

DISCERNIBLE IMPROVEMENT IN SRV'S RESULT AND RECORD HIGH ORDER BACKLOG - FINANCIAL STATEMENT RELEASE 1 JANUARY - 31 DECEMBER 2011

Accounting period 1 January - 31 December 2011 in brief:

- SRV's revenue was EUR 672.2 million (EUR 484.2 million in Jan.–Dec. 2010), change +38.8%
- Operating profit was EUR 14.1 million (EUR 12.5 million), change +13.2%
- Profit before taxes was EUR 10.8 million (EUR 7.9 million), change +36.3%
- The order backlog at the end of the period was EUR 810.8 million (EUR 594.5 million), change 36.4%
- New contracts EUR 811.6 million (EUR 559.9 million), change +44.9%
- The equity ratio was 31.0 percent (35.2%)
- Earnings per share were EUR 0.17 (EUR 0.19)
- Proposed dividend per share EUR 0.12 (EUR 0.12).

Highlights for the fourth quarter 1 October–31 December 2011:

- Revenue amounted to EUR 266.7 million (EUR 157.9 million in Oct. – Dec. 2010)
- Operating profit was EUR 13.2 million (EUR 5.9 million)
- Profit before taxes was EUR 12.4 million (EUR 4.1 million)
- Earnings per share were EUR 0.24 (EUR 0.10).

The President and CEO Jukka Hienonen comments on SRV's result:

Last year was marked both by strong optimism after the recession and by uncertainty in the face of fluctuating economic prospects. In the early part of the year, expectations for the development of the housing market were high. Through the euro crisis, we, like many other companies, kept a close eye on the ominous clouds gathering on the economic horizon. In the housing market, no decline was evident last year; housing sales were steady throughout the year and the price level remained stable.

We doubled our housing construction from the previous year. SRV has risen to become one of the Helsinki Metropolitan Area's biggest housing constructors. Last year, a record number of residential units were completed. Some 70 per cent of SRV's just over 2,000 residential units are rental housing units. Overall, of the residential units under construction by SRV, over 80 per cent will be sold to either private buyers or to institutional investors.

With respect to housing development, earnings are recognised – in accordance with IFRS practice – only when projects are completed and sold, which in practice delays the Group's overall earnings formation until the final quarter.

Due to a continuing tight market situation, the number of business premises projects has remained modest. Last year, we completed and sold to investors the Karisma shopping centre in Lahti and logistics projects in Vantaa. In an intensely competitive climate, we have managed to win significant business premises contracts. One of the largest is for a soya factory in Uusikaupunki.

Our revenue grew well, by 38 per cent. Although business development in the final quarter exceeded our forecasts, the operating profit of EUR 15 million for the full year is below our target level. Increased input prices, the previous harsh winter which led to higher construction costs, and the typically low margins obtained in competitive contracting cast a shadow over the year. The result was improved, however, by the sale of parking facilities in Kamppi at the end of the year.

International business still represents only six per cent of revenue, but this is clearly growing. Together with domestic institutional investors, we founded the Russia Invest real estate investment company, which will enhance our opportunities to expand our operations in the Russian market.

Today, we also published our revised strategy, according to which we will aim for more aggressive growth than the market in our chosen growth centres in Finland and neighbouring areas. Our goal is to improve profitability by increasing the proportion of developer-contracting projects.

In addition to financial targets, our strategy also includes operational quality targets, which will distinguish us positively from our competitors. Our mission is to improve quality of life through sustainable solutions for the built environment. This goal will have a big impact on the way we work. To fulfil our brand promise "Constructing for life", we are developing our ability to recognise the needs of different stakeholders at the different stages of projects. On this basis, we will improve our service process.

I am confident in our future, because we have a historically high order book and many interesting projects planned for the coming years. I would like to thank our customers, stakeholder representatives and personnel for the excellent work we have done together over the past year.

General review

In the accounting period 2011, SRV revenue and backlog continued on a favourable trend, and the company was able to reap the full benefits of the opportunities provided by its scalable business model. At the end of the period, the SRV Group order backlog showed an increase of 36.4 percent at EUR 810.8 million (EUR 594.5 million). The value of new contracts grew by 44.9 percent to EUR 811.6 million (EUR 559.9 million). In 2011, Group revenue increased by 38.8 percent to EUR 672.2 million (EUR 484.4 million in 2010) mainly due to the favourable developments in domestic housing construction.

Revenue from domestic operations jumped to EUR 632.3 million (+ 36.8%) and operating profit to EUR 27.9 million (EUR 26.4 million). The positive trends in revenue and profitability were especially evident in the last quarter thanks to the completions of developer-contracted housing production recognised upon delivery and the sales of the Kampin Luola Oy stock.

The volume of domestic business premises construction has remained at a good level but its profitability has been hit by the increasing share of low margin contracting in the order backlog and by the significant increase in the construction costs of a few projects completed in 2011 during their building time. Due to the increasing market instability some input costs have already started to come down. In order to improve profitability, SRV aims to increasingly shift the focus of operations onto own project development. In Finland, the

competition for new orders in business premises is fierce. SRV successfully continued to ensure new orders and pushed the business premises order backlog up to EUR 362.2 million by the end of the period (EUR 271.6 million).

The domestic housing construction continued on a positive note. SRV has increased its rental and owner-occupied housing production and become an important housing producer in its operational areas. The volume of the SRV housing production under construction doubled to 2,197 units, of which 81 percent have been sold. Of the total SRV housing production, 72 percent are rental and right-of-residence housing units. SRV currently has 622 developer-contracted housing units under construction. Decisions on start-ups of additional 91 housing units have been made following pre-marketing. In total, SRV sold 680 housing units to consumers and investors in 2011 (640 units in 2010).

Revenue from International Operations amounted to EUR 39.0 million (EUR 21.7 million). Due to the project development character of these operations they continued to be unprofitable. In Russia, the financial and property markets have begun to recover. SRV aspires to exploit the potential of the Russian markets through developer-contracted property development projects. To safeguard adequate financing for the Russian operations, a shareholder agreement was signed in September by SRV, Ilmarinen, Sponda, Etera and Onvest for the investment company Russian Invest. At the side of its key development projects, SRV continued with the preparations for the first investments of the VTB and Ashmore Fund. In the second half of 2011, the fund made its first investment in Moscow.

Of SRV's key international projects, the construction of the Pearl Plaza commercial centre in St. Petersburg commenced. The investment decision and a 100 million Euro contract for this project were signed in January. The commercial centre is to be completed in 2013 and its commercialization has begun. As much as 35 percent of the total space of the new commercial centre has already been rented out to four anchor tenants.

The Group operating profit was EUR 14.6 million (EUR 12.5 million). In addition to the favourable volume development in housing construction, the Group operating profit was affected by the weakened profitability of the business premises segment and the decreased margins of the order backlog resulting from higher construction costs. Further factors affecting the operating profit were losses suffered in international operations and the growth in project development expenses from the previous period. A downward impact on the operating profit additionally came from the three million Euro expense reserve for the contract claim in dispute. Group profit before taxes was EUR 10.8 million (EUR 7.9 million).

<u>Group key figures</u>	IFRS	IFRS	change,		IFRS	IFRS
(EUR million)	1-12/ 2011	1-12/ 2010	EUR million	%	10-12/ 2011	10-12/ 2010
Revenue	672.2	484.2	188.0	38.8	266.7	157.9
Operating profit	14.1	12.5	1.6	13.2	13.2	5.9
Financial income and expenses, total	-3.3	-4.5	1.2		-0.8	-1.8
Profit before taxes	10.8	7.9	2.9	36.3	12.4	4.1
Order backlog	810.8	594.5	216.3	36.4		
New agreements	811.6	559.9	251.6	44.9	196.1	120.1
Operating profit, %	2.1	2.6			4.9	3.7
Net profit, %	0.8	1.1			3.1	1.5
Equity ratio, %	31.0	35.2				
Net interest-bearing debt	271.8	222.8				
Net gearing ratio, %	160.2	141.7				
Return on investment, %	4.5	4.1				
Return on equity, %	3.3	3.2				
Earnings per share, EUR	0.17	0.19			0.24	0.10
Equity per share, EUR	4.68	4.56				
Weighted average number of shares outstanding	35.0	33.9			3.2	

SRV Project Development provides the company ample opportunity to grow its business volume in Finland. The projects require long-term development work and their lead times stretch over several years. SRV projects are often landmark projects which offer innovative new solutions for sustainable integrated development. The Keilaniemi Towers housing project and the Niittykumpu metro station development project in Espoo are examples of this as is the Kalasatama centre in Helsinki for which a construction agreement was signed in August 2011.

Domestic operations revenue for the fourth quarter 2011 was EUR 248.9 million (EUR 147.3 million Q4/2010) and the operating profit was EUR 17.9 million (EUR 8.4 million). The completion of domestic developer-contracted housing production and the sales of the Kampin Luola Oy stock contributed to the growth of revenue and operating profit.. Provision for impairment of EUR 3.0 million was made to disputed receivables, which reduced operating profit.

