

GROWTH IN SRV'S ORDER BACKLOG REMAINED STRONG – SRV'S INTERIM REPORT 1 JANUARY – 31 MARCH 2011

Reporting period 1 January–31 March 2011 in brief:

- SRV's revenue was EUR 132.6 million (EUR 93.8 million in January–March 2011), change +41.3%
- Operating profit was EUR 1.0 million (EUR 1.6 million), change -35.4%
- Profit before taxes was EUR 1.7 million (EUR 0.2 million)
- The order backlog at the close of the review period was EUR 702.2 million (EUR 530.0 million), change +32.5%
- New contracts EUR 220.2 million (EUR 140.6 million), change +56.6%
- The equity ratio was 33.2 per cent (37.0%)
- Earnings per share were EUR 0.05 (EUR -0.01)

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

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

Post-recession housing construction is off to a brisk start in Finland. SRV has boldly become involved in new projects on offer. In addition to increased developer contracting housing construction, we have taken on a significant portion of rental unit production contracts in the Helsinki Metropolitan Area. At the end of April we had more than 2000 housing units under construction.

In contrast, the market for business premises is off to a slower start than the housing market. The only significant on-going developer contracting project at the moment is the Derby Business Park project in Perkkää, Espoo. The project also includes the construction of the Finnish headquarters of Siemens Corporation. In addition, we are carrying out logistics projects in the Helsinki Metropolitan Area, as well as trade sector contracts in various locations around Finland.

The increased share of contract-based construction in our overall production has lowered our relative profitability despite the significant increase in our revenue.

Some initial steps have been taken in international operations. The most significant of these projects is the Pearl Plaza shopping centre in St. Petersburg, initiated early this year. Our goal is to start up several projects in Russia which have been stagnant for a long time, and this requires committing a significant share of SRV's capital to these projects.

We have reconfigured our group structure. As of the beginning of this year, we merged our Housing, Business Premises, and Regional business areas. A more unified structure provides obvious advantages related to synergy, allowing us to utilise the best practices and resources available for the construction of housing and business premises alike in various projects.

The profitability of the first quarter is not in line with our level of ambition. The increased number of backlog orders under construction, together with new orders, forms a solid basis for future progress. This indicates a concentration of profits in the latter half of 2011 and the last quarter in particular.

In early 2011, we have been able to make progress on two of our long-term major development projects: the Kalasatama Centre and Keilaniemi. They will both be key projects for this decade and are expected to have significant roles in SRV's earnings.

Markets and general review

The positive development with regard to SRV's revenue and order backlog continued in early 2011. The number of new SRV contracts increased by 56.6 per cent and the order backlog reached its highest level in the history of SRV.

Amongst the key international projects, the implementation of the Pearl Plaza shopping centre project in St. Petersburg was confirmed in January, when the investment decision for the site and the EUR 100 million development contract with SRV were signed.

In Finland, the commercial construction markets have not started to climb yet, and competition for new orders is fierce. SRV's volume of commercial construction has remained at a good level. However, there is pressure to maintain profitability, as the company's order backlog is based on contracting activity with a lower profit margin. In addition, construction costs have gone up. In order to improve profitability, SRV aims to shift the emphasis onto the company's own project development.

The market development in domestic housing construction has made positive progress. SRV has focused more clearly than before on the production of both rental and owner-occupied housing. The total amount of SRV's housing production under construction grew to 1 956 residential units, of which 65 per cent are rental or right-of-occupancy units. Eighty-four per cent of this new production has already been sold. The number of developer contracting housing projects currently under construction grew to 660 residential units and the decision on the start-up of 272 additional units has been made. In total, SRV sold 237 residential units to consumers and investors (in comparison to 163 units in January-March 2010).

The financial and real-estate markets in Russia are slowly recovering. In addition to continuing the development of its key projects, SRV seeks growth potential by focusing its efforts on the preparation of the first phase investment commitments of the VTB-Ashmore property fund.

SRV's own project development operations enhance the company's potential to increase its operating volume. Projects require long-term development work and are carried out over the course of several years. SRV's projects are often 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, as the most recent addition, the Kalasatama development project in Helsinki.

SRV's financial stability and position have remained at a good level and support the utilisation of the innovative project development expertise of SRV.

