SRV GROUP PLC INTERIM REPORT 7 November 2012, 8.30 a.m. EET

REVENUE GREW, MODEST PROFITABILITY: SRV'S INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2012

Reporting period 1 January–30 September 2012 in brief:

- SRV's revenue was EUR 466.2 million (405.5 in January-September 2011), change +15.0%
- Operating profit was EUR 4.5 million (0.9), change +397.7%
- Profit before taxes was EUR 0.6 million (-1.6)
- The order backlog at the close of the review period was EUR 747.1 million (862.3), change -13.4 %
- Equity ratio was 28.5 per cent (30.9%)
- Earnings per share were EUR -0.01 (-0.07)

SRV's outlook for 2012 remains unchanged. The Group's result before taxes is expected to show a profit. The Group's full-year revenue is estimated to be at least on a par with the previous year (EUR 672.2 million 1-12/2011).

Third quarter 1 July – 30 September 2012 in brief:

- Revenue amounted to EUR 155.8 million (136.3 in 7-9/ 2011)
- Operating loss was EUR -0.4 million (0.2)
- Result before taxes was EUR -2.1 million (-1.5)
- Earnings per share were EUR -0.04 (EUR -0.06)

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

CEO Jukka Hienonen comments on SRV's result:

The 15 per cent growth in revenue in the early part of the year was the result of success in building our order backlog during the last couple of years, but the third quarter result was a clear disappointment for us. Positive trend was cut short by lowered profit margin estimations from a few fixed price contracting contracts. Our sector's outlook for the end of this year and for the next year encourages caution.

In the early part of the year Group's profitability clearly improved compared with the previous year, even though the profit margin was not close to our target level. Revenue from domestic operations grew by 7 per cent, but despite the growth the profitability is still not at satisfactory level while operations are still focused on low-margin contracting.

Competition for fixed-price contracts has intensified in the tighter economic conditions, which has reduced their margin level. In accordance with our strategy, we have focused more clearly on projects where we are best able deliver to customers added value based on our expertise. The change of emphasis among contract types is evident in our current order backlog, and the number of new fixed-price contracts has fallen significantly compared with the previous year.

Revenue in our Russia-oriented international business operations increased by around 150 per cent, but the level of losses remained unchanged. This situation is due to the project-development emphasis of these operations, and repatriation of earnings takes place on the sale of completed projects.

Our Pearl Plaza shopping centre project in the vicinity of St. Petersburg has proceeded encouragingly. The occupancy rate of premises is already over 70 per cent, just less than a year before the shopping centre opens. We are also starting our Septem City project located east of St. Petersburg city centre.

The recovery of Russia's property market from the recession caused by the financial crisis is promoting the launch of our projects. To safeguard the financing capacity of our Russian projects, we have two financial partnership arrangements.

Housing construction and sales remain at good level in Finland. Early in the year, revenue grew by more than a third. Low interest rates and consumers' confidence in their own finances have kept the sales of apartments stable, despite the intermittent prevalence of unwelcome economic news.

Our target is to improve profitability by increasing the number of own development projects and decreasing the share of contracts based on competitive tendering. I believe that we can utilize the potential from SRV's innovative project development also in the weakening economic environment.

Overall review

The trend in SRV's revenue remained favourable in the review period. Due to growth in revenue from both domestic and international operations, the Group's revenue grew by 15.0 per cent to EUR 466.2 million (405.5 1-9/2011). Our order backlog remained robust at EUR 747.1 million (862.3 on 30 September 2011).

The Group recorded an operating profit of EUR 4.5 million (0.9in 1-9/2011). Group's profitability has been affected by the order backlog consisting mainly of low-margin contracting and project development nature of operations. A good performance in domestic business had a positive impact on operating profit. Operating profit was burdened by a weakening of approximately EUR 3 million in the estimated margins of three fixed-price contracts, observed in Operations in Finland in the third quarter, as well as the EUR 1.1 million non-recurring depreciation recorded in January in International Operations, as a result of a fire that destroyed a warehouse building. The Group's profit before taxes was EUR 0.6 million (-1.6 1-9/2011). Financial expenses grew from the reference period. Financial items in the reference period were affected by gains from interest rate swaps, exchange rate gains and affiliate-derived financial income.

Revenue from Operations in Finland was EUR 411.1 million (383.4 1-9/2011) and operating profit was EUR 13.1 million (10.1). The domestic order backlog stood at EUR 676.2 million (745.8 on 30 September 2011). Operational focus has been moved to increase developer contracting and negotiation contracting production. Number of signed new fixed price contracts has fallen to approximately half compared to reference period.

Although revenue from domestic commercial construction fell, profitability improved. Profitability in this sector was impacted by the order backlog, consisting mostly of low-margin projects. To improve profitability, SRV aims to move its focus to own project development. The order backlog for commercial construction fell to EUR 312.1 million (371.5 on 30 September 2011).

Revenue for domestic housing construction grew and profitability improved. SRV's total housing sales volume was healthy, with sales consisting of a total of 538 housing units (551 in 1-9/2011), 337 (382) of which were developer-contracted housing units and 201 (169) units sold to investors under negotiated contracts. SRV has become a major rental and owner-occupied housing constructor in its operating areas. SRV's ongoing housing construction amounted to 2,126 housing units (2,504 on 30 September 2011), 81 per cent of housing units under construction have been sold, and 72 per cent of production consists of rental and right-of-occupancy units. SRV has 605 developer-contracted housing units under construction. Based on advance marketing, the decision has been made to initiate the construction of 113 additional housing units. The order backlog for housing construction came to EUR 364.2 million (374.2).

Revenue from International Operations grew to EUR 55.1 million (21.4). Construction of the Pearl Plaza shopping centre, 50%-owned by SRV, generated most of the revenue. Due to the project development nature of this business, its result remained in the red. SRV aims to tap into the market potential in Russia through developer-contracted property development projects, financed with the support of the Russia Invest investment company and the investment potential of the VTB and Ashmore property funds.

The Group's third-quarter revenue was EUR 155.8 million (136.3) and operating loss was EUR -0.4 million (0.2). Volume growth in both Finnish and international operations contributed to revenue growth. The decline in operating profit could be attributed especially to the decrease of approximately EUR 3 million in the estimated margins of three fixed-price contracts in Finnish operations.

SRV's own project development operations are paving the way for 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 housing project, the development project for the vicinity of the Niittykumpu metro station in Espoo, and the Kalasatama development project in Helsinki.

Group key figures (IFRS, EUR million)	**1-9/ 2012**	1-9/ 2011	change, MEUR	change, %	7-9/ 2012	7-9/ 2011	**1-12/ 2011**
Revenue	**466.2**	405.5	60.7	15.0	155.8	136.3	**672.2**
Operating profit	**4.5**	0.9	3.6	397.7	-0.4	0.2	**14.1**
Financial income and expenses, total	**-3.9**	-2.5	-1.4		-1.8	-1.7	**-3.3**
Profit before taxes	**0.6**	-1.6	2.2		-2.1	-1.5	**10.8**
Order backlog	**747.1**	862.3	-115.2	-13.4			**810.8**
New agreements	**346.5**	615.4	-268.9	-43.7	138.5	304.6	**811.6**
Operating profit, %	**1.0**	0.2			-0.2	0.2	**2.1**
Net profit, %	**-0.1**	-0.7			-1.0	-1.4	**0.8**
Equity ratio, %	**28.5**	30.9					**31.0**
Net interest bearing debt	**311.3**	269.5					**271.8**
Gearing, %	**187.7**	167.3					**160.2**
Return on investment, % 1)	**1.8**	1.4					**4.5**
Return on equity, % 1)	**-0.4**	-2.4					**3.3**
Earnings per share, EUR	**-0.01**	-0.07			-0.04	-0.06	**0.17**
Equity per share, EUR	**4.58**	4.44					**4.68**
Weighted average number of	**35.5**	34.9		1.8			**35.0**

shares outstanding, million shares

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

Key figures for the Segments

Revenue (EUR million)	**1-9/ 2012**	1-9/ 2011	change, MEUR	change, %	7-9/ 2012	7-9/ 2011	**1-12/ 2011**
Domestic operations	**411.1**	383.4	27.7	7.2	139.7	128.3	**632.3**
International operations	**55.1**	21.4	33.6	156.8	16.1	7.8	**39.0**
Other Operations	**11.0**	9.4	1.6	16.8	3.6	3.1	**12.7**
Eliminations	**-11.0**	-8.8	-2.2		-3.6	-2.9	**-11.8**
Group, total	**466.2**	405.5	60.7	15.0	155.8	136.3	**672.2**

Operating profit (EUR million)	**1-9/ 2012**	1-9/ 2011	change, MEUR	change, %	7-9/ 2012	7-9/ 2011	**1-12/ 2011**
Domestic operations	**13.1**	10.1	3.1	30.4	1.9	2.4	**27.9**
International operations	**-5.6**	-5.7	0.1		-1.1	-1.4	**-8.3**
Other Operations	**-3.0**	-3.5	0.4		-1.1	-0.8	**-5.5**
Eliminations	**0.0**	0.0	0.0		0.0	0.0	**0.0**
Group, total	**4.5**	0.9	3.6	397.7	-0.4	0.2	**14.1**