Key figures for the Segments

<u>Revenue</u> (EUR million)	IFRS	IFRS	change,		IFRS	IFRS
	1-12/ 2011	1-12/ 2010	EUR million	%	10-12/ 2011	10-12/ 2010
Domestic Operations	632.3	462.3	170.0	36.8	248.9	147.3
International Operations	39.0	21.7	17.3	79.6	17.5	10.5
Other Operations	12.7	10.3	2.3	22.4	3.2	2.8
Eliminations	-11.8	-10.2	-1.6		-3.0	-2.7
Group, total	672.2	484.2	188.0	38.8	266.7	157.9

Operating profit (EUR million)	IFRS	IFRS	change, EUR million	change, %	IFRS	IFRS
	1-12/ 2011	1-12/ 2010			10-12/ 2011	10-12/ 2010
Domestic Operations	27.9	26.4	1.5	5.9	17.9	8.4
International Operations	-8.3	-8.0	-0.3		-2.6	-0.7
Other Operations	-5.5	-5.9	0.4		-2.1	-2.0
Eliminations	0.0	0.0	0.0		0.0	0.2
Group, total	14.1	12.5	1.6	13.2	13.2	5.9
Operating profit %	IFRS	IFRS	IFRS	IFRS	10-12/ 2011	10-12/ 2010
	1-12/ 2011	1-12/ 2010	10-12/ 2011	10-12/ 2010		
Domestic Operations	4.4	5.7	7.2	5.7		
International Operations	-21.3	-37.1	-14.9	-7.1		
Group, total	2.1	2.6	4.9	3.7		
Order backlog (EUR million)	IFRS	IFRS	change, EUR million	change, %	12/2011	12/2010
Domestic Operations	711.2	574.5	136.7	23.8		
International Operations	99.6	20.0	79.7	398.9		
Group, total	810.8	594.5	216.3	36.4		
- sold order backlog	596	442	154	34.8		
- unsold order backlog	215	153	63	41.0		

Earning trends of the Segments

Domestic Operations (EUR million)	IFRS	IFRS	change, EUR million	change, %	IFRS	IFRS
	1-12/ 2011	1-12/ 2010			10-12/ 2011	10-12/ 2010
Revenue	632.3	462.3	170.0	36.8	248.9	147.3
- business construction	379.6	353.2	26.4	7.5	135.9	98.9
- housing construction	252.8	109.4	143.5	131.2	113.0	48.5
Operating profit	27.9	26.4	1.5	5.9	17.9	8.4
Operating profit, %	4.4	5.7			7.2	5.7
Order backlog	711.2	574.5	136.7	23.8		
- business construction	362.2	271.6	90.6	33.4		
- housing construction	349.0	302.9	46.1	15.2		

Domestic Operations comprise construction and property development operations managed by SRV Construction Ltd in Finland. Domestic Operations are further divided into business premises (construction of business, office, logistics premises and earth and rock construction) and housing construction functions.

Domestic operations revenue was EUR 632.3 million (EUR 462.3 million) representing 94 percent of the total Group revenue (96 percent). Operating profit was EUR 27.9 million

(26.4 million) and the operating margin 4.4 percent (5.7 percent). The increase in the revenue was attributable to the high volume of the order backlog and the completion of 533 developer-contracted housing units over the year. The operating margin decrease was attributable to the weakening of the business premises profitability level due to increased share of contracting in the order backlog and the increase in building costs. A further factor for the margin drop was the provision for impairment of EUR 3.0 million for the contract claim in dispute made in the fourth quarter. The order backlog amounted to EUR 711.2 million (EUR 574.5 million). A total of 482 housing units were sold during the review period (524).

By using the earlier percentage of completion method the revenue for the review period would have been around EUR 4.4 million lower.

The fourth-quarter revenue amounted to EUR 248.9 million (147.3 million) and the operating profit to EUR 17.9 million (8.4 million). The completion of domestic developer-contracted housing production and the sales of the Kampin Luola Oy stock contributed to the growth of revenue and operating profit. A further factor for the margin drop was the expense reserve of EUR 3.0 million for the contract claim in dispute made in the fourth quarter. During the fourth quarter, 100 housing units were sold and the buyers' behaviour began to show increased caution.

Business Premises construction

Revenue for the Business Premises business area was EUR 379.6 million (EUR 353.2 million). The order backlog was EUR 362.2 million (EUR 271.6 million). Fierce competition for new contracts continued and the profitability of business premises construction was weakened by the new contract projects completed in 2011 as their construction cost level rose significantly over the construction period.

In Helsinki, the award-winning Helsinki Music Centre was completed during the review period. Other projects completed during the review period included elevation of the parking facilities and extension of exhibition premises at the Helsinki Fair Centre in Pasila for the Finnish Fair Corporation; modifications to the Sähkötalo building in Kamppi; modifications to the EU European Chemicals Agency in down town Helsinki; the renovation of the Forum shopping centre in Jyväskylä for Citycon; and the STC Viinikkala logistics centre in Vantaa, close to Ring Road 3 in Helsinki; shopping centre Karisma in Lahti; expansion of the Zeppelin Shopping Centre in Oulu; Autokeskus Airport in Vantaa by the Jumbo commercial centre; the excavation works at the Vantaa Ruskeasanta station for the Western rail link; the school and day care centre in Turku Paattinen and the Holiday Club Saimaa spa hotel in Lappeenranta with its adjoining Holiday Club Villas time share complex.

During the report period, contracts worth EUR 356.7 million were signed with external clients.

In March 2011, SRV and Länsimetro Oy signed a contract for the excavation works in Otaniemi connected with the construction of the Western Metro. The contract includes the excavation of two 1.6 kilometre-long parallel metro tunnels and two vertical shafts as well as the construction of the station and the signal boxes. The works in Otaniemi will be completed in September 2013.

SRV and Ilmarinen Mutual Pension Insurance Company have agreed on the construction of new premises for Finnair in the vicinity of the Helsinki-Vantaa Airport. The premises will be built following the principles of sustainable development, and the new office premises will provide a progressive working environment. The total floor area of the new building will be around 70,000 square metres of which offices account for 22,400 square metres.

SRV will renovate and expand the City Hall for the City of Vantaa. The children's Art House Pessi will be refurbished at the same time. Project management contract for renovation of shopping center Itäkeskus was signed with Wereldhave Finland Oy. In Helsinki, project management contracts for renovation were also signed with KOy Helsingin Kaivokatu 8 and Kaivokadun Tunneli Oy.

In Uusikaupunki, SRV was selected as a project management contractor for a new soy processing plant project. Project contractee is Finnprotein Oy, which will operate the factory. The plant will be the largest full-range soy protein plant in Europe. In Jyväskylä, contracts were signed for a new construction to the Hospital School and for the building of the Mankola Coeducational School, the Mannila Day-Care Centre and the Cygnaeus Relief School. A contract was also signed for the expansion of the Zeppelin Shopping Centre in Kempele. A contract was made with the Hospital District of South-west Finland on the construction of equipment storage facilities for the Turku University Hospital. In addition, the wholesale corporation Kesko commissioned SRV to refurbish and expand the Citymarket in Imatra.

In August, the City of Helsinki and SRV signed contracts over the implementation of the Kalasatama Centre project. As the project progresses, SRV will pay to the City of Helsinki approximately EUR 115 million for the lots surrendered for the centre and for their permanent rights of use. The city, on its part, will pay to SRV approximately EUR 45 million for the public parts of the centre that are owned by the city of Helsinki. In addition to the city's contribution, the plan is to base the construction time financing on the so-called RS system financing for housing, on bank lending and external investment.

In Espoo Perkkaa, SRV is building for completion in 2012-2013 a developer-contracted office project comprising three office buildings with a total area of 20,000 square metres. This complex will be housing the Siemens and the SRV head offices. The project will be sold to investors in 2012.

During the period, SRV sold two logistics projects of the Grand Cargo Centre space concept. On 16 Sept. 2011, SRV sold the Tahkotie 1 and 2 logistics projects located in the Vantaa Aviapolis development to a real-estate investment fund managed by Pohjola Property Management Ltd. The total floor area of the project is about 13,000 square metres. On 26 Oct. 2011, SRV sold the 7,300 square meters logistics centre GCC Ilvesvuori located in Nurmijärvi to Pohjola Insurance Ltd. The project will be completed by the end of autumn 2012 and it has been let out on a 20 year lease agreement to the Finnish National Opera Foundation.

On 23 November 2011, SRV sold a convenience retailing property located in Juvankartano in Espoo to Pohjola Insurance Ltd. The project will be completed in March 2012 and it will house a convenience store S-Market and an ABC unmanned retail station. The project has a total floor area of about 1,800 square metres.

A contract was signed at the end of December on the sale of the entire capital stock of Kampin Luola Oy to Local Government Pensions Institution Keva. Kampin Luola is the P-City underground parking facility located below the Kamppi Centre in Helsinki and it has around 500 parking places. At the same time, SRV is also selling its holding, granting entitlement to 100 parking places, in Oy Kamppiparkki Ab, which manages the Forum P parking facility. Revenue from these transactions totalled EUR 32 million.

SRV has built for Varma Mutual Pension Insurance Company a production and logistics centre in Järvenpää for the use of the tenant Primula. The contracting parties hold differing views over the cost of additional work and modifications worth about EUR 2.4 million. SRV Construction Ltd has initiated arbitration proceedings against real estate company Espoontori. The dispute between the parties relates to the client's obligation to make the payments required by SRV Construction Ltd as project management contractor. The parties disagree on the liability to pay amounting to about EUR 4.2 million.

Housing Construction

In 2011, the revenue from Housing Construction operations was EUR 252.8 million (EUR 109.4 million). The order backlog grew by 15.2 per cent to EUR 349.0 million (EUR 302.9 million). SRV has increased significantly its housing production. At the end of the period the company had a total of 2,197 (1,629) residential units under construction. Of the production under construction, 81 percent were contracted housing units or sold own production.