Group key figures (EUR million)	IFRS 1-3/ 2011	IFRS 1-3/ 2010	change, MEUR	change, %	IFRS 1-12/ 2010
Revenue	132.6	93.8	38.8	41.3	484.2
Operating profit	1.0	1.6	-0.6	-35.4	12.5
Financial income and expenses, total	0.7	-1.4	2.1		-4.5
Profit before taxes	1.7	0.2	1.5	960.9	7.9
Order backlog	702.2	530.0	172.1	32.5	594.5
New agreements	220.2	140.6	79.6	56.6	559.9
Operating profit, %	0.8	1.7			2.6
Net profit, %	0.8	-0.7			1.1
Equity ratio, %	33.2	37.0			35.2
Net interest bearing debt	246.4	199.8			222.8
Gearing, %	159.1	132.3			141.7
Return on investment, % ¹⁾	2.5	2.5			4.1
Return on equity, % ¹⁾	2.9	-1.7			3.2
Earnings per share, EUR	0.05	-0.01			0.19
Equity per share, EUR	4.49	4.36			4.56
Weighted average number of shares outstanding	33.9	34.0		-0.1	33.9

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

The Group revenue increased especially as the result of the favourable development in the volume of domestic housing construction. The decline in the operating profit was influenced by the weakened profitability of commercial construction brought on by a lower order backlog profit margin and higher construction costs, as well as losses generated by international business operations. The Group's profit before taxes improved on account of the gains from interest rate swaps and currency fluctuation, as well as affiliate-derived financial income from derivative contracts included in the financial income and expenses. The Group's order backlog grew on account of the increased order backlog of international and domestic housing construction.

Key figures for the Segments

Revenue (EUR million)	IFRS 1-3/ 2011	IFRS 1-3/ 2010	change, MEUR	change, %	IFRS 1-12/ 2010
Operations in Finland	123.9	93.0	31.0	33.3	462.3
International Operations	8.4	0.7	7.6	1018.3	21.7
Other Operations	3.3	2.5	0.7	28.8	10.3
Eliminations	-3.0	-2.5	-0.5		-10.2
Group, total	132.6	93.8	38.8	41.3	484.2

Operating profit (EUR million)	IFRS 1-3/ 2011	IFRS 1-3/ 2010	change, MEUR	change, %	IFRS 1-12/ 2010
Operations in Finland	4.4	6.7	-2.4	-35.1	26.4
International Operations	-2.4	-3.9	1.5		-8.0
Other Operations	-1.0	-1.2	0.2		-5.9
Eliminations	0.0	-0.1	0.1		0.0
Group, total	1.0	1.6	-0.6	-35.4	12.5

Operating profit (%)	IFRS 1-3/2011	IFRS 1-3/2010	IFRS 1-12/2010
Operations in Finland	3.5	7.2	5.7
International Operations	-28.4	-517.7	-37.1
Group, total	0.8	1.7	2.6

Order backlog (EUR million)	IFRS 3/2011	IFRS 3/2010	change, MEUR	change, %	IFRS 12/2010
Domestic operations	589.8	506.1	83.7	16.5	574.5
International operations	112.4	24.0	88.5	369.2	20.0
Group, total	702.2	530.0	172.1	32.5	594.5
- sold order backlog	569	389	180	46.2	442
- unsold order backlog	133	141	-8	-5.6	153

Earnings trends of the Segments

Domestic Operations (EUR million)	IFRS 1-3/ 2011	IFRS 1-3/ 2010	change, MEUR	change, %	IFRS 1-12/ 2010
Revenue	123.9	93.0	31.0	33.3	462.3
- business construction	75.3	68.9	6.4	9.3	353.2
- housing construction	48.8	24.1	24.6	102.2	109.4
Operating profit	4.4	6.7	-2.4	-35.1	26.4
Operating profit, %	3.5	7.2			5.7
Order backlog	589.8	506.1	83.7	16.5	574.5
- business construction	277.7	365.9	-88.1	-24.1	271.6
- housing construction	312.0	140.2	171.8	122.5	302.9

Domestic Operations comprises construction operations of SRV Construction Ltd and property development. Domestic operations has been divided into business premises including retail, office, logistics and rock construction operations as well as housing construction.

Revenue in Domestic Operations was EUR 123.9 million (EUR 93.0 million) and its share of total revenue of the Group was 94 per cent (99%). Operating profit was EUR 4.4 million (EUR 6.7 million) generating an operating profit margin of 3.5 per cent (7.2%). The decrease in operating profit was attributable to the weakening of profitability level in business construction due to increased share of contract-based order backlog and lower

profit margin as well as an increased level of construction costs. The order backlog grew by 16.5 per cent and was EUR 589.8 million (EUR 506.1 million).

Business Premises construction

Revenue in Business Premises construction was EUR 75.3 million (EUR 68.9 million). The order backlog was EUR 277.7 million (EUR 365.9 million). Competition for new contracts remained tight.

The projects completed during the review period include, for example, raising the height of the car park facilities at the Helsinki Fair Centre in Pasila, Helsinki for the Finnish Fair Corporation; changes to the Sähkötalo building in Kamppi, Helsinki; changes to the business premises of the European Chemicals Agency of the European Union in downtown Helsinki; and, the renovation of the Forum shopping centre in Jyväskylä for Citycon.