Operating profit (%)	**1-9/2012**	1-9/2011	7-9/2012	7-9/2011	**1-12/2011**
Domestic operations	**3.2**	2.6	1.3	1.9	**4.4**
International operations	**-10.2**	-26.6	-7.0	-18.1	**-21.3**
Group, total	**1.0**	0.2	-0.2	0.2	**2.1**

Order backlog (EUR million)	**30.9.12**	30.9.11	change, MEUR	change %	**31.12.11**
Domestic operations	**676.2**	745.8	-69.5	-9.3	**711.2**
International operations	**70.9**	116.5	-45.6	-39.2	**99.6**
Group, total	**747.1**	862.3	-115.2	-13.4	**810.8**
- sold order backlog	517	710	-192	-27.1	596
- unsold order backlog	230	153	77	50.6	215

Earnings trends of the Segments

Domestic operations (EUR million)	**1-9/ 2012**	1-9/ 2011	change, MEUR	change, %	7-9/ 2012	7-9/ 2011	**1-12/ 2011**
Revenue	**411.1**	383.4	27.7	7.2	139.7	128.3	**632.3**
- business construction	**221.8**	243.7	-21.9	-9.0	78.9	82.0	**379.6**
- housing construction	**189.3**	139.8	49.5	35.4	60.7	46.3	**252.8**
Operating profit	**13.1**	10.1	3.1	30.4	1.9	2.4	**27.9**
Operating profit, %	**3.2**	2.6			1.3	1.9	**4.4**
Order backlog	**676.2**	745.8	-69.5	-9.3			**711.2**
- business construction	**312.1**	371.5	-59.5	-16.0			**362.2**
- housing construction	**364.2**	374.2	-10.1	-2.7			**349.0**

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

Revenue for Operations in Finland amounted to EUR 411.1 million (383.4 1-9/2011), and accounted for 88 per cent of the Group's revenue (95%). Operating profit was EUR 13.1 million (10.1), generating an operating profit margin of 3.2 per cent (2.6%). Operating profit in the reference period was affected by the weak profitability of commercial construction, caused by the high proportion of contracting projects in the order backlog, as well as decline of profit margins and rise of construction costs. The order backlog stood at EUR 676.2 million (745.8 on 30 September 2011).

Third-quarter revenue amounted to EUR 139.7 million (128.3 7-9/2011) and operating profit was EUR 1.9 million (2.4). The decrease in estimated profit margins in a few contracts had a negative impact on profit performance. A total of 170 housing units (171) were sold to consumers and investors in the third quarter.

Commercial construction

Revenue for commercial construction was EUR 221.8 million (243.7 in 1-9/ 2011). The order backlog stood at EUR 312.1 million (371.5 on 30 September 2011). Competition for new contracts remained tough.

During the review period, SRV completed the Kaisa Building for the University of Helsinki Property Services, under a project management contract. The building will house the University's City Centre Campus Library. In Vantaa, the renovation of the city hall was completed, as well as the Pessi day care centre. Other projects completed during the review period included a new building for the Jyväskylä Hospital School, commissioned by Jyväskylän Tilapalvelut Oy, the basic renovation of the Viikki laboratory building commissioned by the University of Helsinki, the new Paavola Bridge in Lohja, the 35,000-square metre Willa shopping centre in Hyvinkää, the VW-Center in Turku, the Starkki hardware store at the Skanssi retail district in Turku, and the medicine storage facility commissioned by the Turku University Hospital.

Of SRV's commercial development projects, the STC Tuupakka logistics centre constructed for the Tapiola General Mutual Insurance Company, the S-market grocery store in Juvankartano, Espoo, owned by Pohjola Insurance Ltd, and storage facilities for the Finnish National Opera in Nurmijärvi were completed. The project involving the construction of STC Tahkotie for Pohjola Insurance Ltd has progressed faster than planned and will be completed in the final quarter of this year.

During the review period, new contracts worth EUR 129.5 million were signed with external clients. SRV concluded a contract with Kesko to renovate the Ruoholahti shopping centre in Helsinki, and to renovate and expand the Merituuli shopping centre in Espoo. Contracts signed with Sponda cover the expansion of the renovation project of the Kaivokatu tunnel in central Helsinki. A parish hall will be renovated in Oulu City centre, a health centre in Laukaa, and the parking garage at the Jorvi Hospital in Espoo will be expanded. In addition, SRV will build business premises for Autofenno Oy in Turku.

An agreement was signed in the third quarter on the construction of a high-rise hotel building next to the railway station in central Tampere. The hotel will have 27 floors and 300 guest rooms. The client in this project is mutual pension company Pension Fennia, and the hotel will be operated by

Sokotel Oy, a subsidiary of the SOK group. Another agreement signed in the third quarter covered the renovation of the Stockmann department store premises at the Itis shopping centre in Helsinki. This contract is an extension to other renovation projects SRV launched at the shopping centre in autumn 2011.

Due to an appeal regarding the city plan for the Kalasatama block in the Sörnäinen district in Helsinki, SRV decided to adjust the timetable for construction work on the site, in order to reduce the amount of capital tied up in the project. Project planning and commercialisation work will continue as scheduled. In Perkkaa, Espoo, SRV is implementing a developer-contracted project for business premises that will be completed in 2012–2013, consisting of three office buildings with a total floor area of 20,000 square metres. The head offices of Siemens Osakeyhtiö and SRV will be constructed at this site. The first phase of the project will be completed in August 2012, and the next two stages in late summer 2013.

Housing construction

Revenue for housing construction came to EUR 189.3 million (139.8 in 1-9/ 2011). The order backlog stood at EUR 364.2 million (374.2 on 30 September 2011). At the end of the review period, SRV had a total of 2,126 units (2,504) under construction. In addition, SRV is renovating 300 housing units in Helsinki. Of the housing units under construction, 81 per cent were contracted housing units or own sold production.

During the review period, SRV completed the Vanhalinna property consisting of 309 rental housing units for the Tapiola Group in Helsinki’s Itäkeskus district. Other completed projects in the Greater Helsinki area included the 66 units built for VVO on Agronominkatu street in Helsinki, 58 units built for Asokodit on Klariksentie in Espoo, 62 units built in conjunction with the assisted-living facility in Kauklahti, and 86 units built for Tarveasunnot in Saunalahti. In Pirkanmaa, SRV completed a total of 73 units for YH in Kangasala and Ylöjärvi.

During the review period, housing construction contracts worth EUR 111.6 million were signed with external clients. A total of 564 housing units will be completed at these sites. A residential block featuring 133 units, both owner-occupied and rental, will be built for Sato in the Kalasatama district of Helsinki. A project agreement for 56 housing units in Maununkatu, Nokia, and for 42 units in Sorakuopankatu, Tampere, was concluded with YH-Länsi. In addition, a 58-unit apartment building will be built for VVO in Suurpelto, Espoo.

SRV will construct 26 housing units in Vanttila, Espoo, and 35 units in Länsi-Toppila, Oulu, for Tarveasunnot. The apartment building to be constructed in Oulu is SRV’s first project in the new Satamaranta residential area, where the company holds building rights for a total of approximately 70,000 square metres of floor area. Three projects, featuring a total of 144 housing units, to be built on SRV’s own lots, were sold to IceCapital. The properties are located at Tikkurila and Viertola in Vantaa, and in Kannelmäki, Helsinki. SRV entered into an alliance with the University of Helsinki to construct a property on Vuolukiventie in Helsinki that will feature 26 new housing units and 300 refurbished units.

During the period, SRV launched the construction of 320 developer contracting housing units that will be sold to consumers within the framework of the RS system. These consist of the 65-unit Emmy in Etu-Töölö, Helsinki, the 51-unit Kesäheila in Vallila, Helsinki, and the 60-unit Artesaani in Matinkylä, Espoo, in the immediate vicinity of the Iso Omena shopping centre and the future subway station. Projects launched in Tampere included the Neitoperhonen terraced house featuring 26 housing units along the Lake Pyhäjärvi shoreline in Pohtola, and the 26-unit Herttua apartment building in Rahola. In addition, a 39-unit Pähkinäpolku apartment building will be built in Pirkkala, a 29-unit Lahden Tyyni building in Lahti, and a 24-unit Kantele building in Kaarina. In addition to the projects launched during the review period, SRV has decided to initiate developer-contracted projects for a total of 113 housing units, 18 of which will be built in Helsinki, 35 in Espoo, 25 in Jyväskylä, and 35 in Oulu.