During the accounting period under review, building contracts worth EUR 122.4 million were signed with external clients. A total of 847 housing units will be completed under these contracts. TA Asumisoikeus Oy commissioned four housing projects and a total of 272 right-of-occupancy flats to be built in Kerava and in Espoo (Vanttila and Saunalahti). Alkuasunnot Oy and SRV made a contract on the construction of 118 rental housing units in Jätkäsaari in Helsinki, and a contract was signed also with the Tapiola Group for the construction of 200 flats in Espoo, Tapiola. Contracts were concluded with VVO on building two residential towers on top of the Willa commercial centre currently contracted by SRV in Hyvinkää, with YH on building 71 housing units in Kangasala and 31 units in Ylöjärvi, with Avain Rakennuttajat on building 17 right-of-residence housing units in Joensuu, with Joensuun Kodit on the construction of a 26 housing unit block of flats, and 33 right-of-occupancy flats will additionally be built for TA in Jyväskylä, and 27 terraced house units for YH in South-west Finland.

In 2011, SRV initiated the construction of 579 developer-contracted housing units of which 191 in the fourth quarter. Helsingin Pelimanni to be built in Kannelmäki, Helsinki will consist of 60 apartments and Helsingin Lieska in Vallila will be composed of 40 apartments. In Espoo Matinkylä, Espoon Taidemaalari housing project will comprise 75 apartments, and 18 high-quality detached houses will make up the Espoon Kaisla project to be built in Espoo Saunalahti. In Vantaa, the Vantaan Kartanonkulma housing project of 30 apartments was commenced, and the Espoon Kaisla project of 76 detached houses in Saunalahti, Espoo.

Building the Finnish Housing Fair 2012 development in Vuores, Tampere started, as did Vuoreksen Matti which will consist of 41 terrace and apartment house units. In Tampere (Hyhky) commenced the building of 37 terrace house units, and in Ylöjärvi 46 housing units will make up the new Kultaniitty and Kultapuisto projects, and in Pirkkala the new Kultasiipi terrace house project will comprise 14 housing units. The Kultaniitty and Kultasiipi projects

were completed during the last quarter in 2011. In the Nokia Viikki area, a low-rise development of 21 apartments named Nokian Viikin Ingeborg was initiated to complement the Walborg project completed in September 2011.

In the centre of Kaarina, the first half of 2012 will see the completion of 26 apartments in the Kaarinan Klarinetti housing project, and additional six detached houses in the Kaarinan Merihelmi project. In Saarijärvi, the Saarijärven Kimallus apartment house will be built with 26 units, and in Jyväskylä the Jyväskylän Jokivarsi will comprise 34 new apartments. In Lahti, the construction of the Lahden Alfred project with 29 apartments reached its RS stage in March and was completed in December. In addition to the new projects initiated over the review period, SRV has made decisions to start building a total of 91 housing units in the metropolitan area.

Housing sales grew to 680 housing units (640 in 2011). During the period, 482 (524) units of developer-contracted housing were sold as well as 198 (116) units of negotiated contracted housing. At the end of the period under review, there were 622 (605) housing units under construction meant to be sold to consumers of which 427 (284) were unsold. Moreover, at period end, there were 90 (137) completed housing units for sale of which three were rented out. A total of 533 (201) developer-contracted housing units were completed during the review period.

Housing production in Finland	1-12/2011	1-12/2010	change, units	10-12/2011	10-12/2010
Developer-contracted					
Start-ups	579	543	36	191	133
Sold	482	524	-42	100	163
Completed	533	201	332	351	171
Completed and unsold ¹⁾	90	137	-47		
Under construction, total ¹⁾	2,197	1,122	1,075		
- negotiated and construction contracts ¹⁾	1,575	517	1,058		
- developer-contracted ¹⁾	622	605	17		
- of which sold ¹⁾	195	321	-126		
- of which unsold ¹⁾	427	284	143		

1) At period end

The housing construction order backlog grew to EUR 349 million (EUR 303 million). The order backlog for construction and negotiation contracts grew to EUR 160 million (EUR 115 million) representing a 46 (38) percent share of the total order backlog. The order backlog for housing production grew to EUR 209 million (EUR 188 million). Order backlog of completed but unsold housing units dropped by 55 percent to EUR 26 million. During the fourth quarter 2011, 191 developer-contracted housing start-ups were launched. The unsold developer-contracted order backlog amounted to EUR 115 million (EUR 62 million).

Order backlog, housing construction in Finland (EUR million)	31 Dec. 2011	31 Dec. 2010	change, EUR million
Negotiation and construction contracts	160	115	45
Under construction, sold developer-contracted	49	73	-25
Under construction, unsold developer-contracted	115	62	53
Completed, unsold developer-contracted	26	53	-27
Housing construction, total	349	303	46

In the accounting period under review, SRV and VVO agreed on the purchase by SRV of building rights for about 18,000 floor square metres in Espoo Suurpelto and for about 8000 floor square metres in Vantaa Myyrmäki. In this context it was further agreed that VVO shall buy from SRV two privately financed housing companies under construction at commercial centre Willa in Hyvinkää comprising a total of 52 housing units.

SRV continues its involvement in the Low2No project that aims to develop and implement a solution for the construction of low-carbon or no-carbon sustainable urban environments in order to minimise energy consumption. This project is partly funded by Tekes. In addition to SRV, the participants are Sitra (Finnish Innovation Fund), VVO Yhtymä Oyj and an international design team that was selected in a sustainable construction competition in 2009. The City of Helsinki has reserved a city block for Sitra in Jätkäsaari to be built in line with the Low2No concept. The housing units and business premises in this block will be designed to act as multifunctional environments that serve changing work and life patterns, making use of innovative environmental, space and service planning.

International Operations (EUR million)	IFRS 1-12/ 2011	IFRS 1-12/ 2010	change, EUR million	change, %	IFRS 10-12/ 2011	IFRS 10-12/ 2010
Revenue	39.0	21.7	17.3	79.6	17.5	10.5
Operating profit	-8.3	-8.0	-0.3		-2.6	-0.7
Operating profit, %	-21.3	-37.1			-14.9	-7.1
Order backlog	99.6	20.0	79.7	398.9		

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

In 2011, International Operations revenue totalled EUR 39.0 million (21.7 million) representing six percent of the total Group revenue (4 percent), and the operating profit was EUR -8.3 million (EUR -8.0 million). The increase in revenue was attributable to the growth in the utilized capacity. Expenses of about EUR 1.2 million were recognised for projects completed earlier. The order backlog was EUR 99.6 million (EUR 20.0 million).

The fourth-quarter revenue amounted to EUR 17.5 million (10.5 million) and the operating profit to EUR -2.6 million (-0.7 million). The increase in revenue was attributable to the increase in the utilized capacity. The loss was impacted by the EUR 1.2 million expense items for projects completed earlier.

Russia

In September 2011, a stakeholders' agreement for the Russia Invest investment company was signed between SRV, Ilmarinen, Sponda, Etera and Onvest. The company will invest in real estate development projects in Moscow and St Petersburg. SRV will be in charge of project development and act as the general contractor managing the approved development projects. Partners are committed to total investment of EUR 95.5 million in the company. For Ilmarinen, Sponda and SRV this accounts for EUR 26 million each, EUR 12.5 million for Etera and EUR 5 million for Onvest Group. Stakeholders' shareholdings are divided respectively. Equity will be committed only after the investment objects have been identified and the investment decisions have been made. Beyond this, the development projects will be funded through project-specific bank loans, whereby the value of the total investment may amount to EUR 300 million. The strategy of the investment company is to sell the completed properties after a three year period.

The OOO Pearl Plaza, jointly owned by SRV and the Shanghai Industrial Investment Company, decided in January on the investments into the first phase of the commercial centre project in St. Petersburg. The value of the investment is about EUR 130 million, and the principal funding for the project comes from China. SRV owns 50 percent of the joint venture. SRV will invest approximately EUR 20 million in the implementation of the first phase. In January 2011, SRV also signed a project management contract worth approximately EUR 100 million for the planning and construction of an 95,000 m² commercial centre. The building permit for the project was authorised at the end of September. The commercial centre will be completed in 2013. The first letter of intent was signed with the Finnish Prisma supermarket operator SOK who will lease 7,600 m² for a Prisma hypermarket. Three additional anchor tenant agreements were signed during the autumn, and at the change of the year no less than 35 percent of the premises had already been leased.

SRV continued the development of the Septem City project located on an 8.5 hectare land area in the Ohta district in St. Petersburg. The plans for this development include the construction of a commercial centre, office and retail space, as well as hotel, restaurant and entertainment premises. The project will be implemented in several phases. In the first phase, a shopping centre will be built in the area. The commercial centre concept has received its initial approval and the process has been initiated to detach the first phase as its independent legal entity. The capital employed in land and project development is EUR 61.3 million. Additional investments by SRV in land acquisition are estimated at about EUR 4.5 million. Currently SRV has an 87.5 percent holding in the project, but it will decrease to 77.5 percent once all the ownership arrangements have been finalised in accordance with the partnership agreement.

In 2011, SRV had a particular focus on the analysis and clarification of the investment sites of VTBC-Ashmore Real Estate Partners I in Moscow. The fund primarily invests in the construction of offices, commercial premises, hotels and upscale housing in Moscow and St. Petersburg. The SRV share of the investment commitments in the first phase is EUR 20 million. The other investors 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 act as sponsors and general partners of the fund. Their tasks include identifying investments and arranging financing for the projects. SRV acts both as an investor and project management contractor with respect to the fund, through which it anticipates to safeguard project management contracts worth some EUR 200 million. During the period, the fund acquired the ownership of an office and logistics property in Moscow, the first investment of the fund.

The office premises in the Etmia II office and parking house project in the heart of Moscow have been leased in full. SRV is a co-owner in the project with a 50 percent stake and acted as the responsible project management contractor. The plan is to sell the project to investors in 2012.