During the review period, contracts worth EUR 48.6 million were signed with external clients. In March, SRV and Länsimetro Oy signed a contract for the excavation work in Otaniemi related to the construction of the west metro. The contract includes the excavation work for two long parallel metro tunnels of approximately 1.6 kilometres each and two vertical shafts, as well as the construction of the station and signal boxes. The work in Otaniemi will be complete in September 2013.

Contracts for the following projects were also signed during the review period: the basic renovation of the Viikki laboratory building with the University of Helsinki; implementing the extension of the Shopping Centre Zeppelin in Kempele; a new construction for the Jyväskylä Hospital School; and, as an addition to a previously signed contract with the Hospital District of Southwest Finland for foundation work, a contract for the construction of equipment storage facilities for the Turku University Hospital.

Housing Construction

Revenue in Housing Construction was EUR 48.8 million (EUR 24.1 million). The order backlog grew by 123 per cent and was EUR 312.0 million (EUR 140.2 million). SRV has increased significantly its housing production and at the close of the review period SRV had a total of 1,956 residential units under construction. 84 per cent of the production under construction was implemented under building contracts ofr they were SRV's own production which had already been sold.

During the review period, housing construction contracts worth EUR 37.6 million were signed with external clients. Contracts were concluded with the construction company TA Asumisoikeus Oy for the construction of four sites and 182 right-of-occupancy units in Espoo's Vanttila and Saunalahti. Contracts with YH-Länsi Oy were concluded in Pirkanmaa for two construction projects that include 42 residential units in Kangasala and 31 units in Ylöjärvi. These Pirkanmaa projects will be implemented on lots already owned by SRV. In Joensuu, 17 right-of-occupancy units will be constructed for Avain Rakennuttajat.

SRV started a total of 122 developer contracting housing projects during the review period. Eighteen high-end single-family houses will be built for Espoon Kaisla in Saunalahti, Espoo. A 29-unit apartment building will be constructed for Lahden Alfred in downtown Lahti, a 26-unit apartment building will be built for Kaarinan Klarinetti in downtown Kaarina, and 23

residential units for Ylöjärven Kultasiipi will be built in downtown Ylöjärvi. In addition, a 26-unit apartment building called Saarijärven Kimallus will be constructed in downtown Saarijärvi. On top of the projects initiated during the review period, SRV has decided to start the construction of 221 residential units in the Helsinki Metropolitan Area and 51 units in Pirkanmaa.

In total, 147 (95) of the developer contract housing projects' apartments were sold during the review period. At the end of the period, there were 660 (247) apartments under construction, with 310 (169) left unsold. There were 86 (138) completed and unsold apartments, of which 12 were rented out by the end of the period. In total, 67 (16) developer contract housing projects' apartments were completed during the period, as the first two in a group of four apartment buildings were completed in Martinlaakso, Vantaa.

Housing production in Finland	1-3/ 2011	1-3/ 2010	change, units	1-12/ 2010
Developer contracting				
Start-ups	122	0	122	543
Sold	147	95	52	524
Completed	67	16	51	201
Completed and unsold	86	138	-52	137
Under construction, total ^{1) 2)}	1 956	950	1 006	1 629
- negotiation and construction contracts ^{1) 2)}	1 296	703	593	1 024
- developer contracting ¹⁾	660	247	413	605
- of which unsold ¹⁾	310	169	141	284

1)at the end of the period

Based on the current schedules of completion, SRV estimates 34 residential units to be completed during the second quarter and a total of 508 developer contracting residential units in the entire year of 2011.

SRV continued to participate in the Low2No project, which 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. In addition to SRV, other participants in this project, which is partly funded by the Finnish Funding Agency for Technology and Innovation Tekes, include the Finnish Innovation Fund Sitra and VVO Yhtymä Oyj, as well as an international design team put together on the basis of a sustainable construction-related competition organised in 2009. The City of Helsinki has allocated a whole block in Jätkäsaari to be built in accordance with the Low2No concept by Sitra, SRV, and VVO. The residential and commercial units within this block will be designed using innovative environmental, spatial, and service-based planning to be implemented as a multi-purpose environment that responds to changing work and living habits.

International Operations (EUR million)	IFRS 1-3/ 2011	IFRS 1-3/ 2010	change, MEUR	change, %	IFRS 1-12/ 2010
Revenue	8.4	0.7	7.6	1018.3	21.7
Operating profit	-2.4	-3.9	1.5		-8.0

Operating profit, %	-28.4	-517.7			-37.1
Order backlog	112.4	24.0	88.5	369.2	19.2

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

Revenue in the International Operations was EUR 8.4 million (EUR 0.7 million) and its share of total revenue of the Group was 6 per cent (1%). Operating loss was EUR 2.4 million (a loss of EUR 3.9 million). The order backlog was EUR 112.4 million (EUR 24 million).

