SRV GROUP PLC SRV'S INTERIM REPORT 9 MAY 2012 AT 8:30 AM

SRV'S ORDER BACKLOG REMAINS STRONG – SRV'S INTERIM REPORT 1 JANUARY–31 MARCH 2012

Reporting period 1 January–31 March 2012 in brief:

- SRV's revenue was EUR 140.7 million (EUR 132.6 million in January-March 2011), change +6.2%
- Operating profit was EUR 1.8 million (EUR 1.0 million), change +74.2% positive
- Profit before taxes was EUR 0.3 million (EUR 1.7 million)
- The order backlog at the close of the review period was EUR 760.7 million (EUR 702.2 million), change +8.3%
- Equity ratio was 31.9 per cent (33.2%)
- Earnings per share were EUR -0.01 (EUR 0.05)

SRV's outlook for 2012 remains unchanged. 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). The Group's profit before taxes is estimated to exceed the level of the previous year (EUR 10.8 million).

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

The President & CEO Jukka Hienonen comments of SRV's result:

Last autumn's economic uncertainty has been reflected in our sector less than we might have expected at the time based on the gloomiest forecasts. Problems in Europe's crisis economies have been contained through rescue packages assembled with great effort. The sensitivity of the situation is also evident within SRV, in terms of the caution being exercised in starting projects implemented at own risk. This year, construction volume in Finland is expected to decline by around two per cent from the previous year.

The housing market has been reasonably buoyant throughout the winter, aided significantly by the low level of interest rates. Interest rates are expected to remain low for the foreseeable future, which is encouraging house buyers to act. SRV's housing construction is at an all-time high. We have around 2,200 residential units under construction, of which one third is our own production, the remainder being produced on balance sheets of other operators.

In our revised strategy published in February, we outlined that our operational focus will shift from low-margin competitive contract projects to negotiated contracts and own production, i.e. to projects in which the added value we generate is higher.

In housing construction, we have managed to maintain the level of own production relative to contracting, while keeping the overall volume at all time high. This year our target is to start 500 developer-contrangting housing units. This is good, because in commercial construction the shift of focus to developer-contracted projects will take more time.

In Finland, we have initiated as a developer-contracted business premises project the Derby Business Park office complex, to which SRV's own head office will move in August. Kalasatama Centre, where a start has now been made on infrastructure construction, is a one billion euro SRV project for this decade and we are now devoting all of our energy to developing the capital structure of the project.

We believe that we will find future revenue growth above all in the Russian market. We are currently building the Pearl Plaza shopping centre in St. Petersburg in cooperation with a Chinese partner. Also under development in St. Petersburg is Septem City, for which we have great expectations during this decade. We have sought additional financial flexibility in the form of a Russia-oriented real-estate investment company, which we have founded with domestic institutional investors.

We will focus on improving production efficiency and on prudently laying the foundations for the projects of future growth years. Some of the projects we have developed have matured to sales readiness and we have initiated sales assignments at our Moscow Etmia office property and Espoo Derby Business Park projects.

Our revenue, operating profit and order book grew in the early part of the year. The result for the quarter was adversely affected, however, by changes that took place in the structure and level of financial expenses. We expect our full-year revenue at least to match last year's record level and our full-year result to improve.

General review

The trends in SRV's revenue and order backlog remained favourable in the review period. The order backlog grew by 8.3 per cent to EUR 760.7 million (EUR 702.2 million). Due to growth in revenue from international operations, the Group's revenue grew by 6.2 per cent to EUR 140.7 million (EUR 132.6 million 1-3/2011).

Revenue from domestic operations was EUR 120.7 million (EUR 123.9 million 1-3/2011) and operating profit was EUR 5.4 million (EUR 4.4 million 1-3/2011).

Domestic commercial construction volumes declined, and the profitability of this sector was impacted by the order backlog consisting mostly of low-margin contracted construction projects. In order to improve profitability, SRV aims to move its focus to own project development. In Finland, competition for new commercial construction orders is fierce. The order backlog for commercial construction grew to EUR 329.4 million (EUR 277.7 million on 31 March 2011).

Market developments in domestic housing construction continue to be positive. SRV has increased both its rental and owner-occupied housing production, making the company a major housing contractor in these sectors. SRV's ongoing housing construction grew to 2,188 housing units (1,956 on 31 March 2011). 84 per cent of housing units under construction have been sold, and 75 per cent of production consists of rental and right-of-occupancy units. SRV has 547 developer-contracted housing units under construction. Based on advance marketing, the decision has been made to initiate the construction of 185 additional housing units.

Revenue from International Operations grew to EUR 20.1 million (EUR 8.4 million). Due to the project development nature of this business area, 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.

Of SRV's major international projects, construction of the Pearl Plaza shopping centre in St. Petersburg is already in full swing. Financing for the construction of the site has been secured, with total investment amounting to approximately EUR 135 million. The shopping centre will be completed in 2013, and its commercialisation has already begun. Approximately 35 per cent of the shopping centre premises have already been leased out to four anchor tenants.

The Group's operating profit was EUR 1.8 million (EUR 1.0 million). Operating profit levels were impacted by the positive trend in operations in Finland, growth in the volume of international operations, and the non-recurrent depreciation of EUR 1.1 million, made in January for the International business area as a result of a fire that destroyed a warehouse building.

The Group's profit before taxes was EUR 0.3 million (EUR 1.7 million) The result of the reference period improved due to gains from both interest rate swaps and currency fluctuations, as well as affiliate-derived financial income.

