

ORDER BACKLOG BOOSTED BY LARGE-SCALE PROJECT START-UPS: SRV'S INTERIM REPORT 1 JANUARY–31 MARCH 2015

Reporting period 1 January–31 March 2015 in brief:

- SRV's revenue was EUR 172.9 million (EUR 138.5 million Q1/2014), change +24.9%
- Operating profit was EUR 2.5 million (EUR 4.4 million), change -42.8%
- Result before taxes was EUR 3.3 million (EUR 2.2 million), change +54.0%
- Earnings per share were EUR 0.05 (EUR 0.01)
- The order backlog at period-end was EUR 1,179.8 million (EUR 880.2 million), change +34.0%
- Equity ratio was 39.8 per cent (39.0%)

Thanks to the REDI shopping centre start-up, the Group's full-year revenue for 2015 is expected to increase on 2014 (EUR 684.4 million 1–12/2014) and the result before taxes is forecast to be in the range of EUR 10–20 million (EUR 18.5 million 1–12/2014).

This interim report has been prepared in accordance with IAS 34, and the disclosed information is unaudited.

President & CEO Juha Pekka Ojala

A year of large start-ups was immediately evident in the first quarter when two significant construction projects were launched – the REDI project at Kalasatama in Helsinki and the Niittykumpu Metro Centre project in Espoo. Both are area centres located next to metro stations and featuring housing and commercial services. These large-scale projects raised SRV's order backlog to a new record level, nearly EUR 1.2 billion. The launch of the REDI project was also reflected in revenue growth, as work done before the official start-up decision was recognised as revenue.

In the annual cycle, the first quarter is generally modest in terms of financial performance. The fact that no developer-contracted housing units were completed is evident in the figures for the first quarter of the year. This is reflected in a decline in the level of operating profit. Completed projects – and therefore those recognised as revenue – have been contracts that have structurally a lower margin than developer-contracted production.

In Finland, in addition to our spearhead projects, we have a number of business premises and housing projects that we are implementing for our long-term customers. We have undertaken business premises projects at our own risk only very selectively, and they are focused mainly on the logistics sector, to which we have provided multi-purpose premises ranging from production plants to offices.

We have also been able to increase developer-contracted housing production, the fruits of which will be evident in future quarters. The housing market has recovered from the downturn of a couple of years ago, but we still have to evaluate carefully the locations and the target groups of

housing production. SRV's housing production is concentrated close to good transport links, such as metro stations.

In Russia, our shopping centre projects in St Petersburg and Moscow are proceeding mostly according to plan. The Russian market is overshadowed by uncertainty factors resulting from the political situation. Based on projects at different stages of completion, however, we have a good grasp of the market in Russia and we are proceeding there according to plan. For example, customer numbers at the Pearl Plaza shopping centre, which has been open for one and a half years, have grown as the centre has established its position in the St Petersburg shopping centre market. The excellence of Pearl Plaza is evident also in the fact that in April it was granted Russia's best shopping centre award in its size category.

We embark on this year in good spirits, because many projects that have been a long time in preparation have started up at full steam. Due to the resources committed to the large-scale projects launched, we have laid the groundwork for steady development in the next few years. Based on our developer and investor roles, however, we have loaded projects with significant earnings expectations, which will be realised in the coming years. Now our task is to focus on high-quality and profitable implementation of projects together with our partners and personnel.

SRV GROUP PLC INTERIM REPORT, 1 JANUARY–31 MARCH 2015

Group key figures (IFRS, MEUR)	1-3/ 2015	1-3/ 2014	change, MEUR	change, %	1-12/ 2014
Revenue	172.9	138.5	34.4	24.9	684.4
Operating profit	2.5	4.4	-1.9	-42.8	24.9
Financial income and expenses, total	0.8	-2.3	3.1		-6.4
Profit before taxes	3.3	2.2	1.2	54.0	18.5
Order backlog	1 179.8	880.2	299.5	34.0	860.4
New agreements	489.1	184.7	304.4	164.9	700.3
Operating profit, %	1.5	3.2			3.6
Net profit, %	1.6	1.0			2.2
Equity ratio, %	39.8	39.0			43.0
Net interest-bearing debt	228.5	225.3	3.1	1.4	206.1
Gearing, %	101.0	103.0			91.6
Return on investment, %	4.7	3.4			5.4
Return on equity, %	4.9	2.6			6.9
Earnings per share, EUR	0.05	0.01	0.04	381.7	0.33
Equity per share, EUR	5.07	4.87	0.20	4.1	5.04
Share price at end of period, EUR	3.39	3.76	-0.37	-9.8	2.83
Weighted average number of shares outstanding, millions	35.6	35.5		0.3	35.6

Overall review 1 January–31 March 2015

The Group's order backlog increased to EUR 1,179.8 million (EUR 880.2 million 3/2014) thanks to new contractor agreements, the largest of which were for the REDI shopping centre and car park as well as the Niittykumpu Metro Centre. 88 per cent of the order backlog has been sold, a total of EUR 1037 million. The unsold portion decreased to EUR 142 million (EUR 182 million 3/2014). The value of the Group's new contracts rose to EUR 489.1 million (EUR 184.7 million 3/2014).

The Group's revenue increased to EUR 172.9 million (EUR 138.5 million Q1/2014). The start-up of the REDI shopping centre and parking facility project contributed to this rise in revenue, as quarrying and other infrastructure work completed prior to the official decision to start the project was recognised as revenue in accordance with the level of completion. Revenue from housing production targeted at Finnish consumers declined as the number of sold units (74) fell to under half the number during the previous year (160 Q1/2014). No developer-contracted residential units were completed during the review period (100 units in Q1/2014).

The Group's operating profit totalled EUR 2.5 million (EUR 4.4 million), generating an operating margin of 1.5 per cent (3.2%). This decline in operating profit is mainly due to a fall in revenue from developer-contracted residential units and low profit margins in business contracting. The improved earnings of associated companies and joint ventures also had a favourable impact on operating profit.

Several factors contribute to the quarterly variation in SRV's operating profit and operating profit margin: SRV's own projects are recognised as income upon delivery; the part of the order backlog that is continuously recognised as income mainly consists of low-margin contracting; a share equivalent to the ownership of SRV's associated companies is eliminated from the profit margins of construction carried out for these companies; and the nature of the company's operations (project development).

The Group's net financial expenses totalled EUR 0.8 million (EUR -2.3 million). Net financial expenses were improved by a fall in general interest rates, exchange rate differences resulting from the strengthening rouble, and the recognition of EUR 1.4 million in credit loss provisions.

The Group's profit before taxes was EUR 3.3 million (EUR 2.2 million). Net profit for the review period was EUR 2.8 million (EUR 1.4 million). Income taxes totalled EUR 0.6 million (EUR 0.7 million). Earnings per share were EUR 0.05 (EUR 0.01).

The Group's equity ratio was 39.8 per cent (39.0% 31 March 2014). Compared to 31 December 2014, the equity ratio weakened slightly as a result of capital tied up in construction.

Key figures for the Segments

Revenue (EUR million)	1-3/ 2015	1-3/ 2014	change, MEUR	change, %	1-12/ 2014
Operations in Finland	157.1	124.4	32.7	26.3	627.9
International Operations	15.9	14.2	1.7	12.0	56.9
Other operations	3.8	4.9	-1.1	-21.8	19.5
Eliminations	-3.8	-4.9	1.1		-19.9
Group, total	172.9	138.5	34.4	24.9	684.4

Operating profit (EUR million)	1-3/ 2015	1-3/ 2014	change, MEUR	change, %	1-12/ 2014
Operations in Finland	3.3	6.6	-3.3	-49.5	30.0
International Operations	0.7	-0.6	1.2		1.1
Other operations	-1.5	-1.6	0.2		-6.2
Eliminations	0.0	0.0	0.0		0.0
Group, total	2.5	4.4	-1.9	-42.8	24.9

Operating profit, %	1-3/ 2015	1-3/2014	1-12/ 2014
Operations in Finland	2.1	5.3	4.8
International Operations	4.1	-4.0	1.9
Group, total	1.5	3.2	3.6

Order backlog (EUR million)	3/2015	3/2014	change, MEUR	change, %	12/2014
Operations in Finland	1 062.9	721.5	341.4	47.3	723.2
International Operations	116.9	158.8	-41.9	-26.4	137.2
Group, total	1 179.8	880.2	299.5	34.0	860.4
- sold order backlog	1037	698	339	48.6	729
- unsold order backlog	142	182	-40	-21.8	132

Earnings trends of the Segments

SRV's business segments are Operations in Finland, International Operations, and Other Operations. The Operations in Finland segment consists of property development and domestic construction operations led by SRV Construction Ltd. Operations in Finland are divided into business construction (which comprises retail, office, logistics, earthworks, and rock construction operations) and housing construction. International Operations comprises SRV's business activities in Russia and Estonia. Other Operations consists primarily of the SRV Group Plc and SRV Kalusto Oy's operations.