The development of the Eurograd logistics zone in St. Petersburg has been temporarily suspended due to local partner's financing difficulties. SRV has a 49 percent holding in the Russian company that possesses a 24.9 hectare land area located north of St. Petersburg, in the immediate vicinity of the Ring Road. Over 100,000 square metres of logistics facilities are planned for the site, to be built in several stages over the next few years. The zoning of the area for logistics use has been finalised.

The financing of the Mytishi commercial centre project in the Moscow region has not advanced, and alternative implementation concepts are being studied. The majority owner of the project is the Finnish real estate investment company Vicus, with a 75 percent stake. SRV owns 25 percent of the commercial centre project and its total investments amount to EUR 7.5 million.

The renovation of the old Aeroport hotel at the Sheremetyevo airport in Moscow was continued after the completion of the first phase. In St. Petersburg, the renovation of 200 rooms in the Pulkovskaya Hotel was completed in the spring, and a new contract was signed on the renovation of the next 200 rooms. The renovation of the Pribaltiskaya Hotel Aqua Park continued. All three hotels belong to the Wenaas Group. The projects are a continuation of the cooperation that started already in 2007.

The demand for the Vyborg Papula residential units built by SRV began to grow. A total of 19 residential units were sold during the review period (10). The building of the second apartment building started in late summer. At period end, 12 (21) completed units and 28 (0) units under construction were unsold.

Baltic Countries

Business volumes in the Baltic countries were low. In Estonia, 14 (17) completed housing units were unsold at period end.

In Latvia, the construction of the international school was completed for International School of Latvia.

Other Operations (EUR million)	IFRS	IFRS	change, EUR million	change, %	IFRS	IFRS
	1-12/ 2011	1-12/ 2010			10-12/ 2011	10-12/ 2010
Revenue	12.7	10.3	2.3	22.4	3.2	2.8
Operating profit	-5.5	-5.9	0.4		-2.1	-2.0

Other Operations comprise mainly the businesses of SRV Group Plc and SRV Kalusto Oy (equipment).

The revenue of Other Operations during the review period was EUR 12.7 million (EUR 10.3 million) and operating loss was EUR -5.5 million (EUR -5.9 million). The positive revenue trend was attributable to higher operation volumes. The operating profit was impacted by the increase of development expenses of long-term projects to EUR 4.2 million (EUR 3.8 million). The fourth-quarter revenue amounted to EUR 3.2 million (2.8 million) and the operating profit to EUR -2.1 million (-2.0 million).

Group Project Development

Project development remained active through the review period.

On 16 Aug. 2011, the City of Helsinki and SRV signed contracts relating to the implementation of the Kalasatama Centre project. The Kalasatama Centre will consist of six residential towers and of a hotel and office tower. The towers will have 20-33 floors and the highest of them will rise up to 126 metres. Plans for the towers include 86,000 square metres of housing for 2,000 residents, 14,000 square metres of office premises and a 10,000 square metre hotel. Next to the towers will be built a 55,000 square metre commercial centre and a social and health care services centre of around 10,000 square metres, which the city will lease for 20 years. The aim is that the health center, the public premises in the centre, the infrastructure and the first residential tower will be completed by 2015. The commercial center is scheduled to be completed in 2016. The rest of the premises will be build stage by stage depending on the market situation by 2021. The impact of the project on the SRV revenue during the next ten years is estimated to total close to one billion Euro accumulating towards the end of the decade.

SRV has started the construction of an office building complex at Derby Business Park located in Perkkaa, Espoo. The development includes three office buildings (20,000 square metres) that will house, among others, the Siemens headquarters for the company's Finnish operations and the SRV head office. In the context of the project, the former Siemens head office building, purchased by a joint venture of SRV, Sato Corporation, and the Mutual Pension Insurance Company Varma, will be re-developed into a building suitable for housing construction. The local plan changes for the area are pending. The targeted residential floor area is 110,000-120,000 m².

The town plan draft for the residential towers planned by SRV to be constructed in the Espoo Keilaniemi area were discussed by the Espoo City Planning Committee in April. According to the plans, the project would consist of some 72,000 m² designed for apartments and 9,000 m² for commercial premises. SRV is developing a regional development project in connection with the future Niittykumpu metro station in cooperation

with the Mutual Pension Insurance Company Varma and Sato Corporation. The City of Espoo granted a planning reservation for the project in June 2010. The plans for the area mainly comprise residential construction and a commercial centre. The overall size of the development is approximately 140,000 m². This includes some 80,000 m² of city land covered by the planning reservation, of which SRV's share is one third. In the framework of this development project, SRV has purchased the Niittytori shopping centre. The local plan for the area will include the right to build approximately 15,000 m² of housing.

Espoo City Board's section dealing with business and competition issues decided on 7 November 2011 to reserve in Kivenlahti a 5.1 hectare land area for SRV and Varma Mutual Pension Insurance Company for designing a bulky goods retailing area. On 16 May 2011, Espoo City Board's section dealing with business and competition issues decided to reserve for SRV the area of Kiinteistö Oy Kielas and Senior Service Centre (Vanhusten palvelukeskus) in the heart of Tapiola for housing project development. A new residential block of 16,000 square metres has been planned on the land area owned by the City of Espoo.

Helsinki City Board decided on 31 Oct. 2011 to reserve two sites in Jätkäsaari for ATT and Stora Enso Oyj and SRV Group Plc. The Wood City project planned for the site will include office, housing, hotel and commercial buildings. An invited competition for planning and design of the site will be opened in early 2012.

SRV signed a cooperation agreement with Itella Real Estate Oy to develop the North Pasila (Pohjois-Pasila) employment district. The aim of the cooperation is to develop the area between Itella's headquarters and Ilmala train station into attractive office-based employment district. Area has a valid city plan which indicates over 110.000 sq meters of permitted building volume for offices in sites owned by Itella.

The Vantaa city planning board decided on 7 November 2011 to reserve for SRV three lots located in Vantaa Hämeenkylä for privately financed owner-occupied housing. In the revised town plan proposal the reserved lots have been defined as housing block areas. Each site has building rights for a gross floor area of 1,810 square metres.

Jyväskylä Real-Estate Services (Tilapalvelu), a Jyväskylä city-owned company, and SRV Construction Ltd. completed on 31 December 2011 the sale of the Valtiontalot property, located in Jyväskylä city centre. The property comprises the Alvar Aalto-designed Valtiontalot (former Defence Corps Building) as well as an unbuilt lot section. The building, constructed in the 1920s, is protected by decisions of the Finnish Government and the Central Finland Regional Environment Centre. SRV intends to renovate the Valtiontalot building so that it meets the requirements set in the protection orders, and to construct a new building on the unbuilt lot section.

Financing and financial position

Net cash flow from operating activities amounted to EUR -45.2 million (EUR -27.8 million). The weakening of the review period cash flow was attributable to the increase in inventories. Group inventories amounted to EUR 354.4 million (EUR 323.8 million) of which land and plot-owning companies represented EUR 187.8 million (EUR 181.3 million). The Group invested capital amounted to EUR 454.0 million (EUR 387.1 million).

At the end of the financial year, the Group financing reserves were EUR 114.4 million, of which Group cash assets amounted to EUR 12.5 million, overdraft facilities, committed undrawn credit facilities and agreed but undrawn credits amounted to EUR 96 million. Moreover, the undrawn housing corporate loans related to RS projects totalled EUR 5.9 million. In addition to its financing reserves, the Group had EUR 33 million worth of binding credit agreements and a further EUR 32 million in receivables from the sales of the Kampin Luola Oy stock.

Investments in SRV's developer- contracted housing and commercial construction projects in Finland, completed and those under construction, total at EUR 105.9 million. SRV estimates that the completion of these projects will require a further investment of EUR 130.0 million. Undrawn housing corporate loans, sales receivables and undrawn project finance for commercial and public property projects amount to a total of EUR 137.4 million.

Investments in completed international projects total EUR 38.2 million, of which unsold residential projects in Estonia amount to EUR 0.9 million, and to EUR 1.9 million in Vyborg. EUR 35.4 million is invested in the Etmia office project.

The equity ratio was 31.0 percent (35.2 percent). The changes in the equity ratio and the net liabilities were brought about by the increase in inventories and by the EUR 2.5 million derivative agreements signed by SRV with Nordea Bank Ab for 552,833 SRV Group Plc.'s shares comparable to treasury shares held by the company. The Group shareholders' equity totalled EUR 169.7 million (EUR 157.2 million) at period end. Group net interest-bearing liabilities were EUR 271.8 million (EUR 222.8 million) at period end. Net financing expenses totalled EUR 3.3 million (EUR 4.5 million). The return on investment (ROI) was 4.5 percent (4.1 percent) and the return on equity (ROE) 3.3 percent (3.2 percent).

Investments

Group investments totalled EUR 10.2 million (EUR 2.3 million) and were mainly used for fund investments and acquisition of machinery and equipment.

Unbuilt land areas, land acquisition commitments and land development agreements

Land reserve, 31 Dec. 2011	Business construction	Housing construction	International Operations	Total
Unbuilt land areas and land acquisition commitments				
Building rights*, m ²	280,000	351,000	851,000	1,482,000
Land development agreements				
Building rights*, m ²	645,000	331,000	152,000	1,128,000

* 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 the leading Finnish project management contractor that builds and develops commercial and business premises, housing, and infrastructure and logistics projects. The

company operates in Finland, 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 Group businesses.

The business segments of SRV are Domestic Operations, International Operations and Other Operations. Domestic Operations comprise the construction management operations of SRV Construction Ltd and property development. Domestic Operations are further divided into the business premises (retail, office, logistics premises and earth and rock construction) and the Housing Construction functions. International Operations comprise the SRV business activities in Russia and the Baltic countries. Other Operations primarily refer to the SRV Group Plc and SRV Kalusto Oy businesses.