SRV's own project development operations pave the way to increasing operating volume in Finland. These projects require long-term development work and are 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, whose implementation agreement was signed in August 2011.

Group key figures (EUR million)	IFRS 1-3/ 2012	IFRS 1-3/ 2011	change, MEUR	change, %	IFRS 1-12/ 2011
Revenue	140.7	132.6	8.2	6.2	672.2
Operating profit	1.8	1.0	0.7	74.2	14.1
Financial income and expenses, total	-1.5	0.7	-2.2	-313.9	-3.3
Profit before taxes	0.3	1.7	-1.4	-83.5	10.8
Order backlog	760.7	702.2	58.5	8.3	810.8
New agreements	65.5	220.2	-154.7	-70.2	811.6
Operating profit, %	1.2	0.8			2.1
Net profit, %	-0.3	0.8			0.8
Equity ratio, %	31.9	33.2			31.0
Net interest-bearing debt	259.5	246.4			271.8
Gearing, %	156.9	159.1			160.2
Return on investment, % [1)]	2.1	2.5			4.5
Return on equity, % [1)]	-1.0	2.9			3.3
Earnings per share, EUR	-0.01	0.05			0.17
Equity per share, EUR	4.56	4.49			4.68
Weighted average number of shares outstanding	35.5	33.9		4.6	35.0

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

Key figures for the Segments

Revenue (EUR million)	IFRS 1-3/ 2012	IFRS 1-3/ 2011	change, MEUR	change, %	IFRS 1-12/ 2011
Operations in Finland	120.7	123.9	-3.3	-2.7	632.3
International operations	20.1	8.4	11.7	139.7	39.0
Other Operations	3.7	3.3	0.4	12.5	12.7
Eliminations	-3.7	-3.0	-0.6		-11.8
Group, total	140.7	132.6	8.2	6.2	672.2

Operating profit (EUR million)	IFRS 1-3/ 2012	IFRS 1-3/ 2011	change, MEUR	change, %	IFRS 1-12/ 2011
Operations in Finland	5.4	4.4	1.0	23.7	27.9
International operations	-2.6	-2.4	-0.2		-8.3
Other Operations	-1.1	-1.0	-0.1		-5.5
Eliminations	0.0	0.0	0.0		0.0
Group, total	1.8	1.0	0.7	73.4	14.1

Operating profit (%)	IFRS 1-3/2012	IFRS 1-3/2011	IFRS 1-12/2011
Operations in Finland	4.5	3.5	4.4
International operations	-13.0	-28.4	-21.3
Group, total	1.2	0.8	2.1

Order backlog (EUR million)	IFRS 3/2012	IFRS 3/2011	change, MEUR	change, %	IFRS 12/2011
Operations in Finland	658.3	589.8	68.5	11.6	711.2
International operations	102.4	112.4	-10.0	-8.9	99.6
Group, total	760.7	702.2	58.5	8.3	810.8
- sold order backlog	570	569	1	0.1	596
- unsold order backlog	191	133	58	43.5	215

Earnings trends of the Segments

Operations in Finland (EUR million)	IFRS 1-3/ 2012	IFRS 1-3/ 2011	change, MEUR	change, %	IFRS 1-12/ 2011
Revenue	120.7	123.9	-3.3	-2.7	632.3
- share of commercial construction	61.9	75.3	-13.3	-17.7	379.6
- share of housing construction	58.7	48.8	10.0	20.4	252.8
Operating profit	5.4	4.4	1.0	23.7	27.9
Operating profit, %	4.5	3.5			4.4
Order backlog	658.3	589.8	68.5	11.6	711.2
- share of commercial	329.4	277.7	51.7	18.6	362.2

construction					
- share of housing construction	328.8	312.0	16.8	5.4	349.0

The Operations in Finland business area consists of property development and domestic construction operations led by SRV Construction Ltd. 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 120.7 million (EUR 123.9 million 1-3/2011), and it accounted for 86 per cent of the Group's revenue (94 per cent). Operating profit was EUR 5.4 million (EUR 4.4 million), generating an operating profit margin of 4.5 per cent (3.5%). Operating profit from the review period was impacted by the decline of profitability of business premise construction due to the order backlog consisting mostly of low-margin contracted construction projects and the rise of construction costs. Order backlog grew to EUR 658.3 million (EUR 589.8 million in 3/2011).

Commercial construction

Revenue for commercial construction came to EUR 61.9 million (EUR 75.3 million). The order backlog was EUR 329.4 million (EUR 277.7 million). Competition for new contracts remained tight.

Projects completed during the review period include a new building for the Jyväskylä Hospital School, commissioned by Jyväskylän Tilapalvelut Oy, and the renovation of the Viikki laboratory building commissioned by the University of Helsinki. Of SRV's commercial development projects, the STC Tuupakka logistics centre constructed for the Tapiola General Mutual Insurance Company and the S-market grocery store in Juvankartano, Espoo owned by Pohjola Insurance Ltd were completed.

During the review period, new contracts worth EUR 23.1 million were signed with external clients. A project contract for the renovation and expansion of shopping centre Merituuli in Espoo was signed with Kesko. In addition, a contract for the expansion of the renovation project of the Kaivokatu tunnel was signed with Sponda.

Infrastructure construction of the Kalasatama centre moved ahead as planned, and the construction plans and targets schedules of the project were fine-tuned.

In Perkkaa, Espoo, SRV is implementing a developer-contracted project for commercial premises that will be completed in 2012–2013, consisting of three office buildings with a total floor area of 20,000 m2. The head offices of Siemens Osakeyhtiö and SRV will be constructed at this site. The first phase of the site will be completed in August 2012, and its sales activities have already begun.