SRV Group Plc, the Group's parent company, is responsible for the Group's management, treasury, finance and administrative functions. The Property Development and Building Systems units support and serve all of the Group's business operations.

Operations in Finland

Operations in Finland (EUR million)	1-3/ 2015	1-3/ 2014	change, MEUR	change, %	1-12/ 2014
Revenue	157.1	124.4	32.7	26.3	627.9
- accounted for by business construction	114.0	69.0	45.0	65.2	395.5
- accounted for by housing construction	43.1	55.4	-12.4	-22.3	232.5
Operating profit	3.3	6.6	-3.3	-49.5	30.0
Operating profit, %	2.1	5.3			4.8
Order backlog	1 062.9	721.5	341.4	47.3	723.2
- accounted for by business construction	801.1	477.2	323.8	67.9	450.1
- accounted for by housing construction	261.8	244.2	17.6	7.2	273.1

Revenue for Operations in Finland totalled EUR 157.1 million (EUR 124.4 million Q1/2014), and accounted for 91 per cent of the Group's revenue (90%). Operating profit totalled EUR 3.3 million (EUR 6.6 million), generating an operating margin of 2.1 per cent (5.3%). The start-up of the REDI shopping centre and parking facility project contributed to a rise in revenue, as quarrying and other infrastructure work completed prior to the official decision to start the project was recognised as revenue in accordance with the level of completion. In accordance with its income recognition practices, SRV will not recognise the portion corresponding to its 40 per cent holding in the project. Operating profit was reduced by a clear decline in revenue from developer-contracted housing production targeted at consumers. No developer-contracted residential units were completed during the review period compared to 100 units during the comparison period. However, operating profit was also adversely affected by the fact that the majority of the commercial development order backlog recognised as income consisted of low-margin contracting. The order backlog rose to EUR 1,062.9 million (EUR 721.5 million 12/2014) thanks to the start-up of the REDI project and the Niittykumpu Metro Centre project.

Business construction

Revenue from business construction totalled EUR 114.0 million (EUR 69.0 million). The order backlog stood at EUR 801.1 million (EUR 477.2 million). Competition for new contracts has remained fierce.

The renovation of kitchen, restaurant and cafeteria areas at the University of Jyväskylä campus was completed during the review period.

During the review period, new contractor agreements worth EUR 456 million were signed. The most significant of these was a EUR 390 million contract with the project companies developing the REDI shopping centre and parking facility. The holdings of these companies are as follows: SRV 40 per cent, Ilmarinen Mutual Pension Insurance Company 30 per cent, the OP-Pohjola Group 15 per cent, and LocalTapiola 15 per cent. Approximately 64,000 square metres of leasable space and a 2,000-space car park are scheduled for completion in autumn 2018. SRV is responsible for planning, constructing and leasing out the site.

A contract for the construction of the Niittykumpu Metro Centre was also signed with OP Vuokratuotto during the review period. SRV will also be responsible for planning and constructing this shopping centre, and for leasing out its 5,400 square metres of available space. The centre is scheduled for completion in August 2016 and 70 per cent of the total available area has already been leased. Two residential towers are also being constructed near the metro station. SRV will build one 24-storey tower as a developer-contracted property and one 12-storey tower for SATO.

Housing construction

Revenue from housing construction totalled EUR 43.1 million (EUR 55.4 million). The order backlog was EUR 261.8 million (EUR 244.2 million).

Projects for external clients that were completed during the review period include 114 units in the Pähkinärinne district of Vantaa for LocalTapiola and Ice Capital, 88 units in the Nihtisilta district of Espoo for LocalTapiola, and 39 units in Unioninkatu street, Helsinki for Auratum.

Construction of a parking facility in the Airut quarter of Helsinki's Jätkäsaari district was launched during the review period. The clients are six housing cooperatives, five of which are owned by SRV. The sixth client, a housing cooperative owned by VVO, has a 16.8 per cent holding.

During the review period, SRV launched the construction of 66 (22) developer-contracted housing units within the scope of the RS system. These units are located in the Kvaritto housing cooperative in the Lauttasaari district of Helsinki.

SRV has also greenlit the construction of 418 new developer-contracted housing units. 91 of these are HITAS units in the Airut quarter of Helsinki's Jätkäsaari district, and they went on sale in April. The 24-storey Niittyhuippu tower in the Niittykumpu district of Espoo will contain 200 units, and preliminary sales agreements have already been signed for 75 of these units. The Taitaja apartment block in the Pohjois-Tapiola district of Espoo will contain 85 units and the Sution Puisto block in downtown Kaarina will consist of 42 units.

74 (72) of the developer-contracted housing units that fell within the scope of the RS system were sold during the review period, but no units were sold to investors under negotiated contracts (88).

At the end of the review period, SRV had a total of 1,356 (1,185) units under construction, 82 per cent of which (1,114 units) had been sold. 396 (171) residential units for the consumer market were under construction, of which 242 (112) had not yet been sold. The number of completed yet unsold residential units totalled 152 (198).

Based on current schedules, SRV estimates that a total of 247 developer-contracted residential units in the RS system will be completed during 2015. 22 of these units are scheduled for completion in the second quarter and the remainder in the last quarter.

Housing production in Finland, units	1-3/ 2015	1-3/ 2014	change, units	1-12/ 2014
Units sold, total	74	160	-86	756
- developer contracting	74	72	2	288
- investor sales ²⁾	0	88	-88	468
Developer contracting				
- start-ups	66	22	44	330
- completed	0	100	-100	249
- completed and unsold ¹⁾	152	198	-46	183
Under construction, total ¹⁾	1 356	1 185	171	1 625
- contracts ¹⁾	492	455	37	625
- sold, negotiated contracts ^{1) 2)}	468	559	-91	670
- developer contracting ¹⁾	396	171	225	330
- sold ¹⁾	154	59	95	111
- unsold ¹⁾	242	112	130	219

1) at period-end 2) investor sales under negotiated contracts

The order backlog for housing construction was EUR 262 million (EUR 244 million 3/2014). The order backlog for contracts and negotiated contracts was EUR 88 million (EUR 130 million), and accounted for 34 per cent (53%) of the total order backlog. EUR 127 million (EUR 143 million) of the residential production order backlog was sold.

Order backlog, housing construction in Finland (EUR million)	31 Mar 15	31 Mar 14	change, MEUR	31 Dec 14
Contracts and negotiated contracts	88	130	-41	122
Under construction, sold developer contracting	39	13	26	28
Under construction, unsold developer contracting	79	27	51	59
Completed, unsold developer construction	56	74	-19	65
Housing construction, total	262	244	18	273

REDI – Kalasatama Centre

The start-up of the SRV-developed REDI project in the metro quarter of Kalasatama, Helsinki was confirmed on 24 March 2015, when a EUR 225 million project credit agreement was signed with a bank syndicate to construct the shopping centre and parking facility.

The capital investments of the consortium developing the shopping centre and parking facility are divided as follows: SRV 40 per cent, Ilmarinen Mutual Pension Insurance Company 30 per cent, LocalTapiola 15 per cent, and OP-Pohjola Group and a fund managed by the Group 15 per cent. SRV has also granted unsecured project credit of EUR 15 million for construction. SRV has a 40 per cent holding in the associated companies behind the shopping centre and parking facility, and consolidates them using the equity method.

The total value of the shopping centre and parking facility investment is EUR 480 million, of which EUR 240 million will be financed using the owners' capital investments. The remainder will be covered by project credit. The shopping centre, which has approximately 64,000 square metres of

leasable space, and the almost 2,000-space carpark are scheduled for completion in autumn 2018. SRV is responsible for designing, constructing, and leasing out the site.

The construction of other parts of the REDI project has also been launched. In addition to the shopping centre and carpark, SRV plans to build six residential towers plus office and hotel towers. The residential towers will contain a total of 1,200 housing units, most of which will be targeted at the consumer market.

Construction of the first two residential towers is expected to begin in 2016, when the construction phase of the shopping centre makes it technically possible. The first tower is scheduled for completion by the end of 2018 and the second tower in 2019, depending on demand. Advance marketing of these housing units will begin in autumn 2015.