In total, 337 (382) of the developer-contracted housing units within the scope of the RS system were sold during the review period. An additional 201 (169) units were sold to investors under negotiation contracts. At the end of the period, 605 (811) housing units for the consumer market were under construction; of these, 400 (383) had not yet been sold. The number of completed but unsold residential units was 100 (43). A total of 337 (182) developer-contracted residential units were completed during the review period. The number of completed units in the Greater Helsinki area was 157, in Pirkanmaa 122, in Saarijärvi 26 and in Kaarina 32. Based on the current schedules SRV estimates that a total of 451 developer-contracted residential units will be completed in 2012, and 114 during the final quarter.

Housing production in Finland	**1-9/ 2012**	1-9/ 2011	change, MEUR	change, %	7-9/ 2012	**1-12/ 2011**
Developer contracting						
Start-ups	**320**	388	-68	125	61	**579**
Sold	**337**	382	-45	85	92	**482**
Completed	**337**	182	155	116	74	**533**
Completed and unsold	**100**	43	57			**90**
Under construction, total [1)]	**2 126**	2 504	-378			**2 197**
- negotiation and construction contracts [1))]	**1 521**	1 693	-172			**1 575**
- developer contracting [1)]	**605**	811	-206			**622**
- of which sold [1)]	**205**	428	-223			**195**
- of which unsold [1)]	**400**	383	17			**427**

1)at the end of the period

The order backlog for housing construction came to EUR 364.2 million (374.2 9/2011), with contracts and negotiated contracts accounting for EUR 153 million (164). Of the housing production order backlog, EUR 205 million (262) was sold. The completed but unsold order backlog was EUR 26 million (18). The developer-contracted unsold order backlog under construction amounted to EUR 133 million (95).

Order backlog, housing construction in Finland (EUR million)	**30.9.12**	30.9.11	change, MEUR	**31.12.11**
Negotiation and construction contracts	**153**	164	-11	**160**
Under construction, sold developer contracting	**52**	98	-46	**49**
Under construction, unsold developer contracting	**133**	95	39	**115**
Completed and unsold developer contracting	**26**	18	8	**26**
Total	**364**	**374**	**-10**	**349**

SRV and Stora Enso, in cooperation with the City of Helsinki, have organised an architectural design competition for Wood City, a project that will be constructed in the Jätkäsaari district in Helsinki.

The goal of the project is to create a world-class urban quarter that represents cutting-edge Finnish wood construction technology. Competition proposals are currently being reviewed, and the results will be announced by the end of 2012.

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 objective of the programme is 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 developing a general information model process that supports the progress of construction projects through modelling and facilitates optimal cooperation.

SRV was the developer in the Derby Business Park, which won the title of the best Finnish building information modelling project in the Tekla BIM Awards competition. Information modelling was particularly used in the structural and building unit engineering, and in site production control. Other key priority areas included energy efficiency and environmental care. Representing energy efficiency class A, the Derby Business Park is applying for the LEED Gold Certification. Three office buildings will be constructed to the site. First phase completed in August features SRV's headquarters. Second phase will be completed in August 2013 and it will, among others, house the head office of Siemens Osakeyhtiö. 77% of premises has already been rented. SRV estimates, that annual rent income for 100% rented project will be approximately EUR 4.1 million.

SRV is also 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.

After the close of the review period, SRV joined the Nordic Built Charter initiative, which is a Nordic trade and industry policy programme aiming at green growth. The programme is running from 2012 to 2014 and it 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 introducing the new concepts developed during the programme.

International Operations (EUR million)	**1-9/ 2012**	1-9/ 2011	change, MEUR	change, %	7-9/ 2012	7-9/ 2011	**1-12/ 2011**
Revenue	**55.1**	21.4	33.6	156.8	16.1	7.8	**39.0**
Operating profit	**-5.6**	-5.7	0.1		-1.1	-1.4	**-8.3**
Operating profit, %	**-10.2**	-26.6			-7.0	-18.1	**-21.3**
Order backlog	**70.9**	116.5	-45.6	-39.2			**99.6**

International Operations comprise SRV's construction and property development business in Russia and the Baltic countries.

Revenue for International Operations amounted to EUR 55.1 million (21.4 1-9/2011), and it accounted for 12 per cent of the Group's revenue (5%). Construction of the OOO Pearl Plaza shopping centre generated most of the revenue. Operating loss was EUR -5.6 million (-5.7). Revenue grew thanks to the higher level of activity. Factors eroding operating profit included the project development nature of operations, the elimination of a proportion equivalent to SRV's ownership from the profit margin of the construction of the shopping centre, and the EUR 1.1

million non-recurring depreciation recorded for a warehouse destroyed in SRV's Septem City block in St. Petersburg. The order backlog was EUR 70.9 million (116.5 on 30 September 2011).

Third-quarter revenue amounted to EUR 16.1 million (7.8 7-9/2011) and operating loss amounted to EUR -1.1 million (-1.4). Revenue grew thanks to the higher level of activity. Financial performance is affected by the project development nature of operations and the elimination of a proportion equivalent to SRV's ownership from the profit margin of the construction of the shopping centre.

Russia

Investment analysis for the Russia Invest investment company, established in September 2011 by SRV, Ilmarinen, Sponda, Etera and Onvest, continued actively in Moscow and St. Petersburg. SRV is responsible for the project development of Russia Invest, and acts as the project management contractor for projects approved by the investment company. Shareholders have committed to investing a total of EUR 95.5 million, of which SRV's stake is EUR 26 million. The capital will be tied up when investments have been identified and investment decisions finalised. Development projects are otherwise financed with project-specific bank loans, which means the total investment might reach approximately EUR 300 million. The stakeholders' objective is to withdraw from developed projects within roughly three years after their completion.

Construction of the OOO Pearl Plaza shopping centre, owned jointly by SRV and the Shanghai Industrial Investment Company, is in full swing. 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 20 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. The topping out ceremony was held in September, in conjunction with a press conference organised with the future tenants. In line with the project management contractor agreement, SRV is responsible for planning, constructing, developing and leasing out the site. The total value of SRV's projects at the site exceeds EUR 100 million. The site received a building permit at the end of September 2011. The shopping centre will be completed in 2013. The first anchor tenant agreement regarding the lease of 7,600 square metres of hypermarket space to Prisma was signed with SOK. Interest for site rentable premises has been strong, a testament to the strength of shopping centre market in St. Petersburg and the regional appeal of Pearl Plaza. 58% of the premises have already been rented and after succesful completion of ongoing last phase negotiations a total of 73% of premises will be reserved.SRV estimates that the annual rent income from a 100% leased out shopping centre will rise to approximately EUR 18.4 million.

In St. Petersburg, SRV continued to develop the major Septem City project, which comprises 8.5 hectares of land in the Ohta region. The plans for the area include a 140.000 m2 complex constructing a shopping centre, office and business premises, as well as premises for hotel, restaurant and entertainment services. This project will be implemented in several phases. In January, a fire at the site destroyed a building that had been used as a warehouse. The fire will not impact on the development of the site. The warehouse is located in the area included in the first phase, and demolition work on the warehouse was completed in the summer. Capital invested in the land area and site development amounts to EUR 63.2 million. Further investment in land acquisition by SRV is estimated at EUR 2.4 million. At the moment, SRV owns 87.5 per cent of the project. Based on the current plans, first phase will include a shopping centre "Okhta Mall" totalling 140.000 m2. SRV is finalizing the concept design for the project and is engaged in financing and investment negotiations in order to secure financing. Investent budjet for the project is approximately EUR 250 million and the start of construction works is targeted at next year. Search for anchor tenants has began and the interest of future tenants has been strong. Preliminary lease agreements have been signed for over 20% of leasable premises.

Analysis of the VTBC-Ashmore Real Estate Partners I 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, as well as 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 current office space of the Etmia II office and parking garage project in downtown Moscow has been leased out in its entirety. During the first half of the year, part of the parking garage was converted into office premises which, together with the additional premises completed in the summer, have been fully leased out. Rental income in 2013 is estimated to total approximately 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. Project sales efforts are in progress, and the objective is to sell the project to investors during 2012.

Development of the St. Petersburg Eurograd logistics area has been temporarily discontinued due to the financing difficulties of the local partner. SRV has a 49 per cent ownership 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. There are plans to build more than 100,000 square metres of logistics premises in several phases over the course of the next few years. The zoning of the area for logistics has been completed.

The financing of the Mytishi shopping centre project in the Moscow region has not advanced, and the feasibility of alternative concepts is being studied. The majority owner of the project is the Finnish real-estate investment company Vicus, with 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.

The renovation of the Aeroport hotel at Moscow's Sheremetyevo airport was completed during the period, as were the renovation works of the Pulkovskaya hotel in St. Petersburg and the Pribaltiskaya hotel's Aquapark.

The second apartment building of SRV's Papula residential area project in Vyborg was completed during the period. 17 apartments were sold during the period, and 23 remained unsold at the period end. Two apartments have been reserved.