Housing construction

Revenue for housing construction came to EUR 58.7 million (EUR 48.8 million). The order backlog was EUR 328.8 million (EUR 312.0 million). SRV has continued to expand its housing construction operations, and, at the end of the review period, was in the process of constructing a total of 2,188 housing units (1,956). Of the housing units under construction, 84 per cent were contracted housing units or own sold production.

During the review period, housing construction contracts worth EUR 26.4 million were signed with external clients. A total of 159 housing units will be completed in these sites. A project agreement for 56 housing units in Maununkatu, Nokia and for 42 units in Sorakuopankatu, Tampere, was concluded with YH-Länsi. 26 housing units in Vanttila, Espoo and 35 units in Toppila, Oulu will be constructed for TA. The apartment building to be constructed in Toppila is SRV's first project in the new Toppila residential area, where the company holds building rights for a total of approximately 70,000 square metres of floor area.

During the review period, SRV began a developer-contracted project consisting of 24 apartments in Kantele, Kaarina. In addition to the sites established during the financial period, SRV has decided to initiate developer-contracted projects for a total of 185 housing units. 91 of these will be constructed in the Helsinki metropolitan area, 66 in Pirkanmaa, and 29 in Lahti.

In total, 98 (147) of the developer-contracted housing units within the scope of the RS system were sold during the review period. Moreover, 35 (90) of negotiated contracted housing units were sold to investors. At the end of the period, 547 (660) housing units for the consumer market were under construction; of these, 341 (310) had not yet been sold. There were 102 (86) completed but unsold residential units. A total of 99 (67) developer-contracted residential units were completed during the review period. 47 apartments were completed in the Vertti residential building in Martinlaakso, Vantaa; 26 in Kaarinan Klarinetti; and 26 in Saarijärven Kimallus.

Based on current completion schedules SRV estimates, that a total of 451 developer contracting housing units will be completed in 2012, and 122 units during the second quarter.

Housing production in Finland	1-3/ 2012	1-3/ 2011	change, units	1-12/ 2011
Developer contracting				
Start-ups	24	122	-98	579
Sold housing units	98	147	-49	482
Completed	99	67	32	533
Completed and unsold [1)]	102	86	16	90
Under construction, total [1)]	2,188	1,956	232	2,197
- negotiated contracts and construction contracts [1)]	1,641	1,296	345	1,575
- developer contracting[1)]	547	660	-113	622
- of which unsold [1)]	206	350	-144	195

1) At the end of the period

The order backlog for housing construction came to EUR 329 million (EUR 312 million 3/2011). The order backlog for construction contracts and negotiated contracts grew to EUR 153 million (EUR 131 million), and its share of the order backlog was 47 per cent (42 per cent). Of the housing production order backlog, EUR 210 million (EUR 209 million) was sold. The completed but unsold order backlog was down to EUR 27 million (EUR 32 million). The developer-contracted unsold order backlog under construction amounted to EUR 92 million (EUR 71 million).

Order backlog, housing construction in Finland (EUR million)	31 March 12	31 March 11	change, MEUR	31 December 11
Construction contracts and negotiated contracts	153	131	22	160
Under construction, sold developer contracting	57	78	-22	49
Under construction, unsold developer contracting	92	71	21	115
Completed, unsold developer construction	27	32	-5	26
Housing construction, total.	329	312	17	349

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 an 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.

International Operations (EUR million)	IFRS 1-3/ 2012	IFRS 1-3/ 2011	change, MEUR	change, %	IFRS 1-12/ 2011
Revenue	20.1	8.4	11.7	139.7	39.0
Operating profit	-2.6	-2.4	-0.2		-8.3
Operating profit, %	-13.0	-28.4			-21.3
Order backlog	102.4	112.4	-10.0	-8.9	99.6

International Operations comprise the business activities of the SRV International subgroup in Russia and the Baltic countries.

Revenue for International Operations amounted to EUR 20.1 million (EUR 8.4 million), and accounted for 14 per cent of the Group's revenue (6 per cent). Operating profit was -EUR 2.6 million (a loss of EUR 2.4 million). Revenue grew thanks to the higher level of activity. The operating profit 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. The order backlog was EUR 102.4 million (EUR 112.4 million).

Russia

Analysing investment targets 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 that 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 135 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, required financing has been secured with a EUR 95 million financing agreement with a partner from China. 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 for leasing 7,600 m2 of hypermarket space to Prisma was signed with SOK; currently, space reserved by tenants exceeds 16,000 m2 (roughly 35 per cent of space available for rent).

In St. Petersburg, SRV continued to develop the Septem City project, which comprises 8.5 hectares of land in the Ohta region. In January, a fire at the site destroyed a building that had been used as a warehouse. The fire will not impact the development of the site. The plans for the area include 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 and the first phase will be to construct the shopping centre. The shopping centre concept has received preliminary approval, and the process of detaching the first phase as its own legal structure has been initiated. Capital invested in the land area and site development amounts to EUR 61.3 million. Further investment in land acquisition by SRV is estimated at EUR 3.6 million. At the moment, SRV owns 87.5% of the project, but its ownership will decline to 77.5 per cent when all land-ownership arrangements have been completed according to the cooperation contract.

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, 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, through which it expects to receive approximately EUR 200 million worth of project management contracts. 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. Leasable space will be expanded with approximately 20%. The expansion is also for the most part already leased and the rent income for the year 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. Site sales are being prepared, and the objective is to sell the site 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 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 continues, as do the renovation works of the Pulkovskaya hotel in St. Petersburg and the Pribaltiskaya Aquapark. All three hotels belong to the Wenaas Group. The projects are a continuation of cooperation that began already in 2007.