Russia

The OOO Pearl Plaza, jointly owned by SRV and the Shanghai Industrial Investment Company, made a decision in January concerning the first phase of the shopping centre project in St. Petersburg. The value of investment is approximately EUR 130 million and funding for the project mainly comes from China. SRV's ownership in this joint venture is 50 per cent. SRV will invest approximately EUR 20 million in the implementation of the first phase. At the same time, SRV signed a project management contract worth approximately EUR 100 million for the planning and construction of an 87 000 m² shopping centre. The shopping centre will be completed in spring 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. The building permit planning for the site was started immediately and the construction site's preparation work will be launched in the course of this spring.

SRV continued the development of the Septem City project in St. Petersburg, which comprises 8.5 hectares of land in the Ohta region. 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 a 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. SRV has invested approximately EUR 51.8 million in the acquisition of land areas and properties. The estimated amount of SRV's further investment in land acquisition is about EUR 8 million. Currently SRV has an 87.5 per cent ownership in the project, but it will decrease to 77.5 per cent once all the ownership arrangements have been finalised in accordance with the cooperation contract.

The development of the Eurograd logistics area in St. Petersburg continued. SRV has 49 per cent ownership 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. 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.

During the review period, 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. SRV's share of the investment commitments in the first phase is EUR 20 million. The other investors involved in the fund are VTB Capital and Ashmore Group Plc ('Ashmore'), together with the funds they control, as well as the Finnish pension insurance companies Ilmarinen and Etera. VTB Capital and Ashmore 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 expects to receive at least EUR 200 million worth of project management contracts. The fund is currently primarily analysing Elite residential sites as well as office, commercial, and hotel sites in the heart of Moscow.

More than 92 per cent of the premises of the Etmia II office and parking house project in the heart of Moscow have been leased and SRV is negotiating with several tenant candidates for the rest of the premises. SRV's role in the project is to act as co-owner with a 50 per cent stake and as the project management contractor.

The financing of the Mytishi shopping centre project in the Moscow region has not advanced, and the implementation possibilities of alternative concepts are 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.

SRV continued the renovation of the old Aeroport hotel at Sheremetyevo airport in Moscow, as well as the renovation of 200 rooms in the Pulkovskaya Hotel in St. Petersburg. During the review period, a new contract was signed for the renovation of the Pribaltiskaya Hotel's Aqua Park located in St. Petersburg. All three hotels belong to the Wenaas Group. The projects are a continuation of cooperation already started in 2007.

In the city of Vyborg, four apartments in the Papula residential area were sold during the review period. A total of 21 housing units have been sold, while 17 units remained unsold at the end of the period.

Baltic countries

Business volumes in the Baltic countries were low. In Estonia, 2 (4) residential units were sold during the period. There were 15 (27) completed but unsold units at the end of the period.

In Latvia, the construction of the international school was in progress according to the construction contract between SRV and the International School of Latvia.

Other Operations (EUR million)	IFRS 1-3/ 2011	IFRS 1-3/ 2010	change, MEUR	change, %	IFRS 1-12/ 2010
Revenue	3.3	2.5	0.7	28.8	10.3
Operating profit	-1.0	-1.2	0.2		-5.9

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

Revenue of Other Operations during the review period was EUR 3.3 million (EUR 2.5 million) and operating loss was EUR 1.0 million (a loss of EUR 1.2 million). The positive trend in revenue and operating profit was attributable to higher operation volumes.

Group project development

SRV's proposal for implementing the Kalasatama Centre project in Helsinki moved forward. The Real Estate Committee of the City of Helsinki has made a proposal for the Helsinki City Council to elect SRV as the winner of the competitive bidding for the implementation of the site. The final decision by the City Board is expected to be made in May. According to SRV's plans, the total floor area of the Kalasatama Centre is 176 000 m², divided into residential units (86 000 m²), business and service premises (55 000 m²), office spaces (14 000 m²), and hotel premises (10 000 m²). The construction of an 11 000 m² social and health care service centre for the City is also included in the project.

The local plan changes related to SRV's residential tower plans in Espoo's Keilaniemi area go under review by the Espoo City Planning Committee in April. The plan proposal is available to the public from the beginning of May until the end of June. The plans for the site include some 72 000 m² for apartments and 9 000 m² for offices.

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 housing construction as well as a shopping centre. The overall size of the area to be developed 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. As part of the 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. The draft local plan for the area has been submitted to the Real Estate Committee and will be handled in May.

SRV has started the construction of an office building complex at Derby Business Park located in Perkkää, Espoo. The site includes three office buildings (20 000 m²) that will house, among others, the Siemens headquarters for Finnish operations and the headquarters of SRV. As part of the project, the former Siemens headquarters building, purchased through a joint venture by 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 target for residential floor area is 110,000-120,000 m². The plan proposal is expected to be handled by the City Planning Committee in the autumn of 2011.

