SRV GROUP PLC INTERIM REPORT 31 OCTOBER 2013, at 8:30 AM

POSITIVE PROFITABILITY TREND CONTINUES – SRV REVISES ITS REVENUE OUTLOOK: SRV'S INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2013

Reporting period 1 January – 30 September 2013 in brief:

- SRV's revenue was EUR 507.8 million (EUR 466.2 million 1-9/2012), change +8.9%
- Operating profit was EUR 21.8 million (EUR 4.5 million), change +386%
- Profit before taxes was EUR 19.2 million (EUR 0.6 million)
- The order backlog at the close of the review period was EUR 911.5 million (EUR 747.1 million), change +22.0%
- Equity ratio was 39.3 per cent (28.5%)
- Earnings per share were EUR 0.38 (EUR -0.01)

SRV revises its outlook for 2013 in terms of revenue and reiterates the outlook in terms of profit before taxes. SRV estimates that both Domestic Operations' and International Operations' revenue will exceed last year's level and that the growth of the final quarter's revenue will slow down due to uncertainties related to the level of domestic housing sales. In addition, SRV expects that the sales of the Etmia II office property in Moscow and the Derby Business Park in Espoo are unlikely to materialise in 2013. The Group's full-year revenue is expected to amount to around EUR 700 million (EUR 641.6 million 1-12/2012), and profit before taxes is estimated to be at least around EUR 20 million (EUR 2.8 million 1-12/2012).

Earlier guidance: The Group's full-year revenue is expected to exceed EUR 700 million, and profit before taxes is estimated to be at least around EUR 20 million.

Third quarter 1 July – 30 September 2013 in brief:

- Revenue amounted to EUR 170.0 million (EUR 155.8 million in 7-9/ 2012)
- Operating profit was EUR 6.9 million (EUR -0.4 million)
- Profit before taxes was EUR 5.2 million (EUR -2.1 million)
- Earnings per share were EUR 0.06 (EUR -0.04)

The interim report has been prepared in accordance with IAS 34. The disclosed information is unaudited.

<u>CEO Jukka Hienonen comments on SRV's result:</u>

SRV's improved profitability trend has been encouraging, and this is a result of our chosen strategic focus. The biggest change in profitability took place in the second quarter, but in July-September SRV has continued to perform significantly better than in the previous year. The sector outlook is becoming more difficult as we approach the winter, however, and we must all be prepared for this.

SRV has shifted its business focus from the domestic market to Russia, where the company has concentrated on shopping centre construction. Our International Operations' share of revenue has grown from just over 10 per cent last year to nearly 20 per cent. Russian business has been boosted by the Pearl Plaza shopping centre, which opened successfully in August, and by construction work on the site of the Okhta Mall shopping centre, which started on the same day. In addition to construction, our roles as a developer of, manager in and investor in shopping centre projects have created a foundation for long-term profitable business in Russia.

In Domestic Operations, we have managed a slight improvement in profitability, and revenue remained good due to a strong order backlog. The commercial premises market currently consists mainly of public contracts in which the constructors are mostly selected through competitive tenders. We have participated in these competitive tenders selectively, aiming to win the type of projects in which our added value for the client would also allow a health profit margin for SRV.

The domestic housing market is declining and also imbalanced. Large residential units are moving more slowly, while smaller properties are still selling well. Sales to housing funds have also increased demand for small apartments, and there is even a shortage of such properties on the market. Consumer sales are influenced by people’s general confidence in their own financial situation, which this year has been adversely affected by a deteriorating employment trend and implemented tax decisions. SRV is building 450 rental homes on land that it owns. Our total housing sales grew significantly from last year. There were fewer start-ups, on the other hand, due to the market situation.

Our financial position has strengthened over the year. The equity ratio is 40 per cent and our finances will remain robust even if market conditions deteriorate further. With respect to the REDI shopping centre and residential units being planned for the Kalasatama Centre, we are currently engaged in investment and financing negotiations, which it has now been possible to resume after an appeals process that lasted one and a half years. We expect that we will be in a position to start large-scale construction at Kalasatama next year.

We approach the coming winter prepared for a slow-down in the domestic construction market. Our long-term business projects in Finland and Russia will provide the continuity by which we will maintain stability during fluctuations in economic conditions.

SRV'S INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2013

Group key figures (IFRS, EUR million)	1-9/ 2013	1-9/ 2012	change, MEUR	change, %	7-9/ 2013	7-9/ 2012	1-12/ 2012
Revenue	507.8	466.2	41.6	8.9	170.0	155.8	641.6
Operating profit	21.8	4.5	17.3	385.8	6.9	-0.4	6.9
Financial income and expenses, total	-2.6	-3.9	1.3		-1.7	-1.8	-4.1
Profit before taxes	19.2	0.6	18.6	2960.7	5.2	-2.1	2.8
Order backlog	911.5	747.1	164.4	22.0			827.8
New agreements	532.4	346.5	185.9	53.6	107.9	138.5	594.5
Operating profit, %	4.3	1.0			4.0	-0.2	1.1
Net profit, %	3.3	-0.1			2.0	-1.0	0.1
Equity ratio, %	39.3	28.5					34.7
Net interest-bearing debt	227.1	311.3	-84.2	-27.1			267.9
Gearing, %	102.8	187.7					126.2
Return on investment, % 1)	6.4	1.8					2.2
Return on equity, % 1)	10.4	-0.4					0.5
Earnings per share, EUR	0.38	-0.01	0.39		0.06	-0.04	0.02
Equity per share, EUR	4.95	4.58	0.37	8.1			4.62
Share price at end of period, EUR	4.41	3.44	0.97	28.2			3.26
Weighted average number of shares outstanding, millions	35.5	35.5					35.5

1) In calculating the key ratio, only the profit for the period has been annualised.

Overall review

The Group's order backlog rose to EUR 911.5 million (EUR 747.1 million 9/2012). The value of new agreements grew to EUR 532.4 million (EUR 346.5 million 1-9/2012).

Thanks to growth in revenue from International Operations, the Group's revenue grew by 8.9 per cent to EUR 507.8 million (EUR 466.2 million 1-9/2012). The Group's operating profit rose to EUR 21.8 million (EUR 4.5 million) following operating profit improvements in International Operations in the second quarter and in Domestic Operations in the third quarter. The operating profit margin was 4.3 per cent (1.0%). Several factors contribute to the quarterly variation in the 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 project development nature of operations. The Group's profit before taxes was EUR 19.2 million (EUR 0.6 million). Financial expenses decreased, which had a positive effect on the result for the period.

The Group's equity ratio was 39.3 per cent (28.5%). Profitability improvement and the EUR 45 million hybrid bond that SRV issued on 28 December 2012 contributed to the growth in equity ratio.

Revenue from Domestic Operations was EUR 418.9 million (EUR 411.1 million 1-9/2012) and operating profit was EUR 13.4 million (EUR 13.1 million). Revenue and operating profit growth could be attributed to the increase in revenue from developer contracting during the third quarter.

In addition, the profitability of commercial contracting has developed positively during the review period. The level of operating profit was also affected by the fact that the order backlog recognised as income mainly consisted of low-margin contracting, and a EUR 5.2 million profit margin decrease was recognised for one ongoing and four completed projects, primarily in the first quarter. The domestic order backlog rose to EUR 727.8 million (EUR 676.2 million). In order to improve profitability, the company will now be focusing on increasing developer contracting and negotiated contracts.

On the whole, housing sales trend in Finland was positive, with SRV selling a total of 584 units (538 1-9/2012) to consumers and investors. As sales to consumers slackened in the second quarter due to growing economic uncertainty and the transfer tax hike, the focus has been shifted to rental housing development projects. In addition to the sale of 316 rental housing units (201) to investors under negotiated contracts, SRV made preliminary agreements with two housing funds to build 252 housing units on plots owned by SRV. The units to be built under the preliminary agreements are not included in the domestic order backlog.

SRV had 1,398 rental and owner-occupied units under construction (2,126 on 30 September 2012), of which 550 were developer-contracted. 81 per cent of housing units under construction have been sold, and 71 per cent of production consists of rental and right-of-occupancy units. Based on advance marketing, the decision has been made to initiate the construction of 22 additional housing units. The volume of housing contracting has been reduced, and 61 per cent of production (43%) consisted of rental housing development projects or developed-contracted production sold to investors.

Revenue from International Operations rose to EUR 89.0 million (EUR 55.1 million). Most of the revenue was generated by the construction of the Pearl Plaza shopping centre, 50%-owned by SRV, and the sale in June of a 55 per cent stake in the Okhta Mall shopping centre project in St. Petersburg to investment company Russia Invest. Operating profit was EUR 11.7 million (EUR -5.6 million). Growth in the level of activity, the sale of the company’s holding in the shopping centre project, and the implementation of cost-savings measures contributed to the improvement in operating profit. Other contributing factors included the EUR 8.3 million change in the fair value of the holding in the Okhta Mall shopping centre following the surrender of SRV's controlling interest in a transaction carried out in June and the subsequent measurement of its remaining holding at fair value based on the sale of the majority holding.

The Group’s third-quarter revenue was EUR 170.0 million (EUR 155.8 million) and operating profit was EUR 6.9 million (EUR -0.4 million). The rise in revenue and operating profit could be attributed to the growth in the revenue and profitability of International Operations.

Of SRV’s major international projects, the Pearl Plaza shopping centre in St. Petersburg was completed in August 2013 and all of its premises have either been leased or a lease is in the final stages of negotiation. Leasing of the Okhta Mall shopping centre project in St. Petersburg has likewise progressed well, and its construction work has begun. Projects in Finland include the construction of the Derby Business Park in the Perkkaa district of Espoo. The second phase of this project was completed in June 2013, and over 90 per cent of the premises have been leased.

