net financial items

FUTURE FINANCIAL INFORMATION

- Quarterly Report January-June 2016 17 August 2016
- Quarterly Report January-September 2016 10 November 2016
- Year-end Report 2016 10 February 2017
- Annual Report 2016 April 2017

Förslöv, 10 May 2016

*Jesper Göransson
CEO and President*

The information in this interim report has not been reviewed separately by the company's auditors.

Quarterly data

Group

	Jan-Mar 2016	Oct-Dec 2015	Jul-Sep 2015	Apr-Jun 2015	Jan-Mar 2015	Oct-Dec 2014	Jul-Sep 2014	Apr-Jun 2014	Jan-Mar 2014
MSEK									
Net sales	8,531	12,224	11,708	11,568	8,876	12,213	10,811	11,604	9,002
Production costs	-7,828	-11,793	-10,697	-10,458	-8,203	-11,046	-9,756	-10,544	-8,341
Gross profit	703	431	1,011	1,110	673	1,167	1,055	1,060	661
Sales and administrative expenses	-564	-674	-450	-625	-547	-637	-453	-616	-537
Profit from participation in joint ventures	-1	-7	2	3	-1	-54	7	11	-6
Other operating income	22	37	19	20	30	29	15	57	12
Other operating costs	-3	-4	-2	-2	-15	-6	-1	-7	-5
Operating profit	157	-217	580	506	140	499	623	505	125
Net financial items	-11	-7	-36	-26	-34	-348	-37	-83	-54
Pre-tax profit	146	-224	544	480	106	151	586	422	71
Tax	-23	88	-95	-83	-18	15	-114	-88	-16
Profit for the period	123	-136	449	397	88	166	472	334	55
Profit for the period, attributable to:									
Shareholders in parent company	123	-136	449	397	88	166	472	334	55
Non-controlling interests	0	0	0	0	0	-	-	-	-
Profit for the period	123	-136	449	397	88	166	472	334	55
Key ratios									
Earnings per share, SEK	0.42	-0.46	1.53	1.35	0.30	0.56	1.60	1.13	0.19
Average number of outstanding shares, million	295.0	295.0	295.0	295.0	295.0	295.0	295.0	295.0	295.0