Financing and financial position

Net operational cash flow was EUR -18.0 million negative (EUR -7.1 million in January-March 2010). The weakening of the cash flow during the review period was attributed to the increase of inventories. The Group's inventories were EUR 330.6 million (EUR 290.0 million), the share of land areas and plot-owning companies being EUR 191.4 million (EUR 165.9 million). The Group's invested capital amounted to EUR 410.6 million (EUR 357.5 million).

At the end of the review period, the Group's financing reserves were EUR 132.1 million, of which the Group's cash assets amounted to EUR 9.4 million and the share of committed undrawn financing reserves amounted to EUR 101.7 million. In addition, the group had committed financing commitments amounting to EUR 29.4 million. The Group's net interest-bearing liabilities were EUR 246.4 million on 31 March. Net financing incomes

totalled EUR 0.7 million (net financing expenses EUR 1.4 million). The increase of financing incomes was attributable to gains from interest rate swaps, exchange rate gains and financial incomes from associated companies.

Investments in SRV's developer contracting housing projects in Finland including completed, unsold projects, total around EUR 81.4 million. SRV estimates that the completion of these projects requires another EUR 71.7 million. Undrawn housing corporate loans related to RS projects totalled EUR 85.0 million. Investments in the business premises projects on a developer contracting basis total EUR 25.7 million. Investments in the completed international projects total EUR 38.4 million, of which unsold residential projects in Estonia amount to EUR 1.0 million, and EUR 2.1 million in Vyborg. EUR 38.8 million is invested in the Etmia office project.

Equity ratio was 33.2 per cent (37.0%). The change in the equity ratio and net liabilities was affected by the EUR 8.5 million derivative agreement signed by SRV with Nordea Bank Ab for 1,909,483 SRV Group Plc's shares which are considered equal to treasury shares held by the company as well as the increase in inventories. The Group's shareholders' equity totalled EUR 152.6 million (EUR 147.5 million on 31 March 2010). The return on investment was 2.5 per cent (2.5%) and the return on equity was 2.9 per cent (-1.7%).

Investments

The Group's investments totalled EUR 1.5 million (EUR 0.5 million) and were mainly related to the acquisition of machinery and equipment.

Unbuilt land areas, land acquisition commitments and land development agreement

Land reserve 31.3.2011	Business construction	Housing construction	International Operations	Total
Unbuilt land areas and land acquisition commitments				
Building rights*, m ²	229 000	262 000	861 000	1 352 000
Land development agreements				
Building rights*, m ²	556 000	296 000	152 000	1 004 000

* 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 Domestic Operations, International Operations, and Other Operations. Domestic Operations comprises construction operations of SRV Construction

Ltd and property development. Domestic operations has been divided into business premises including retail, office, logistics and rock construction operations as well as housing construction. International Operations comprises the business activities in Russia and the Baltic countries. Other Operations consist primarily of 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.

Changes in the Group management

Taneli Hassinen was appointed Group's Director, Communications and Marketing and member of the Corporate Executive Team at SRV Group Plc as of 15 March 2011.

Personnel

SRV had an average payroll of 788 (773) employees, of whom 576 (534) were white-collar. The parent company had an average staff of 45 (46) white-collar employees. At the close of the review period, the Group had 790 (786) employees, of whom 46 (45) were employed by the parent company. 140 (164) employees work in subsidiaries abroad. At the end of the review period, SRV had a total of 22 (20) trainees working in the Group's operations in Finland (in summer jobs and in work training as well as students working on their thesis or diploma).

Personnel by business area	31.3.2011	31.3.2010	Share of Group personnel, 31.3.2011, %
Domestic operations	550	521	69,6
International operations	154	183	19,5
Other Operations	86	82	10,9
Group, total	790	786	100,0

The Board of Directors of SRV Group Plc decided on 17 February 2011 on a new long-term share-based incentive plan for the SRV Group key personnel. The Plan is directed to approximately 70 employees. The Plan is valid for the years 2011–2016, and the potential reward from the Plan is based on the increase in SRV Group Plc's share price. The Plan is carried out as share bonus rights. Their value is based on the price development of SRV's shares. The maximum total amount of bonus rights granted is 2,000,000.

According to the incentive plan terms half of the value increase calculated from the price development of SRV's share is given to the key employees in SRV's shares and half is paid in cash for taxes arising from the bonus. There is a restriction concerning the transfer of shares and a restriction period.

Based on the plan, 1,688,000 bonus rights have been granted totaling a theoretical market value of around EUR 2.3 million on 16 February 2011. The theoretical market value is

calculated by the Black & Scholes model used for pricing options with the following criteria:
share price EUR 7.43, reference share price EUR 6.81, risk-free interest rate 2.5% and
volatility 33 per cent.