As a whole, REDI is currently scheduled for completion during 2023, depending on the market situation. Revenue from the construction of the shopping centre, parking facility and towers is expected to total over EUR 1 billion in 2015-23.

Development of Operations

SRV maintained a strong focus on the development of data models. Modelling supports successful design, progress in construction projects, and cooperation between parties. In technical building systems, SRV has primarily been focusing on energy-efficient solutions, and energy consumption is already being monitored at several sites.

SRV has invested in the fight against the grey economy by developing the SRV Network Register, for instance in terms of information about contractors, access control systems, checks on tax numbers, and tax authority reports.

International Operations

International Operations (EUR million)	1-3/2015	1-3/2014	change, MEUR	change, %	1-12/2014
Revenue	15.9	14.2	1.7	12.0	56.9
Operating profit	0.7	-0.6	1.2		1.1
Operating profit, %	4.1	-4.0			1.9
Order backlog	116.9	158.8	-41.9	-26.4	137.2

International Operations comprises SRV's construction and property development business in Russia and Estonia. SRV also seeks to expand its shopping centre operations in Russia.

Revenue from International Operations totalled EUR 15.9 million (EUR 14.2 million) and accounted for 9 per cent of the Group's revenue (10%). The construction of the Okhta Mall shopping centre and Daily shopping centre generated the majority of this revenue. Operating profit totalled EUR 0.7 million (EUR -0.6 million), and this improvement was primarily due to the better earnings of associated companies and joint ventures as well as the strengthening rouble.

New orders worth EUR 1.5 million (EUR 1.0 million) were received during the review period. The order backlog was EUR 116.9 million (EUR 158.8 million).

Russia

Projects under construction

For several years now, SRV has been developing Okhta City, a large-scale project in the Okhta district of St Petersburg that covers a total area of 8.5 hectares. A 400,000 m² package is planned for the area, including a shopping centre, housing, office and business premises, and hotel, restaurant and entertainment services. The project will be implemented in several phases. Phase I of the project commenced when Russia Invest, an investment company owned by SRV, Ilmarinen, Sponda, Etera and Onvest, reached a decision to invest in the Okhta Mall shopping centre project. Under agreements signed in June 2013, Russia Invest acquired a 55 per cent holding in the shopping centre from SRV. In addition to its direct ownership of the remaining 45 per cent, SRV owns a further portion of the project through its holding in Russia Invest. SRV retains a 100 per cent holding in the other phases of the Okhta City project.

Okhta Mall, which is located right at the heart of downtown St Petersburg, will open in summer 2016. It will have about 144,000 m² of floor area and leasable space of about 77,000 m². The centre will feature two underground parking levels, a hypermarket, and four aboveground levels. In addition to the hypermarket, the shopping centre will contain a multiplex cinema, restaurants, a gym, specialty shops, and a variety of fashion and sports stores. Leasing has progressed according to plan. About 42 per cent of the available space has been leased or reserved, and negotiations for a further 25 per cent are currently ongoing. The shopping centre will have 1,900 parking spaces. The target for annual rental income from the shopping centre is around EUR 33 million, and investment is currently budgeted at around EUR 225 million. In line with the project management contractor agreements (valued at about EUR 140 million), SRV is responsible for designing, constructing, developing, and leasing out the site. The financing plan for the investment is also based on capital investments of about EUR 115 million from the owners and a project loan of EUR 113 million granted by Sberbank in September. Construction has progressed according to plan and most of the owner financing has already been committed to the project. On the basis of the current budget's financing plan, SRV expects to invest about a further EUR 6 million in the project.

About EUR 70 million of the EUR 95.5 million investment capacity of Russia Invest will be earmarked for the Okhta Mall project. In the short term, arriving at new investment decisions will be challenging due to uncertainty in the Russian economy, and it is unlikely that the investment company will make any investments in new projects during 2015. SRV owns a 27 per cent stake in Russia Invest.

The start-up of Phase I of the Daily shopping centre project, which SRV is developing in the Moscow region, was confirmed in summer 2014 when the Russian pension fund Blagosostoyanie became the company's new partner with a 55 per cent stake. The Finnish real-estate investment company Vicus Oy holds a 26 per cent stake in the project. SRV's total holding is 20 per cent. The shopping centre has leasable space of about 26,000 m² and final lease agreements have been signed for about 14 per cent. Lease negotiations are ongoing and, in addition to the final contracts, preliminary lease agreements have been signed for over 32 per cent of premises. The shopping centre is scheduled for completion in 2016. The target for annual rental income is about EUR 10 million and total investment in the project amounts to approximately EUR 55 million. SRV's total investment of about EUR 7 million has now been fully invested in the project. In addition to capital

from the owners, the investment is also being financed with a project loan granted by Sberbank in December. The weakening of the rouble reduced the project's investment budget, and the value of SRV's project management contracts has therefore also decreased to about EUR 40 million. SRV is responsible for designing, constructing, marketing, and leasing out the site.

Completed leasable projects

The Pearl Plaza shopping centre, jointly owned by SRV and the Shanghai Industrial Investment Company, was opened to the public on 24 August 2013. SRV is responsible for managing the Pearl Plaza shopping centre. Total investment in the project amounts to approximately EUR 150 million. SRV's ownership in the joint venture is 50 per cent, and the company has invested roughly EUR 24 million in the project. In addition to investments from the owners, bank financing has been secured through a EUR 95 million financing agreement with a Chinese bank. In line with the project management contractor agreements, SRV is responsible for designing, constructing, developing, and leasing out the site.

Sales figures and visitor numbers have been continually increasing. First-quarter visitor numbers are up by 19 per cent and sales by 40 per cent on the corresponding period of 2014. About 99 per cent of the premises have been leased and negotiations are ongoing for the remaining vacant premises. Pearl Plaza was granted an award of "The best middle-sized shopping centre in Russia in 2015" during REX exhibition that was held in Moscow from 22 April till 24 April. The target for annual rental income from the shopping centre is about EUR 18 million.

The commercial concept design of Phase II of the Pearl Plaza shopping centre has been completed and construction planning has been launched. According to the preliminary plan, construction of Phase II could begin during 2015. Preliminary lease reservations have been made for over 50 per cent of the Phase II premises.

The existing office premises in the Etmia II office and parking garage project in downtown Moscow have been leased out in their entirety. Net rental income for 2014 was about EUR 4.1 million. SRV is a co-owner in the project with a 50 per cent stake, and was responsible for its construction as the project management contractor. SRV's investment in the project amounts to about EUR 2 million. The company estimates that in the current market it is unlikely that the project will be sold to investors during 2015.

SRV has invested EUR 6.3 million in a property fund that acquired an office and logistics property in Moscow in autumn 2011. This property is fully leased out. Development of the St Petersburg Eurograd logistics area has been temporarily suspended due to the local partner's financial difficulties. SRV has a 49 per cent holding in a Russian company that owns a 24.9 hectare land area located north of St Petersburg, in the immediate vicinity of the Ring Road.

No apartments in the Papula residential project in Vyborg were sold during the review period (3, Q1/2014). At the end of the period, there was one completed yet unsold unit (3). Construction of the next two buildings, containing a total of 111 units, has been temporarily suspended, but will recommence as soon as the market situation improves.

Estonia

Of the 48 developer-contracted units completed in Tartu in 2014, six were sold during the review period. There are 28 unsold units and no units under construction.

Other operations

Other Operations, (EUR million)	1-3/ 2015	1-3/ 2014	change, MEUR	change, %	1-12/ 2014
Revenue	3.8	4.9	-1.1	-21.8	19.5
Operating profit	-1.5	-1.6	0.2		-6.2

Other Operations mainly comprise the SRV Group Plc and SRV Kalusto Oy businesses.

The revenue from Other Operations was EUR 3.8 million (EUR 4.9 million) with an operating profit of EUR -1.5 million (EUR -1.6 million). Growth in the operating volume impacted on revenue. During the review period, development costs expensed for SRV's projects totalled EUR 0.4 million (EUR 0.6 million).

Group project development

SRV, Mutual Pension Insurance Company Varma and SATO Corporation are progressing with their project to develop the Niittykumpu district in Espoo. The Espoo City Board approved the cooperation and preliminary agreement made between Espoo, Länsimetro, SRV and SATO for the Niittykumpu metro station on 16 June 2014. The first phase encompasses about 20,000 m² and consists of the Niittykumpu metro station, a commercial centre, and two residential towers. Its design has progressed according to schedule and construction will be launched in spring 2015. As part of the project's implementation, SRV sold the commercial centre to the OP-Vuokratuotto special investment fund. On 28 November 2014, SRV, SATO and Varma acquired an area east of Haukilahdenkatu, enabling the construction of three apartment buildings with a total of about 180 housing units. A building permit has been received for the site and the goal is to launch construction in May 2015.