SRV’s own project development operations are paving the way for substantially increasing operating volumes in Finland. These projects require long-term development work and are being carried out over the course of several years. Many of SRV’s projects are so-called landmark projects – innovative new solutions for the needs of sustainable regional construction. Such projects include, for example, the Keilaniemi Towers residential project, the Kalasatama Centre in Helsinki, and a project to develop the area adjacent to the Niittykumpu metro station in Espoo. In St. Petersburg and Moscow, SRV will from now on focus on the development of shopping centre projects. SRV will harness the investment potential of both the Russia Invest investment firm and the VTB and Ashmore property funds in order to support the financing of these projects.

Key figures for the Segments

Revenue (EUR million)	1-9/ 2013	1-9/ 2012	change, MEUR	change, %	7-9/ 2013	7-9/ 2012	1-12/ 2012
Domestic Operations	418.9	411.1	7.8	1.9	155.0	139.7	568.3
International Operations	89.0	55.1	33.9	61.6	15.1	16.1	73.1
Other Operations	9.2	11.0	-1.8	-16.4	2.9	3.6	14.4
Eliminations	-9.3	-11.0	1.7		-2.9	-3.6	-14.3
Group, total	507.8	466.2	41.6	8.9	170.0	155.8	641.6

Operating profit (EUR million)	1-9/ 2013	1-9/ 2012	change, MEUR	change, %	7-9/ 2013	7-9/ 2012	1-12/ 2012
Domestic Operations	13.4	13.1	0.3	2.5	7.3	1.9	14.8
International Operations	11.7	-5.6	17.3		0.2	-1.1	-3.2
Other Operations	-3.3	-3.0	-0.3		-0.6	-1.1	-4.7
Eliminations	0.0	0.0	0.0		0.0	0.0	0.0
Group, total	21.8	4.5	17.3	385.8	6.9	-0.4	6.9

Operating profit, (%)	1-9/2013	1-9/2012	7-9/2013	7-9/2012	1-12/2012
Domestic Operations	3.2	3.2	4.7	1.3	2.6
International Operations	13.1	-10.2	1.1	-7.0	-4.4
Group, total	4.3	1.0	4.0	-0.2	1.1

Order backlog (EUR million)	9/2013	9/2012	change, MEUR	change, %	12/2012
Domestic Operations	727.8	676.2	51.5	7.6	774.4
International Operations	183.7	70.9	112.8	159.2	53.4
Group, total	911.5	747.1	164.4	22.0	827.8
- sold order backlog	704	517	187	36.2	610
- unsold order backlog	207	230	-23	-9.9	218

Earnings trends of the Segments

Domestic Operations (EUR million)	1-9/ 2013	1-9/ 2012	change, MEUR	change, %	7-9/ 2013	7-9/ 2012	1-12/ 2012
Revenue	418.9	411.1	7.8	1.9	155.0	139.7	568.3
- business construction	230.2	221.8	8.4	3.8	88.1	78.9	305.3
- housing construction	188.7	189.3	-0.6	-0.3	66.9	60.7	263.0
Operating profit	13.4	13.1	0.3	2.5	7.3	1.9	14.8
Operating profit, %	3.2	3.2			4.7	1.3	2.6
Order backlog	727.8	676.2	51.5	7.6			774.4
- business construction	451.1	312.1	139.1	44.6			438.7
- housing construction	276.6	364.2	-87.5	-24.0			335.7

The Domestic Operations segment consists of SRV's property development and construction operations in Finland. Operations are divided into housing construction and commercial construction, which comprises retail, office, logistics, earthworks, and rock construction operations.

Revenue for Domestic Operations totalled EUR 418.9 million (EUR 411.1 million 1-9/2012), and accounted for 82 per cent of the Group's revenue (88 %). Operating profit totalled EUR 13.4 million (EUR 13.1 million), generating an operating margin of 3.2 per cent (3.2 %). Revenue and operating profit growth could be attributed to the increase in revenue from housing developer contracting during the third quarter. The margins of commercial contracting have developed positively during the review period. Moreover, the financial result has now been confirmed for four previously completed projects in which SRV had EUR 25.4 million in trade receivables due at the end of 2012, primarily from additional work and alterations. The total effect of the profit margin decreases recognised for these four projects and one ongoing project on the operating profit for the period was EUR -5.2 million. The order backlog rose to EUR 727.8 million (EUR 676.2 million 9/2012).

Third-quarter revenue amounted to EUR 155.0 million (EUR 139.7 million 7-9/2012) and operating profit came to EUR 7.3 million (EUR 1.9 million). Revenue and operating profit growth could be attributed to the completion of 175 developer contracting units during the quarter. Operating profit was reduced by a EUR 1.3 million profit margin decrease which was caused by the confirmation of liability to pay receivables and costs related to a project that ended before the review period. A total of 183 housing units (170) were sold to consumers and investors in the third quarter.

Commercial construction

Revenue from commercial construction totalled EUR 230.2 million (EUR 221.8 million). The order backlog was EUR 451.1 million (EUR 312.1 million). Competition for new contracts remained tight.

Projects completed during the review period include the basic renovation of Building F of the Viikki laboratory for the University of Helsinki, the construction of the main building of the Mankola School in Jyväskylä, the construction of the Pyynikki social and health services centre for the City of Tampere and the renovation of the CityCenter property in Helsinki for Sponda. Other completed projects include the extension of the Galleria at Helsinki Messukeskus expo and convention centre, the renovation of the Stockmann department store premises at the Itis shopping centre in Helsinki, the new commercial premises for Finnair at the Helsinki-Vantaa airport, and Finnprotein Oy's soy processing plant in Uusikaupunki.

During the review period, new contractor agreements worth EUR 200.4 million were signed with external clients. SRV signed fixed-price contractor agreements with the Tampereen Kotilinna Foundation for the construction of the Pispa Service Centre, with the municipality of Pöytyä for the construction of a day-care centre in Kyrö, with the City of Lappeenranta for the construction of a day-care centre in Joutseno, with the City of Lahti for the construction of the Liipola multipurpose hall, and with Tikkamaan Palvelut Oy for the construction of a car park in Joensuu. Production facilities will be built for Orion and Sandvik in Turku, and for Grene Noramaa in Paimio. SRV signed project management-type contractor agreements with Suomen Yliopistokiinteistöt for the construction of TTY Kampusareena in Tampere, with the Hospital District of Helsinki for the construction of an additional emergency room in Jorvi, with the City of Espoo for the construction of the Opinmäki school in Suurpelto and with Ilmarinen for the construction of a medical centre, hospital and other commercial premises in Oulu.

Two development project agreements covering construction on plots previously owned by SRV, with SRV responsible for design and engineering, were signed during the period: one to build a Biltema department store in Vaasa and the other to build a logistics centre in Vantaa for the Hospital District of Helsinki.

The Supreme Administrative Court did not grant permission to appeal against the complaint regarding the city plan for Kalasatama Centre in the Sörnäinen district of Helsinki. The Administrative Court of Helsinki had earlier dismissed the complaint; as a result, the city plan came into force. In 2012, due to the appeal process, SRV had decided to adjust the construction schedule in order to reduce the amount of capital tied up in the project. Now that the city plan has come into force, suspended negotiations with tenants, financers and investors can be resumed. Once these negotiations have been concluded, construction site operations can be restarted. Full-scale work is expected to commence in 2014. Two major projects for the Kalasatama Centre have already been completed: The underground waste facility and the new metro bridge commissioned by the City of Helsinki were both finished in summer 2013.

In Perkkaa, Espoo, SRV completed a development project for three office buildings with a total floor area of 20,000 square metres. The first phase of the project was completed in August 2012, and the last two office buildings in June 2013. Among other tenants, the buildings house the head offices of Siemens Osakeyhtiö and SRV. Over 90 per cent of the premises have already been leased. SRV estimates that annual rental income from the project will amount to about EUR 4.3 million once it has been fully leased out. Sales efforts are currently under way.

In March, the Finnish Court of Arbitration announced its decision on the dispute between SRV Construction Ltd and Kiinteistö Oy Espoontori, ordering Kiinteistö Oy Espoontori to pay SRV Construction Ltd the sum of about EUR 0.7 million. As a result of this decision, SRV recognised about EUR 0.6 million in expenses. In March, SRV also came to an agreement with Mutual Pension Insurance Company Varma on the contractual liability to pay the costs for additional work and alterations to the Primulan Herkkupaja bakery and the Holiday Club Saimaa spa hotel.

Housing construction

Revenue from housing construction totalled EUR 188.7 million (EUR 189.3 million). The order backlog was EUR 276.6 million (EUR 364.2 million). At the end of the review period, SRV had a total of 1,398 units (2,126) under construction. Of the residential units under construction, 81 per cent were contracted housing units or own sold production.

Projects for external clients that were completed during the review period include 45 units on Keskipellonkatu in Kerava, 26 unit in the Vanttila district of Espoo, 33 housing units in the Seppälä district of Jyväskylä, and 35 units in the Toppila district of Oulu, all of which were built for TA. For ICECAPITAL, 81 units were completed in Tikkurila and 20 in Kannelmäki. In addition, 52 units were completed for VVO in Hyvinkää, 42 units for YH in Tampere, 345 units for KEVA in Herttoniemi, and 22 for Timedi Oy in Laukaa.

During the review period, contracts worth EUR 77.2 million were signed with external clients for the construction of 433 housing units. SRV and VVO signed agreements for two development projects on plots that were earlier owned by SRV: 88 units will be built at Espoon Nihtitorpankuja 3 and 114 units at Vantaan Lehtikallio 4. In Vantaa, 76 housing units were sold to the Lähi-Tapiola housing fund and 38 units to the ICECAPITAL housing fund. In addition, SRV will build 44 units for VVO in Tampere and 79 units for Opiskelija Asunnot Oy in Joensuu under projects that SRV acquired through competitive bidding. In addition, SRV has signed preliminary agreements with two housing funds for the construction of 252 housing units on plots SRV owns in Espoo and Kirkkonummi. The units to be built under the preliminary agreements are not included in the domestic order backlog.