Baltic countries

On 8 March 2012, an agreement was signed for the construction of a new bakery building for an Estonian subsidiary of the VAASAN Group. Construction at the site commenced immediately, and the plant will be completed in the spring of 2013. In connection with the contract, SRV sold the site's lot to VAASAN Baltic AS. The value of the construction project exceeds EUR 10 million. The number of unsold residential units in Estonia was 11 (15). In June, SRV decided to retire from the Latvian real estate market and to focus its Baltic operations on Estonia. The operations of the

Latvian subsidiary have been terminated. Priit Sauk (M.Sc. Eng.) was appointed CEO of the Estonian subsidiaries effective as of 1 July 2012.

Other Operations (EUR million)	**1-9/ 2012**	1-9/ 2011	change, MEUR	change, %	7-9/ 2012	7-9/ 2011	**1-12/ 2011**
Revenue	**11.0**	9.4	1.6	16.8	3.6	3.1	**12.7**
Operating profit	**-3.0**	-3.5	0.4		-1.1	-0.8	**-5.5**

Other Operations mainly consist of the operations of SRV Group Plc and SRV Kalusto Oy.

Revenue from Other Operations during the review period totalled EUR 11.0 million (9.4 in 1-9/2011) and operating loss was EUR -3.0 million (-3.5). Revenue growth was driven by higher volume of operations. During the period, development costs expensed for SRV's projects amounted to EUR 2.0 million (3.4). Third-quarter revenue amounted to EUR 3.6 million (EUR 3.1 million 7-9/2011) and operating loss came to EUR -1.1 million (-0.8).

Group project development

The Trade and Competitiveness Division of the Espoo City Board extended the planning reservation granted to SRV, Mutual Pension Insurance Company Varma and Sato Corporation for the area adjacent to the Niittykumpu metro station until 30 June 2014. The objective is to submit the city plan for the first phase of the project to the City Planning Committee for approval in January 2013.

Kiinteistö Oy Perkkaantalo, a joint venture co-owned by SRV, Sato Corporation and Ilmarinen, is developing a new residential area in the Perkkaa district in Espoo. The plan is to build a total of 102,000 square metres of floor area on the site owned by the joint venture. The parties' objective is to have the City Planning Committee discuss the viewing of the proposed city plan for the project in 2012. Construction work is scheduled to begin in 2014.

SRV and Orion are developing a residential area on property owned by Orion in the Ylä-Mankkaa district in Espoo. Preparation of the proposed city plan is in progress, and the parties aim to submit the plan to the City Planning Committee for discussion in 2012. The total scope of the project is about 48,000 square metres of floor area. Residential construction work is scheduled to begin in 2014.

Vantaa City Council has approved the alteration of the city plan required for the Pressi Business Park and Pressi Logistics projects. The alteration permits more flexible project implementation and will improve transport connections in the region. The Pressi projects are located on land owned by SRV, near the Vantaankoski railway station on the new Ring Rail Line. The total scope of the projects is about 66,000 square metres of floor area.

The developer responsibilities for business premises in the Airut eco block to be constructed in Jätkäsaari were transferred from Sitra to SRV. SRV previously shared developer responsibility with VVO for the residential buildings to be constructed in the block. The Airut block design objectives include minimising the carbon footprint and ensuring that energy consumption in the buildings meets the principles of sustainable development.

Financing and financial position

Net operational cash flow was EUR -33.5 million (-54.3 in 1-9/2011). The Group's inventories were EUR 401.8 million (389.0), the share of land areas and plot-owning companies being EUR 168.7 million (199.2). The Group's invested capital amounted to EUR 490.3 million (442.2).

In June, SRV signed a long-term binding EUR 100 million revolving credit facility with a Nordic banking consortium. The loan replaces a syndicated revolving credit facility signed in 2007. The maturity date of the new credit facility is 31 December 2015. The terms of the loan correspond to the terms of SRV's other loans, and the financial covenant of the loan is the equity ratio, which is also reported to banks for developer contracting projects as a ratio based on the percentage of completion. SRV's equity ratio based on percentage of completion was 30.1 per cent (on 30 September 2012).

At the end of the review period, the Group's financing reserves were EUR 102.3 million with the Group's cash assets amounting to EUR 13.2 million, and open-ended account limits and committed undrawn financing reserves to EUR 89.1 million.

Investments in SRV's developer-contracted housing and commercial construction projects in Finland, under construction and completed, total EUR 183.4 million. SRV estimates that the completion of these projects requires another EUR 86 million. Undrawn housing corporation loans and receivables for housing construction projects and undrawn commercial construction financing amounted to EUR 86 million. In addition, approximately EUR 26 million is tied up in the construction of infrastructure in the Kalasatama centre. Investments in completed international developer-contracted projects amount to EUR 38.1 million, of which EUR 0.8 million relates to unsold residential projects in Estonia, EUR 1.5 million to unsold housing projects in Vyborg, and EUR 35.8 million to the Etmia office project.

Equity ratio was 28.5 per cent (30.9%). The change in the equity ratio and net liabilities can be attributed to the increase in inventories. The Group's shareholders' equity totalled EUR 165.9 million (161.1 on 30 September 2011). The Group's net interest-bearing liabilities were EUR 311.3 million (269.5). Net financing expenses were EUR -3.9 million (EUR -2.5 million). Return on investment was 1.8 per cent (1.4%) and return on equity -0.4 per cent (-2.4%).

Investments

The Group's investments totalled EUR 1.9 million (3.7), consisting mostly of investments in funds and the acquisition of machinery and equipment.

Unbuilt land areas, land acquisition commitments and land development agreements

Land reserve 30.9.2012	Business construction	Housing construction	International operations	Total
Unbuilt land areas and land acquisition commitments				
Building rights*, m^2	**270 000**	**310 000**	**825 000**	**1 405 000**
Land development agreements				
Building rights*, m^2	**678 000**	**320 000**	**152 000**	**1 150 000**

* 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 that builds and develops commercial and business premises, residential units as well as infrastructure and logistics projects. Apart from 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 areas are Operations in Finland, International Operations, and Other Operations. The Operations in Finland business area consists of SRV's property development and construction operations in Finland. Operations in Finland are divided into housing construction and commercial construction, which comprises retail, office, logistics, earthworks and rock construction operations. International Operations comprise SRV's construction activities and property development business in Russia and the Baltic countries. Other Operations consist primarily of the SRV Group Plc and SRV Kalusto Oy's operations.

Personnel

SRV had an average payroll of 1,000 (864) employees, of whom 729 (624) were salaried employees. The parent company had an average staff of 55 (45) salaried employees. At the close of the review period, the Group had 983 (914) employees, of whom 55 (44) were employed by the parent company. 179 (168) employees were employed by international subsidiaries. SRV's operations in Finland employed a total of 66 (51) summer trainees, students in work training and students working on their thesis or diploma.

SRV's human resources strategy is designed to secure the availability and high motivation of personnel, and to ensure continued competence and leadership development. The objective of the "One SRV" programme is to promote the competence of the leading industry experts, to improve internal cooperation and rewarding practices, to promote internal mobility and to deploy SRV's strategy. To prepare for future recruitment needs, SRV offered more summer jobs and traineeships to students and pursued the efforts started in autumn 2011 involving cooperation with educational institutes, particularly universities and universities of applied sciences, providing education related to the construction industry. SRV is also offering a larger number of construction industry students the opportunity to continue working for SRV part time as part of the SRV training programme.

Personnel by business area	**30.9.2012**	30.9.2011	Share of Group personnel, 30.9.2012, %
Domestic operations	**697**	654	70.9
International operations	**188**	178	19.1
Other Operations	**98**	82	10.0
Group, total	**983**	**914**	100.0

On 4 September 2011, the Board of Directors of SRV approved a new share-based incentive scheme for the Group's key personnel. The purpose of the scheme is to align the objectives of shareholders and key personnel in order to increase the company's value, and to enhance key personnel's commitment to the company. The scheme covers 28 key SRV personnel. Key indicators in the

scheme are the Group’s operating profit, return on equity and equity ratio. In addition, other business-specific indicators specified for 2012–2013 will affect the bonus earned.

When the indicators are fulfilled, the bonus will be paid quarterly, partly in the company’s shares and partly in cash. The scheme involves the conveyance of a maximum of 404,000 SRV Group shares held by the company and a cash payment for tax purposes corresponding to the value of the conveyed shares. The total recognised IFRS value of shares conveyed over the lifetime of the incentive scheme will be approximately EUR 1.8 million, with the addition of the cash payments. The Black & Scholes model, applied in the pricing of options, is used to calculate the theoretical market value of the shares, with the following assumptions: share price EUR 3.60, risk-free interest rate 0.58 per cent and volatility 37 per cent.

Personnel covered by the scheme must hold at least half of the shares received on the basis of the scheme until 31 December 2014 and at least half until 31 December 2015. If a key employee’s employment ends during the above restriction period, he/she must hand over all shares to the company without compensation.