Changes in Group structure

As of 1 January 2011, SRV merged Business Premises and Housing and Regional business areas in Finland. SRV Construction Ltd is responsible for domestic operations. SRV Asunnot Oy, representing housing business, was merged to SRV Construction Ltd as of 31 March 2011. On 31 May 2011, SRV acquired all shares of Maanrakennus Oy Laatutyö. The annual revenue of Laatutyö is 5 to 7 million Euros. The acquisition is part of SRV's strategy to increase infrastructure construction. In July, SRV acquired 100% ownership of its Estonian subsidiary SRV Kinnisvara AS.

Changes in Group management

On 15 March 2011, Taneli Hassinen took up the position of SRV Group Director, Communications and Marketing and became member of the Corporate Executive Team. Antero Nuutinen was appointed Director of Housing in Finland and member of the Corporate Executive Team as of 22 September 2011. The previous Director of Housing in Finland, Juha-Veikko Nikulainen, left the company on 22 September 2011.

Personnel

SRV had an average personnel of 880 (794), of whom 634 (566) were salaried employees. During the accounting period, the parent company had an average of 46 (47) salaried employees. At period end, 933 (792) persons were employed by the Group, 50 (47) of them employed by the Parent Company, and 181 (138) persons worked in subsidiaries abroad. In Group operations in Finland, SRV had a total of 43 (17) trainees working in summer jobs, in on-the-job training and preparing their thesis or diploma. Average increase in the number of personnel was 10.8 percent. The acquisition of the new subsidiary, Maanrakennus Oy Laatutyö accounted for 2.6 percent of the increase while new recruitments in Finland and abroad accounted for the rest. The implementation of the Pearl Plaza project in St. Petersburg, Russia, brought up the number of personnel engaged in international operations. The wages and salaries and fees and costs of share-based incentive plan paid during the financial period totalled EUR 45.4 million (EUR 40.7 million). The extensive training programme on leadership and interaction skills launched in 2010 was completed in 2011.

Personnel business area	31 Dec. 2011	31 Dec. 2010	Percentage of Group personnel
Domestic Operations	651	559	69.8
International Operations	191	153	20.4
Other Operations	91	80	9.8
Group, total	933	792	100.0

The Board of Directors of SRV Group Plc decided on 17 February 2011 on a new long-term share-based incentive scheme directed at about 70 SRV Group key staff. The scheme covers the period 2011–2016, and the potential reward is based on the increase in SRV Group Plc share price. The scheme is executed in share bonus rights their value being based on SRV share price development. The maximum total amount of bonus rights granted is 2,000,000.

The incentive scheme entitles the key staff to receive half of the SRV share value increase calculated from the share price development as SRV shares while half is to be paid in cash to allow for taxes collected over the bonus. There are restrictions in place concerning the transfer of shares and a restriction period. Based on the scheme, approximately 1.7 million bonus rights have been granted the value of the IFRS recognition over the lifetime of the scheme is approximately two million Euros with the addition of the cash payments.

Outlook for construction

The world economy recovery continues to slow down. The Finnish economy is estimated to have grown three percent in 2011, and the outlook for 2012 is clearly weaker. The total number of building permits granted in Finland went down in the beginning of 2011, and start-ups are estimated to have stayed at the previous year's level. The upswing in the construction cost index has faded and the index is taking a downturn.

In 2011, housing construction was quite busy especially in the metropolitan area with the country's fastest rate of population growth. About 31,000 new construction projects were initiated in 2011, nearly on a par with the long-term annual average housing demand. Increasing uncertainty and high housing prices have an impact on the demand and will cut down the number of housing start-ups this year. The housing market additionally suffers from some significant uncertainties arising from the disruptions in the global economy, the negative trends visible in employment and the upward pressures on the interest rates. In the long term, trends such as migration to growing population centres and the diminishing size of households will increase the need for housing construction.

Commercial and office real-estate markets remain slow. The decreasing demand for office premises with their simultaneously increasing supply will continue to put pressure on the office space utilisation rates throughout the metropolitan area. In 2011, slightly more commercial and office buildings were started than in the previous year, but the number is estimated to go down slightly again in 2012.

Demand for renovation building remained lively. The growth of the building stock, it's ageing and need for modernization will maintain the volume of renovation in the years to come. The weakening of the outlook for civil engineering will even out in 2012 when the ongoing infrastructure projects start to take effect.

The economy in the Baltic countries is estimated to strengthen. The accelerated inflation may jeopardise the development of domestic demand in Estonia and Lithuania, in particular. Activity in the construction and property markets, however, continues to be slow.

The Russian economy has turned into slow growth, and the Russian GNP is estimated to have grown by about five percent in 2011 as private consumption accelerates the recovery. The growth for 2012 is forecast to be the same as in 2011.

Risks, risk management and corporate governance

General economic trends and changes in customers' operating environments have a direct impact on the construction and property markets. They may have a positive or negative effect on the volume of the SRV order backlog and on the company's operational profitability, among other things, and they may increase the amount of SRV capital tied to projects, and extend their tied-up period. A change in the general interest rates has a direct impact on both SRV's cash flow from operating activities and financing costs. The world economy is unstable and the crisis experienced in state finance across numerous countries adds uncertainty to future economic developments. Property values are under pressure and the number of property transactions and, in particular, new large-scale project start-ups are held back due to difficulties in securing financing. Demand for real estate investments has remained weak. Interest rates are low. Compared to pre-recession, however, the availability of credit from financial institutions is weaker while loan margins are clearly higher. Financing costs may climb even higher and the availability of financing may continue to worsen should the international financial crisis culminate over the second half of the year. As a result of deteriorating availability of financing to the customers, the account receivables might grow whereby the company's liquidity might suffer.

SRV's revenue is generated by construction projects, and the company's financial result depends on the profitability of individual projects and on their completion schedules. The fierce competition for new orders in the construction sector may affect the volume and profitability of SRV's new order backlog. Agreements on additional work and modifications may come with economic risks which are even greater when the economy is slack. This is especially true in contracted commercial construction. In developer-contracted projects, recognition of revenue generally follows the Completed Contract method. Revenue recognition for delivered projects depends on the percentage of housing units sold. Delivery schedules of developer-contracted projects may have an essential impact on the revenue and profit developments for the financial year and the quarters. Project sales are affected by factors such as availability of financing for buyers and the occupancy rate of the project. When sales are delayed, the recognition of revenue and operating profit is delayed correspondingly. Postponed start-ups of developer-contracted projects increase the development expenses, which are recorded as costs. The slowdown in housing sales will increase sales and marketing costs as well as interest expenses for the developer-contracted housing production. After a rapid decline, housing sales have recovered in Finland, but the unstable economy weakens the outlook for the housing market. Key risks for the demand for housing are rising interest rates and weakening consumer confidence.

Construction is subject to significant cost risks that arise from subcontracting and acquisitions and procurement. Therefore, long-term planning is key for their successful management. A weak economic cycle increases financial risks relating to subcontractors. The construction sector has implemented an invert value added tax policy. This new

procedure requires reinforced accuracy in administration. The SRV contracting model requires constant access to readily available skilled and competent personnel. In the construction sector, warranty and liability obligations may span up to ten years. Construction costs in many materials have risen considerably, but the trend is being reversed with the decline in building activity.

SRV is involved in some arbitration and legal proceedings. The management of SRV believes that the cases or their outcome do not have a significant impact on the company's financial result. SRV has initiated arbitration proceedings against real estate company Espoontori. The dispute relates to renovation of Espoontori shopping centre. Real-estate company Espoontori is owned by Citycon Oyj. The financial value of the dispute is about EUR 4.2 million (VAT included). SRV and Varma Mutual Pension Insurance Company concluded a contracting agreement over the building of a bakery property in Järvenpää for the Primula Herkkutehdas. Primula Herkkutehdas, however, filed for bankruptcy in November whereupon, in December, Varma filed for bankruptcy petition for the tenant Oy Primula Ab. The contracting parties have differing views over the liability to pay the EUR 2.4 million costs for the additional work and modifications.

In addition to land acquisition risks, property projects face other challenges related to outcomes of zoning, soil conditions, project financing, project commercialisation, partners, and the geographical location and type of projects. SRV measures its land reserves at cost of acquisition in accordance with the IFRS standard. If the cost of acquisition, added with construction costs, is lower than the fair value of the property, the value of the property will be reduced. In accordance with its strategy, SRV has focused on developer-contracted projects and increased land acquisition in Finland and Russia, in particular. Availability of property financing affects the progress and start-up decisions of development projects. The goal is for SRV to carry out large development projects in partnership with real estate investors and with project funding. Declining availability of investment and project funding may increase the share of SRV project funding and subsequently lower the Group equity ratio, weaken the Group liquidity and the availability of other funding.

The financial risks associated with the SRV operations are interest rate, currency, liquidity and contractual party risks, which are discussed in more detail in the Notes to the Financial Statements. Currency risks are divided into transaction risks and translation risks. Transaction risks are related to foreign currency-denominated business and financing cash flows. The effects of translation risks are shown in the translation differences of equity in the consolidated figures in investments made in foreign currency.

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 of EUR 100 million, which matures in part in December 2012 and in part in December 2013. The company's financing agreements contain customary terms and conditions. Equity ratio makes up the financial covenant.

Risk management in SRV is carried out in line with the Group operations system, and control is exercised in accordance with the Group strategy approved by the Board of Directors of the 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 risk management and corporate governance policies is disclosed in the 2011 Annual Report and Notes to the Financial Statements.