SRV won a design and build competition held by the Helsinki Housing Production Department (ATT) for the construction of four wooden apartment houses on Eskolantie in Pukinmäki in association with Stora Enso. These houses will feature 89 rental and right-of-occupancy units. The value of this agreement will also be added to the order backlog once the actual contractor agreement has been signed. ATT also commissioned SRV to build a residential area in the Jätkäsaari district in Helsinki. The eight-storey apartment buildings to be constructed will house a total of 98 housing units. The value of this agreement will also be added to the order backlog once the actual contractor agreement has been signed.

During the period, SRV launched the construction of 202 (320) developer-contracted housing units included in the RS system. 63 of these units will be built in Myyrmäen Kilterinmetsä in Vantaa, 35 in Penttilänrannan Kotisatama in Joensuu, 25 in Marmori in Jyväskylä, 35 in Atalan Metsäkeiju in Tampere and 26 in Raholan Ruhtinas in Tampere. Furthermore, an 18-unit HITAS project was started up in Vallila, Helsinki. In addition to the projects initiated during the review period, SRV has decided to start the construction of 22 housing units in the Telakkaranta residential area in Turku.

During the review period, SRV sold 584 (538) housing units. In total, 268 (337) of the developer-contracted housing units that fall within the scope of the RS system were sold during the review period and 316 (201) units were sold to investors under negotiated contracts. At the end of the period, 400 (605) housing units for the consumer market were under construction, of which 261 (400) had not yet been sold. The number of completed but unsold housing units was 128 (100). A total of 388 (337) developer-contracted housing units were completed during the review period: 75 in Matinkylä, Espoo, 71 in Helsinki, 76 in Kerava, 29 in Lahti, 24 in Kaarina, 25 in Jyväskylä and 88 in the Tampere region.

Based on the current schedules, SRV estimates that a total of 539 developer-contracted housing units included in the RS system will be completed in 2013, and 151 in the final quarter.

Housing production in Finland (units)	1-9/ 2013	1-9/ 2012	change, units	7-9/ 2013	7-9/ 2012	1-12/ 2012
Housing sales, total	584	538	46	183	170	745
- sales, developer contracting	268	337	-69	69	85	477
- sales, negotiation contracts [2]	316	201	115	114	85	268
Developer contracting						
- start-ups	202	320	-118	25	125	415
- completed	388	337	51	175	116	451
- completed and unsold [1]	128	100	28			99
Under construction, total [1]	1 398	2 126	-728			1 849
- construction contracts [1]	550	1 212	-662			969
- negotiation contracts [1] [2]	448	309	139			294
- developer contracting [1]	400	605	-205			586
- of which sold [1]	139	205	-66			230
- of which unsold [1]	261	400	-139			356

1) at the end of the period 2) investor sales under negotiation contracts

The order backlog for housing construction was EUR 276.6 million (EUR 364.2 million 9/2012). The order backlog for contracts and negotiated contracts was EUR 119 million (EUR 153 million), accounting for 43 per cent (42%) of the total order backlog. Of the housing production order backlog, EUR 150 million (EUR 205 million) was sold. The completed but unsold order backlog was EUR 40 million (EUR 26 million). The developer-contracted unsold order backlog under construction totalled EUR 87 million (EUR 133 million).

Order backlog, housing construction in Finland (EUR million)	30.9.13	30.9.12	change, MEUR	31.12.12
Negotiation and construction contracts	119	153	-34	129
Under construction, sold developer contracting	31	52	-21	59
Under construction, unsold developer contracting	87	133	-47	119
Completed and unsold developer contracting	40	26	14	28
Total	277	364	-88	336

Developing Domestic Operations

SRV continued to participate in the RYM PRE research programme work package, led by Senate Properties, which will continue until the end of 2013. The programme seeks to create a business model and operational culture that utilise information modelling and support sustainable development for the built environment. SRV's research project deals with the development of a general information model process that facilitates optimal cooperation and supports the progress of construction projects through modelling.

SRV is a participant in two projects conducted as part of the Aalto University's Energizing Urban Ecosystems (EUE) programme, which seeks to identify operating models and solutions to the challenges and opportunities involved in urbanisation.

In 2012, SRV joined the Nordic Built Charter initiative, a Nordic trade and industry policy programme aiming at green growth. The programme will run from 2012 to 2014 and is funded by the Nordic Council of Ministers and Nordic Innovation. The programme involves defining the key challenges experienced in the Nordic construction sector, arranging an innovation competition involving the renovation of five pre-selected sites, and then introducing the new concepts developed during the programme.

International operations (EUR million)	1-9/ 2013	1-9/ 2012	change, MEUR	change, %	7-9/ 2013	7-9/ 2012	1-12/ 2012
Revenue	89.0	55.1	33.9	61.6	15.1	16.1	73.1
Operating profit	11.7	-5.6	17.3		0.2	-1.1	-3.2
Operating profit, %	13.1	-10.2			1.1	-7.0	-4.4
Order backlog	183.7	70.9	112.8	159.2			53.4

International Operations comprises SRV's construction and property development business in Russia and Estonia. In addition, in Russia, SRV's target is to expand its business into shopping centre management.

Revenue from International Operations totalled EUR 89.0 million (EUR 55.1 million), and accounted for 18 per cent of the Group's revenue (12%). Operating profit was EUR 11.7 million (EUR -5.6 million). Most of the revenue was generated by the construction of the Pearl Plaza shopping centre, 50%-owned by SRV, and the sale of a 55 per cent stake in the Okhta Mall shopping centre project in St. Petersburg. Growth in the level of activity, the sale of the holding in the shopping centre project, and the implementation of cost-savings measures contributed to the improvement in operating profit. Other contributing factors included the EUR 8.3 million change in the fair value of the holding in the Okhta Mall shopping centre following the surrender of SRV's controlling interest in a transaction carried out in June and the subsequent measurement of its remaining holding at fair value based on the sale of the majority holding. A proportion of the profit margin of construction equivalent to the ownership of SRV's associated company is eliminated from operating profit. The operating profit for the comparison period was reduced by EUR 1.1 million in non-recurrent depreciation booked for a warehouse that was destroyed in SRV's Septem City block in St Petersburg in January 2012. The order backlog was EUR 183.7 million (EUR 70.9 million). The order book grew following the signing of project management contractor agreements for the Okhta Mall shopping centre in June, which are valued at a total of over EUR 160 million.

Third-quarter revenue amounted to EUR 15.1 million (EUR 16.1 million 7-9/2012) and operating profit came to EUR 0.2 million (EUR -1.1 million). The completion of the Pearl Plaza shopping centre project in August affected the revenue. Growth in the level of activity and the implementation of cost-savings measures contributed to the improvement in operating profit.

Russia

SRV has been developing the extensive Septem City project in the Okhta area of St. Petersburg for several years. The project covers a total of 8.5 hectares. The plans for the area include constructing a commercial complex measuring over 400,000 m2, which will house the Okhta Mall shopping centre, office and business premises, as well as premises for hotel, restaurant, and entertainment services. The project will be implemented in several phases. The realization of the project's Phase I, the Okhta Mall shopping centre, was commenced when the Russia Invest investment company owned by SRV, Ilmarinen, Sponda, Etera and Onvest made a decision to invest in the project. Under agreements signed in June, Russia Invest acquired a 55 per cent holding in the shopping centre from SRV, and intends to invest approximately 50 million in the project. In addition to its direct ownership of the remaining 45 per cent, SRV owns part of the project through its holding in Russia Invest. According to the investment decision, SRV will invest about EUR 44 million into the project while it is under construction. The cash flows from the project management agreements and the sale of the holding will cover the amount of capital committed to the project. SRV maintains a 100 per cent holding of the other phases in the extensive Septem City project.

The shopping centre is scheduled to open in spring 2016 and it will have about 144,000 m2 of floor area, with leasable space of 75,000 m2. The centre will feature two underground parking levels, a hypermarket and four aboveground levels. Located close to the heart of St. Petersburg, Okhta Mall will be the first shopping centre in the downtown area with a hypermarket. Preliminary lease agreements have already been signed for more than 25 per cent of the leasable premises. The target for annual rental income from the shopping centre is about EUR 33 million. The shopping centre investment is valued at about EUR 250 million. A letter of intent has been signed with a Russian bank for EUR 160 million in loan financing for the project, and the parties intend to sign the final loan agreement by the end of the year.

In June, SRV signed project management contractor agreements valued at over EUR 160 million with a Russian project company on the development, design, leasing, marketing and construction of the Okhta Mall shopping centre. The building permit for the shopping centre was granted in August, and construction work has begun.

Slightly over half of the EUR 95.5 million investment capacity of the Russia Invest investment company will be earmarked for the Okhta Mall project. The remaining capital will be committed when investments have been identified and investment decisions finalised. The remainder of development project funding will be covered with project-specific bank loans. The stakeholders' objective is to withdraw from developed projects within roughly three years after their completion.

The Pearl Plaza shopping centre, owned jointly by SRV and the Shanghai Industrial Investment Company, was opened to public on 24 August 2013. More than 30,000 people visited the centre on the opening day, clearly exceeding all expectations. The centre's anchor tenants are Prisma, Hennes & Mauritz, Sportmaster, M.Video, Detsky Mir, Kinomir-21 and Sculptors. Other international brands such as McDonald’s, Adidas, Lindex and Seppälä also have outlets in the centre. Pearl Plaza is also the first shopping centre managed by SRV in Russia.

Total investment in the project amounts to approximately EUR 140 million. SRV’s ownership in the joint venture is 50 per cent, and SRV has invested roughly EUR 22 million in the project. In addition to investment from the owners, bank financing has been secured with a EUR 95 million financing agreement with a partner from China.