SRV, Mutual Pension Insurance Company Ilmarinen and SATO Corporation are progressing with their project to develop their jointly owned area in the Perkkää district of Espoo. The Espoo City Planning Committee approved the proposed city plan for the area in September 2014, and land-use negotiations with the City of Espoo have now been concluded. The Espoo City Board approved the city plan on 13 April 2015. The project has residential building rights for 99,860 square metres of floor area, of which SRV's share is 26,805 m². The aim is to launch housing construction during 2015.

Construction of the Airut eco-quarter in the Jätkäsaari district of Helsinki has begun with the parking facility and HITAS units. The project comprises approximately 22,000 m² of floor area, including a rental apartment building for VVO and SRV's four market-financed owner-occupied apartment buildings, of which two will be built in accordance with HITAS terms. The design of the

eco-quarter is based on a multi-purpose concept that seeks to offer residents a wide range of services. The project focuses on energy monitoring and reporting on apartments' energy consumption, thereby enabling residents to optimise their energy use and uphold the principles of sustainable development in their daily lives.

SRV and Stora Enso Oyj have a joint reservation for a quarter in the Jätkäsaari district where they plan to build a project showcasing industrial wood construction. This project, named Wood City, will consist of office, hotel and commercial buildings. The entire quarter encompasses approximately 20,000 m² of floor area. The Helsinki Housing Production Department (ATT) will also build two apartment buildings in the quarter, with a total floor area of about 8,000 m². The city plan for the quarter came into force in July 2014. Lease and investor negotiations for the office building are ongoing and construction will begin once investor and lease agreements so permit.

The Keilaniemi project in Espoo consists of four residential towers containing housing units with a total of approximately 72,000 m² of floor area. This project is being developed by SRV, which has a planning reservation for the area. Although the city plan is in force, progress hinges on a tunnel for a section of Ring Road I, and also on tunnelling and traffic arrangements. The general plan for Ring Road I came into force in late 2014 and its road plan has been put on display. The road plan will be sent to both the City of Espoo and the government for approval during spring 2015. The goal is to begin with municipal engineering during 2015 and to launch construction of the first tower during 2017.

SRV is developing the Lapinmäentie 1 property in Munkkivuori, Helsinki in cooperation with its owner, WP Carey Inc. The city plan is currently being amended with regard to this property, and a draft city plan for the area will be put on display in spring 2015. The project is being developed on the basis of the winning entry of an architecture competition that was judged in spring 2014. In accordance with the principles for changing the city plan approved by the Helsinki City Planning Committee on 27 January 2015, the site will be allocated new residential building rights for about 46,000 square metres of floor area. Approximately 22,000 m² of existing floor area will be renovated. These amendments to the city plan are expected to be confirmed in early 2017.

Financing and financial position

Net cash flow from operating activities was EUR -15.1 million (EUR -5.1 million Q1/2014) and the net cash flow from investing activities was EUR -7.2 million (EUR -4.4 million Q1/2014). The net cash flows for the review period were affected by the acquisition of plots in Finland, SRV's own housing production and investments in the Okhta Mall project in Russia. The Group mainly invested in machinery, equipment, and real estate projects in Finland and Russia. The Group's inventories stood at EUR 306.7 million (EUR 367.9 million), of which land areas and plot-owning companies accounted for EUR 182.2 million (EUR 159.4 million). The Group's invested capital totalled EUR 469.1 million (EUR 467.7 million).

At the end of the review period, the Group's financing reserves totalled EUR 157.2 million with the Group's cash assets amounting to EUR 14.4 million, and open-ended account limits and committed undrawn financing reserves and loans to EUR 142.8 million. SRV's financing agreements contain standard covenants. The company's financial covenants are its equity ratio and liquidity. In the case of developer contracting projects, the equity ratio is also reported to financiers as a ratio

based on percentage of completion. Liquidity refers to the Group's immediately available cash and cash equivalents, committed credit lines, undrawn loans with a maturity of over 12 months, and the undrawn portion of its syndicated liquidity limit. SRV's equity ratio based on percentage of completion stood at 40.3 per cent on 31 March 2015.

Investments in SRV's developer-contracted housing and business construction projects in Finland, both under construction and completed, total about EUR 100.9 million. SRV estimates that the completion of these projects requires another EUR 54.1 million. Undrawn housing corporation loans and receivables for housing construction projects plus undrawn business construction financing totals EUR 73.6 million. Capital committed to completed international projects amounts to EUR 0.6 million, which is tied up in a housing project in Vyborg. Capital committed to completed projects involving associated companies includes EUR 24 million tied up in the Pearl Plaza shopping centre and EUR 3 million in the Etmia office project.

SRV's investment commitments totalled EUR 115.8 million (EUR 10.3 million). The launch of Kalasatama Centre's construction has increased SRV's investment commitments.

The equity ratio stood at 39.8 per cent (39.0%) and gearing at 101 per cent (103%). The Group's shareholders' equity totalled EUR 226.2 million (EUR 218.8 million), and its net interest-bearing liabilities totalled EUR 228.5 million (EUR 225.3 million). At the end of the review period, the Group's cash and cash equivalents amounted to EUR 14.4 million (EUR 23.6 million). The return on investment was 4.7 per cent (3.4%), and the return on equity 4.9 per cent (2.6%).

Unbuilt land areas, land acquisition commitments and land development agreements

Land reserves 31 March 2015	Business construction	Housing construction	International Operations	Total
Unbuilt land areas and land acquisition commitments				
Building rights ¹⁾ , m ²	253 522	374 947	753 000	1 381 469
Land development agreements				
Building rights ¹⁾ , m ²	115 400	171 411	0	286 811

1) Building rights also include the estimated building rights/construction volume of unzoned land reserves and land areas covered by agreements in projects that are wholly or partly owned by SRV.

The start-up of the REDI project led to an increase of 3 per cent in the area of unbuilt land and land acquisition commitments, and an increase of 21 per cent in the area covered by land development agreements.

Personnel

SRV had an average payroll of 961 (896) employees, of whom 757 (684) were salaried employees. The parent company had an average staff of 59 (56) salaried employees. At the close of the financial year, the Group had 971 (895) employees, of whom 60 (57) were employed by the parent company. 221 (167) employees were employed by international subsidiaries. SRV's Operations in

Finland employed a total of 36 (36) trainees (students on work placements and students working on a thesis or diploma).

This slight increase in personnel was a result of the resources required for the current phases of construction projects in Russia.

In early 2015, SRV has been making significant investments in internal strategy communications. The core of SRV's strategy communications has been encapsulated in three main themes: profit, the customer, and the working community. SRV's internal training activities are now being developed under a common brand. The goal is to offer long-term, strategy-oriented competence development for a variety of target groups, while also taking a number of other factors into account, such as the SRV Approach, project management, occupational safety, cooperation, customer service, supervisory work, and business economics.

Personnel by business area	Percentage of Group personnel,		
	31 Mar 2015	31 Mar 2014	31 Mar 2015, %
Operations in Finland	649	636	67
International Operations	226	172	23
Other operations	96	87	10
Group, total	971	895	100

SRV currently has two share-based incentive schemes for the Group's key personnel. The earnings-based scheme is aimed at 26 key personnel and its earnings period covers the years 2014–2016. The incentive scheme for SRV Group Plc's President & CEO has an earnings period covering the years 2015-20. The earnings period for SRV's last incentive scheme was 2012-13. Its first restriction period ended on 31 December 2014 and the second will end on 31 December 2015. The cost of SRV's share-based incentive schemes was about EUR 0.6 million (EUR 0.1 million).

More detailed information about remuneration and incentive schemes for management can be found in the 2014 Notes to the Financial Statements, 2014 Annual Report, and the Salary and Remuneration Report of 30 December 2014 on the company's website.

Outlook for construction

Although the global outlook is slightly optimistic, the Finnish economy shows few signs of improvement. GDP growth for 2014 remained around the zero mark. The forecast for this year is mildly optimistic. The total volume of construction contracted by about three per cent in 2014, and a further decrease of about half a per cent is expected this year. An upswing in construction is forecast for 2016. The rise in building costs is moderate.