Environmental issues

The Group's aim is to minimize the harmful impacts to environment caused by its activities and additionally contribute to achievement of sustainable development in built environment. SRV seeks to be a pioneer in development and construction of attractive and ecological living and working environments that encourage their residents and users to adopt environmentally friendly lifestyles. SRV's housing production is located alongside good public transport links and in particular the Helsinki Metropolitan Area rely on the metro and rail services utilization. SRV's construction sites seek to minimize the amount of waste and improve the recycling rate. Both statistics are monitored in the environmental reporting system.

SRV is developing Low2No-project to Jätkäsaari district of Helsinki in by a research project in cooperation with Sitra (The Finnish Innovation Fund) and VVO. In addition SRV is developin wooden construction project Wood City in the same area with Store Enso Group. There are also several other projects under construction and development in which special attention has been paid to minimize the environmental impact of buildings during their entire life cycle.

Corporate governance and resolutions of General Meetings

The SRV Group Plc Annual General Meeting (AGM) convened on 15 March 2011. The AGM adopted the financial statements and discharged the members of the Board of Directors and the Presidents and CEOs from liability for the accounting period under review. A dividend of EUR 0.12 per share was declared. The dividend payment date was 25 March 2011. Mr Ilpo Kokkila was elected chairman of the Board of Directors and Mr Arto Hiltunen, Mr Olli-Pekka Kallasvuo, Mr Timo Kokkila, Mr Matti Mustaniemi and Mr Ilkka Salonen were elected members of the Board of Directors. The firm of authorized public accountants Ernst & Young Oy was elected as the company auditor.

The AGM authorised the Board of Directors to decide on acquisition of the Company's own shares with non-restricted equity. The Board was authorised to acquire a maximum of 3,676,846 own shares, however, 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 percent 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 2,400,000 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 being, however, 3,676,846 shares. The aforementioned authorisations include the right to acquire own shares not proportional to shareholders' holdings. Based on these authorisations, the shares can be acquired in single or multiple parts.

The general meeting authorised the Board of Directors to decide on the issue of new shares or the transfer of treasury shares against payment or without consideration. This authorisation includes the right to issue new shares or to transfer the treasury shares in deviation from the shareholders' pre-emptive subscription right under the terms of the

Companies Act. The authorisation is in effect for a period of two years from the date of decision of the meeting.

In its organisational meeting on 15 March 2011, the Board of Directors elected Olli-Pekka Kallasvuo vice chairman of the Board, Matti Mustaniemi chairman of the Audit Committee, Olli-Pekka Kallasvuo 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. At period end on 31 December 2011, SRV had a total of 5,838 shareholders.

The Company received the following flagging notifications during the review period.

Nordea Bank AB (publ) announced that as a result of the transaction on 15 March 2011 its holding of SRV Group Plc's shares and voting rights fell below 1/20 and Nordea Pankki Suomi Oyj's holding of SRV Group Plc's shares and voting rights exceeded 1/20.

According to Nordea Bank AB's (publ) notification the portion of ownership of shares and voting rights of Nordea Group in SRV Group Plc has fallen below 1/20 as a result of the transactions on 11 April 2011. Nordea Pankki Suomi Oyj sold all 1,909,483 SRV Group Plc's shares it had owned to Nordea Bank AB (publ) on 11 April 2011. On 11 April 2011, Nordea Bank AB (publ) sold 1,356,650 SRV Group Plc's shares as a part of the total return swap described in the flagging notification of 5 January 2011 to SRV Group Plc.

SRV Group Plc's ownership of the company's own shares exceeded momentarily 1/20 on 11 April 2011. On 11 April 2011, SRV realized part of a derivatives contract concluded between the company and Nordea Bank AB (publ.) on 5 January 2010 in respect of 1,356,650 company shares for a price of EUR 4.45 per share. In deviation from shareholders' pre-emptive rights, SRV implemented a directed share issue on 11 April 2011, in which 1,500,000 own shares were offered for subscription at a price of EUR 6.60 per share. The share issue was subscribed immediately. The arrangement increased SRV's equity capital by EUR 9.9 million. After the share issue, SRV's holding of its own shares fell below 1/20.

The share closing price at OMX Helsinki at the end of the financial year was EUR 4.00 (EUR 6.63 on 31/12/2010, change -39.7 percent). The highest share price in the review period was EUR 7.43 and the lowest was EUR 3.83. The change in the all-share index of the Helsinki Stock Exchange (OMX Helsinki) during the same period was -30.1 percent and the OMX Industrial and Services index -25.5 percent.

At the balance sheet date, the company shares had a market value of EUR 142.0 million, excluding the Group's own shares. About 8.8 million shares were traded during the financial year and the trade volume was EUR 53.3 million.

At the end of the review period, SRV and Nordea had in force 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 equal to treasury shares held by the company. At

contract maturity, the shares will be sold to SRV Group Plc or an entity named by the same. At the period end, the shares had a market value of EUR 2.2 million.

At the end of the financial year, SRV Group Plc had 1,265,157 SRV Group Plc shares taking account of the derivative contract concluded with Nordea Bank AB (3.4 percent of the total number of the company shares and combined number of votes). On 16 February 2012, taking account of the derivative contract, the Group had 1,267,007 shares (3.4 percent of the total number of the company shares and the combined number of votes).

Financial targets

On 15 February 2012, the SRV Board of Directors confirmed a new Group strategy for the years 2012-2016 with the following strategic targets for the Group:

- SRV revenue will grow faster than the industry average and it will reach EUR milliard
- The share of International Operations revenue of Group revenue will exceed 20 percent
- The operating margin will go up to six percent
- The return on equity will be 15 percent at the minimum
- The equity ratio will be kept at above 30 percent
- Taking into consideration the capital needs of the businesses, SRV targets a dividend of 30 percent of the annual result.

These targets require a substantial increase in the sales of developer-contracted projects.

Outlook for 2012

The volume and the completion schedules of developer-contracted housing production, the construction margin trends, 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. The 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 2012 revenue is expected to reach the 2011 level (EUR 672.2) or go beyond it. The profit before taxes for the whole year 2012 is expected to exceed the previous year's level (EUR 11.3 million).

Espoo, 15 February 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:

		IFRS 1-12/ 2011	IFRS 1-12/ 2010	IFRS 10-12/ 2011	IFRS 10-12/ 2010
Revenue	EUR million	672.2	484.2	266.7	157.9
Operating profit	EUR million	14.1	12.5	13.2	5.9
Operating profit, % of revenue	%	2.1	2.6	4.9	3.7
Profit before taxes	EUR million	10.8	7.9	12.4	4.1
Profit before taxes, % of revenue	%	1.6	1.6	4.6	2.6
Net profit attributable to equity holders of the parent company	EUR million	5.9	6.4	8.2	3.3
Return on equity	%	3.3	3.2		
Return on investment	%	4.5	4.1		
Invested capital	EUR million	454.0	387.1		
Equity ratio	%	31.0	35.2		
Net interest-bearing debt	EUR million	271.8	222.8		
Gearing ratio	%	160.2	141.7		
Order backlog	EUR million	810.8	594.5		
New agreements		811.6	559.9		
Personnel on average		880	794		
Property, plant and equipment investments	EUR million	10.2	2.3	6.4	0.3
Property, plant and equipment investments, % of revenue	%	1.5	0.5	2.4	0.2
Earnings per share, share issue adjusted	EUR	0.17	0.19	0.24	0.10
Equity per share, share issue adjusted	EUR	4.68	4.56	-	-
Dividend per share, share issue adjusted ¹⁾	EUR	0.12	0.12	-	-
Dividend payout ratio	%	70.6	63.2	-	-
Dividend yield	%	3.0	1.8	-	-
Price per earnings ratio		23.5	34.9	-	-
Share price development				-	-
Share price at the end of the period	EUR	4.00	6.63	-	-
Average share price	EUR	5.88	6.42	-	-
Lowest share price	EUR	3.83	5.50	-	-
Highest share price	EUR	7.43	7.14	-	-
Market capitalisation at the end of the period	EUR million	142.0	224.8	-	-
Trading volume	1,000	8 759	12 114	-	-
Trading volume	%	25.0	35.7	-	-
Weighted average number of shares outstanding	1,000	35 023	33 923	-	-
Number of shares outstanding at the end of the period	1,000	35 503	33 901	-	-

1) Board of Directors' proposal for the distribution of profits of 2011

Calculation of key figures:

Gearing ratio, %	=	$100 \times \frac{\text{Net interest-bearing debt}}{\text{Total equity}}$
Return on equity, %	=	$100 \times \frac{\text{Profit before taxes - income taxes}}{\text{Total equity, average}}$
Return on investment, %	=	$100 \times \frac{\text{Profit before taxes + interest and other financial expenses}}{\text{Invested capital, average}}$
Equity ratio, %	=	$100 \times \frac{\text{Total equity}}{\text{Total assets - advances received}}$
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, %	=	$100 \times \frac{\text{Dividend per share, share issue adjusted}}{\text{Earnings per share, share issue adjusted}}$
Dividend yield, %	=	$100 \times \frac{\text{Dividend per share, share issue adjusted}}{\text{Share price at the end of the period, share issue adjusted}}$
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 Financial Statements Report 1.1. - 31.12.2011: TABLES

Appendices

- 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. - 31.12.2011

SRV Group's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) valid on 31 December 2011. The figures in the tables have been rounded which should be noted when counting the total sums. The condensed consolidated financial statement information has been prepared in accordance with the accounting policies set out in the IAS 34 standard, and the information disclosed for the periods January December 2011 and January - December 2010 is audited and the information disclosed for the periods October - December 2011 and October December 2010 is unaudited. The consolidated financial statements have been prepared based on a historical cost basis, except for available-for-sale investments, financial assets and liabilities measured at fair value through income statement and derivative contracts measured at fair value as well as share-based payments which are measured at fair value.