Outlook for construction

The prolonged crisis in Europe and the sluggishness of the world economy may have a negative impact on the outlook of the Finnish economy. Estimates for Finland’s economic growth in 2012 are close to zero. Overall, the number of construction start-ups is expected to fall somewhat from the previous year, but construction is expected to take a moderate upward turn in 2013. The rise in building costs has levelled out.

Coupled with high apartment price levels, the general uncertainty has caused the demand for housing units to slow down somewhat. Estimates indicate approximately 27,500 housing unit start-ups for this year (30,200 in 2011). In the longer term, trends such as migration to population growth centres and the smaller size of households will increase the need for housing construction in Finland.

Commercial and office real-estate markets remained muted. Both the decrease in demand and increase in supply will continue to put pressure on the utilisation rates of offices in the Helsinki metropolitan area. However, there is some demand for state-of-the-art facilities in prime locations. The number of commercial and office construction start-ups is expected to decrease somewhat from the previous year.

Volume growth is expected in renovation construction. Growth of the building stock, the ageing of existing buildings, and the modernisation needs created by today’s technical standards, will also support renovation construction in the future. The weakening of the outlook for civil engineering construction will even out when the impact of the ongoing infrastructure projects begins to be felt.

The ongoing financial crisis in Europe has slowed down economic growth in all Baltic countries, following the rapid recovery seen in 2011. Activity in the construction sector and real-estate market remains at a low level. This year’s GNP growth estimate for Estonia is approximately 2.5 per cent.

The Russian economy grew by 4.5 per cent in the first half of 2012 thanks to the high price of oil, strong private consumption and pre-election public contributions. However, the growing global economic uncertainty, fall in oil prices and major reductions in crop yields due to drought will hold back future growth. The GNP growth is expected to be around 3.5 per cent this year and next year.

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: they may impact on the development of SRV's order backlog and operational profitability, and lengthen the periods of time and increase the amount of SRV's capital invested in projects. A change in the general interest level 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 country-level financing crisis is adding to the economic uncertainty. Property values are under pressure because of the economic uncertainty, and the number of property transactions and, in particular, new large-scale project start-ups, has decreased due to difficulties in securing financing. Demand for property investments has remained weak.

Compared to the period before the recession, financing from banks is more difficult to obtain, bank regulation is becoming increasingly strict, and loan margins are climbing. Despite the extremely low interest rate level, financing costs may grow as loan margins continue to rise. If the international financing crisis escalates, it may continue to 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.

SRV's revenue is generated by construction projects, and the company's result depends on the profitability of individual projects as well as their progress. Fierce competition for new orders in the construction sector may affect the volume and profitability of SRV's new order backlog. Particularly in the case of commercial construction projects, agreeing on additional works and alterations may involve financial risks that grow when the economic situation is poor.

In developer-contracted projects, recognition of revenue is based mainly on the completed contract method, and recognition depends on the percentage of sold premises in delivered projects. The delivery schedule of developer-contracted projects can have a material impact on the development of revenue and profit for the financial year and the quarters. Project sales are affected by factors such as the availability of financing for the buyer, and occupancy rate. When sales are delayed, recognition of revenue and operating profit is delayed correspondingly. Postponed start-ups of 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. After a rapid contraction, the Finnish housing market has recovered, but the uncertainty of the economy and the planned tax enhancements weakens the outlook for apartment sales. According to the Government budget proposal for 2013, the asset transfer tax on the transfer of shares in a housing corporation will be raised to 2.0 per cent starting on 1 January 2013, and the tax will also be applicable to the corporate loan included in the shares. The margins on loans banks grant to home buyers, and on the housing corporation loans for housing construction, have been climbing steeply in the past 12 months. Key risks affecting housing unit demand include developments in consumer confidence, availability of financing, and significantly higher interest rate levels.

Construction is subject to significant cost risks relating to subcontracting and procurements. Long-term planning is vital to keeping 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 accuracy from administration. Warranty and liability obligations related to construction can span up to ten years. The rise in building costs has levelled out.

SRV is involved in a few arbitration and legal proceedings. SRV’s management believes that neither these cases nor their outcomes will not have a significant impact on SRV’s financial standing. SRV has initiated arbitration proceedings against the real estate company Espoontori, pertaining to the renovation contract for the Espoontori shopping centre. Real estate company Espoontori is owned by Citycon Oyj. The financial value of the dispute, including VAT, is approximately EUR 4.6 million. SRV and Kiinteistö Oy Primulan Herkkupaja, owned by Varma Mutual Pension Insurance Company, concluded a contracting agreement on the construction of a bakery building in Järvenpää. The tenant company Järvenpään Herkkutehdas Oy filed for bankruptcy in November 2011, and its parent company Oy Primula Ab was declared bankrupt in May 2012. The contracting parties have differing views over the liability to pay the costs for the additional work and modifications; SRV’s claim including value added tax amounts to EUR 3.8 million. In May 2012, SRV filed an application for a summons with the Tuusula District Court regarding the payment liability.

Besides land acquisition risks, property projects face other challenges, such as those related to the outcome of zoning, soil conditions, financing, liquidity of the funding based on financing commitments, commercialisation of projects, partners, and the geographical location and type of project. In line with the IFRS requirements, SRV measures its land reserves at acquisition cost. If the acquisition cost, together with 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 the progress and start-up decisions of development projects. SRV’s goal is to carry out large development projects with project funding and in cooperation with real estate investors. The decline in the availability of investor and project funding may increase SRV’s own share of project funding, lowering the Group’s equity ratio, reducing Group liquidity, and hindering the availability of other funding.

The financial risks related to SRV’s operations consist of interest rate, currency, liquidity and contractual party risks, which are discussed in more detail in the Notes to the 2011 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 by means of efficient management of cash flows and solutions linked to it, 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 equity ratio, which is also reported to banks for developer contracting projects as a ratio based on percentage of completion.

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 disclosed in the 2011 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 14 March 2012. 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 0.12 per share was declared. The dividend was paid on 26 March 2012. 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 Ilkka Salonen 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 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 of the company 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 of the company 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 own shares in proportion other than the holdings of the 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 15 March 2011.

In its organisational meeting on 14 March 2012, the Board of Directors elected Olli-Pekka Kallasvuo vice chairman of the Board and chairman of the Audit Committee, Minna Alitalo and Timo Kokkila members of the Audit Committee, Arto Hiltunen and Ilkka Salonen members of the Nomination and Remuneration Committee, and Ilpo Kokkila chairman of the Nomination and Remuneration Committee.

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 5,850 shareholders on 30 September 2012.

The closing price of SRV's share at OMX Helsinki at the end of the review period was EUR 3.44 (EUR 4.00 on 31 December 2011, change -14.0%). SRV's equity per share on 30 September 2012 was EUR 4.58. The highest share price in the review period was EUR 4.89 and the lowest was EUR 3.16. During the same period, the all-share index of the Helsinki Stock Exchange (OMX Helsinki) was up 2.1 per cent, and the OMX Construction and Materials index 13.0 per cent. At the end of the review period, the company had a market capitalisation of EUR 122.1 million, excluding the Group's treasury shares. 2.4 million shares were traded during the period and the trade volume was EUR 9.4 million.

At the end of the review period, SRV and Nordea had a derivative contract (Total Return Swap) for 552,833 SRV shares at a price of EUR 4.45 per share (totalling EUR 2.5 million). These shares are considered to be equivalent to treasury shares held by the company. As the contract matures, the shares will be sold to SRV Group Plc or an entity named by SRV. At the end of the review period, the market capitalisation of the shares was EUR 1.9 million.

At the end of the review period, SRV held 1,270,273 SRV Group Plc shares, taking the derivative contract with Nordea Bank AB into consideration (3.5 per cent of the total number of the company's shares and combined number of votes). On 6 November 2012, taking the derivative contract into consideration, the Group held 1,270,273 shares (3.5 per cent of the total number of the company's shares and votes).

Financial targets

On 15 February 2012, SRV's Board of Directors confirmed the Group's strategy for 2012–2016. The Group's strategic targets are defined as follows:

- SRV's revenue grows faster than the construction industry in general, reaching the level of one billion
- International Operations account for more than 20 per cent of Group revenue
- Operating profit margin will reach 6 per cent
- Return on equity is at least 15 per cent
- Equity ratio will stay above 30 per cent
- The objective is to pay dividends 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 needed.

Events after the end of the reporting period

After the close of the review period, SRV signed an agreement on the construction of the Helsinki Airport station on the Ring Rail Line. Construction work began in October. With a total value of approximately EUR 70 million, the new Airport station is the most significant project on the Ring Rail Line.

Outlook for 2012 (adjusted on 10 September 2012)

SRV lowered the profit margin estimates of three fixed-price projects by approximately EUR 3 million and consequently adjusted its full-year guidance on 10 September 2012.

The Group's result before taxes is expected to show a profit. The Group's full-year revenue is estimated to be at least on a par with the previous year's level (EUR 672.2 million 1-12/2011).