Residential construction will continue to slacken somewhat. The construction of an estimated 24,500 housing units was launched in 2014, and the number of start-ups is expected to decrease by about a further thousand this year. Sales of new housing units have slackened, especially outside the Helsinki Metropolitan Area. Demand for housing is still being affected by major uncertainty factors.

The slow pace of economic growth has kept the number of empty offices high, and the need for additional retail space has remained low. However, compared to last year, a clear increase is expected in start-ups for non-office business construction in 2015.

Steady annual growth of about 2.5 per cent is expected in renovation construction. Infrastructure construction is still being weakened by the decline in new construction work and the contraction in investments in highway construction and maintenance.

GDP growth in Russia almost ground to a halt in 2014. The crisis in Ukraine, the weakened rouble, and a fall in the price of oil have put the economy under considerable stress. Russia will be subject to major uncertainty in 2015 and a contraction of about 4 per cent is already being forecast in the economy as a whole. The situation in Russia also brings significant uncertainty factors to Estonia's economy, although slight growth is predicted during 2015.

Risks, risk management and corporate governance

SRV has published a separate Corporate Governance Statement in its 2014 Annual Report and on the company's website. More detailed information about the company's business risks and risk management has been provided in the 2014 Notes to the Financial Statements and 2014 Annual Report, and on the company's website. In SRV's opinion, no significant changes have occurred in the company's risks during the review period, except for the risks associated with the start-up of the REDI project, and risks relating to the Russian economy and the exchange rate for the Russian rouble, that is, risks mainly associated with the functionality of the financial sector.

REDI is a major project in relation to the size of the company and therefore includes risks associated with its implementation and financing. The risk relating to demand for foreign goods and services linked to the strengthening of the Russian rouble has decreased. On the other hand, part of the predicted savings from the Okhta project may not be actualised. Continued difficulties in the Russian economy may affect the functionality of the financial sector and financing for the company's projects in Russia regarding new financing agreements and already concluded financing agreements.

Corporate governance and resolutions of general meetings

The Annual General Meeting (AGM) of SRV Group Plc was held on 25 March 2015. The AGM adopted the Financial Statements for the period 1 January–31 December 2014 and granted release from liability to the members of the Board of Directors and the President & CEO. As proposed by the Board of Directors, a dividend of EUR 0.12 per share was declared. The dividend was paid on 7 April 2015. Mr Ilpo Kokkila was elected chairman of the Board of Directors and Ms Minna Alitalo, Mr Arto Hiltunen, Mr Olli-Pekka Kallasvuo, Mr Timo Kokkila, and Mr Risto Kyhälä were elected to seats on the Board. The firm of public accountants PricewaterhouseCoopers Oy was elected as the company's auditor for the next term of office, which ends at the conclusion of the 2016 Annual General Meeting. Samuli Perälä, Authorised Public Accountant, is the principal auditor.

The AGM authorised the Board of Directors to decide on the acquisition of the company's own shares, using the company's unrestricted equity. The Board was authorised to acquire a maximum

of 3,676,846 of the company's own shares in such a manner that the number of shares acquired on the basis of this authorisation, when combined with the shares already owned by the company and its subsidiaries, does not at any given time exceed 3,676,846 shares, or 10 per cent of all shares of the company. On the basis of this authorisation, the Board may acquire a maximum of 3,676,846 shares in public trading arranged by Nasdaq OMX Helsinki Oy at a market price valid at the moment of acquisition, as well as a maximum of 200,000 shares issued on the basis of incentive schemes to individuals employed by SRV Group without consideration, or for no more than the price at which an individual within the sphere of an incentive scheme is obliged to convey a share, such that the maximum number of acquired shares nevertheless remains at 3,676,846. The aforementioned authorisations include the right to acquire shares other than in proportion to the holdings of shareholders. Shares acquired on the basis of this authorisation may be acquired in one or several instalments. The company's own shares can be acquired for use, for example, as payment in corporate acquisitions, when the company acquires assets relating to its business, as part of the company's incentive programmes, or to be otherwise conveyed, held or cancelled. The authorisations as described above shall be in force for 18 months from the decision of the general meeting and cancel the authorisation granted by the Annual General Meeting to the Board of Directors on 26 March 2014. The Board of Directors shall decide on other terms relating to the acquisition.

The Board of Directors of SRV Group Plc held its organisation meeting on 25 March 2015. Minna Alitalo was elected as Chair of the Audit Committee, and Olli-Pekka Kallasvuo and Timo Kokkila as members. Ilpo Kokkila was elected as Chairman of the Nomination and Remuneration Committee, and Arto Hiltunen and Risto Kyhälä as members. Olli-Pekka Kallasvuo will serve as Vice Chairman of the Board of SRV Group Plc.

Juha Pekka Ojala, B.Sc. (Eng.), took over as President & CEO of SRV Group Plc on 1 January 2015. Ojala transferred from his position as CEO of SRV Construction Ltd.

After the end of the review period, on 13 January 2015, SRV Group Plc's Board of Directors appointed Juha Toimela, M.Sc. (Tech.), MBA, as CEO of SRV Construction Ltd and Vice President responsible for SRV's Business Operations in Finland. At the same time, Antero Nuutinen, B.Sc. (Eng.), was appointed Deputy CEO of SRV Construction Ltd, responsible for Housing and Regional Offices. Both Toimela and Nuutinen are members of SRV Group's Corporate Executive Team.

On 23 April 2015, SRV Group Plc's Board of Directors appointed Päivi Kauhanen SVP, Communications, and a member of the Corporate Executive Team. The former SVP, Communications, Taneli Hassinen, will leave the Group on 30 June 2015.

Shares and shareholders

SRV Group Plc's share capital is EUR 3,062,520. The share has no nominal value and the number of shares outstanding is 36,768,468. The company has one class of shares. SRV had a total of 6,046 shareholders on 31 March 2015.

The closing price at OMX Helsinki at the end of the review period was EUR 3.39 (EUR 2.83 on 31 December 2014, change 19.8%). The highest share price during the review period was EUR 3.50 and the lowest EUR 3.30. At period end, SRV's equity per share excluding the hybrid bond was EUR 5.07 (EUR 5.04 on 31 December 2014). During this period, the all-share index of the Helsinki Stock

Exchange (OMX Helsinki) was up 15.2 per cent, and the OMX Construction and Materials index down 22.2 per cent.

At the end of the financial year, the company had a market capitalisation of EUR 120.7 million, excluding the Group's treasury shares. 0.4 million shares were traded during the period with a trade volume of EUR 1.5 million. At the end of the review period, SRV Group Plc held 1,176,807 SRV Group Plc shares (3.2 per cent of the total number of the company's shares and combined number of votes). On 11 February 2015, the Group held 1,175,307 shares (3.2 per cent of the total number of the company's shares and votes). SRV Group Plc acquired 1,500 treasury shares in 2015 (6,000 in 2014).

Financial objectives

In February 2014, SRV's Board of Directors confirmed the Group's strategic goals for 2014-2018, as follows:

- During the strategic period, SRV will focus on improving profitability rather than on growth
- The average annual revenue of International Operations will rise to more than EUR 150 million
- The operating profit margin will reach 6 per cent
- The return on equity will be at least 15 per cent
- The equity ratio will remain above 30 per cent
- A dividend payment equalling 30 per cent of the annual result, taking into account the capital needs of business operations

For the set targets to be achieved, the number of developer-contracted projects must be stepped up substantially.

Outlook for 2015

In addition to general economic trends, SRV's revenue and result will be affected by several factors in 2015, such as: SRV's own projects are recognised as income upon delivery; the part of the order backlog that is continuously recognised as income mainly consists of low-margin contracting; trends in the order backlog's profit margins; the sales volume of developer-contracted housing and the completion schedules of the properties; and the start-up of new contracts and development projects. Construction of the SRV-developed REDI project in the Kalasatama district of Helsinki was launched at the beginning of April. Based on current completion schedules, SRV estimates that a total of 247 developer-contracted residential units will be completed during 2015.

Thanks to the REDI shopping centre start-up, the Group's full-year revenue for 2015 is expected to increase on 2014 (EUR 684.4 million 1-12/2014) and the result before taxes is forecast to be in the range of EUR 10-20 million (EUR 18.5 million 1-12/2014).

Espoo, 6 May 2015

Board of Directors

All forward-looking statements in this review are based on management's current expectations and beliefs about future events, and actual results may differ materially from the expectations and beliefs such statements contain.