Quarterly data

Business areas

	Jan-Mar 2016	Oct-Dec 2015	Jul-Sep 2015	Apr-Jun 2015	Jan-Mar 2015	Oct-Dec 2014	Jul-Sep 2014	Apr-Jun 2014	Jan-Mar 2014
MSEK									
Net sales									
Construction	5,199	6,978	5,436	6,548	5,683	6,832	5,262	6,865	5,515
Civil Engineering	2,029	2,992	2,676	2,670	2,110	2,905	2,555	2,525	1,973
Industry	1,894	2,948	3,111	2,896	1,845	2,865	3,205	2,888	1,872
Project Development	1,376	2,275	2,359	1,555	1,416	2,024	2,027	1,981	1,798
- of which Property Development	76	308	1,047	202	77	172	895	233	107
- of which Housing Development	1,300	1,967	1,312	1,353	1,339	1,852	1,132	1,748	1,691
Group functions	204	209	211	214	202	265	188	190	180
Eliminations	-2,010	-2,474	-2,121	-2,432	-2,255	-2,733	-2,460	-2,758	-2,144
Operative excluding write-down ¹⁾	8,692	12,928	11,672	11,451	9,001	12,158	10,777	11,691	9,194
Construction – write-down of project Mall of Scandinavia	–	-800	–	–	–	–	–	–	–
Operative ¹⁾	8,692	12,128	11,672	11,451	9,001	12,158	10,777	11,691	9,194
Adjustment for housing reporting ²⁾	-161	96	36	117	-125	55	34	-87	-192
Legal	8,531	12,224	11,708	11,568	8,876	12,213	10,811	11,604	9,002
Operating profit									
Construction	116	145	135	175	120	147	128	162	115
Civil Engineering	37	126	96	127	32	104	90	115	22
Industry	-12	178	296	172	2	161	313	196	1
Project Development	78	193	84	74	47	112	121	50	59
- of which Property Development	4	25	5	-9	-11	11	67	-46	-20
- of which Housing Development	74	168	79	83	58	101	54	96	79
Group functions	-27	-46	-26	-14	-14	-12	-13	-23	-23
Eliminations	-4	-16	9	-27	-16	-21	-4	2	-19
Operative excluding write-down ¹⁾	188	580	594	507	171	491	635	502	155
Construction – write-down of project Mall of Scandinavia	–	-800	–	–	–	–	–	–	–
Operative ¹⁾	188	-220	594	507	171	491	635	502	155
Adjustment for housing reporting ²⁾	-31	3	-14	-1	-31	8	-12	3	-30
Legal	157	-217	580	506	140	499	623	505	125
Operating profit, %									
Construction	2.2	2.1	2.5	2.7	2.1	2.2	2.4	2.4	2.1
Civil Engineering	1.8	4.2	3.6	4.8	1.5	3.6	3.5	4.6	1.1
Industry	-0.6	6.0	9.5	5.9	0.1	5.6	9.8	6.8	0.1
Project Development	5.7	8.5	3.6	4.8	3.3	5.5	6.0	2.5	3.3
- of which Property Development	5.3	8.1	0.5	-4.5	-14.3	6.4	7.5	-19.7	-18.7
- of which Housing Development	5.7	8.5	6.0	6.1	4.3	5.5	4.8	5.5	4.7
Group functions									
Eliminations									
Operative excluding write-down ¹⁾	2.2	4.5	5.1	4.4	1.9	4.0	5.9	4.3	1.7
Construction – write-down of project Mall of Scandinavia									
Operative ¹⁾	2.2	-1.8	5.1	4.4	1.9	4.0	5.9	4.3	1.7
Adjustment for housing reporting ²⁾									
Legal	1.8	-1.8	5.0	4.4	1.6	4.1	5.8	4.4	1.4
Order situation, MSEK									
Orders received	11,886	9,704	9,135	9,414	9,559	7,458	7,564	7,591	9,077
Order backlog at the end of the period	31,550	26,991	28,050	27,162	26,750	24,922	27,547	27,499	29,475

¹⁾ According to the percentage of completion method (IAS 11)

²⁾ Adjustment in accounting to the completed contract method (IAS 18) for own single homes in Sweden as well as housing in Finland and Norway

A locally engaged community builder

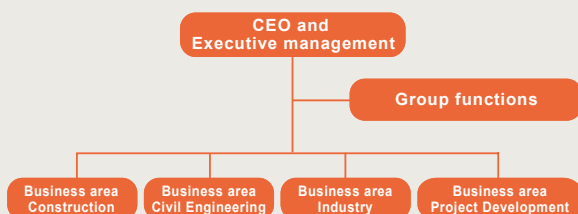
Peab is one of the leading Nordic construction and civil engineering companies with more than 13,000 employees and net sales of over SEK 44 billion. The Group's four business areas have strategically located offices in Sweden, Norway and Finland. Through local familiarity and four specialized and coordinated business areas Peab handles small, local and large, more complex projects.

BUSINESS CONCEPT

Peab is a construction and civil engineering company that puts total quality in every step of the construction process first. Through innovation combined with solid professional skills we make the customer's interest our own and thereby build for the future.

ORGANIZATION

Peab is characterized by a simple, flat and cost-efficient organization with four cooperating business areas whose operations are based on local entrepreneurship close to the customer. The business areas have a regional structure that works together with central resources and they profit from support functions on business area and Group levels in sharpening their competitive edge.



CORE VALUES

Down-to-earth, Developing, Personal and Reliable – Peab's fundamental core values that our brand is built on. Our core values describe what kind of people we are, what we stand for, how we work, what we can achieve and how we want to be seen. We work actively with our core values in every part of our business because how we are and how we work is fundamental to our success. It is also the basis of our development of customer and supplier relations, our employees and our business from a long-term, sustainable perspective.

BUSINESS PLAN OBJECTIVES 2015-2017

Sustainable business objectives are clearly stated in Peab's vision and Group strategies. The business plan objective for 2015-2017 is to become the best company in the industry. In 2015 Peab identified three target areas that will be measured and evaluated continuously:

- Most satisfied customers in the industry
- Best workplace in the industry
- Most profitable company in the industry