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.

As of 1 January 2011, SRV will provide a consolidated financial statement regarding its subsidiaries and joint ventures, compiled using the equity method. The comparative figures have been calculated accordingly. The Group's consolidated income statement includes earnings per share from the joint venture. Correspondingly, the balance sheet includes the Group's share of the joint venture's capital, including the goodwill incurred by the acquisition of subsidiaries. If the Group's share of joint venture losses exceeds the book value, the losses in excess of the book value will be eliminated in the consolidated financial statement, unless the Group has committed to meet joint venture liabilities. Unrealised gains between the Group and the joint venture have been eliminated in accordance with the Group's ownership share.

Estimate of the impacts of the new standards, changes and interpretations:

As from 1 January 2010, SRV Group will apply IFRIC 15 Agreements for the Construction of Real Estate in its reporting. This interpretation concerns the recognition of revenue from developer contracting projects. The interpretation specifies whether revenue from a construction project should be recognised on a percentage of completion basis or upon delivery. The adoption of the interpretation primarily affects the recognition of revenue from SRV Group's developer contracting housing projects. The Group previously recognised revenue from developer contracting housing projects on a percentage of completion basis. Under the new interpretation, revenue will from now on mainly be recognised on the basis of project delivery.

The change in revenue recognition affects SRV Group's income statement and balance sheet items, the key figures based on them, and the order backlog. It will result in greater variation between quarterly trends in revenue and earnings, as the recognition of revenue from developer contracting projects may depend on the date of their completion. The delayed revenue recognition of projects will increase the balance sheet total and weaken the key figures calculated on the basis of the balance sheet.

SRV Group's internal management reporting follows earnings in line with the new interpretation and the Group publishes its segment reports in accordance with the new accounting principles.

The following standards, amendments and interpretations shall be applied as from the accounting period beginning on 1 January 2011 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.

- Annual improvements 2010 (effective on 1 January 2011). The Group will apply this amendment as of 1 January 2011.

Consolidated income statement (EUR million)	IFRS 1-12/ 2011	IFRS 1-12/ 2010	change, MEUR	change, %	IFRS 10-12/ 2011	IFRS 10-12/ 2010
Revenue	672.2	484.2	188.0	38.8	266.7	157.9
Other operating income	4.5	3.2	1.2	38.0	1.0	1.0
Change in inventories of finished goods and work in progress	6.1	28.2	-22.1	-78.4	-43.4	3.7
Use of materials and services	-593.2	-435.8	-157.3	36.1	-189.2	-138.8
Employee benefit expenses	-55.7	-49.6	-6.1	12.2	-16.3	-14.0
Share of results of associated companies	-1.1	-0.4	-0.7		-0.6	1.1
Depreciation and impairments	-3.8	-3.5	-0.2	7.0	-1.2	-1.0
Other operating expenses	-15.0	-13.8	-1.2	8.4	-3.8	-4.0
Operating profit	14.1	12.5	1.6	13.2	13.2	5.9
Financial income	5.4	3.1	1.1	34.5	0.1	0.4
Financial expenses	-8.7	-7.6	0.2	-2.2	-0.9	-2.1
Financial income and expenses, total	-3.3	-4.5	1.2	-27.5	-0.8	-1.8
Profit before taxes	10.8	7.9	2.9	36.3	12.4	4.1
Income taxes	-5.5	-2.8	-2.7	98.2	-4.2	-1.7
Net profit for the period	5.3	5.2	0.2	3.1	8.2	2.4
Attributable to						
Equity holders of the parent company	5.9	6.4			8.2	3.3
Minority interest	-0.5	-1.2			0.0	-0.9
Earnings per share calculated on the profit attributable to equity holders of the parent company (undiluted and diluted)	0.17	0.19			0.24	0.10

Statement of comprehensive income (EUR million)	IFRS 1-12/ 2011	IFRS 1-12/ 2010	IFRS 10-12/ 2011	IFRS 10-12/ 2010
Net profit for the period	5.3	5.2	8.2	2.4
Items recognised directly in equity:				
Translation differences	0.1	0.0	0.1	0.0
Available for sale financial assets	0.0	0.1	0.0	0.1
Income (loss) recognised directly in equity net of tax	0.1	0.0	0.1	0.1
Total comprehensive income for the period	5.4	5.2	8.3	2.4
Profit for the period attributable to:				
Equity holders of the parent company	5.9	6.4	8.3	3.4
Minority interest	-0.5	-1.2	0.0	-0.9

Consolidated balance sheet (EUR million)	IFRS 31.12.11	IFRS 31.12.10	change, %
ASSETS			
Non-current assets			
Property, plant and equipment	15.2	14.0	9.0
Goodwill	1.7	1.7	0.0
Other intangible assets	0.5	0.4	29.0
Other financial assets	10.8	5.2	109.3
Receivables	8.2	10.1	-18.5
Loan receivables from associated companies and joint ventures	13.0	12.7	1.9
Deferred tax assets	5.0	5.1	-2.1
Non-current assets, total	54.4	49.2	10.8
Current assets			
Inventories	354.4	323.8	9.5
Trade and other receivables	133.5	65.0	105.4
Loan receivables from associated companies and joint ventures	32.0	31.4	1.9
Current tax receivables	1.5	1.5	-2.9
Cash and cash equivalents	12.5	7.1	75.8
Current assets, total	533.9	428.8	24.5
ASSETS, TOTAL	588.3	478.0	23.1
Consolidated balance sheet (EUR million)	IFRS 31.12.11	IFRS 31.12.10	change, %
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company			
Share capital	3.1	3.1	0.0
Invested free equity fund	92.1	87.8	5.0
Translation differences	-0.1	-0.1	-47.6
Fair value reserve	0.0	0.0	
Retained earnings	71.0	63.8	11.4
Equity attributable to equity holders of the parent company, total	166.2	154.5	7.6
Minority interest	3.5	2.7	26.4
Equity, total	169.7	157.2	7.9
Non-current liabilities			
Deferred tax liabilities	1.0	0.7	43.5
Provisions	5.4	4.2	28.7
Interest-bearing liabilities	90.1	78.8	14.4
Other liabilities	7.8	0.4	1836.9
Non-current liabilities, total	104.4	84.1	24.1
Current liabilities			
Trade and other payables	113.6	78.6	44.6
Current tax payables	2.6	3.4	-24.0
Provisions	3.9	3.5	11.2
Interest-bearing liabilities	194.2	151.1	28.5
Current liabilities, total	314.3	236.7	32.8
Liabilities, total	418.7	320.8	30.5
EQUITY AND LIABILITIES	588.3	478.0	23.1

Consolidated cash flow statement (EUR million)	IFRS	IFRS
	1-12/2011	1-12/2010
Cash flows from operating activities		
Net profit for the period	5.3	5.2
Adjustments:		
Depreciation and impairments	3.8	3.5
Non-cash transactions	3.9	0.7
Financial income and expenses	3.3	4.5
Capital gains on sales of tangible and intangible assets	0.0	0.0
Income taxes	5.5	2.8
Adjustments, total	16.4	11.5
Changes in working capital:		
Change in loan receivables	-18.9	-2.7
Change in trade and other receivables	-45.6	-9.7
Change in inventories	-30.7	-43.8
Change in trade and other payables	40.1	21.7
Changes in working capital, total	-55.1	-34.4
Interest paid	-9.0	-7.7
Interest received	3.1	1.7
Dividends received	0.0	0.1
Income taxes paid	-5.9	-4.2
Net cash flow from operating activities	-45.2	-27.8
Cash flow from investing activities		
Acquisition of subsidiaries, net of cash	-0.8	-0.3
Property, plant and equipment	-3.1	-1.5
Intangible assets	-0.2	-0.1
Other financial assets	-6.1	-0.4
Sale of property, plant and equipment and intangible assets	0.0	0.2
Sale of financial assets	0.5	0.0
Net cash used in investing activities	-9.7	-2.2
Cash flows from financing activities		
Proceeds from loans	29.0	6.0
Repayments of loans	-11.5	-6.1
Change in loan receivables	0.0	0.0
Change in housing corporation loans	1.5	-2.2
Change in credit limits	35.0	38.2
Purchase of treasury shares	10.3	0.0
Dividends paid	-4.1	-4.1
Net cash from financing activities	60.3	31.9
Net change in cash and cash equivalents	5.4	1.9
Cash and cash equivalents at the beginning of period	7.1	5.2
Cash and cash equivalents at the end of period	12.5	7.1

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
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

Statement of changes in Group equity 1.1. - 31.12.2010

	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
Equity on 1.1.2010	3.1	87.3	-0.1	-0.1	69.9	160.1	3.8	163.9
Total income and expenses for the financial year	0.0	0.0	0.0	0.1	6.4	6.4	-1.2	5.2
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	0.3	0.3	0.0	0.3
Purchase of treasury shares	0.0	0.0	0.0	0.0	-8.5	-8.5	0.0	-8.5
Other changes	0.0	0.4	0.0	0.0	-0.3	0.2	0.2	0.4
Equity on 31.12.2010	3.1	87.8	-0.1	0.0	63.8	154.5	2.7	157.2

Commitments and contingent liabilities	IFRS 31.12.11	IFRS 31.12.10	change, %
EUR million			

Collateral given for own liabilities

Real estate mortgages given	234.3	129.0	81.6
Pledges given	0.0	0.0	

Other commitments

Guarantees given for liabilities on uncompleted projects	0.0	0.0
Investment commitments given	15.2	21.8
Plots purchase commitments	129.6	16.6

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.