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Key figures

		1-3/ 2015	1-3/ 2014	1-12/ 2014
Revenue	EUR million	172.9	138.5	684.4
Operating profit	EUR million	2.5	4.4	24.9
Operating profit, % of revenue	%	1.5	3.2	3.6
Profit before taxes	EUR million	3.3	2.2	18.5
Profit before taxes, % of revenue	%	1.9	1.6	2.7
Net profit attributable to equity holders of the parent company	EUR million	2.8	1.2	15.2
Return on equity ¹⁾	%	4.9	2.6	6.9
Return on investment ¹⁾	%	4.7	3.4	5.4
Invested capital	EUR million	469.1	467.7	449.8
Equity ratio	%	39.8	39.0	43.0
Net interest-bearing debt	EUR million	228.5	225.3	206.1
Gearing	%	101.0	103.0	91.6
Order backlog	EUR million	1 179.8	880.2	860.4
New agreements	EUR million	489.1	184.7	700.3
Average number of personnel		961	896	937
Earnings per share	EUR	0.05	0.01	0.33
Earnings per share (diluted)	EUR	0.05	0.01	0.33
Shareholders' equity	EUR	6.33	6.14	6.30
Equity per share (excluding the hybrid bond)	EUR	5.07	4.87	5.04
Dividend per share	EUR	0.12	0.12	0.12
Dividend payout ratio	%	240.0	1 200.0	36.4
Dividend yield	%	3.5	3.2	4.2
Price per earnings ratio		67.8	376.0	8.6
Share price development				
Share price at the end of the period	EUR	3.39	3.76	2.83
Average share price	EUR	3.41	4.10	3.81
Lowest share price	EUR	3.30	3.73	2.75
Highest share price	EUR	3.50	4.38	4.38
Market capitalisation at period end	EUR million	120.7	133.5	100.7
Trading volume	1,000 pcs.	438	1 633	3 613
Trading volume, %	%	1.2	4.6	10.2
Weighted average number of shares outstanding during the period	1,000 pcs.	35 593	35 495	35 558
Weighted average number of shares outstanding during the period (diluted)	1,000 pcs.	35 618	35 599	35 583
Number of shares outstanding at the end of the period (share issue adjusted)	1,000 pcs.	35 592	35 495	35 593

¹⁾ In calculation the key ration, only the profit for the review period has been annualised.

Calculation of key figures

Gearing ratio, %	=	100 x $\frac{\text{Net interest-bearing debt}}{\text{Total equity}}$
Return on equity, %	=	100 x $\frac{\text{Total comprehensive income for the period}}{\text{Total equity, average}}$
Return on investment, %	=	100 x $\frac{\text{Result before taxes + interest and other financial expenses (without exchange rate gains and losses)}}{\text{Invested capital, average}}$
Equity ratio, %	=	100 x $\frac{\text{Total equity}}{\text{Total assets – advances received}}$
Invested capital	=	Total assets – non-interest bearing debt – deferred tax liabilities – provisions
Net interest-bearing debt	=	Interest bearing debt – cash and cash equivalents
Earnings per share attributable to equity holders of the parent company	=	$\frac{\text{Result for the period – non-controlling interest – hybrid bond interest}}{\text{Average number of shares (share-issue adjusted)}}$
Earnings per share attributable to equity holders of the parent company (diluted)	=	$\frac{\text{Result for the period – non-controlling interest – hybrid bond interest}}{\text{Average number of shares (share-issue adjusted, diluted)}}$
Shareholders' equity	=	$\frac{\text{Shareholders' equity attributable to equity holders of the parent company}}{\text{Average number of shares at end of period (share-issue adjusted)}}$
Shareholders' equity (without hybrid bond)	=	$\frac{\text{Shareholders' equity attributable to equity holders of the parent company – hybrid bond}}{\text{Average number of shares at end of period (share-issue adjusted)}}$
Price per earnings ratio (P/E-ratio)	=	$\frac{\text{Share price at end of period}}{\text{Earnings per share}}$
Dividend payout ratio, %	=	100 x $\frac{\text{Dividend per share}}{\text{Earnings per share}}$
Dividend yield, %	=	100 x $\frac{\text{Dividend per share}}{\text{Share price at end of period}}$
Average share price	=	$\frac{\text{Number of shares traded in euros during the period}}{\text{Number of shares traded during the period}}$
Market capitalisation at the end of the period	=	Number of shares outstanding at the end of the period x share price at the end of the period
Trading volume	=	Number of shares traded during the period and their percentage of the weighted average number of shares outstanding

SRV GROUP PLC INTERIM REPORT, 1 JANUARY – 31 MARCH 2015: TABULATED SECTION

APPENDICES

- 1) Consolidated Interim Report information: income statement, balance sheet, cash flow statement, statement of changes in equity, commitments and contingent liabilities, derivative contracts liabilities
- 2) Quarterly development
- 3) Segment information, inventories and insider events
- 4) Events after the reporting period

Q1 Interim Report 1 January–31 March 2015

This interim report has been prepared in accordance with the IAS standard 34, Interim Financial Reporting. In preparing this interim report, SRV has applied the same accounting principles as in its year-end financial statements for 2014. However, as of 1 January 2015, the Group began to apply the new or revised IFRS standards and IFRIC interpretations published by IASB, specified in the accounting principles of SRV's year-end financial statements for 2014.

In its 2014 consolidated financial statements, SRV changed the way in which it presents investments in associated and joint venture companies as well as the calculation of the earnings per share indicator, as described in greater detail in the accounting principles of the annual financial statements. The comparison period figures presented in the interim report have been adjusted accordingly.

The information disclosed in this interim report is unaudited. The figures have been rounded up to millions of euros, so the sum total of individual figures may deviate from the sum total presented.

Consolidated income statement (EUR million)	1-3/ 2015	1-3/ 2014	change, MEUR	change, %	1-12/ 2014
Revenue	172.9	138.5	34.4	24.9	684.4
Other operating income	0.1	1.3	-1.1	-88.6	4.9
Change in inventories of finished goods and work in progress	-10.6	0.8	-11.4		-54.6
Use of materials and services	-141.2	-115.9	-25.3	21.8	-533.1
Employee benefit expenses	-15.5	-16.1	0.6	-3.5	-63.2
Share of profits of associated companies	1.0	0.0	0.9	4775.7	1.0
Depreciation and impairments	-0.7	-0.7	-0.1	8.4	-2.0
Other operating expenses	-3.4	-3.5	0.1	-3.1	-12.5
Operating profit	2.5	4.4	-1.9	-42.8	24.9
Financial income	2.8	0.0	2.8		2.8
Financial expenses	-2.0	-2.3	0.2	-10.9	-9.3
Financial income and expenses, total	0.8	-2.3	3.1		-6.4
Profit before taxes	3.3	2.2	1.2	54.0	18.5
Income taxes	-0.6	-0.7	0.2	-20.6	-3.2
Net profit for the period	2.8	1.4	1.3	92.1	15.4
Attributable to					
Equity holders of the parent company	2.8	1.2			15.2
Non-controlling interests	0.0	0.2			0.2
Earnings per share attributable to equity holders of the parent company	0.05	0.01			0.33
Earnings per share attributable to equity holders of the parent company (diluted)	0.05	0.01			0.33
Statement of comprehensive income (EUR million)			1-3/ 2015	1-3/ 2014	1-12/ 2014
Net profit for the period			2.8	1.4	15.4
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Financial assets available for sale			0.0	0.0	-1.2
Income tax relating to components of other comprehensive income			0.0	0.0	0.2
Gains and losses arising from translating the financial statements of a foreign operation			1.5	-0.7	-5.3
Share of other comprehensive income of associated companies and joint ventures			0.5	0.0	0.0
Other comprehensive income for the period, net of tax			2.1	-0.7	-6.2
Total comprehensive income for the period			4.8	0.7	9.1
Attributable to					
Equity holders of the parent company			4.9	0.5	9.0
Non-controlling interests			0.0	0.2	0.2

Consolidated balance sheet (EUR million)	31 Mar 15	31 Mar 14	change, %	31 Dec 14
ASSETS				
Non-current assets				
Property, plant and equipment	11.0	12.0	-8.5	11.3
Goodwill	1.7	1.7	0.0	1.7
Other intangible assets	0.7	0.7	0.5	0.7
Shares in associated companies and joint ventures	109.6	71.7	52.8	100.0
Other financial assets	9.2	10.8	-14.6	9.2
Receivables	3.3	6.1	-46.5	0.9
Loan receivables from associated companies and joint ventures	30.1	23.8	26.3	30.0
Deferred tax assets	6.8	7.3	-6.6	7.0
Non-current assets, total	172.4	134.2	28.5	160.8
Current assets				
Inventories	306.7	367.9	-16.6	312.8
Trade and other receivables	132.0	88.8	48.5	82.6
Loan receivables from associated companies and joint ventures	1.1	1.1	0.0	1.1
Current tax receivables (based on profit for the review period)	0.7	3.6	-79.6	0.3
Cash and cash equivalents	14.4	23.6	-39.1	18.4
Current assets, total	454.9	485.1	-6.2	415.2
ASSETS, TOTAL	627.3	619.3	1.3	576.1