Six apartments in the Papula residential area, SRV's site in the city of Vyborg, were sold during the review period (four apartments 1-3/2011). At the end of the review period, 9 (17) completed apartments and 25 apartments under construction were unsold. Six of the 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 will commence 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 is above EUR 10 million. 12 (15) apartments in Estonia were unsold.

Other Operations (EUR million)	IFRS 1-3/ 2012	IFRS 1-3/ 2011	change, MEUR	change, %	IFRS 1-12/ 2011
Revenue	3.7	3.3	0.4	12.5	12.7
Operating profit	-1.1	-1.0	-0.1		-5.5

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

The revenue of Other Operations during the review period was EUR 3.7 million (EUR 3.3 million) and operating profit was EUR -1.1 million (a loss of EUR 1.0 million).

Financing and financial position

Net operational cash flow was EUR 17.1 million (EUR -18.0 million in 1-3/2011). Cash flow improved in the review period due to a decline in receivables. The Group's inventories were EUR 367.5 million (EUR 330.4 million), the share of land areas and plot-owning companies being EUR 178.2 million (EUR 191.4 million). The Group's invested capital amounted to EUR 435.1 million (EUR 410.6 million).

At the end of the review period, the Group's total financing reserves were EUR 131.8 million, of which Group cash assets accounted for EUR 10.2 million, open-ended account limits and committed undrawn financing reserves and credit facilities for EUR 121.6 million.

Investments in SRV's developer-contracted housing and commercial construction projects in Finland total EUR 142.8 million. SRV estimates that the completion of these projects requires another EUR 88 million. Moreover, an investment of EUR 22 million is required by the construction of infrastructure in Kalasatama centre, on which decisions have already been finalised. Undrawn housing corporation loans and receivables for housing construction projects and undrawn commercial construction financing amounted to EUR 98 million.

Investments in completed international developer-contracted projects amount to EUR 37.7 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 35.4 million to the Etmia office project.

Equity ratio was 31.9 per cent (33.2%). The change in the equity ratio and net liabilities was affected by growth in inventories, and the EUR 2.5 million derivative agreement signed by SRV with Nordea Bank Ab for 552 833 SRV Group Plc shares, which are considered to be equivalent to treasury shares held by the company. The Group's shareholders' equity totalled EUR 165.4 million (EUR 154.8 million on 31 March 2011). The Group's net interest-bearing liabilities were EUR 259.5 million on 31 December 2011 (EUR 246.4 million). Net financing expenses were EUR -1.5 million (EUR +0.7 million). Return on equity was 2.1 per cent (2.5 per cent) and return on investment -1.0 per cent (2.9 per cent).

Investments

The Group's investments totalled EUR 0.6 million (EUR 1.5 million), 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 31 March 2012	Commercial construction	Housing construction	International operations	Total
Unbuilt land areas and land acquisition commitments				
Building rights*, sq.m.	276,000	340,000	829,000	1,445,000
Land development agreements				
Building rights*, sq.m.	645,000	318,000	152,000	1,115,000

* 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 the Baltic countries. 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 property development and domestic construction operations led by SRV Construction Ltd. Operations in Finland 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 the Baltic countries. Other Operations consist primarily of the SRV Group Plc and SRV Kalusto Oy businesses.

Personnel

SRV had an average payroll of 945 (788) employees, of whom 686 (576) were salaried employees. The parent company had an average staff of 52 (45) salaried employees. At the close of the review period, the Group had 953 (790) employees, of whom 51 (46) were employed by the parent company. 179 (140) employees were employed by international subsidiaries. SRV's operations in Finland employed a total of 42 (22) trainees (comprising of students in work training as well as students working on their thesis or diploma).

Personnel by business area	31 March 2012	31 March 2011	Share of Group personnel, 31 March 2012, %
Operations in Finland	668	550	70.1
International Operations	190	154	19.9
Other Operations	95	86	10.0
Group, total	953	790	100.0

Outlook for construction

The international economy is not showing clear signs of recovery. Estimates for Finland's economic growth in 2012 are currently close to zero. The total numbers of building permits are in decline, but construction start-ups are expected to remain almost at the same level as in the previous year. Moreover, the building cost index is up.

Coupled with high apartment price levels, the general uncertainty has caused the demand for housing units to slow down somewhat. Estimates indicate approximately 28,000 housing unit start-ups for this year (30,500 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 decrease in demand and increase in supply will continue to put pressure on the utilisation rates of offices in the Helsinki metropolitan area. The numbers for commercial and office construction start-ups were slightly above that of the previous year, but are expected to again go down somewhat this year.

Demand for renovation construction continues to be reasonably good. Growth of the building stock, the ageing of existing buildings, and the modernisation needs created by today's technical standards will support renovation construction also 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 economies of the Baltic countries are expected to strengthen. Accelerating inflation may jeopardise the development of domestic demand particularly in Estonia and Lithuania. Activity in the construction sector and real-estate market remains at a low level. This year's growth estimate for the entire Baltic area is approximately 3 per cent.

Economic growth in Russia has been somewhat slower than expected. In 2011, GNP grew by roughly 4.5 per cent as private consumption accelerated the recovery. The growth is expected to continue in 2012 – 2014 at an annual growth level of approximately 3.5 per cent.