SRV's full-year profit can be significantly affected by the timing of sale of Etmia II office property in Moscow and the Derby Business Park in Espoo. Furthermore, the general uncertainty seen in the financial markets has also had a negative effect on real estate markets. Nonetheless, even if the property sales are not completed during this year, the full-year result before taxes in 2012 is estimated to be positive. SRV does not change estimates given in the Q2 Interim Report regarding development in the housing and business premises markets.

Outlook for 2012

SRV reiterates the outlook for 2012.

The volume and the completion schedules of developer-contracted housing production, trends in the margin of the order backlog, the number of new construction contracts, and the materialisation of planned project sales all have an effect on the trends and allocation of revenue and profitability in 2012. Developer-contracted housing production is recognised upon delivery. Based on the available completion schedules, SRV estimates that a total of 451 developer-contracted residential units will be completed in 2012. SRV's full-year performance can be significantly affected by the timing of sale of Etmia II office property in Moscow and the Derby Business Park in Espoo. Furthermore, the general uncertainty seen in the financial markets also reflects negatively on real estate markets. Nonetheless, even if the property sales are not completed during this year, the full-year result before taxes in 2012 is estimated to be positive.

The Group's result before taxes is expected to show a profit. The Group's full-year revenue is expected to be at least on a par with the previous year's level (EUR 672.2 million 1-12/2011).

Espoo 6 November 2012

Board of Directors

All forward-looking statements in this review are based on the 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:

		1-9/ 2012	1-9/ 2011	7-9/ 2012	7-9/ 2011	**1-12/ 2011**
Revenue	EUR million	466.2	405.5	155.8	136.3	672.2
Operating profit	EUR million	4.5	0.9	-0.4	0.2	14.1
Operating profit, % of revenue	%	1.0	0.2	-0.2	0.2	2.1
Profit before taxes	EUR million	0.6	-1.6	-2.1	-1.5	10.8
Profit before taxes, % of revenue	%	0.1	-0.4	-1.4	-1.1	1.6
Net profit attributable to equity holders of the parent company	EUR million	-0.5	-2.4	-1.6	-1.9	5.9
Return on equity [1)]	%	-0.4	-2.4			3.3
Return on investment [1)]	%	1.8	1.4			4.5
Invested capital	EUR million	490.3	442.2			454.0
Equity ratio	%	28.5	30.9			31.0
Net interest-bearing debt	EUR million	311.3	269.5			271.8
Gearing ratio	%	187.7	167.3			160.2
Order backlog	EUR million	747.1	862.3			810.8
New agreements	EUR million	346.5	615.4			811.6
Personnel on average		1 000	864			880
Property, plant and equipment investments	EUR million	1.9	3.7	0.8	1.9	10.2
Property, plant and equipment investments, % of revenue	%	0.4	0.9	0.5	1.4	1.5
Earnings per share, share issue adjusted	EUR	-0.01	-0.07	-0.04	-0.06	0.17
Equity per share, share issue adjusted	EUR	4.58	4.44	-	-	4.68
Dividend per share, share issue adjusted	EUR	0.12	0.12	-	-	0.12
Dividend payout ratio	%	-1 200.0	-171.4	-	-	70.6
Dividend yield	%	3.5	2.7	-	-	3.0
Price per earnings ratio		-344.0	-64.0	-	-	23.5
Share price development				-	-	
Share price at the end of the period	EUR	3.44	4.48	-	-	4.00
Average share price	EUR	3.91	6.16	-	-	5.88
Lowest share price	EUR	3.16	3.83	-	-	3.83
Highest share price	EUR	4.89	7.43	-	-	7.43
Market capitalisation at the end of the period	EUR million	122.1	159.1	-	-	142.0
Trading volume	1,000	2 367	8 281	-	-	8 759
Trading volume	%	6.7	23.8	-	-	25.0
Weighted average number of shares outstanding	1,000	35 499	34 860	-	-	35 023
Number of shares outstanding at the end of the period	1,000	35 498	35 507	-	-	35 503

1) In calculating the key ratio only the profit for the 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	$\frac{\text{Profit before taxes - income taxes}}{\text{Total equity, average}}$
Return on investment, %	=	100 x	$\frac{\text{Profit before taxes + interest and other financial expenses}}{\text{Invested capital, average}}$
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, share issue adjusted	=		$\frac{\text{Net profit for the period attributable to equity holders of the parent company}}{\text{Weighted average number of shares outstanding}}$
Equity per share, share issue adjusted	=		$\frac{\text{Shareholders' equity attributable to equity holders of the parent company}}{\text{Number of shares outstanding at the end of the period, share issue adjusted}}$
Price per earnings ratio	=		$\frac{\text{Share price at the end of the period}}{\text{Earnings per share, share issue adjusted}}$
Dividend payout ratio, %	=	100 x	$\frac{\text{Dividend per share. share issue adjusted}}{\text{Earnings per share, share issue adjusted}}$
Dividend yield, %	=	100 x	$\frac{\text{Dividend per share. share issue adjusted}}{\text{Share price at the end of the period, share issue adjusted}}$
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 in relation to the weighted average number of shares outstanding

SRV Group Plc Interim Report 1.1. - 30.9.2012: TABLES

Appendixes
1) Condensed consolidated financial statements: income statement, balance sheet, statement of changes in equity, cash flow statement, commitments and contingent liabilities, derivative contracts liabilities
2) Quarterly development
3) Segment information
4) Events after the reporting period

1. Group financials 1.1. - 30.9.2012

The interim report has been prepared in accordance with the accounting policies set out in the IAS 34 standard and the information disclosed is unaudited. SRV has applied the same accounting principles as in its year-end financial statements for 2011. 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 2012 or thereafter. Based on current information, these standards, amendments and interpretations have no impact on Group’s financial position. To some extent, they have impact on the presentation of of consolidated financial statements.

- IFRS 7 Financial instruments: Disclosures – Transfers of Financial Assets (accounting period beginning on 1 July 2011 or therafter)
- Annual improvements 2011 (effective on 1 January 2012). The Group will apply this amendment as of 1 January 2012.

Consolidated income statement (EUR million)	**1-9/ 2012**	1-9/ 2011	change, MEUR	change, %	7-9/ 2012	7-9/ 2011	**1-12/ 2011**
Revenue	**466.2**	**405.5**	**60.7**	15.0	**155.8**	**136.3**	**672.2**
Other operating income	2.7	3.5	-0.8	-23.6	1.0	1.3	4.5
Change in inventories of finished goods and work in progress	43.5	49.5	-6.0	-12.1	18.9	24.3	6.1
Use of materials and services	-447.0	-404.0	-43.1	10.7	-157.6	-145.4	-593.2
Employee benefit expenses	-46.7	-39.4	-7.4	18.7	-14.0	-11.5	-55.7
Share of results of associated companies	-0.1	-0.4	0.3	-74.1	-0.1	-0.3	-1.1
Depreciation and impairments	-3.3	-2.5	-0.8	30.5	-0.8	-0.9	-3.8
Other operating expenses	-10.7	-11.2	0.5	-4.7	-3.6	-3.6	-15.0
Operating profit	**4.5**	**0.9**	**3.6**	397.7	**-0.4**	**0.2**	**14.1**
Financial income	2.6	4.1	-1.5	-37.4	1.0	1.7	5.4
Financial expenses	-6.4	-6.6	0.1	-2.2	-2.7	-3.4	-8.7
Financial income and expenses, total	-3.9	-2.5	-1.4	56.3	-1.8	-1.7	-3.3
Profit before taxes	**0.6**	**-1.6**	**2.2**	-140.0	**-2.1**	**-1.5**	**10.8**
Income taxes	-1.1	-1.3	0.2	-15.7	0.5	-0.3	-5.5
Net profit for the period	**-0.5**	**-2.9**	**2.4**	-83.5	**-1.6**	**-1.9**	5.3
Attributable to							
Equity holders of the parent company	-0.5	-2.4			-1.6	-1.9	5.9
Non-controlling interests	0.0	-0.5			0.0	0.0	-0.5
Earnings per share calculated on the profit attributable to equity holders of the parent company (undiluted and diluted)	-0.01	-0.07			-0.04	-0.06	0.17

Statement of comprehensive income (EUR million)	**1-9/ 2012**	1-9/ 2011	7-9/ 2012	7-9/ 2011	1-12/ 2011
Net profit for the period	**-0,5**	**-2,9**	**-1,6**	**-1,9**	**5,3**
Other comprehensive income:					
Foreign currency translation differences for foreign operations	0,0	0,1	0,0	0,1	0,1
Gains and losses on remeasuring available-for-sale financial assets	0,0	0,0	0,0	0,0	0,0
Income tax relating to components of other comprehensive income	0,0	0,0	0,0	0,0	0,0
Total comprehensive income for the period, net of tax	**0,0**	**0,1**	**0,0**	**0,1**	**0,1**
Total comprehensive income for the period	**-0,4**	**-2,8**	**-1,6**	**-1,8**	**5,4**
Profit for the period attributable to:					
Equity holders of the parent company	-0,5	-2,3	-1,6	-1,8	5,9
Non-controlling interests	0,0	-0,5	0,0	0,0	-0,5