In line with the project management contract agreement, SRV was responsible for planning, constructing, developing and leasing out the site. The total value of SRV’s projects at the site exceeds EUR 120 million. Over 90 per cent of the premises have been leased and once the current final-stage negotiations have been completed, all premises will be leased. The target for annual rental income from the shopping centre is about EUR 18 million.

The design of Phase II of the Pearl Plaza shopping centre has begun and, according to preliminary plans, construction of Phase II can be launched sometime next year. Preliminary lease reservations have been made for about 30 per cent of the Phase II premises.

Analysis of the VTBC-Ashmore Real Estate Partners I fund’s investment sites in Moscow continued during the review period. The fund invests primarily in the construction of offices, commercial premises, hotels, and upscale housing in Moscow and St Petersburg. SRV’s share of the investment commitments in the first phase is EUR 20 million. The other investors involved in the fund are VTB Capital and Ashmore Group Plc ('Ashmore'), together with the funds they control, and the Finnish pension insurance companies Ilmarinen and Etera. VTB Capital and Ashmore are partners in the fund’s General Partner company and also act as asset managers, taking care of investment identification and financing arrangement tasks. SRV acts both as an investor and project management contractor with respect to the fund. The fund’s first investment was made in September 2011, when it acquired an office and logistics property in Moscow.

The existing office premises in the Etmia II office and parking garage project in downtown Moscow have been leased out in their entirety. Rental income for 2013 is estimated at about EUR 4.2 million. SRV is a co-owner in the project with a 50 per cent stake, and also acted as the project management contractor. Sales efforts are underway with the aim of selling the project to investors during 2014.

Development of the St Petersburg Eurograd logistics area has been temporarily suspended due to the local partner's financing difficulties. SRV has a 49 per cent holding in the Russian company that owns a 24.9 hectare land area located north of St Petersburg, in the immediate vicinity of the Ring Road.

The new commercial concept plan for the Mytishi shopping centre project in the Moscow region has been completed. Reservation agreements have been signed for about 50 per cent of the premises. This is also expected to accelerate progress in financing negotiations. The majority owner of the project is the Finnish real-estate investment company Vicus, which holds a 75 per cent stake. SRV owns 25 per cent of the shopping centre project and its total investments amount to EUR 7.5 million. Negotiations are currently under way on investment and bank financing arrangements. Earthworks on the site have begun.

Twelve apartments in the Papula residential area project in Vyborg were sold during the review period (17 in 1-9/2012). At the end of the period, 11 completed units remained unsold (23). A decision has been made to launch the construction of the next two houses with a total of 111 units. Construction is scheduled to begin in spring 2014.

Estonia

In April 2013, SRV completed a new bakery building for an Estonian subsidiary of the VAASAN Group. At the end of the period, one housing unit remained unsold (11) in Estonia.

Other Operations (MEUR)	1-9/ 2013	1-9/ 2012	change, MEUR	change, %	7-9/ 2013	7-9/ 2012	1-12/ 2012
Revenue	9.2	11.0	-1.8	-16.4	2.9	3.6	14.4
Operating profit	-3.3	-3.0	-0.3		-0.6	-1.1	-4.7

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

Revenue from Other Operations totalled EUR 9.2 million (EUR 11.0 million) and operating loss was -3.3 million (EUR -3.0 million). A fall in operating volumes had a negative effect on both revenue and operating profit. During the period, development costs expensed for SRV’s projects totalled EUR 1.6 million (EUR 2.0 million). Third-quarter revenue amounted to EUR 2.9 million (EUR 3.6 million 7-9/2012) and operating loss came to EUR -0.6 million (EUR -1.1 million). During the third quarter, development costs expensed for SRV’s projects amounted to EUR 0.5 million (EUR 0.6 million).

Group project development

SRV’s development project, Keilaniemi residential towers, is progressing. On 28 June 2013 the Administrative Court of Helsinki dismissed the filed complaints against the city plan ruling made by the Espoo City Council on 21 May 2012. Leave to appeal against the Administrative Court’s ruling has been applied from the Supreme Administrative Court. The project's total scope is approximately 72,000 square metres of floor area of housing units.

SRV, Mutual Pension Insurance Company Varma and Sato Corporation are progressing with their project to develop the Niittykumpu district in Espoo. On 24 April 2013, the Espoo City Planning Committee approved the proposed city plan for the metro station area to be presented to the City Board. In October, the Espoo City Board decided to propose to the City Council that the city plan be approved and a decision to construct the Niittykumpu metro station be made. Changes in the city plan will be up for review by the City Council before the end of 2013. SRV aims to be ready to launch the construction of the metro station area during 2014.

SRV and Orion are developing a residential area on a property owned by Orion in the Ylä-Mankkaa district of Espoo. The proposal for the alteration of the city plan will be reviewed by the City Board in autumn 2013. The project's total scope is about 36,000 square metres of floor area from which SRV has a right to purchase at least 40%. SRV aims to be ready to launch housing construction in 2014.

SRV, Mutual Pension Insurance Company Ilmarinen and SATO Corporation are progressing with their project to develop their jointly owned area in Perkkaa, Espoo. The Espoo City Planning Committee approved the proposed city plan for viewing on 12 June 2013. The scope of the project is being confirmed at about 110,000 square metres of housing building rights, of which SRV's share is one third. The aim is to launch housing construction during 2014.

Financing and financial position

Net operational cash flow was EUR 50.6 million (EUR -33.5 million 1-9/2012). Factors contributing to the cash flow improvement included the sale of the 55 per cent interest in the Okhta Mall shopping centre project, and a decrease in short-term receivables following the refinancing by SRV's associated company Etmia II of its construction funding obtained from SRV with a long-term project loan of about EUR 33 million. The Group's inventories stood at EUR 428.6 million (EUR 407.8 million), of which land areas and plot-owning companies accounted for EUR 157.5 million (EUR 174.7 million). The Group's invested capital totalled EUR 466.9 million (EUR 490.3 million).

At the end of the review period, the Group's financing reserves totalled EUR 148 million with the Group's cash assets amounting to EUR 19 million, and open-ended account limits and committed undrawn financing reserves to EUR 129 million. The financial covenant for SRV's loans is its equity ratio, which is also reported to financers for developer contracting projects as a ratio based on percentage of completion. SRV's equity ratio based on percentage of completion was 40.4 per cent (on 30 September 2013).

During the review period, SRV received the final financial results of four previously completed projects. At the end of 2012, the company had EUR 25.4 million in trade receivables due from these projects. Reaching an agreement on disputes over these projects, which mainly concerned additional work and alterations, has improved the Group's liquidity, and the value of the Group's receivables outstanding for over 360 days amounted to EUR 3.2 million (EUR 24.3 million on 31 December 2012).

Investments in SRV's developer-contracted housing and commercial construction projects in Finland, both under construction and completed, total EUR 203.0 million, of which about EUR 39 million is tied up in infrastructure construction in the Kalasatama Centre. SRV estimates that the completion of these projects (excl. the Kalasatama Centre) requires another EUR 36 million. Undrawn housing corporation loans and receivables for housing construction projects and undrawn commercial construction financing amounted to EUR 42 million. Investments in completed international developer-contracted projects amount to EUR 3.9 million, of which EUR 0.1 million relates to unsold housing projects in Estonia, EUR 2.1 million to unsold housing projects in Vyborg, and EUR 1.7 million to the Etmia office project. SRV's investment commitments increased to EUR

33.4 million due to agreements related to the implementation of the Okhta Mall shopping centre (EUR 15.0 million).

Equity ratio stood at 39.3 per cent (28.5% on 30 September 2012). Profitability improvement, together with the issue of a hybrid bond, contributed to the increase in equity ratio. The Group's shareholders' equity totalled EUR 220.8 million (EUR 165.9 million). The Group's net interest-bearing liabilities totalled EUR 227.1 million (EUR 311.3 million). Net financing expenses were EUR -2.6 million (EUR -3.9 million). Return on investment was 6.4 per cent (1.8%), and return on equity 10.4 per cent (-0.4%).

Investments

The Group's investments totalled EUR 7.8 million (EUR 1.9 million), and mostly consisted of investments in funds and the acquisition of machinery and equipment.

Unbuilt land areas, land acquisition commitments and land development agreements

Land reserve 30.9.2013	Business construction	Housing construction	International Operations	Total
Unbuilt land areas and land acquisition commitments				
Building rights*, m^2	266 000	339 000	748 000	1 353 000
Land development agreements				
Building rights*, m^2	255 000	258 000	52 000	565 000

* 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.

Group structure

SRV is Finland's leading project management contractor. SRV builds and develops commercial and business premises, housing units, and infrastructure and logistics projects. In addition to Finland, the company operates in Russia and Estonia. 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.

SRV's business segments are Domestic Operations, International Operations, and Other Operations. The Domestic Operations segment consists of property development and domestic construction operations led by SRV Construction Ltd. Operations are divided into housing construction and commercial construction, which comprises retail, office, logistics, earthworks, and rock construction operations. 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.

Changes in Group structure

To streamline the Group structure and as part of the decision to withdraw from the Latvian real-estate market and focus in future on Estonia in the Baltic countries, SRV decided to merge SRV Baltia Oy with SRV Group Plc. SRV aims to complete the necessary corporate legal processes by the end of 2013.

Personnel

SRV had an average payroll of 959 (1,000) employees, of whom 708 (729) were salaried employees. The parent company had an average staff of 54 (55) salaried employees. At the close of the review period, the Group had 946 (983) employees, of whom 54 (55) were employed by the parent company. 143 (179) employees were employed by international subsidiaries. SRV's Domestic Operations employed a total of 42 (66) trainees (students on work placements and students working on their thesis or diploma). SRV offers summer jobs to students and a wide range of trainee opportunities, particularly to those studying construction. Systematic cooperation with educational institutions and universities fosters continuity for SRV's own trainee programme, enabling young people to combine studying and work as naturally as possible.