Outlook for construction

The recovery of the world economy continues, but it is slow and unstable. The European Central Bank has increased the interest rate to 1.25 per cent, but the pressure still remains for further increases. The expected growth of the Finnish economy is 3-4 per cent in 2011. The situation in the real-estate and construction markets remains challenging, especially with regard to commercial construction.

The total number of new constructions is clearly higher than a year ago, but the total number of building rights went down in early 2011. Construction costs keep climbing.

Strong consumer confidence and interest rates that are low for now have kept demand at a decent level in the housing market. The volume of new start-ups for developer contracting housing has been high in early 2011. Weak employment trends, increased interest rates, or disruptions in the global economy caused by crises may have negative short-term effects on the housing market. 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.

New start-ups in commercial construction of business premises and office spaces remained low during the review period. The vacancy rates of office spaces are particularly high and construction activity is slow.

Renovation activity continues to grow slightly this year. The outlook for land and water construction is reasonably good in the Helsinki metropolitan area as the result of several public infrastructure projects that have been initiated, but elsewhere the situation is weaker.

The economy in the Baltic countries is on a slight upswing. The prediction is that overall production in Estonia, Latvia, and Lithuania will increase by about 3-4 per cent in 2011. However, activity in the construction sector and real-estate market remains at a low level.

The Russian market situation continues to present challenges. The national economy of Russia has recovered with the rising oil prices and the interest rate has come down. Consumption is expected to pick up. However, growth of inflation together with limited availability of financing may slow down the positive economic trend. In 2011, Russia's total production is expected to grow by about 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. 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 trend is upward but demand for property investments has remained weak. Interest rates are low, but pressures to raise rates exist. compared to pre-recession times, the availability of credit from banks is lower and loan margins are clearly higher. The global financial crisis is making it more difficult for SRV's

clients to obtain financing and is hampering the functioning of the property markets. Property values face pressures and the number of property transactions and, in particular, new large-scale project start-ups, remains low due to difficulties in securing financing. SRV's risk to be forced to tie up capital in projects longer than intended is higher than before.

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. In developer contracting projects, recognition of revenue is based mainly on the Completed Contract method. Revenue recognition depends on the percentage of sold premises in delivered projects. Delivery schedule of developer contracting projects can affect essentially 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 contracting projects increase the level of development expenses, which are recorded as costs. The slowdown in housing sales will increase sales and marketing costs and interest expenses in developer contracting housing production. After a rapid decline, housing sales have recovered in Finland.

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Construction is subject to significant cost risks relating to subcontracting and deliveries, and the control of these underlines the need for long-term planning. A weak economic cycle increases financial risks relating to subcontractors. Construction sector has implemented an invert value added tax policy. As new procedure it requires reinforced accuracy from administration. SRV's contracting model requires skilled and competent personnel. Warranty and liability obligations related to construction can span up to ten years. Construction costs in many materials are rising. The swift growth in residential construction has hampered the availability of purchases in adjusted production chains. SRV is involved in some arbitration and legal proceedings. SRV's management believes that the cases or their outcome do not have a significant impact on SRV's financial result.

Besides land acquisition risks, property projects face other challenges, such as those related to the outcome of zoning, soil conditions, financing, commercialisation of projects, partners, and the geographical location and type of project. SRV measures its land reserves

at cost of acquisition according to 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 contracting projects and has increased its land acquisition in Finland and Russia, in particular. The crisis in the international financial market has substantially weakened the availability of financing in property projects for property development and investments. It has also put project start-ups on hold.

The financial risks connected with SRV's operations are interest rate, currency, liquidity and contractual party risks, which are discussed in more detail in the Notes to the Financial Statements 2010. Currency risks are divided into transaction risks and translation risks. Transaction risks are related to currency-denominated business and financing cash flows. The accounting effects of translation risks are shown in the translation differences of equity in the consolidated figures in investments made in foreign.

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), which mature partly in 2012 and partly in 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 2010 Annual Report and Notes to the Financial Statements.

Corporate governance and resolutions of general meetings

The Annual General Meeting of SRV Group Plc was held on 15 March 2011. The AGM adopted the financial statements and granted release from liability to the members of the Board of Directors and the Presidents and CEOs. A dividend of EUR 0.12 per share was declared. The dividend was paid on 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 to seats on the Board. The firm of public accountants Ernst & Young Oy was elected as the company's auditor.

The general meeting 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, 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 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 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 otherwise than in proportion to the holdings of the shareholders. 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. This authorisation is in force for two years from the 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. SRV had a total of 6,029 shareholders on 31 March 2011.

The company received one flagging notification during the review period. 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. Moreover, Nordea Pankki Suomi Oyj had sold to Nordea Bank AB (publ) share-related derivative contracts (1,909,483 shares), which will mature on 15 April 2011. Therefore Nordea Bank AB's (publ) holding in SRV Group Plc will exceed 1/20 and Nordea Pankki Suomi Oyj's holding will fall below 1/20. Nordea has made a derivative contract (total return swap) with SRV Group Plc for the same amount of shares. As the contract matures, Nordea's holding of SRV Group Plc's shares and voting rights will fall below 1/20.