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 volumes of SRV 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 adds 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. Interest rates are still at a low level. Compared to the time before the recession, financing from banks is more difficult to obtain, bank regulation continues to become more strict, and loan margins are clearly higher. 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 with commercial construction projects, agreeing on additional works and alterations may involve financial risks that grow when the economic situation is poor. In its Financial Statements for 2011, SRV made a EUR 3 million provision for expenses due to disputed contract receivables.

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, the 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 quick contraction, the Finnish housing market has recovered, but the uncertainty of the economy weakens the outlook for apartment sales. Key risks for housing unit demand include developments in consumer confidence and significantly higher interest rate levels.

Construction is subject to significant cost risks relating to subcontracting and procurements. Long-term planning is vital for keeping these risks under control. A weak economic cycle increases financial risks relating to subcontractors. The construction sector has implemented a reverse value added tax policy, which, as a method, requires heightened accuracy from administration. SRV's operating model requires an adequate supply of skilled and competent personnel. Warranty and liability obligations related to construction can span up to ten years. Construction costs related to various materials have risen substantially, and we have not yet seen any signs of a downturn.

SRV is involved in some arbitration and legal proceedings. SRV's management believes that the cases or their outcome will not have a significant impact on SRV's financialposition. SRV has initiated arbitration proceedings against the real estate company Espoontori pertaining to the renovation contract of the Espoontori shopping centre. Real estate company Espoontori is owned by Citycon Oyj. The financial value of the dispute, including VAT, is approximately EUR 4.2 million. SRV and a Kiinteistö Oy Primulan Herkkutehdas, owned by Varma Mutual Pension Insurance Company, have concluded a contracting agreement on the construction of a bakery building for the use of Järvenpään Herkkutehdas in Järvenpää. Järvenpään Herkkutehdas filed for bankruptcy in November 2011, and Varma filed a bankruptcy petition for the building's tenant's parent company, Oy Primula Ab, in December 2011. The contracting parties have differing views over the liability to pay the EUR 3.8 million costs for the additional work and modifications.

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, added 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 co-operation 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 of 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 2012 and the rest in December 2013. The company's financing agreements contain customary terms and conditions. The financial terms and conditions of the agreements concern the equity ratio.

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 Minna Alitalo, Arto Hiltunen, Olli-Pekka Kallasvuo, Timo Kokkila, and Ilkka Salonen were elected as members of the Board. The firm of public accountants Ernst & Young Oy was elected as the company's auditor. Mikko Rytilahti, authorised public accountant, will act 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 otherwise than in proportion to 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 5,852 shareholders on 31 March 2012.

The share closing price at OMX Helsinki at the end of the review period was EUR 4.23 (EUR 4.00 on 31 December 2011, change 5.8 per cent). The highest share price in the review period was EUR 4.89 and the lowest was EUR 3.99. During the same period, the all-share index of the Helsinki Stock Exchange (OMX Helsinki) was up 12.7 per cent, and the OMX Construction and Materials index 12.7 per cent.

At the end of the review period, the company had a market capitalisation of EUR 150.2 million, excluding the Group's treasury shares. 0.9 million shares were traded during the period and the trade volume was EUR 4.2 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 2.3 million.

At the end of the review period, SRV Group Plc held 1,267,007 SRV Group Plc shares, taking the derivative contract with Nordea Bank AB into consideration (3.4 per cent of the total number of the company's shares and combined number of votes). On 7 May 2012, taking the derivative contract into consideration, the Group held 1.270.273 shares (3.54 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 target 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

On 12 April 2012, SRV and SATO signed a contract agreement for the construction of three residential buildings in the Kalasatama area in Helsinki. The site will consist of a total of 133 apartments, of which 77 are rental apartments and 56 owner-occupied apartments.

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.

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). The Group's profit before taxes is estimated to exceed the level of the previous year (EUR 10.8 million).

Espoo 8 May 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.

For further information, please contact

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Key figures:

		IFRS 1-3/ 2012	IFRS 1-3/ 2011	IFRS 1-12/ 2011
Revenue	EUR million	140.7	132.6	672.2
Operating profit	EUR million	1.8	1.0	14.1
Operating profit, % of revenue	%	1.2	0.8	2.1
Profit before taxes	EUR million	0.3	1.7	10.8
Profit before taxes, % of revenue	%	0.2	1.3	1.6
Net profit attributable to equity holders of the parent company	EUR million	-0.4	1.6	5.9
Return on equity [1)]	%	-1.0	2.9	3.3
Return on investment [1)]	%	2.1	2.5	4.5
Invested capital	EUR million	435.1	410.6	454.0
Equity ratio	%	31.9	33.2	31.0
Net interest-bearing debt	EUR million	259.5	246.4	271.8
Gearing ratio	%	156.9	159.1	160.2
Order backlog	EUR million	760.7	702.2	810.8
New agreements		65.5	220.2	811.6
Personnel on average		945	789	880
Property, plant and equipment investments	EUR million	0.6	1.5	10.2
Property, plant and equipment investments, % of revenue	%	0.4	1.1	1.5
Earnings per share, share issue adjusted	EUR	-0.01	0.05	0.17
Equity per share, share issue adjusted	EUR	4.56	4.49	4.68
Dividend per share, share issue adjusted	EUR	0.12	0.12	0.12
Dividend payout ratio	%	-1 200.0	240.0	70.6
Dividend yield	%	2.8	1.8	3.0
Price per earnings ratio		-423.0	135.0	23.5
Share price development				
Share price at the end of the period	EUR	4.23	6.75	4.00
Average share price	EUR	4.49	6.89	5.88
Lowest share price	EUR	3.99	5.80	3.83
Highest share price	EUR	4.89	7.43	7.43
Market capitalisation at the end of the period	EUR million	150.2	229.3	142.0
Trading volume	1,000	946	2 265	8 759
Trading volume	%	2.7	6.7	25.0
Weighted average number of shares outstanding	1,000	35 502	33 930	35 023
Number of shares outstanding at the end of the period	1,000	35 501	33 965	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	$\dfrac{\text{Net interest-bearing debt}}{\text{Total equity}}$
Return on equity, %	=	100 x	$\dfrac{\text{Profit before taxes - income taxes}}{\text{Total equity, average}}$
Return on investment, %	=	100 x	$\dfrac{\text{Profit before taxes + interest and other financial expenses}}{\text{Invested capital, average}}$
Equity ratio, %	=	100 x	$\dfrac{\text{Total equity}}{\text{Total assets - advances received}}$
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	=		$\dfrac{\text{Net profit for the period attributable to equity holders of the parent company}}{\text{Weighted average number of shares outstanding}}$
Equity per share, share issue adjusted	=		$\dfrac{\text{Shareholders' equity attributable to equity holders of the parent company}}{\text{Number of shares outstanding at the end of the period, share issue adjusted}}$
Price per earnings ratio	=		$\dfrac{\text{Share price at the end of the period}}{\text{Earnings per share, share issue adjusted}}$
Dividend payout ratio, %	=	100 x	$\dfrac{\text{Dividend per share. share issue adjusted}}{\text{Earnings per share, share issue adjusted}}$
Dividend yield, %	=	100 x	$\dfrac{\text{Dividend per share. share issue adjusted}}{\text{Share price at the end of the period, share issue adjusted}}$
Average share price	=		$\dfrac{\text{Number of shares traded in euros during the period}}{\text{Number of shares traded during the period}}$
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. - 30.3.2012: 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. - 31.3.2012

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. (effect for financial periods beginning on or after 1 July 2011).
- Annual improvements 2011 (effective on 1 January 2012). The Group will apply this amendment as of 1 January 2012.

Amendment to IFRS 7 Financial Instruments: Disclosures - Transfers of Financial Assets. The amendment will come into effect for financial periods beginning on or after 1 July 2011. The EU has not approved this standard.

Consolidated income statement (EUR million)	IFRS 1-3/ 2012	IFRS 1-3/ 2011	change, MEUR	change, %	IFRS 1-12/ 2011
Revenue	140.7	132.6	8.2	6.2	672.2
Other operating income	0.9	1.1	-0.2	-14.2	4.5
Change in inventories of finished goods and work in progress	11.0	-0.5	11.5	-2415.2	6.1
Use of materials and services	-130.2	-115.0	-15.2	13.2	-593.2
Employee benefit expenses	-15.8	-13.0	-2.8	21.4	-55.7
Share of results of associated companies	0.1	0.0	0.1	-493.8	-1.1
Depreciation and impairments	-1.8	-0.8	-1.0	123.1	-3.8
Other operating expenses	-3.3	-3.3	0.0	0.1	-15.0
Operating profit	1.8	1.0	0.7	74.2	14.1
Financial income	0.8	1.4	-0.7	-47.9	5.4
Financial expenses	-2.2	-0.8	-1.5	196.8	-8.7
Financial income and expenses, total	-1.5	0.7	-2.2	-313.9	-3.3
Profit before taxes	0.3	1.7	-1.4	-83.5	10.8
Income taxes	-0.7	-0.6	-0.1	22.7	-5.5
Net profit for the period	-0.4	1.1	-1.6	-138.4	5.3
Attributable to					
Equity holders of the parent company	-0.4	1.6			5.9
Minority interest	0.0	-0.5			-0.5
Earnings per share calculated on the profit attributable to equity holders of the parent company (undiluted and diluted)	-0.01	0.05			0.17

Statement of comprehensive income (EUR million)	IFRS 1-3/ 2012	IFRS 1-3/ 2011	IFRS 1-12/ 2011
Net profit for the period	-0.4	1.1	5.3
Items recognised directly in equity:			
Translation differences	0	0	0.1
Available for sale financial assets	0	0	0.0
Income (loss) recognised directly in equity net of tax	0	0	0
Total comprehensive income for the period	-0.4	1.1	5.4
Profit for the period attributable to:			
Equity holders of the parent company	-0.4	1.6	5.9
Minority interest	0.0	-0.5	-0.5

Consolidated balance sheet (EUR million)	IFRS 31.3.12	IFRS 31.3.11	change, %	IFRS 31.12.11
ASSETS				
Non-current assets				
Property, plant and equipment	14.0	14.2	-1.3	15.2
Goodwill	1.7	1.7	0.0	1.7
Other intangible assets	0.5	0.4	24.9	0.5
Shares in associated companies and joint ventures	0.0	0.0		0.0
Other financial assets	10.8	5.6	92.8	10.8
Receivables	8.2	8.3	-0.5	8.2
Loan receivables from associated companies and joint ventures	13.2	12.8	3.0	13.0
Deferred tax assets	5.0	5.8	-15.1	5.0
Non-current assets, total	53.4	48.8	9.4	54.4
Current assets				
Inventories	367.5	330.4	11.2	354.4
Trade and other receivables	92.1	69.8	31.9	133.5
Loan receivables from associated companies and joint ventures	32.0	33.4	-4.3	32.0
Current tax receivables	2.6	1.9	39.1	1.5
Cash and cash equivalents	10.2	9.4	8.6	12.5
Current assets, total	504.4	444.9	13.4	533.9
ASSETS, TOTAL	557.7	493.7	13.0	588.3