Consolidated balance sheet (EUR million)	**30.9.12**	30.9.11	change, %	**31.12.11**
ASSETS				
Non-current assets	13.4	15.4	-12.9	15.2
Property, plant and equipment	1.7	1.7	0.0	1.7
Goodwill	0.6	0.4	41.0	0.5
Other intangible assets	10.9	6.1	79.3	10.8
Other financial assets	18.2	8.2	121.4	8.2
Receivables	13.2	12.9	2.1	13.0
Loan receivables from associated companies and joint ventures	5.6	8.2	-31.2	5.0
Deferred tax assets	**63.7**	**53.0**	20.3	**54.4**
Non-current assets, total				
Current assets	401.8	389.0	3.3	354.4
Inventories	110.5	88.0	25.5	133.5
Trade and other receivables	31.6	32.7	-3.3	32.0
Current tax receivables	5.1	2.9	72.9	1.5
Cash and cash equivalents	13.2	11.7	12.5	12.5
Current assets, total	**562.1**	**524.4**	7.2	**533.9**
ASSETS, TOTAL	**625.8**	**577.3**	8.4	**588.3**

Consolidated balance sheet (EUR million)	**30.9.12**	30.9.11	change, %	**31.12.11**
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent company	3.1	3.1	0.0	3.1
Share capital	92.2	92.1	0.1	92.1
Invested free equity fund	0.0	0.0	-58.4	-0.1
Translation differences	0.0	0.0		0.0
Fair value reserve	67.2	62.4	7.5	71.0
Retained earnings	**162.4**	**157.6**	3.1	**166.2**
Equity attributable to equity holders of the parent company, total	**3.5**	**3.5**	-0.4	**3.5**
Non-controlling interests	**165.9**	**161.1**	3.0	**169.7**
Equity, total				
Non-current liabilities	1.5	3.0	-50.1	1.0
Deferred tax liabilities	5.6	4.2	34.9	5.4
Provisions	155.4	95.8	62.2	90.1
Interest-bearing liabilities	0.0	5.9	-99.3	7.8
Other liabilities	**162.5**	**108.8**	49.4	**104.4**
Non-current liabilities, total				
Current liabilities	123.8	117.9	5.1	113.6
Trade and other payables	1.4	1.8	-20.7	2.6
Current tax payables	3.1	2.5	24.6	3.9
Provisions	169.1	185.4	-8.8	194.2
Interest-bearing liabilities	**297.4**	**307.5**	-3.3	**314.3**
Current liabilities, total	**459.9**	**416.2**	10.5	**418.7**
Liabilities, total	**625.8**	**577.3**	8.4	**588.3**
EQUITY AND LIABILITIES				

Consolidated cash flow statement

(EUR million)	**1-9/2012**	**1-9/2011**	**1-12/2011**
Cash flows from operating activities			
Net profit for the period	**-0.5**	**-2.9**	**5.3**
Adjustments:			
Depreciation and impairments	3.3	2.5	3.8
Non-cash transactions	-3.5	0.1	3.9
Financial income and expenses	3.9	2.5	3.3
Capital gains on sales of tangible and intangible assets	0.0	0.0	0.0
Income taxes	1.1	1.3	5.5
Adjustments, total	**4.7**	**6.4**	**16.4**
Changes in working capital:			
Change in loan receivables	10.7	-0.7	-18.9
Change in trade and other receivables	4.2	-20.8	-45.6
Change in inventories	-46.5	-64.8	-30.7
Change in trade and other payables	2.2	37.4	40.1
Changes in working capital, total	**-29.3**	**-49.0**	**-55.1**
Interest paid	-6.4	-7.4	-9.0
Interest received	1.4	3.8	3.1
Dividends received	0.0	0.0	0.0
Income taxes paid	-3.5	-5.2	-5.9
Net cash flow from operating activities	**-33.5**	**-54.3**	**-45.2**
Cash flow from investing activities			
Acquisition of subsidiaries, net of cash	0.0	-0.8	-0.8
Purchase of property, plant and equipment	-1.6	-2.1	-3.1
Purchase of intangible assets	-0.1	-0.1	-0.2
Purchase of other financial assets	-0.2	-0.8	-6.1
Sale of property, plant and equipment and intangible assets	0.2	0.0	0.0
Sale of financial assets	0.1	0.2	0.5
Net cash used in investing activities	**-1.7**	**-3.6**	**-9.7**
Cash flows from financing activities			
Proceeds from loans	45.3	29.8	29.0
Repayments of loans	-19.6	-10.1	-11.5
Change in loan receivables	0.0	0.0	0.0
Change in housing corporation loans	30.7	16.2	1.5
Change in credit limits	-16.3	20.4	35.0
Purchase of treasury shares	0.0	10.2	10.3
Dividends paid	-4.3	-4.1	-4.1
Net cash from financing activities	**35.9**	**62.3**	**60.3**
Net change in cash and cash equivalents	**0.7**	**4.4**	**5.4**
Cash and cash equivalents at the beginning of period	12.5	7.1	7.1
Cash and cash equivalents at the end of period	**13.2**	**11.6**	**12.5**

Statement of changes in Group equity 1.1. - 30.9.2012

(EUR million)	Share capital	Invested free equity fund	Translation differences	Fair value reserve	Retained earnings	Total	Non-controlling interests	Total equity
	Equity attributable to the equity holders of the parent company							
Equity on 1.1.2012	**3.1**	**92.1**	**-0.1**	**0.0**	**71.1**	**166.2**	**3.5**	**169.7**
Total income and expenses for the financial year	**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 30.9.2012	**3.1**	**92.2**	**-0.1**	**0.0**	**67.2**	**162.4**	**3.5**	**165.9**

Statement of changes in Group equity 1.1. - 30.9.2011

(EUR million)	Share capital	Invested free equity fund	Translation differences	Fair value reserve	Retained earnings	Total	Non-controlling interests	Total equity
	Equity attributable to the equity holders of the parent company							
Equity on 1.1.2011	**3.1**	**87.8**	**-0.1**	**0.0**	**63.8**	**154.5**	**2.7**	**157.2**
Total income and expenses for the financial year	**0.0**	**0.0**	**0.1**	**0.0**	**-2.4**	**-2.3**	**-0.5**	**-2.8**
Dividends paid	0.0	0.0	0.0	0.0	-4.1	**-4.1**	0.0	**-4.1**
Share based incentive plan	0.0	0.3	0.0	0.0	0.3	**0.6**	0.0	**0.6**
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	4.1	0.0	0.0	6.2	**10.2**	0.0	**10.2**
Other changes*	0.0	0.0	0.0	0.0	-1.4	**-1.4**	1.3	**-0.1**
Equity on 30.9.2011	**3.1**	**92.1**	**0.0**	**0.0**	**62.4**	**157.6**	**3.5**	**161.1**

* Other changes includes the loss of acquisition of non-controlling interests EUR 1.3 million.

Statement of changes in Group equity 1.1. - 31.12.2011

(EUR million)	Equity attributable to the equity holders of the parent company: Share capital	Invested free equity fund	Translation differences	Fair value reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity on 1.1.2011	**3.1**	**87.8**	**-0.1**	**0.0**	**63.8**	**154.5**	**2.7**	**157.2**
Total income and expenses for the financial year	**0.0**	**0.0**	**0.1**	**0.0**	**5.9**	**5.9**	**-0.5**	**5.4**
Dividends paid	0.0	0.0	0.0	0.0	-4.1	**-4.1**	0.0	**-4.1**
Share based incentive plan	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**
Sale of treasury shares	0.0	4.4	0.0	0.0	5.9	**10.3**	0.0	**10.3**
Other changes*	0.0	0.0	0.0	0.0	-1.4	**-1.4**	1.3	**-0.1**
Equity on 31.12.2011	**3.1**	**92.1**	**-0.1**	**0.0**	**71.0**	**166.2**	**3.5**	**169.7**

* Other changes includes the loss of acquisition of non-controlling interests EUR 1.3 million.