Consolidated balance sheet (EUR million)	31 Mar 15	31 Mar 14	change, %	31 Dec 14
EQUITY AND LIABILITIES				
Equity attributable to the equity holders of the parent company				
Share capital	3.1	3.1	0.0	3.1
Invested free equity fund	92.6	92.2	0.5	92.3
Translation differences	-3.2	-0.8	323.8	-5.3
Fair value reserve	-0.9	0.0		-0.9
Hybrid bond	45.0	45.0	0.0	45.0
Retained earnings	88.9	78.4	13.4	90.3
Equity attributable to equity holders of the parent company, total	225.4	217.9	3.4	224.4
Non-controlling interests	0.8	0.8	-4.5	0.8
Total equity	226.2	218.8	3.4	225.2
Non-current liabilities				
Deferred tax liabilities	1.6	2.7	-41.4	1.5
Provisions	6.4	6.6	-3.4	6.5
Interest-bearing liabilities	150.4	151.6	-0.8	147.0
Other liabilities	3.2	1.5	108.7	0.0
Non-current liabilities, total	161.6	162.5	-0.6	155.1
Current liabilities				
Trade and other payables	140.3	134.2	4.5	111.5
Current tax payables (based on profit for the review period)	3.1	3.2	-4.0	2.7
Provisions	3.7	3.3	12.9	4.0
Interest-bearing liabilities	92.4	97.3	-5.0	77.6
Current liabilities, total	239.5	238.0	0.6	195.8
Total liabilities	401.1	400.5	0.1	350.9
EQUITY AND LIABILITIES	627.3	619.3	1.3	576.1

Consolidated cash flow statement (EUR million)	1-3/2015	1-3/2014	1-12/2014
Cash flows from operating activities			
Net profit for the period	2.8	1.4	15.4
Adjustments:			
Depreciation and impairments	0.7	0.7	2.0
Non-cash transactions	0.9	0.8	1.2
Financial income and expenses	-0.8	2.3	6.4
Capital gains/losses on sales of tangible and intangible assets	0.0	0.0	0.0
Income taxes	0.6	0.7	3.2
Adjustments, total	1.4	4.5	12.8
Changes in working capital:			
Change in loan receivables	-2.8	-1.1	-0.8
Change in trade and other receivables	-48.3	-13.9	-8.3
Change in inventories	5.8	-2.8	50.8
Change in trade and other payables	27.7	8.9	-7.1
Changes in working capital, total	-17.6	-8.9	34.7
Interest paid and other financial expenses	-1.3	-1.1	-14.7
Interest received	0.0	0.0	0.2
Income taxes paid	-0.4	-1.1	-1.5
Net cash flow from operating activities	-15.1	-5.1	47.0
Cash flow from investing activities			
Property, plant and equipment	-0.4	-0.4	-2.5
Intangible assets	0.0	0.0	-0.1
Other financial assets	-6.9	-4.0	-31.1
Sale of property, plant and equipment and intangible assets	0.1	0.0	0.1
Sale of financial assets	0.0	0.0	0.0
Net cash flow from investing activities	-7.2	-4.4	-33.7
Cash flow from financing activities			
Proceeds from loans	25.4	0.2	10.7
Repayments of loans	-25.9	-0.6	-10.2
Change in housing corporation loans	-4.3	-13.8	-15.8
Net change in short-term loans	23.1	-42.5	-65.4
Purchase and sale of treasury shares	0.0	0.0	0.2
Dividends paid	0.0	0.0	-4.3
Net cash flow from financing activities	18.2	-56.8	-84.8
Net change in cash and cash equivalents	-4.1	-66.3	-71.5
Cash and cash equivalents at the beginning of period	18.4	90.0	90.0
Effect of exchange rate changes on cash and cash equivalents	0.0	0.0	0.0
Cash and cash equivalents at the end of period	14.4	23.6	18.4

	Equity attributable to the equity holders of the parent company						Total	Non-controlling interests	Total equity
	Share capital	Invested free equity fund	Hybrid bond	Translation differences	Fair value reserve	Retained earnings			
Statement of changes in Group equity 1 January–31 March 2015 (EUR million)									
Equity on 1 January 2015	3.1	92.3	45.0	-5.3	-0.9	90.3	224.4	0.8	225.2
Comprehensive income for the review period	0.0	0.0	0.0	2.1	0.0	2.8	4.9	0.0	4.8
Dividends paid	0.0	0.0	0.0	0.0	0.0	-4.3	-4.3	0.0	-4.3
Share-based incentive plan	0.0	0.0	0.0	0.0	0.0	0.5	0.5	0.0	0.5
Purchase of treasury shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sale of treasury shares ¹⁾	0.0	0.4	0.0	0.0	0.0	-0.4	0.0	0.0	0.0
Hybrid bond	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity on 31 March 2015	3.1	92.6	45.0	-3.2	-0.9	88.9	225.4	0.8	226.2

¹⁾ Sale of treasury shares includes a transfer between an invested free equity fund and retained earnings.

Statement of changes in Group equity 1 January–31 March 2014 (EUR million)									
Equity on 1 January 2014	3.1	92.2	45.0	0.0	0.0	81.3	221.6	0.6	222.2
Total comprehensive income for the year	0.0	0.0	0.0	-0.8	0.0	1.2	0.5	0.2	0.7
Dividends paid	0.0	0.0	0.0	0.0	0.0	-4.2	-4.3	0.0	-4.3
Share-based incentive plan	0.0	0.0	0.0	0.0	0.0	0.9	0.9	0.0	0.9
Purchase of treasury shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sale of treasury shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Hybrid bond	0.0	0.0	0.0	0.0	0.0	-0.8	-0.8	0.0	-0.8
Other changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity on 31 March 2014	3.1	92.2	45.0	-0.8	0.0	78.4	217.9	0.8	218.8

Statement of changes in Group equity 1 January–31 December 2014 (EUR million)									
Equity on 1 January 2014	3.1	92.2	45.0	0.0	0.0	81.3	221.6	0.6	222.2
Comprehensive income for the review period	0.0	0.0	0.0	-5.3	-0.9	15.2	9.0	0.2	9.1
Dividends paid	0.0	0.0	0.0	0.0	0.0	-4.3	-4.3	0.0	-4.3
Share-based incentive plan	0.0	0.0	0.0	0.0	0.0	1.3	1.3	0.0	1.3
Purchase of treasury shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sale of treasury shares	0.0	0.1	0.0	0.0	0.0	0.2	0.2	0.0	0.2
Hybrid bond	0.0	0.0	0.0	0.0	0.0	-3.4	-3.4	0.0	-3.4
Other changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity on 31 December 2014	3.1	92.3	45.0	-5.3	-0.9	90.3	224.4	0.8	225.2

Commitments and contingent liabilities (EUR million)	31 Mar 2015	31 Mar 2014	change, %	31 Dec 2014
Collateral given for own liabilities				
Real estate mortgages given ¹⁾	74.5	81.8	-8.9	79.2
Pledges given	0.0	0.0		0.0
Other commitments				
Guarantees given for liabilities on uncompleted projects	0.0	0.0		0.0
Investment commitments given	115.8	10.3	1021.5	9.6
Plot purchase commitments	160.3	145.5	10.2	185.8

1) Real estate mortgages include the total value of mortgages given as collateral for developer contracting housing production against the housing corporation loans of uncompleted and unsold completed projects.

Fair and nominal values of derivative instruments (EUR million)	3/2015		3/2014		12/2014	
	Positive	Negative	Positive	Negative	Positive	Negative
Hedge accounting not applied						
Foreign exchange forward contracts	0.0	0.0	0.0	0.0	0.0	0.0
Interest rate swaps	0.0	0.0	0.0	0.2	0.0	0.0
Nominal values of derivative instruments	3/2015		3/2014		12/2014	
Foreign exchange forward contracts	0.0		0.0		0.0	
Interest rate swaps	0.0		30.0		0.0	

The fair values of foreign exchange forward contracts are based on market prices at the end of the reporting period.

Open foreign exchange forward contracts are hedging the financing cash flow.