SRV's human resources strategy is designed to secure the availability and high motivation of personnel, and to ensure continued competence and leadership development. In early 2013, the most significant investments in competence development were allocated to contract law and the management of additional work and alterations. Customised internal training programmes have been designed for construction site personnel and those in charge of projects. The content of SRV's occupational safety training has been updated to better serve the Group's supervisors and salaried employees.

Personnel by business area	30.9.2013	30.9.2012	Percentage of Group personnel 30.9.2013
Domestic Operations	710	697	75.1
International Operations	151	188	15.9
Other operations	85	98	9.0
Group, total	946	983	100.0

Outlook for construction

The prolonged crisis in Europe and the sluggishness of the world economy weaken the outlook of the Finnish economy. The problems facing economic growth have turned out to be longer-term than before and total production is expected to shrink in Finland by about 0.5 per cent in 2013. Similarly, building construction work is forecast to keep falling in 2013. The rise in building costs has levelled out.

General uncertainty has caused a slight slowdown in the housing production. The construction of about 28,800 housing units was begun in Finland in 2012, and the forecast for 2013 is about 27,000. Sales for new-built housing units have slowed down especially outside the Helsinki Metropolitan Area. Demand for housing currently involves major uncertainty factors. In the longer term, trends such as migration to population growth centres and the smaller size of households will maintain the need for housing construction in Finland.

Commercial and office real-estate markets remained muted. Both reduced demand and increased supply are lowering the occupancy rates of office premises in the Helsinki Metropolitan Area. However, there is a need for modern premises with good transport connections. A year-on-year decrease in the number of commercial and office construction start-ups is expected in 2013.

Sustained growth is forecast in renovation construction. An increase in building stock, the ageing of existing buildings, and modernisation requirements will also support renovation construction in the future. The situation in infrastructure construction has weakened due to a decline in new building construction work and smaller investments in highway construction and maintenance.

Russian economic growth slackened significantly in the second half last year. Private consumption has led the economy but investments have been minor. The GDP growth estimate for 2013 is around two per cent. The Estonian economy is expected to grow this year by about two percent, with domestic demand as the engine of growth.

Risks, risk management and corporate governance

General economic trends and changes in customers' operating environments have an immediate effect on the construction and property markets, and this may, for example, alter the volume of SRV's order backlog and the profitability of operations. It may also lead to an increased amount of capital being invested in projects for a longer time. A change in the general level of interest rates has a direct impact on both SRV's cash flow from operating activities and financing costs. The general economic climate is unstable, and the international financial crisis is contributing to economic uncertainty. Property values are under pressure, and the number of property transactions and, in particular, new large-scale project start-ups remains low due to economic uncertainty and difficulties in securing financing. Demand for property investments has remained weak.

The increasingly strict bank regulation will affect the availability of bank financing, the length of loan periods and loan margins. Despite the extremely low interest rate level, financing costs may grow as loan margins continue to rise. If the international financial crisis escalates, it may further increase the cost of financing and weaken its availability. If the availability of financing for clients continues to weaken, client receivables may grow, posing challenges to SRV's liquidity.

In developer-contracted projects, recognition of revenue is largely based on the completed contract method, and recognition depends on the percentage of sold premises in delivered projects. The delivery schedules of developer-contracted projects can have a material impact on the development of revenue and profit for the financial year and the quarters. Factors that affect project sales include the premises' occupancy rate and the availability of financing for buyers. When sales are delayed, the recognition of revenue and operating profit are likewise delayed. To accelerate sales, the sales prices of slower-cycled projects might have to be lowered. Postponed start-ups in developer-contracted projects increase development expenses, which are recognised as costs.

The slowdown in housing sales will increase sales and marketing costs and interest expenses in developer-contracted housing production. The Finnish housing market has been performing reasonably well, but economic uncertainty and tax increases, both implemented and planned, have weakened the outlook for and volume of housing sales. The asset transfer tax on the transfer of shares in a housing corporation was raised to 2.0 per cent as of 1 March 2013, and this tax is now also applicable to the corporate loan included in the shares. Banks' margins on both homebuyers' mortgages and housing corporation loans for housing construction have been climbing steeply during the year. Key risks affecting housing unit demand include changes in consumer confidence, the availability of financing, and a significant rise in interest rates.

Construction is subject to significant cost risks relating to subcontracting and procurements. Long-term planning is vital to keep these risks under control. SRV's operating model requires an adequate supply of skilled and competent personnel. A weak economic cycle increases the financial risks relating to subcontractors. The construction sector has implemented a reverse value added tax policy, which, as a method, requires greater administrative accuracy. Warranty and liability obligations related to construction can last up to ten years. The early part of the year's rise in building costs has levelled out and the building cost index has turned to a slight decline.

SRV's revenue is generated by construction projects, and the company's result depends on the profitability of individual projects and their progress. Fierce competition for new orders in the construction sector may affect the volume and profitability of SRV's new order backlog. Contract agreements for construction are extremely valuable. Their terms and conditions require all parties to achieve the agreed targets within a set timetable, and to adhere to agreed working methods. In particular, agreeing on additional works and alterations may involve financial risks that increase in a poor economic climate. Project receivables can include additional work and alterations, and these may involve complaints or be the subject of disputes over payment liability. According to segment managements' estimates, the provisions made by SRV may prove to be insufficient. If no mutual agreement on payment liability is reached during the final financial analysis of a project, the company may have to instigate legal proceedings against the client. The outcomes of legal proceedings involve uncertainties. On 30 September 2013, SRV had EUR 8.1 million (VAT 0%) in receivables from four completed projects (EUR 19.1 million from seven projects on 31 December 2012). These were related to client complaints or disputes over payment liability for additional work and alterations. SRV has started legal proceedings against some of these parties, as the issues could not be resolved through negotiation. In June, SRV initiated legal proceedings against Auroratalo Oy and HDL-Talot Oy concerning the payment liability for construction costs in the renovation and new construction contract of the Auroratalo building. The value of these disputes is EUR about 4.4 million, including VAT. SRV's management believes that these cases and their outcomes will not have a significant impact on SRV's financial standing.

In addition to land acquisition risks, property projects face other challenges, such as those related to the outcome of zoning, soil conditions, financing, the liquidity of funding based on financing commitments, the commercialisation of the project, implementation schedules and agreements, partners, the geographical location, and the type of project. In line with IFRS requirements, SRV measures its land reserves at acquisition cost. If the acquisition cost plus construction costs is lower than the fair value of the planned project, the value of the property will be reduced. In accordance with its strategy, SRV has focused on developer contracting projects and increased its land acquisition in Finland and Russia in particular. The availability of property financing affects start-up decisions and the progress of development projects. SRV's goal is to carry out major development projects in cooperation with real estate investors using project funding. SRV's investment commitments in projects entail maintaining sufficient liquidity and financing capacity. A decline in the availability of investor and project funding may increase SRV's own share of project funding, and this would lower the Group's equity ratio, reduce Group liquidity, and hinder the availability of other funding.

The financial risks related to SRV's operations are interest rate, currency, liquidity, capital structure, and contractual party risks. These are presented in more detail in the Notes to the 2012 Financial Statements. Currency risks are divided into transaction risks and translation risks. Transaction risks are related to currency-denominated business and financing cash flows. Translation risks encompass investments made in foreign subsidiaries, the accounting effects of which are recorded in the translation differences for equity in the consolidated figures.

Liquidity risks may have an effect on the Group's earnings and cash flow if the Group is unable to ensure sufficient financing for its operations. SRV maintains adequate liquidity through the efficient management of cash flows and related solutions, such as binding lines of credit that are valid until further notice. The company has a long-term liquidity arrangement (EUR 100 million), part of which will mature in December 2015. The company’s financing agreements contain customary terms and conditions. The financial covenant is the company's equity ratio, which is also reported to banks for developer contracting projects as a ratio based on percentage of completion.

Capital structure risks may adversely affect the availability of financing for the Group if the company's equity ratio falls too low. The Group does not have a public credit rating issued by a credit institution. In order to maintain its capital structure, the Group may adjust its dividend payment, or issue new shares or bonds. In order to maintain its equity ratio, the Group may be forced to make changes in its business operations or use of capital. Plot investments, the profitability of business operations, delays in selling or turning over developer-contractor projects, and other increases in the balance sheet value all affect the equity ratio. The Group monitors its capital structure using its equity ratio. The Group seeks to keep its share of the capital in the balance sheet total (minus advances received) to at least 30 per cent. On 28 December 2012, SRV issued a EUR 45 million, domestic hybrid bond. The bond has no maturity, but the company has the right to redeem it in four years' time. The interest payable on the bond will increase after the first repayment date.

The Group’s risk management is carried out in line with the Group’s operations system, and control is exercised in accordance with the Group strategy approved by the Board of Directors of the Group’s parent company. SRV also makes every effort to cover operational risks by means of insurance and contractual terms.

A more detailed account of SRV’s risks, risk management and corporate governance policies has been published in the 2012 Annual Report and Notes to the Financial Statements.

Corporate governance and resolutions of general meetings

The Annual General Meeting (AGM) of SRV Group Plc was held on 20 March 2013. The AGM adopted the Financial Statements and granted release from liability to the members of the Board of Directors and the President and CEO. As proposed by the Board of Directors, a dividend of EUR 0.06 per share was declared. The dividend was paid on 3 April 2013. 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 Ernst & Young Oy was elected as the company’s auditor. Mikko Rytilahti, authorised public accountant, acts as 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 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. Based on 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, and a maximum of 1,000,000 shares in public trading arranged by Nasdaq OMX Helsinki Oy, or otherwise for a maximum price of EUR 4.45 per share, the maximum total being, however, 3,676,846 shares. 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 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 14 March 2012.