Commitments and contingent liabilities EUR million	**30.9.12**	30.9.11	change, %	**31.12.11**
Collateral given for own liabilities				
Real estate mortgages given	**363.2**	277.3	31.0	**234.3**
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	**15.0**	21.2	-29.3	**15.2**
Plots purchase commitments	**120.3**	129.8	-7.3	**129.6**

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	**9/2012**		9/2011		**12/2011**	
(EUR million)	Fair Values		Fair Values		Fair Values	
	Positive	Negative	Positive		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**	**1.4**	**0.0**	**1.4**	**0.0**	**1.4**

Nominal values of derivative instruments	**9/2012**	9/2011	**12/2011**
Foreign exchange forward contracts	**0.0**	**0.0**	**0.0**
Interest rate swaps	**30.0**	**50.0**	**50.0**

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)	7-9/12	4-6/12	1-3/12	10-12/11	7-9/11	4-6/11	1-3/11
Revenue	**155.8**	169.7	140.7	266.7	136.3	136.6	132.6
Operating profit	**-0.4**	3.1	1.8	13.2	0.2	-0.3	1.0
Financial income and expenses, total	**-1.8**	-0.6	-1.5	-0.8	-1.7	-1.4	0.7
Profit before taxes	**-2.1**	2.5	0.3	12.4	-1.5	-1.7	1.7
Order backlog 1)	**747.1**	746.3	760.7	810.8	862.3	673.5	702.2
New agreements	**138.5**	142.5	65.5	196.1	304.6	90.6	220.2
Earnings per share, eur	**-0.04**	0.04	-0.01	0.24	-0.06	-0.06	0.05
Equity per share, eur 1)	**4.58**	4.61	4.56	4.68	4.44	4.51	4.49
Share price, eur 1)	**3.44**	3.30	4.23	4.00	4.48	6.00	6.75
Equity ratio, % 1)	**28.5**	29.7	31.9	31.0	30.9	31.7	33.2
Net interest bearing debt 1)	**311.3**	288.0	259.5	271.8	269.5	263.5	246.4
Gearing, % 1)	**187.7**	172.3	156.9	160.2	167.3	162.2	159.1

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

Revenue (EUR million)	7-9/12	4-6/12	1-3/12	10-12/11	7-9/11	4-6/11	1-3/11
Domestic operations	**139.7**	150.8	120.7	248.9	128.3	131.2	123.9
- business construction	**78.9**	80.9	61.9	135.9	82.0	86.4	75.3
- housing construction	**60.7**	69.9	58.7	113.0	46.3	44.8	48.8
International operations	**16.1**	18.9	20.1	17.5	7.8	5.3	8.4
Other Operations	**3.6**	3.7	3.7	3.2	3.1	3.1	3.3
Eliminations	**-3.6**	-3.7	-3.7	-3.0	-2.9	-2.9	-3.0
Group, total	**155.8**	**169.7**	**140.7**	**266.7**	**136.3**	**136.6**	**132.6**

Operating profit (EUR million)	7-9/12	4-6/12	1-3/12	10-12/11	7-9/11	4-6/11	1-3/11
Domestic operations	**1.9**	5.8	5.4	17.9	2.4	3.3	4.4
International operations	**-1.1**	-1.9	-2.6	-2.6	-1.4	-1.9	-2.4
Other Operations	**-1.1**	-0.9	-1.1	-2.1	-0.8	-1.7	-1.0
Eliminations	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0
Group, total	**-0.4**	**3.1**	**1.8**	**13.2**	**0.2**	**-0.3**	**1.0**

Operating profit (%)	7-9/12	4-6/12	1-3/12	10-12/11	7-9/11	4-6/11	1-3/11
Domestic operations	**1.3**	3.9	4.5	7.2	1.9	2.5	3.5
International operations	**-7.0**	-9.9	-13.0	-14.9	-18.1	-36.2	-28.4
Group, total	**-0.2**	**1.8**	**1.2**	**4.9**	**0.2**	**-0.2**	**0.8**

Order backlog (EUR million)	30.9.12	30.6.12	31.3.12	31.12.11	30.9.11	30.6.11	31.3.11
Domestic operations	**676.2**	661.7	658.3	711.2	745.8	564.8	589.8
- business construction	**312.1**	325.4	329.4	362.2	371.5	233.3	277.7
- housing construction	**364.2**	336.4	328.8	349.0	374.2	331.5	312.0
International operations	**70.9**	84.5	102.4	99.6	116.5	108.7	112.4
Group, total	**747.1**	**746.3**	**760.7**	**810.8**	**862.3**	**673.5**	**702.2**
- sold order backlog	**517**	551	570	596	710	530	569
- unsold order backlog	**230**	195	191	215	153	143	133

Order backlog, housing construction in Finland

(EUR million)	**30.9.12**	30.6.12	31.3.12	31.12.11	30.9.11	30.6.11	31.3.11
Negotiation and construction contracts under construction	**153**	155	153	160	164	124	131
Developer contracting under construction, sold	**52**	56	57	49	98	94	78
Developer contracting under construction, unsold	**133**	103	92	115	95	92	71
Developer contracting completed and unsold	**26**	21	27	26	18	21	32
Housing construction, total	**364**	**336**	**329**	**349**	**374**	**332**	**312**

Invested capital (EUR million)	**30.9.12**	30.6.12	31.3.12	31.12.11	30.9.11	30.6.11	31.3.11
Domestic operations	**286.2**	270.2	228.8	249.2	233.3	248.7	215.6
International operations	**200.7**	198.5	198.6	210.8	194.0	193.3	182.7
Other and eliminations	**3.4**	3.3	7.8	-6.0	14.9	4.4	12.3
Group, total	**490.3**	**472.0**	**435.1**	**454.0**	**442.2**	**446.5**	**410.6**

Residential production in Finland (units)	**7-9/12**	4-6/12	1-3/12	10-12/11	7-9/11	4-6/11	1-3/11
Developer contracting							
Start-ups	**125**	171	24	191	61	205	122
Sold	**85**	154	98	100	92	143	147
Completed 1)	**116**	122	99	351	74	41	67
Completed and unsold 1)	**100**	85	102	90	43	53	86
Under construction 1)	**2 126**	2 060	2 188	2 197	2 504	2 243	1 956
- negotiation and construction contracts 1)	**1 521**	1 464	1 641	1 575	1 693	1 419	1 296
- developer contracting 1)	**605**	596	547	622	811	824	660
- of which sold 1)	**205**	221	206	195	428	420	350
- of which unsold 1)	**400**	375	341	427	383	404	310

1) at the end of the period

3. Segment information

Assets (EUR million)	**30.9.12**	30.9.11	change, MEUR	change, %	**31.12.11**
Domestic operations	**392.9**	350.8	42.1	12.0	**376.0**
International operations	**225.0**	208.8	16.2	7.7	**228.2**
Other Operations	**280.0**	278.7	1.2	0.4	**324.2**
Eliminations	**-272.1**	-261.0	-11.1		**-340.1**
Group, total	**625.8**	577.3	48.4	8.4	**588.3**

Liabilities (EUR million)	**30.9.12**	30.9.11	change, MEUR	change, %	**31.12.11**
Domestic operations	**334.3**	302.0	32.3	10.7	324.6
International operations	**231.2**	218.9	12.2	5.6	228.9
Other Operations	**139.4**	134.3	5.2	3.9	177.8
Eliminations and other adjustments	**-245.0**	-239.0	-6.0		-312.7
Group, total	**459.9**	416.2	43.6	10.5	418.7

Invested capital (EUR million)	**30.9.12**	30.9.11	change, MEUR	change, %	**31.12.11**
Domestic operations	**286.2**	233.3	52.9	22.7	**249.2**
International operations	**200.7**	194.0	6.7	3.5	**210.8**
Other and eliminations	**3.4**	14.9	-11.6	-77.5	**-6.0**
Group, total	**490.3**	442.2	48.1	10.9	**454.0**

Return on investment, %	**1-9/12**	1-9/11	**1-12/11**
Domestic operations 1)	**6.7**	7.3	**13.6**
International operations 1)	**-2.7**	-2.6	**-2.6**
Group, total 1)	**1.8**	**1.4**	**4.5**

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

Inventories (MEUR)	**30.9.12**	30.9.11	change, MEUR	**31.12.11**
Land areas and plot-owning companies	**168.7**	**199.2**	**-30.5**	**187.8**
Domestic operations	75.3	107.7	-32.3	95.5
International operations	93.4	91.5	1.9	92.2
Work in progress	**141.1**	**110.8**	**30.2**	**97.0**
Domestic operations	133.5	107.5	26.0	93.2
International operations	7.5	3.3	4.2	3.8
Shares in completed housing corporations and real estate companies	**52.2**	**43.5**	**8.7**	**30.8**
Domestic operations	49.9	40.6	9.3	27.9
International operations	2.3	3.0	-0.6	2.9
Other inventories	**39.8**	**35.2**	**4.6**	**38.9**
Domestic operations	7.8	11.1	-3.3	6.4
International operations	32.0	24.1	7.9	32.5
Inventories, total	**401.8**	**388.8**	**13.0**	**354.4**
Domestic operations	266.6	266.9	-0.3	223.0
- Share of associated companies	1.3	0.6	0.7	0.8
International operations	135.2	121.9	13.3	131.4
- Share of associated companies	29.1	23.2	6.0	29.6

4) Events after the end of the reporting period

After the close of the review period, SRV signed an agreement on the construction of the Helsinki Airport station on the Ring Rail Line. Construction work began in October. With a total value of approximately EUR 70 million, the new Airport station is the most significant project on the Ring Rail Line.