2. Group and Segment information by quarter

SRV Group (EUR million)	1-3/15	10-12/14	7-9/14	4-6/14	1-3/14
Revenue	172.9	193.8	209.0	143.1	138.5
Operating profit	2.5	9.6	6.0	4.9	4.4
Financial income and expenses, total	0.8	-2.4	-0.2	-1.5	-2.3
Profit before taxes	3.3	7.2	5.7	3.4	2.2
Order backlog ¹⁾	1 179.8	860.4	944.1	1 047.0	880.2
New agreements	489.1	108.0	90.3	317.3	184.7
Earnings per share, EUR	0.05	0.13	0.14	0.05	0.01
Equity per share, EUR ¹⁾	5.07	5.04	5.13	4.97	4.87
Share closing price, EUR ¹⁾	3.39	2.83	3.67	4.13	3.76
Equity ratio, % ¹⁾	39.8	43.0	38.9	38.4	39.0
Net interest-bearing debt ¹⁾	228.5	206.1	255.1	252.7	225.3
Gearing, % ¹⁾	101.0	91.6	111.6	113.4	103.0

1) at period end

Revenue (EUR million)	1-3/15	10-12/14	7-9/14	4-6/14	1-3/14
Operations in Finland	157.1	176.0	196.5	131.0	124.4
- accounted for by business construction	114.0	99.1	144.9	82.5	69.0
- accounted for by housing construction	43.1	76.9	51.7	48.5	55.4
International Operations	15.9	17.8	12.6	12.4	14.2
Other operations	3.8	4.2	5.0	5.4	4.9
Eliminations	-3.8	-4.1	-5.1	-5.7	-4.9
Group, total	172.9	193.8	209.0	143.1	138.5

Operating profit (EUR million)	1-3/15	10-12/14	7-9/14	4-6/14	1-3/14
Operations in Finland	3.3	10.2	6.2	7.0	6.6
International Operations	0.7	1.8	0.2	-0.4	-0.6
Other operations	-1.5	-2.4	-0.4	-1.8	-1.6
Eliminations	0.0	0.0	0.0	0.0	0.0
Group, total	2.5	9.6	6.0	4.9	4.4

Operating profit, %	1-3/15	10-12/14	7-9/14	4-6/14	1-3/14
Operations in Finland	2.1	5.8	3.1	5.4	5.3
International Operations	4.1	10.1	1.6	-2.9	-4.0
Group, total	1.5	5.0	2.9	3.4	3.2

Order backlog (EUR million)	31 Mar 15	31 Dec 14	30 Sep 14	30 Jun 14	31 Mar 14
Operations in Finland	1 062.9	723.2	777.8	920.0	721.5
- accounted for by business construction	801.1	450.1	505.6	633.1	477.2
- accounted for by housing construction	261.8	273.1	272.3	286.9	244.2
International Operations	116.9	137.2	166.2	126.9	158.8
Group, total	1 179.8	860.4	944.1	1 047.0	880.2
- sold order backlog	1 037	729	817	873	698
- unsold order backlog	142	132	127	174	182

Order backlog, housing construction in Finland

(EUR million)	31 Mar 15	31 Dec 14	30 Sep 14	30 Jun 14	31 Mar 14
Contracts and negotiated contracts	88	122	146	179	130
Under construction, sold	39	28	16	14	13
Under construction, unsold	79	59	41	26	27
Completed and unsold	56	65	69	68	74
Housing construction, total	262	273	272	287	244

Capital invested (EUR million)	31 Mar 15	31 Dec 14	30 Sep 14	30 Jun 14	31 Mar 14
Operations in Finland	273.3	277.2	298.9	303.1	275.3
International Operations	211.3	203.0	208.5	192.8	181.7
Other operations and eliminations	-15.5	-30.5	-2.2	-3.6	10.7
Group, total	469.1	449.8	505.1	492.3	467.7

 Housing production in Finland,
no.

	1-3/15	10-12/14	7-9/14	4-6/14	1-3/14
Units sold, total	74	206	102	288	160
- developer contracting	74	122	65	29	72
- investor sales ²⁾	0	84	37	259	88
Developer contracting					
- start-ups	66	197	111	0	22
- completed	0	63	86	0	100
- completed and unsold	152	183	194	173	198
Under construction, total ¹⁾	1 356	1 625	1 612	1 638	1 185
- contracts ¹⁾	492	625	649	649	455
- sold, negotiated contracts ¹⁾²⁾	468	670	767	818	559
- developer contracting ¹⁾	396	330	196	171	171
- of which sold ¹⁾	154	111	63	63	59
- of which unsold ¹⁾	242	219	133	108	112

1) at period-end 2) investor sales under negotiated contracts

3. Segment information

SRV's reporting segments are Operations in Finland, International Operations and Other operations.

Assets

(EUR million)	31 Mar 2015	31 Mar 2014	change, MEUR	change, %	31 Dec 14
Operations in Finland	398.5	396.1	2.3	0.6	380.0
International Operations	235.9	205.8	30.1	14.6	226.2
Other operations	349.9	335.6	14.3	4.2	352.7
Eliminations and other adjustments	-356.9	-318.3	-38.7		-382.8
Group, total	627.3	619.3	8.0	1.3	576.1

Liabilities

(EUR million)	31 Mar 2015	31 Mar 2014	change, MEUR	change, %	31 Dec 14
Operations in Finland	257.1	254.2	2.9	1.1	240.7
International Operations	161.0	135.7	25.3	18.6	155.7
Other operations	169.6	158.6	11.0	6.9	167.0
Eliminations and other adjustments	-186.6	-148.0	-38.6		-212.4
Group, total	401.1	400.5	0.6	0.1	350.9

Invested capital

(EUR million)	31 Mar 2015	31 Mar 2014	change, MEUR	change, %	31 Dec 14
Operations in Finland	273.3	275.3	-2.0	-0.7	277.2
International Operations	211.3	181.7	29.5	16.2	203.0
Other operations and eliminations	-15.5	10.7	-26.2	-245.5	-30.5
Group, total	469.1	467.7	1.3	0.3	449.8

Return on investment, %

	1-3/15	1-3/14
Operations in Finland	4.8	9.3
International Operations	6.7	-1.5
Group, total	4.7	3.4

Inventories

(EUR million)	31 Mar 2015	31 Mar 2014	change, MEUR	31 Mar 2014
Land areas and plot-owning companies	182.2	159.4	22.8	162.1
Operations in Finland	114.7	88.9	25.8	96.0
International Operations	67.5	70.5	-3.1	66.1
Work in progress	60.2	70.0	-9.7	79.4
Operations in Finland	57.8	67.4	-9.6	77.1
International Operations	2.4	2.5	-0.1	2.3
Shares in completed housing corporations and real estate companies	53.5	129.3	-75.8	61.0
Operations in Finland	51.2	127.8	-76.6	58.2
International Operations	2.3	1.5	0.8	2.8
Other inventories	10.8	9.2	1.6	10.3
Operations in Finland	7.2	5.8	1.4	6.0
International Operations	3.6	3.4	0.2	4.3
Inventories, total	306.7	367.9	-61.2	312.8
Operations in Finland	230.9	290.0	-59.0	237.3
International Operations	75.8	78.0	-2.2	75.4

Insider events (EUR million)	Salaries and compensation	Sale of goods and services	Purchase of goods and services	Interest income	Receivables ¹⁾	Liabilities
31 March 2015						
Management and the Board of Directors	0.6	0.0	0.0	0.0	0.0	0.0
Joint ventures	0.0	1.8	0.0	0.0	2.7	0.0
Associated companies	0.0	14.9	0.0	0.4	34.7	3.4
Other insiders	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.6	16.7	0.0	0.5	37.4	3.4
31 March 2014						
Management and the Board of Directors	0.7	0.0	0.0	0.0	0.0	0.0
Joint ventures	0.0	0.2	0.0	0.0	4.3	0.0
Associated companies	0.0	12.7	0.0	0.1	33.5	3.0
Other insiders	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.7	12.9	0.0	0.1	37.8	3.0
31 December 2014						
Management and the Board of Directors	3.7	0.0	0.0	0.0	0.0	0.0
Joint ventures	0.0	0.8	0.0	0.2	2.3	0.0
Associated companies	0.0	40.0	-0.1	2.1	34.1	0.0
Other insiders	0.0	0.1	0.0	0.0	0.0	0.0
Total	3.7	40.9	-0.1	2.3	36.4	0.0

1) The company has adjusted the presentation of loan receivables granted to associated companies and joint ventures in insider events. The figures for the comparison period have been adjusted accordingly.