The AGM decided to change Section 9 of the company's Articles of Association as follows: 'The notice of a general meeting is published on the company's website no earlier than three months and no later than three weeks before the meeting. However, said notice of general meeting must be published no less than nine days before the General Meeting record date, as defined by the Limited Liability Companies Act. The Board of Directors may in addition decide to publish the notice of a general meeting, or a related announcement, in one or more newspapers according to the aforementioned timescale.'

The Board of Directors of SRV Group Plc held its organisation meeting on 20 March 2013. Olli-Pekka Kallasvuo was elected as Chairman of the Board. 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.

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 6,605 shareholders on 30 September 2013.

The share closing price at OMX Helsinki at the end of the review period was EUR 4.41 (EUR 3.26 on 31 December 2012, change 35.2%). The highest share price in the review period was EUR 4.72 and the lowest EUR 2.95. SRV's equity per share at the end of the review period amounted to EUR 4.98 (EUR 4.58 on 30 September 2012). During this period, the all-share index of the Helsinki Stock Exchange (OMX Helsinki) was up 18.3 per cent, and the OMX Construction and Materials index 10.0 per cent.

At the end of the review period, the company had a market capitalisation of EUR 156.5 million, excluding the Group's treasury shares. 2.8 million shares were traded during the period with a trade volume of EUR 10.1 million. SRV bought back a total of 552,833 of its own shares when the Total Return Swap derivative contract with Nordea matured on 13 May 2013. According to the agreement made on 5 January 2010, the per-share acquisition cost was EUR 4.45. The number of treasury shares reported did not increase, because said shares were recognised as treasury shares while the derivative contract was in force. At the end of the review period, SRV Group Plc held 1,273,539 SRV Group Plc shares, (3.5 per cent of the total number of the company's shares and combined number of votes). On 30 October 2013, the Group held 1,273,539 shares (3.5 per cent of the total number of the company's shares and votes).

Financial targets

On 12 February 2013, SRV's Board of Directors confirmed the Group's strategy for 2013–2017. The Group's strategic targets are defined as follows:

- During the strategic period, SRV will focus on improving profitability rather than on growth.
- International Operations will account for more than 20 per cent of Group revenue.
- 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, a significant increase in the number of developer-contracted projects is required.

Prior outlooks for 2013

13 February 2013;
The Group's full-year revenue is estimated to reach at least the same level as in the previous year (EUR 641.6 million). Even if planned sales of office premises do not occur in 2013, the Group's pre-tax profit is expected to exceed the previous year's level (EUR 2.8 million).

1 August 2013;
The Group's full-year revenue is expected to exceed EUR 700 million, and profit before taxes is estimated to be at least around EUR 20 million.

Outlook for 2013

SRV revises its outlook for 2013 in terms of revenue and reiterates the outlook in terms of profit before taxes. SRV estimates that both Domestic Operations' and International Operations' revenue will exceed last year's level and that the growth of the final quarter's revenue will slow down due to uncertainties related to the level of domestic housing sales. In addition, SRV expects that the sales of the Etmia II office property in Moscow and the Derby Business Park in Espoo are unlikely to materialise in 2013.

The quarterly change and development of revenue and result in 2013 are affected by the recognition upon delivery of SRV's own projects, the continuously recognised order backlog comprising mostly low-margin contracting, the development of the order backlog's profit margins, the sales volume of self-developed housing production and the completion times of the properties, the number of new contracts, the project development nature of the operations, and the realisation of planned property sales, among other things. Based on current completion schedules, SRV estimates that a total of 539 developer-contracted housing units will be completed during 2013. The general uncertainty seen in the financial markets has also been unfavourably reflected in real estate markets.

The Group's full-year revenue is expected to amount to around EUR 700 million (EUR 641.6 million 1-12/2012), and profit before taxes is estimated to be at least around EUR 20 million (EUR 2.8 million 1-12/2012).

Espoo, 31 October 2013

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.

For further information, please contact
Jukka Hienonen, President and CEO, +358 (201) 455 213
Hannu Linnoinen, Executive Vice President, CFO, +358 (201) 455 990, +358 (50) 523 5850
Taneli Hassinen, Vice President, Communications, +358 (201) 455 208, +358 (40) 504 3321

Key figures:

		1-9/ 2013	1-9/ 2012	7-9/ 2013	7-9/ 2012	1-12/ 2012
Revenue	EUR million	507.8	466.2	170.0	155.8	641.6
Operating profit	EUR million	21.8	4.5	6.9	-0.4	6.9
Operating profit, % of revenue	%	4.3	1.0	4.0	-0.2	1.1
Profit before taxes	EUR million	19.2	0.6	5.2	-2.1	2.8
Profit before taxes, % of revenue	%	3.8	0.1	3.0	-1.4	0.4
Net profit attributable to equity holders of the parent company	EUR million	16.8	-0.5	3.4	-1.6	0.8
Return on equity, % [1)]	%	10.4	-0.4			0.5
Return on investment, % [1)]	%	6.4	1.8			2.2
Invested capital	EUR million	466.9	490.3			513.3
Equity ratio	%	39.3	28.5			34.7
Net interest-bearing debt	EUR million	227.1	311.3			267.9
Gearing ratio	%	102.8	187.7			126.2
Order backlog	EUR million	911.5	747.1			827.8
New agreements	EUR million	532.4	346.5			594.5
Personnel on average		959	1 000			989
Property, plant and equipment investments	EUR million	7.8	1.9	4.8	0.8	3.7
Property, plant and equipment investments, % of revenue	%	1.5	0.4	2.8	0.5	0.6
Earnings per share	EUR	0.38	-0.01	0.06	-0.04	0.02
Earnings per share (diluted)	EUR	0.38	-0.01	0.06	-0.04	0.02
Equity per share	EUR	4.95	4.58	-	-	4.62
Dividend per share	EUR	0.06	0.12	-	-	0.06
Dividend payout ratio	%	15.8	-1 200.0	-	-	300.0
Dividend yield	%	1.4	3.5	-	-	1.8
Price per earnings ratio		11.6	-344.0	-	-	163.0
Share price development				-	-	
Share price at the end of the period	EUR	4.41	3.44	-	-	3.26
Average share price	EUR	3.67	3.91	-	-	3.76
Lowest share price	EUR	2.95	3.16	-	-	3.00
Highest share price	EUR	4.72	4.89	-	-	4.89
Market capitalisation at the end of the period	EUR million	156.5	122.1	-	-	115.7
Trading volume	1 000	2 761	2 367	-	-	2 937
Trading volume, %	%	7.8	6.7	-	-	8.3
Weighted average number of shares outstanding during the period	1 000	35 495	35 499	-	-	35 499
Weighted average number of shares outstanding during the period (diluted)	1 000	35 571	35 499	-	-	35 532

1) In calculating the key ratio only the profit for the period has been annualised

Calculation of key figures:

Gearing ratio, %	=	100 x	Net interest-bearing debt / Total equity
Return on equity, %	=	100 x	Total comprehensive income for the period / Total equity, average
Return on investment, %	=	100 x	Result before taxes + interest and other financial expenses / Invested capital, average
Equity ratio, %	=	100 x	Total equity / 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	=		Result for the period – non-controlling interest – hybrid bond interest / Average number of shares (share-issue adjusted)
Earnings per share attributable to equity holders of the parent company (diluted)	=		Result for the period – non-controlling interest – hybrid bond interest / Average number of shares (share-issue adjusted, diluted)
Shareholders' equity	=		Shareholders' equity attributable to equity holders of the parent company / Average number of shares at end of period (share-issue adjusted)
Price per earnings ratio (P/E-ratio)	=		Share price at end of period / Earnings per share
Dividend payout ratio, %	=	100 x	Dividend per share / Earnings per share
Dividend yield, %	=	100 x	Dividend per share / Share price at end of period
Average share price	=		Number of shares traded in euros during the period / 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 –30 September 2013: tabulated section

APPENDICES
1) Consolidated Interim Report information: income statement, balance sheet, cash flow statement, statement of changes in equity, inventories, commitments and contingent liabilities, derivative contracts liabilities
2) Quarterly development
3) Segment information and related party transactions

1. Interim Report 1 January –30 September 2013

This interim report has been prepared in accordance with the accounting policies set out in the IAS 34 standard and the information disclosed is unaudited. In preparing interim condensed consolidated financial statement information, SRV has applied the same accounting principles as in its year-end financial statements for 2012. The figures in the tables have been rounded which should be noted when counting the total sums.

SRV's reporting segments comprise Domestic Operations, International Operations, and Other Operations. The operating segment figures are disclosed in accordance with IFRS 8, following the accounting principles applied in the consolidated financial statements.

The following standards, amendments and interpretations shall be applied as from the accounting period beginning on 1 January 2013 or thereafter. Based on current information, these standards, amendments and interpretations have no impact on the Group's financial position. They affect disclosures to some degree:

- Annual improvements 2012 (effective on 1 January 2013). The Group will apply this amendment as of 1 January 2013.