Consolidated balance sheet (EUR million)	IFRS 31.3.12	IFRS 31.3.11	change, %	IFRS 31.12.11
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	87.8	5.0	92.1
Translation differences	-0.1	-0.1	-31.5	-0.1
Fair value reserve	0.0	0.0		0.0
Retained earnings	66.8	61.9	7.9	71.0
Equity attributable to equity holders of the parent company, total	162.0	152.6	6.2	166.2
Minority interest	3.4	2.3	52.1	3.5
Equity, total	165.4	154.8	6.8	169.7
Non-current liabilities				
Deferred tax liabilities	1.0	1.0	3.1	1.0
Provisions	5.0	4.1	23.0	5.4
Interest-bearing liabilities	108.1	67.4	60.4	90.1
Other liabilities	7.1	0.4	1590.5	7.8
Non-current liabilities, total	121.2	72.8	66.3	104.4
Current liabilities				
Trade and other payables	102.9	69.3	48.4	113.6
Current tax payables	3.2	4.2	-23.5	2.6
Provisions	3.4	4.1	-15.9	3.9
Interest-bearing liabilities	161.6	188.4	-14.2	194.2
Current liabilities, total	271.2	266.0	1.9	314.3
Liabilities, total	392.3	338.8	15.8	418.7
EQUITY AND LIABILITIES	557.7	493.7	12.9	588.3

Consolidated cash flow statement (EUR million)	IFRS 1-3/2012	IFRS 1-3/2011	IFRS 1-12/2011
Cash flows from operating activities			
Net profit for the period	-0.4	1.1	5.3
Adjustments:			
Depreciation and impairments	1.8	0.8	3.8
Non-cash transactions	0.2	1.1	3.9
Financial income and expenses	1.5	-0.7	3.3
Capital gains on sales of tangible and intangible assets	0.0	0.0	0.0
Income taxes	0.7	0.6	5.5
Adjustments, total	4.2	1.8	16.4
Changes in working capital:			
Change in loan receivables	20.3	-0.5	-18.9
Change in trade and other receivables	20.9	-4.4	-45.6
Change in inventories	-12.8	-6.3	-30.7
Change in trade and other payables	-11.8	-8.4	40.1
Changes in working capital, total	16.6	-19.5	-55.1
Interest paid	-2.4	-2.5	-9.0
Interest received	0.3	1.7	3.1
Dividends received	0.0	0.0	0.0
Income taxes paid	-1.2	-0.6	-5.9
Net cash flow from operating activities	17.1	-18.0	-45.2
Cash flow from investing activities			
Acquisition of subsidiaries, net of cash	0.0	0.0	-0.8
Property, plant and equipment	-0.6	-1.0	-3.1
Intangible assets	0.0	0.0	-0.2
Other financial assets	0.0	-0.4	-6.1
Sale of property, plant and equipment and intangible assets	0.0	0.0	0.0
Sale of financial assets	0.0	0.0	0.5
Net cash used in investing activities	-0.5	-1.4	-9.7
Cash flows from financing activities			
Proceeds from loans	23.0	6.9	29.0
Repayments of loans	-7.9	0.0	-11.5
Change in loan receivables	0.0	0.0	0.0
Change in housing corporation loans	15.8	-20.0	1.5
Change in credit limits	-45.6	39.0	35.0
Purchase of treasury shares	0.0	0.0	10.3
Dividends paid	-4.3	-4.1	-4.1
Net cash from financing activities	-18.9	21.8	60.3
Net change in cash and cash equivalents	-2.3	2.3	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	10.2	9.4	12.5

Statement of changes in Group equity 1.1. - 31.3.2012

IFRS (EUR million)	Equity attributable to the equity holders of the parent company							
	Share capital	Invested free equity fund	Trans-lation differ-ences	Fair value reserve	Retai-ned earnings	Total	Minority interest	Total equity
Equity on 1.1.2012	3.1	92.1	-0.1	0.0	71.0	166.2	3.5	169.7
Total income and expenses for the financial year	0.0	0.0	0.0	0.0	-0.4	-0.4	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	0.3	0.3	0.0	0.3
Purchase of treasury shares	0.0	0.0	0.0	0.0		0.0	0.0	0.0
Other changes	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.1
Equity on 31.3.2012	3.1	92.1	-0.1	0.0	66.8	162.0	3.4	165.4

Statement of changes in Group equity 1.1. - 31.3.2011

IFRS (EUR million)	Equity attributable to the equity holders of the parent company							
	Share capital	Invested free equity fund	Trans-lation differ-ences	Fair value reserve	Retai-ned earnings	Total	Minority interest	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	0.0	1.6	1.6		
Dividends paid					-4.1	-4.1		
Share based incentive plan					0.6	0.6		
Purchase of treasury shares					0.0	0.0		
Other changes					0.0	0.0		
Equity on 31.3.2011	3.1	87.8	-0.1	0.0	61.9	152.6	2.3	154.8

Statement of changes in Group equity 1.1. - 31.12.2011

IFRS (EUR million)	Equity attributable to the equity holders of the parent company							
	Share capital	Invested free equity fund	Trans-lation differ-ences	Fair value reserve	Retai-ned earnings	Total	Minority interest	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

Commitments and contingent liabilities EUR million	IFRS 31.3.12	IFRS 31.3.11	change, %	IFRS 31.12.11
Collateral given for own liabilities				
Real estate mortgages given	283.7	225.6	25.8	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	15.2	21.3	-28.9	15.2
Plots purchase commitments	125.0	15.0	734.4	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	IFRS 3/2012		IFRS 3/2011		IFRS 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	0.4	0.0	1.4