The share closing price at OMX Helsinki at the end of the review period was EUR 6.75 (EUR 6.63 on 31 December 2010). The highest share price in the review period was EUR 7.43 and the lowest was EUR 5.80. The change in the all-share index of the Helsinki Stock Exchange (OMX Helsinki) during the same period was -1.9 per cent and the OMX Industrial and Services index -2.3 per cent.

At the end of the review period, the company had a market capitalisation of EUR 229.3 million, excluding the Group's own shares. About 2.3 million shares were traded during the financial year and the trade volume was EUR 15.5 million.

At the end of the review period, SRV and Nordea Pankki Suomi Oyj had derivative contract (total return swap) for 1,909,483 SRV's shares on a price of EUR 4.45 per share (totaling EUR 8.5 million). These shares are considered equal 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, SRV Group Plc held 2,803,509 its own shares, taking the derivative contract into consideration (7.6 per cent of the total number of the company's shares and voting rights). On 3 May 2011 the Group held 1,254,533 shares (3.4 per cent of the total number of the shares and voting rights).

After the review period, SRV Group Plc reduced the number of its own shares, which is described more detailed in the "Events after the end of the review period". 3 May 2011 the Group held 701,700 company's own shares representing 1.9 per cent of the company's shares (taking the derivative contract into consideration, 1,254,533 shares representing 3.4 per cent of the company's shares).

Financial targets

As SRV's medium term aim, the Board of Directors has set the achievement of annual average growth of approximately 15 per cent in Group revenue and annual average growth of over 30 per cent in revenue from International Operations. SRV aims to increase the level of operating profit and, in the medium to long term, to achieve an operating margin of 8 per cent. In addition, the company aims to maintain an equity ratio of over 30 per cent. Realisation of the sales of developer contracting projects has a substantial effect on the development of profitability.

Events after the end of the review period

After the review period on 11 April 2011, SRV Group Plc reduced its holding in own shares by implementing a directed share issue, in which 1,500,000 million shares were offered, in deviation from shareholders' pre-emptive rights, for subscription at a price of EUR 6.60 per share. Arrangement was executed on 11 April 2011 by Evli Bank Plc.

Related to the arrangement, SRV made a direct acquisition of 1,356,650 company shares using the company's unrestricted equity. The shares were acquired on 11 April 2011 from Nordea Bank AB (publ.) at a price of EUR 4.45 per share. The acquisition took place as part of a derivatives contract concluded between the company and Nordea on 5 January 2010. The derivatives contract will continue in respect of 552,833 shares, which are considered equal 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. The arrangement increased SRV's shareholders' equity by EUR 9.9 million.

Outlook for 2011

SRV maintains its outlook for 2011. Revenue and profit before taxes in 2011 are expected to exceed the previous year's level.

Espoo 3 May 2011

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 1-3/ 2011	IFRS 1-3/ 2010	IFRS 1-12/ 2010
Revenue	EUR mill.	132.6	93.8	484.2
Operating profit	EUR mill.	1.0	1.6	12.5
Operating profit, % of revenue	%	0.8	1.7	2.6
Profit before taxes	EUR mill.	1.7	0.2	7.9
Profit before taxes, % of revenue	%	1.3	0.2	1.6
Net profit attributable to equity holders of the parent company	EUR mill.	1.6	-0.4	6.4
Return on equity ¹⁾	%	2.9	-1.7	3.2
Return on investment ¹⁾	%	2.5	2.5	4.1
Invested capital	EUR mill.	410.6	357.5	387.1
Equity ratio	%	33.2	37.0	35.2
Net interest-bearing debt	EUR mill.	246.4	199.8	222.8
Gearing ratio	%	159.1	132.3	141.7
Order backlog	EUR mill.	702.2	530.0	594.5
New agreements	EUR mill.	220.2	140.6	559.9
Personnel on average		788	773	794
Property, plant and equipment investments	EUR mill.	1.5	0.5	2.3
Property, plant and equipment investments, % of revenue	%	1.1	0.5	0.5
Earnings per share, share issue adjusted	EUR	0.05	-0.01	0.19
Equity per share, share issue adjusted	EUR	4.49	4.36	4.56
Dividend per share, share issue adjusted	EUR	0.12	0.12	0.12
Dividend payout ratio	%	240.0	-1 200.0	63.2
Dividend yield	%	1.8	1.9	1.8
Price per earnings ratio		135.0	-641.0	34.9
Share price development				
Share price at the end of the period	EUR	6.75	6.41	6.63
Average share price	EUR	6.89	5.95	6.42
Lowest share price	EUR	5.80	5.50	5.50
Highest share price	EUR	7.43	6.55	7.14
Market capitalisation at the end of the period	EUR mill.	229.3	216.9	224.8
Trading volume	1 000	2 265	5 837	12 114
Trading volume	%	6.7	17.2	35.7
Weighted average number of shares outstanding	1 000	33 930	33 964	33 923
Number of shares outstanding at the end of the period	1 000	33 965	33 843	33 901