(EUR million)	Fair and nominal values of derivative instruments		IFRS 12/2011		IFRS 12/2010	
	Fair Values		Fair Values			
	Positive	Negative	Positive	Negative		
Hedge accounting not applied						
Foreign exchange forward contracts	0.0	0.0	0.0	0.0		
Interest rate swaps	0.0	1.4	0.0	1.3		
Nominal values of derivative instruments						
	IFRS 12/2011		IFRS 12/2010			
Foreign exchange forward contracts	0.0		0.0			
Interest rate swaps	50.0		63.4			

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	IFRS						
	10-12/11	7-9/11	4-6/11	1-3/11	10-12/10	7-9/10	4-6/10	1-3/10
Revenue	266.7	136.3	136.6	132.6	157.9	115.2	117.3	93.8
Operating profit	13.2	0.2	-0.3	1.0	5.9	3.5	1.5	1.6
Financial income and expenses, total	-0.8	-1.7	-1.4	0.7	-1.8	0.3	-1.6	-1.4
Profit before taxes	12.4	-1.5	-1.7	1.7	4.1	3.8	-0.1	0.2
Order backlog ¹⁾	810.8	862.3	673.5	702.2	594.5	604.6	604.4	530.0
New agreements	196.1	304.6	90.6	220.2	120.1	112.6	186.7	140.6
Earnings per share, eur	0.24	-0.06	-0.06	0.05	0.10	0.08	0.02	-0.01
Equity per share, eur ¹⁾	4.68	4.44	4.51	4.49	4.56	4.47	4.38	4.36
Share price, eur ¹⁾	4.00	4.48	6.00	6.75	6.63	6.14	6.16	6.41
Equity ratio, % ¹⁾	31.0	30.9	31.7	33.2	35.2	35.1	35.1	37.0
Net interest bearing debt ¹⁾	271.8	269.5	263.5	246.4	222.8	229.7	217.2	199.8
Gearing, % ¹⁾	160.2	167.3	162.2	159.1	141.7	147.9	142.7	132.3
Revenue (EUR million)	IFRS	IFRS						
10-12/11	7-9/11	4-6/11	1-3/11	10-12/10	7-9/10	4-6/10	1-3/10	
Domestic operations	248.9	128.3	131.2	123.9	147.3	109.5	112.5	93.0
- business construction	135.9	82.0	86.4	75.3	98.9	94.2	91.1	68.9
- housing construction	113.0	46.3	44.8	48.8	48.5	15.3	21.5	24.1
International operations	17.5	7.8	5.3	8.4	10.5	5.7	4.7	0.7
Other Operations	3.2	3.1	3.1	3.3	2.8	2.5	2.5	2.5
Eliminations	-3.0	-2.9	-2.9	-3.0	-2.7	-2.5	-2.5	-2.5
Group, total	266.7	136.3	136.6	132.6	157.9	115.2	117.3	93.8

Operating profit (EUR million)	IFRS 10-12/11	IFRS 7-9/11	IFRS 4-6/11	IFRS 1-3/11	IFRS 10-12/10	IFRS 7-9/10	IFRS 4-6/10	IFRS 1-3/10
Domestic operations	17.9	2.4	3.3	4.4	8.4	5.8	5.4	6.7
International operations	-2.6	-1.4	-1.9	-2.4	-0.7	-1.2	-2.2	-3.9
Other Operations	-2.1	-0.8	-1.7	-1.0	-2.0	-1.1	-1.6	-1.2
Eliminations	0.0	0.0	0.0	0.0	0.2	0.0	-0.1	-0.1
Group, total	13.2	0.2	-0.3	1.0	5.9	3.5	1.5	1.6
Operating profit (%)	IFRS 10-12/11	IFRS 7-9/11	IFRS 4-6/11	IFRS 1-3/11	IFRS 10-12/10	IFRS 7-9/10	IFRS 4-6/10	IFRS 1-3/10
Domestic operations	7.2	1.9	2.5	3.5	5.7	5.3	4.8	7.2
International operations	-14.9	-18.1	-36.2	-28.4	-7.1	-21.0	-46.9	-517.7
Group, total	4.9	0.2	-0.2	0.8	3.7	3.0	1.3	1.7
Order backlog (EUR million)	IFRS 30.12.11	IFRS 30.9.11	IFRS 30.6.11	IFRS 31.3.11	IFRS 31.12.10	IFRS 30.9.10	IFRS 30.6.10	IFRS 31.3.10
Domestic operations	711.2	745.8	564.8	589.8	574.5	581.2	578.6	506.1
- business construction	362.2	371.5	233.3	277.7	271.6	363.9	388.5	365.9
- housing construction	349.0	374.2	331.5	312.0	302.9	217.2	190.1	140.2
International operations	99.6	116.5	108.7	112.4	20.0	23.4	25.7	24.0
Group, total	810.8	862.3	673.5	702.2	594.5	604.6	604.4	530.0
- sold order backlog	596	710	530	569	442	443	426	389
- unsold order backlog	215	153	143	133	153	162	178	141
Order backlog, housing construction in Finland								
(EUR million)	IFRS 31.12.11	IFRS 30.9.11	IFRS 30.6.11	IFRS 31.3.11	IFRS 31.12.10	IFRS 30.9.10	IFRS 30.6.10	IFRS 31.3.10
Negotiation and construction contracts under construction	160	164	124	131	115	32	22	26
Developer contracting under construction, sold	49	98	94	78	73	61	29	11
Developer contracting under construction, unsold	115	95	92	71	62	85	94	51
Developer contracting completed and unsold	26	18	21	32	53	39	45	51
Housing construction, total	349	374	332	312	303	217	190	140
Invested capital (EUR million)	IFRS 31.12.11	IFRS 30.9.11	IFRS 30.6.11	IFRS 31.3.11	IFRS 31.12.10	IFRS 30.9.10	IFRS 30.6.10	IFRS 31.3.10
Domestic operations	249.2	233.3	248.7	215.6	179.7	206.9	203.5	177.8
International operations	210.8	194.0	193.3	182.7	185.4	175.3	177.2	173.6
Other and eliminations	-6.0	14.9	4.4	12.3	22.0	8.2	4.2	6.0
Group, total	454.0	442.2	446.5	410.6	387.1	390.3	384.9	357.5

Residential production in Finland (units)	10-12/11	7-9/11	4-6/11	1-3/11	10-12/10	7-9/10	4-6/10	1-3/10
Developer contracting								
Start-ups	191	61	205	122	133	110	300	0
Sold	100	92	143	147	163	164	102	95
Completed ¹⁾	351	74	41	67	171	14	0	16
Completed and unsold ¹⁾	90	43	53	86	137	90	105	138
Under construction ¹⁾	2 197	2 504	2 243	1 956	1 629	1 183	1 064	996
- negotiation and construction contracts ¹⁾	1 575	1 693	1 419	1 296	1 024	540	517	749
- developer contracting ¹⁾	622	811	824	660	605	643	547	247
- of which sold ¹⁾	195	428	420	350	321	282	147	78
- of which unsold ¹⁾	427	383	404	310	284	361	400	169

1) at the end of the period

3. Segment information

Assets (EUR million)	IFRS 31.12.11	IFRS 31.12.10	change, MEUR	change, %
Domestic operations	376.0	273.9	102.1	37.3
International operations	228.2	194.1	34.1	17.6
Other Operations	324.2	251.7	94.2	41.0
Eliminations	-340.1	-241.7	-98.3	
Group, total	588.3	478.0	110.4	23.1
Liabilities (EUR million)	IFRS 31.12.11	IFRS 31.12.10	change, MEUR	change, %
Domestic operations	324.6	232.7	91.9	39.5
International operations	228.9	196.8	32.1	16.3
Other Operations	177.8	113.0	60.3	55.2
Eliminations	-312.7	-221.8	-90.9	
Group, total	418.7	320.8	97.9	30.5
Invested capital (EUR million)	IFRS 31.12.11	IFRS 31.12.10	change, MEUR	change, %
Domestic operations	249.2	179.7	69.5	38.6
International operations	210.8	185.4	25.4	13.7
Other and eliminations	-6.0	22.0	-28.0	-127.2
Group, total	454.0	387.1	66.9	17.3
Return on investment, %	IFRS 1-12/11	IFRS 1-12/10		
Domestic operations	13.6	15.3		
International operations	-2.6	-3.2		
Group, total	4.5	4.1		

Inventories (MEUR)	IFRS 31.12.11	IFRS 31.12.10	change, MEUR
Land areas and plot-owning companies	187.8	181.3	6.5
Domestic operations	95.5	91.0	4.6
International operations	92.2	90.3	1.9
Work in progress	97.0	46.8	50.1
Domestic operations	93.2	46.0	47.2
International operations	3.8	0.9	2.9
Shares in completed housing corporations and real estate companies	30.8	72.1	-41.2
Domestic operations	27.9	68.3	-40.3
International operations	2.9	3.8	-0.9
Other inventories	38.9	23.6	15.3
Domestic operations	6.4	11.3	-4.9
International operations	32.5	12.3	20.2
Inventories, total	354.4	323.8	30.6
Domestic operations	223.0	216.5	6.5
- shares in associated companies and joint ventures	0.8	0.1	0.6
International operations	131.4	107.3	24.1
- shares in associated companies and joint ventures	29.6	11.8	17.8

4. Acquisitions

On 31 May 2011, SRV acquired a 100% holding in Maarakennus Oy Laatutyö.

	Fair value recognised on acquisition
Consideration	
Cash	2.1
Conditional acquisition price	0.2
Total consideration transferred	2.3
Acquisition related costs (recognised as expenses)	0.0
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	0.9
Property, plant and equipment and receivables	3.4
Intangible rights	0.0
Non-interest bearing debt	-2.0
Total identifiable net assets	2.3
Goodwill	-
Total	2.3