Nominal values of derivative instruments	IFRS 3/2012	IFRS 3/2011	IFRS 12/2011
Foreign exchange forward contracts	0.0	0.0	0.0
Interest rate swaps	50.0	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)	IFRS 1-3/12	IFRS 10-12/11	IFRS 7-9/11	IFRS 4-6/11	IFRS 1-3/11
Revenue	140.7	266.7	136.3	136.6	132.6
Operating profit	1.8	13.2	0.2	-0.3	1.0
Financial income and expenses, total	-1.5	-0.8	-1.7	-1.4	0.7
Profit before taxes	0.3	12.4	-1.5	-1.7	1.7
Order backlog 1)	760.7	810.8	862.3	673.5	702.2
New agreements	65.5	196.1	304.6	90.6	220.2
Earnings per share, eur	-0.01	0.24	-0.06	-0.06	0.05
Equity per share, eur 1)	4.56	4.68	4.44	4.51	4.49
Share price, eur 1)	4.23	4.00	4.48	6.00	6.75
Equity ratio, % 1)	31.9	31.0	30.9	31.7	33.2
Net interest bearing debt 1)	259.5	271.8	269.5	263.5	246.4
Gearing, % 1)	156.9	160.2	167.3	162.2	159.1

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

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

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

Order backlog (EUR million)	IFRS 31.3.12	IFRS 31.12.11	IFRS 30.9.11	IFRS 30.6.11	IFRS 31.3.11
Domestic operations	658.3	711.2	745.8	564.8	589.8
- business construction	329.4	362.2	371.5	233.3	277.7
- housing construction	328.8	349.0	374.2	331.5	312.0
International operations	102.4	99.6	116.5	108.7	112.4
Group, total	760.7	810.8	862.3	673.5	702.2
- sold order backlog	570	596	710	530	569
- unsold order backlog	191	215	153	143	133

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

Invested capital (EUR million)	IFRS 31.3.12	IFRS 31.12.11	IFRS 30.9.11	IFRS 30.6.11	IFRS 31.3.11
Domestic operations	228.8	249.2	233.3	248.7	215.6
International operations	198.6	210.8	194.0	193.3	182.7
Other and eliminations	7.8	-6.0	14.9	4.4	12.3
Group, total	435.1	454.0	442.2	446.5	410.6

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

1) at the end of the period

3. Segment information

Assets (EUR million)	IFRS 31.3.12	IFRS 31.3.11	change, MEUR	change, %	IFRS 31.12.11
Domestic operations	330.2	283.8	46.4	16.3	376.0
International operations	215.4	194.1	21.4	11.0	228.2
Other Operations	247.8	285.2	-37.4	-13.1	324.2
Eliminations	-235.6	-269.4	33.7		-340.1
Group, total	557.7	493.7	64.1	13.0	588.3

Liabilities (EUR million)	IFRS 31.3.12	IFRS 31.3.11	change, MEUR	change, %	IFRS 31.12.11
Domestic operations	276.1	239.4	36.7	15.3	324.6
International operations	218.9	199.5	19.4	9.7	228.9
Other Operations	105.8	149.1	-43.3	-29.0	177.8
Eliminations	-208.5	-249.2	40.7		-312.7
Group, total	392.3	338.8	53.5	15.8	418.7

Invested capital (EUR million)	IFRS 31.3.12	IFRS 31.3.11	change, MEUR	change, %	IFRS 31.12.11
Domestic operations	228.8	215.6	13.1	6.1	249.2
International operations	198.6	182.7	15.9	8.7	210.8
Other and eliminations	7.8	12.3	-4.5	-36.7	-6.0
Group, total	435.1	410.6	24.5	6.0	454.0

Return on investment, %	IFRS 1-3/12	IFRS 1-3/11	IFRS 1-12/11
Domestic operations [1)]	9.3	10.0	13.6
International operations [1)]	-4.3	-3.2	-2.6
Group, total [1)]	2.1	2.5	4.5

Inventories (MEUR)	IFRS 31.3.12	IFRS 31.3.11	change, MEUR	IFRS 31.12.11
Land areas and plot-owning companies	178.2	191.4	-13.1	187.8
Domestic operations	87.6	100.3	-12.7	95.5
International operations	90.6	91.1	-0.5	92.2
Work in progress	119.0	56.1	62.9	97.0
Domestic operations	113.9	55.0	58.9	93.2
International operations	5.1	1.1	4.1	3.8
Shares in completed housing corporations and real estate companies	31.2	55.6	-24.4	30.8
Domestic operations	28.9	52.5	-23.7	27.9
International operations	2.3	3.1	-0.7	2.9
Other inventories	39.0	27.3	11.7	38.9
Domestic operations	6.9	11.2	-4.3	6.4
International operations	32.1	16.1	16.0	32.5
Inventories, total	367.5	330.4	37.1	354.4
Domestic operations	237.3	219.0	18.3	223.0
- shares in associated companies and joint ventures	1.0	0.3	0.7	0.8
International operations	130.2	111.4	18.8	131.4
- shares in associated companies and joint ventures	29.7	15.7	14.1	29.6

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

4) Events after the end of the reporting period

On 12 April 2012, SRV and SATO signed a contract agreement for the construction of three residential buildings in the Kalasatama area in Helsinki. The site will consist of a total of 133 apartments, of which 77 are rental apartments and 56 owner-occupied apartments.