Consolidated income statement (EUR million)	1-9/ 2013	1-9/ 2012	change, MEUR	change, %	7-9/ 2013	7-9/ 2012	1-12/ 2012
Revenue	507.8	466.2	41.6	8.9	170.0	155.8	641.6
Other operating income	2.7	2.7	0.0	1.4	0.7	1.0	4.6
Change in inventories of finished goods and work in progress	20.0	43.5	-23.5	-54.1	-8.3	18.9	61.6
Use of materials and services	-449.6	-447.0	-2.5	0.6	-137.9	-157.6	-617.7
Employee benefit expenses	-47.2	-46.7	-0.5	1.0	-14.7	-14.0	-63.2
Share of profits of associated and joint venture companies	-1.0	-0.1	-0.9	809.8	0.0	-0.1	-0.7
Depreciation and impairments	-2.2	-3.3	1.1	-34.2	-0.8	-0.8	-4.5
Other operating expenses	-8.8	-10.7	1.9	-18.1	-2.2	-3.6	-14.8
Operating profit	21.8	4.5	17.3	385.8	6.9	-0.4	6.9
Financial income	2.2	2.6	-0.4	-15.0	0.2	1.0	4.0
Financial expenses	-4.8	-6.4	1.6	-25.6	-1.9	-2.7	-8.1
Financial income and expenses, total	-2.6	-3.9	1.3	-32.7	-1.7	-1.8	-4.1
Profit before taxes	19.2	0.6	18.6	2960.8	5.2	-2.1	2.8
Income taxes	-2.4	-1.1	-1.3	115.9	-1.7	0.5	-1.9
Net profit for the period	16.8	-0.5	17.3	-3657.7	3.5	-1.6	0.9
Attributable to							
Equity holders of the parent company	16.8	-0.5			3.4	-1.6	0.8
of which to hybrid bond investors	3.2	0.0			1.1	0.0	0.0
of which to equity holders	13.6	-0.5			2.4	-1.6	0.8
Non-Controlling interests	0.0	0.0			0.0	0.0	0.1
Earnings per share attributable to equity holders of the parent company	0.38	-0.01			0.06	-0.04	0.02
Earnings per share attributable to equity holders of the parent company (diluted)	0.38	-0.01			0.06	-0.04	0.02

Statement of comprehensive income (EUR million)	1-9/ 2013	1-9/ 2012	7-9/ 2013	7-9/ 2012	1-12/ 2012
Net profit for the period	16.8	-0.5	3.5	-1.6	0.9
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Gains and losses arising from translating the financial statements of a foreign operation	0.0	0.0	0.0	0.0	0.0
Other comprehensive income for the period, net of tax	0.0	0.0	0.0	0.0	0.0
Total comprehensive income for the period	16.8	-0.4	3.5	-1.6	1.0
Attributable to					
Equity holders of the parent company	16.8	-0.5	3.4	-1.6	0.9
Non-Controlling interests	0.0	0.0	0.0	0.0	0.1

Consolidated balance sheet (EUR million)	30.9.13	30.9.12	change, %	31.12.12
ASSETS				
Non-current assets				
Property, plant and equipment	13.0	13.4	-3.1	13.7
Goodwill	1.7	1.7	0.0	1.7
Other intangible assets	0.7	0.6	27.2	0.6
Other financial assets	16.9	10.9	54.4	10.9
Receivables	5.3	12.2	-56.9	1.4
Loan receivables from associated companies and joint ventures	23.8	13.2	80.9	11.9
Deferred tax assets	6.2	5.6	10.1	8.1
Non-current assets, total	67.6	57.7	17.2	48.4
Current assets				
Inventories	428.6	407.8	5.1	431.2
Trade and other receivables	104.1	110.5	-5.8	127.1
Loan receivables from associated companies and joint ventures	1.1	31.6	-96.5	31.6
Current tax receivables	2.0	5.1	-61.1	4.0
Cash and cash equivalents	19.0	13.2	44.6	33.1
Current assets, total	554.8	568.1	-2.3	626.9
ASSETS, TOTAL	622.4	625.8	-0.5	675.4

Consolidated balance sheet (EUR million)	30.9.13	30.9.12	change, %	31.12.12
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent company				
Share capital	3.1	3.1	0.0	3.1
Invested free equity fund	92.2	92.2	0.0	92.2
Translation differences	0.0	0.0	-13.7	0.0
Fair value reserve	0.0	0.0		0.0
Retained earnings	80.3	67.2	19.6	68.9
Equity attributable to equity holders of the parent company, total	175.6	162.4	8.1	164.2
Non-controlling interests	0.6	3.5	-82.3	3.5
Hybrid bond	44.6	0.0		44.6
Equity, total	220.8	165.9	33.1	212.3
Non-current liabilities				
Deferred tax liabilities	1.7	1.5	15.0	4.1
Provisions	4.8	5.6	-15.1	6.3
Interest-bearing liabilities	114.7	155.4	-26.2	118.5
Other liabilities	0.1	0.0	37.2	0.0
Non-current liabilities, total	121.2	162.5	-25.4	129.0
Current liabilities				
Trade and other payables	143.9	123.8	16.2	147.6
Current tax payables	2.2	1.4	56.0	0.3
Provisions	2.9	3.1	-3.9	3.7
Interest-bearing liabilities	131.4	169.1	-22.3	182.5
Current liabilities, total	280.4	297.4	-5.7	334.1
Liabilities, total	401.6	459.9	-12.7	463.1
EQUITY AND LIABILITIES	622.4	625.8	-0.5	675.4

Consolidated cash flow statement (EUR million)	1-9/2013	1-9/2012	1-12/2012
Cash flows from operating activities			
Net profit for the period	16.8	-0.5	0.8
Adjustments:			
Depreciation and impairments	2.2	3.3	4.4
Non-cash transactions	-11.3	-3.5	0.4
Financial income and expenses	2.6	3.9	4.1
Capital gains on sales of tangible and intangible assets	0.0	0.0	0.1
Income taxes	2.4	1.1	1.9
Adjustments, total	-4.2	4.7	10.9
Changes in working capital:			
Change in loan receivables	16.8	10.7	22.7
Change in trade and other receivables	20.9	4.2	-14.2
Change in inventories	9.2	-46.5	-68.8
Change in trade and other payables	-8.5	2.2	26.3
Changes in working capital, total	38.3	-29.3	-34.0
Interest paid	-5.3	-6.4	-8.0
Interest received	3.4	1.4	3.8
Dividends received	0.0	0.0	0.0
Income taxes paid	1.5	-3.5	-6.7
Net cash flow from operating activities	50.6	-33.5	-33.2
Cash flow from investing activities			
Purchase of property, plant and equipment	-1.6	-1.6	-3.2
Purchase of intangible assets	-0.2	-0.1	-0.3
Purchase of other financial assets	-6.0	-0.2	-0.2
Sale of property, plant and equipment and intangible assets	0.2	0.2	0.4
Sale of financial assets	0.0	0.1	0.1
Net cash used in investing activities	-7.6	-1.7	-3.2
Cash flows from financing activities			
Proceeds from loans	9.4	45.3	48.3
Repayments of loans	-72.6	-19.6	-23.1
Hybrid bond	0.0	0.0	44.6
Change in loan receivables	0.0	0.0	0.0
Change in housing corporation loans	-8.2	30.7	32.9
Change in credit limits	16.4	-16.3	-41.5
Purchase and sale of treasury shares	0.0	0.0	0.0
Dividends paid	-2.2	-4.3	-4.3
Net cash from financing activities	-57.0	35.9	57.0
Net change in cash and cash equivalents	-14.0	0.7	20.6
Cash and cash equivalents at the beginning of period	33.1	12.5	12.5
Cash and cash equivalents at the end of period	19.0	13.2	33.1

Statement of changes in Group equity 1 January –30 September 2013

	Equity attributable to the equity holders of the parent company								
(EUR million)	Share capital	Invested free equity fund	Translation differences	Fair value reserve	Retained earnings	Total	Non-controlling interests	Hybrid bond	Total equity
Equity on 1 January 2013	3.1	92.2	0.0	0.0	68.9	164.2	3.5	44.6	212.3
Total income and expenses for the period	0.0	0.0	0.0	0.0	16.8	16.8	0.0	0.0	16.8
Dividends paid	0.0	0.0	0.0	0.0	-2.1	-2.1	0.0	0.0	-2.1
Share-based incentive plan	0.0		0.0	0.0	1.3	1.3	0.0	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Hybrid bond	0.0	0.0	0.0	0.0	-2.4	-2.4	0.0	0.0	-2.4
Other changes *	0.0	0.0	0.0	0.0	-2.1	-2.1	-2.9	0.0	-5.0
Equity on 30 September 2013	3.1	92.2	0.0	0.0	80.4	175.6	0.6	44.6	220.8

*Other changes include the loss of acquisition of non-controlling interests EUR 2.9 million.

Statement of changes in Group equity 1 January –30 September 2012

	Equity attributable to the equity holders of the parent company							
(EUR million)	Share capital	Invested free equity fund	Translation differences	Fair value reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity on 1 January 2012	3.1	92.1	-0.1	0.0	71.1	166.2	3.5	169.7
Total income and expenses for the period	0.0	0.0	0.0	0.0	-0.5	-0.5	0.0	-0.4
Dividends paid	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	0.8	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
Sale of treasury shares	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
Equity on 30 September 2012	3.1	92.2	-0.1	0.0	67.2	162.4	3.5	165.9

Statement of changes in Group equity 1 January –31 December 2012

	Equity attributable to the equity holders of the parent company								
(EUR million)	Share capital	Invested free equity fund	Translation differences	Fair value reserve	Retained earnings	Total	Non-controlling interests	Hybrid bond	Total equity
Equity on 1 January 2012	3.1	92.1	-0.1	0.0	71.1	166.2	3.5	0.0	169.7
Total income and expenses for the financial year	0.0	0.0	0.0	0.0	0.8	0.8	0.1	0.0	0.9
Dividends paid	0.0	0.0	0.0	0.0	-4.3	-4.3	0.0	0.0	-4.3
Share-based incentive plan	0.0	0.1	0.0	0.0	1.2	1.3	0.0	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	0.0	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	0.0	0.0	44.6	44.6
Other changes	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0
Equity on 31 December 2012	3.1	92.2	-0.1	0.0	68.9	164.2	3.5	44.6	212.3

Commitments and contingent liabilities (EUR million)	30.9.13	30.9.12	change, %	31.12.12
Collateral given for own liabilities				
Real estate mortgages given [1]	236.2	363.2	-35.0	338.0
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	33.4	15.0	122.8	15.0
Plots purchase commitments	135.4	120.3	12.6	120.5

1) Real estate mortgages include the total amount 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	9/2013		9/2012		12/2012	
(EUR million)	Fair Values		Fair Values		Fair Values	
Hedge accounting not applied	Positive	Negative	Positive	Negative	Positive	Negative
Foreign exchange forward contracts	0.0	0.0	0.0	0.0	0.0	0.0
Interest rate swaps	0.0	0.6	0.0	1.4	0.0	1.2

Nominal values of derivative instruments	9/2013	9/2012	12/2012
Foreign exchange forward contracts	0.0	0.0	0.0
Interest rate swaps	30.0	30.0	30.0

The fair values of derivative instruments 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)	7-9/13	4-6/13	1-3/13	10-12/12	7-9/12	4-6/12	1-3/12
Revenue	170.0	179.4	158.4	175.4	155.8	169.7	140.7
Operating profit	6.9	13.7	1.2	2.4	-0.4	3.1	1.8
Financial income and expenses, total	-1.7	-0.4	-0.5	-0.2	-1.8	-0.6	-1.5
Profit before taxes	5.2	13.3	0.7	2.2	-2.1	2.5	0.3
Order backlog [1]	911.5	959.2	726.7	827.8	747.1	746.3	760.7
New agreements	107.9	384.5	40.0	248.0	138.5	142.5	65.5
Earnings per share, EUR	0.06	0.35	-0.03	0.03	-0.04	0.04	-0.01
Equity per share, EUR [1]	4.95	4.86	4.50	4.62	4.58	4.61	4.56
Share closing price, EUR [1]	4.41	3.28	3.36	3.26	3.44	3.30	4.23
Equity ratio, % [1]	39.3	35.2	34.3	34.7	28.5	29.7	31.9
Net interest-bearing debt [1]	227.1	245.0	277.7	267.9	311.3	288.0	259.5
Gearing, % [1]	102.8	112.5	135.6	126.2	187.7	172.3	156.9

1) at the end of the period

Revenue (EUR million)	7-9/13	4-6/13	1-3/13	10-12/12	7-9/12	4-6/12	1-3/12
Domestic Operations	155.0	128.9	135.0	157.2	139.7	150.8	120.7
- business construction	88.1	74.6	67.5	83.5	78.9	80.9	61.9
- housing construction	66.9	54.3	67.5	73.7	60.7	69.9	58.7
International Operations	15.1	50.4	23.5	18.1	16.1	18.9	20.1
Other operations	2.9	3.0	3.3	3.4	3.6	3.7	3.7
Eliminations	-2.9	-3.0	-3.4	-3.3	-3.6	-3.7	-3.7
Group, total	170.0	179.4	158.4	175.4	155.8	169.7	140.7

Operating profit (EUR million)	7-9/13	4-6/13	1-3/13	10-12/12	7-9/12	4-6/12	1-3/12
Domestic Operations	7.3	2.7	3.4	1.6	1.9	5.8	5.4
International Operations	0.2	12.3	-0.8	2.4	-1.1	-1.9	-2.6
Other operations	-0.6	-1.3	-1.4	-1.7	-1.1	-0.9	-1.1
Eliminations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Group, total	6.9	13.7	1.2	2.4	-0.4	3.1	1.8

Operating profit (%)	7-9/13	4-6/13	1-3/13	10-12/12	7-9/12	4-6/12	1-3/12
Domestic operations	4.7	2.1	2.5	1.0	1.3	3.9	4.5
International operations	1.1	24.5	-3.6	13.3	-7.0	-9.9	-13.0
Group, total	4.0	7.6	0.8	1.4	-0.2	1.8	1.2

Order backlog (EUR million)	30.9.13	30.6.13	31.3.13	31.12.12	30.9.12	30.6.12	31.3.12
Domestic operations	727.8	771.6	686.9	774.4	676.2	661.7	658.3
- business construction	451.1	458.7	389.9	438.7	312.1	325.4	329.4
- housing construction	276.6	312.9	296.9	335.7	364.2	336.4	328.8
International operations	183.7	187.6	39.8	53.4	70.9	84.5	102.4
Group, total	911.5	959.2	726.7	827.8	747.1	746.3	760.7
- sold order backlog	704	746	532	610	517	551	570
- unsold order backlog	207	213	194	218	230	195	191

Order backlog, housing construction in Finland

(EUR million)	30.9.13	30.6.13	31.3.13	31.12.12	30.9.12	30.6.12	31.3.12
Negotiation and construction contracts	119	121	120	129	153	155	153
Under construction, sold	31	52	56	59	52	56	57
Under construction, unsold	87	117	99	119	133	103	92
Completed and unsold	40	24	21	28	26	21	27
Housing construction, total	277	313	297	336	364	336	329

Invested capital (EUR million)	30.9.13	30.6.13	31.3.13	31.12.12	30.9.12	30.6.12	31.3.12
Domestic operations	286.5	291.2	292.7	297.4	286.2	270.2	228.8
International operations	171.7	179.0	195.4	200.2	200.7	198.5	198.6
Other operations and eliminations	8.7	40.6	10.5	15.7	3.4	3.3	7.8
Group, total	466.9	510.9	498.6	513.3	490.3	472.0	435.1

Housing production in Finland (units)	7-9/13	4-6/13	1-3/13	10-12/12	7-9/12	4-6/12	1-3/12
Housing sales, total	183	178	223	207	170	235	133
- sales, developer contracting	69	64	135	140	85	154	98
- sales, negotiation contracts 2)	114	114	88	67	85	81	35
Developer contracting							
- start-ups	25	142	35	95	125	171	24
- completed	175	109	104	114	116	122	99
- completed and unsold	128	89	75	99	100	85	102
Under construction, total 1)	1 398	1 525	1 633	1 849	2 126	2 060	2 188
- construction contracts 1)	550	560	795	969	1 212	1 240	1 425
- negotiation contracts 1) 2)	448	415	321	294	309	224	216
- developer contracting 1)	400	550	517	586	605	596	547
- of which sold 1)	139	206	237	230	205	221	206
- of which unsold 1)	261	344	280	356	400	375	341

1) at the end of the period 2) investor sales under negotiation contracts

3. Segment information

Assets (EUR million)	30.9.13	30.9.12	change, MEUR	change, %	31.12.12
Domestic operations	413.6	392.9	20.7	5.3	422.9
International operations	195.7	225.0	-29.3	-13.0	233.7
Other Operations	309.1	280.0	29.1	10.4	311.8
Eliminations	-296.0	-272.1	-23.9		-293.0
Group, total	622.4	625.8	-3.3	-0.5	675.4

Liabilities (EUR million)	30.9.13	30.9.12	change, MEUR	change, %	31.12.12
Domestic operations	353.6	334.3	19.3	5.8	370.4
International operations	192.3	231.2	-38.8	-16.8	235.2
Other Operations	124.5	139.4	-14.9	-10.7	123.3
Eliminations and other adjustments	-268.8	-245.0	-23.9		-265.8
Group, total	401.6	459.9	-58.3	-12.7	463.1

Invested capital (EUR million)	30.9.13	30.9.12	change, MEUR	change, %	31.12.12
Domestic operations	286.5	286.2	0.2	0.1	297.4
International operations	171.7	200.7	-29.0	-14.5	200.2
Other and eliminations	8.7	3.4	5.3	158.7	15.7
Group, total	466.9	490.3	-23.4	-4.8	513.3

Return on investment, %	1-9/13	1-9/12	1-12/12
Domestic operations 1)	6.4	6.7	5.6
International operations 1)	9.1	-2.7	-0.2
Group, total 1)	6.4	1.8	2.2

1) In calculating the key ratio only the profit for the period has been annualised

Inventories (MEUR)	30.9.13	30.9.12	change, MEUR	31.12.12
Land areas and plot-owning companies	157.5	174.7	-17.2	175.0
Domestic operations	89.0	75.3	13.6	74.6
International operations	68.5	99.4	-30.9	100.5
Work in progress	109.2	141.1	-31.9	159.3
Domestic operations	105.3	133.5	-28.3	150.9
International operations	4.0	7.5	-3.6	8.4
Shares in completed housing corporations and real estate companies	99.9	52.2	47.7	53.8
Domestic operations	97.7	49.9	47.8	51.9
International operations	2.2	2.3	-0.1	1.8
Other inventories	62.0	39.8	22.1	43.1
Domestic operations	7.9	7.8	0.1	7.2
International operations	54.1	32.0	22.1	35.8
Inventories, total	428.6	407.8	20.8	431.2
Domestic operations	299.8	266.6	33.2	284.6
- share of associated companies and joint ventures	2.1	1.3	0.8	1.5
International operations	128.8	141.2	-12.5	146.6
- share of associated companies and joint ventures	52.1	29.1	23.0	34.3

1) In calculating the key ratio, only the profit for the period has been annualised

Related party transactions (EUR million)	Salaries and compensation	Sale of goods and services	Purchase of goods and services	Receivables	Liabilities
30.9.2013					
Management and the Board of Directors	2.0	2.9	0.0	0.2	0.0
Joint ventures	0.0	50.3	0.0	1.4	0.8
Associated companies	0.0	1.2	0.0	16.0	3.7
Other related parties	0.0	0.0	0.0	0.0	0.0
Total	2.0	54.4	0.0	17.6	4.5
30.9.2012					
Management and the Board of Directors	2.0	0.0	0.0	0.0	0.0
Joint ventures	0.0	42.0	0.1	35.6	7.5
Associated companies	0.0	0.0	0.0	16.1	0.0
Other related parties	0.0	0.0	0.0	0.0	0.0
Total	2.0	42.0	0.1	51.7	7.5
31.12.2012					
Management and the Board of Directors	2.6	0.0	0.0	0.0	0.0
Joint ventures	0.0	50.5	0.2	35.0	14.1
Associated companies	0.0	0.3	0.0	15.2	0.0
Other related parties	0.0	0.0	0.0	0.0	0.0
Total	2.6	50.8	0.2	50.1	14.1