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

Calculation of key figures:

Gearing ratio, %	=	100 x $\frac{\text{Net interest-bearing debt}}{\text{Total equity}}$
Return on equity, %	=	100 x $\frac{\text{Profit before taxes - income taxes}}{\text{Total equity, average}}$
Return on investment, %	=	100 x $\frac{\text{Profit before taxes + interest and other financial expenses}}{\text{Invested capital, average}}$
Equity ratio, %	=	100 x $\frac{\text{Total equity}}{\text{Total assets - advances received}}$
Invested capital	=	Total assets - non-interest bearing debt - deferred tax liabilities – provisions
Net interest bearing debt	=	Interest bearing debt - cash and cash equivalents
Earnings per share, share issue adjusted	=	$\frac{\text{Net profit for the period attributable to equity holders of the parent company}}{\text{Weighted average number of shares outstanding}}$
Equity per share, share issue adjusted	=	$\frac{\text{Shareholders' equity attributable to equity holders of the parent company}}{\text{Number of shares outstanding at the end of the period, share issue adjusted}}$
Price per earnings ratio	=	$\frac{\text{Share price at the end of the period}}{\text{Earnings per share, share issue adjusted}}$
Dividend payout ratio, %	=	100 x $\frac{\text{Dividend per share, share issue adjusted}}{\text{Earnings per share, share issue adjusted}}$
Dividend yield, %	=	100 x $\frac{\text{Dividend per share, share issue adjusted}}{\text{Share price at the end of the period, share issue adjusted}}$
Average share price	=	$\frac{\text{Number of shares traded in euros during the period}}{\text{Number of shares traded during the period}}$
Market capitalisation at the end of the period	=	Number of shares outstanding at the end of the period x share price at the end of the period
Trading volume	=	Number of shares traded during the period and in relation to the weighted average number of shares outstanding

SRV Group Plc Interim Report 1.1. - 30.3.2011: 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. - 31.3.2011

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 2010. 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.

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 consolidated financial statements.

- IFRS 9 Financial instruments, part 1. Since EU has not approved the new standard, it cannot be applied for the time being. According to IFRS 9, the new standard would be effective for annual periods beginning on or after 1 January 2013. The amendments shall be applied retroactively. Early adoption is permitted.
- 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 1-3/ 2011	IFRS 1-3/ 2010	change, MEUR	change, %	IFRS 1-12/ 2010
Revenue	132.6	93.8	38.8	41.3	484.2
Other operating income	1.1	0.8	0.3	39.0	3.2
Change in inventories of finished goods and work in progress	-0.5	12.0	-12.5	-104.0	28.2
Use of materials and services	-115.0	-89.7	-25.3	28.2	-435.8
Employee benefit expenses	-13.0	-11.7	-1.3	10.7	-49.6
Depreciation and impairments	0.0	0.0			-0.4
Other operating expenses	-0.8	-0.8	0.0	-1.1	-3.5
Operating profit	-3.3	-2.7	-0.6	21.2	-13.8
Financial income	1.0	1.6	-0.5	-35.4	12.5
Financial expenses	1.4	0.6	0.8	132.3	3.1
Financial income and expenses, total	-0.8	-2.0	1.3	-62.8	-7.6
Profit before taxes	0.7	-1.4	2.1	-149.3	-4.5
Income taxes	1.7	0.2	1.5	960.9	7.9
Net profit for the period	-0.6	-0.8	0.2	-28.8	-2.8
	1.1	-0.7	1.8	-271.7	5.2
Attributable to					
Equity holders of the parent company	1.6	-0.4			6.4
Minority interest	-0.5	-0.2			-1.2
Earnings per share calculated on the profit attributable to equity holders of the parent company (undiluted and diluted)	0.05	-0.01			0.19

Statement of comprehensive income (EUR million)	IFRS 1-3/ 2011	IFRS 1-3/ 2010	IFRS 1-12/ 2010
Net profit for the period	1.1	-0.7	5.2
Items recognised directly in equity:			
Exchange differences on translating foreign operations	0.0	0.0	0.0
Available for sale financial assets	0.0	0.0	0.1
Net gain (loss) on cash flow hedges	0.0	0.0	0.0
Deferred tax	0.0	0.0	0.0
Income (loss) recognised directly in equity net of tax	0.0	0.0	0.0
Total comprehensive income for the period	1.1	-0.7	5.2
Profit for the period attributable to:			
Equity holders of the parent company	1.6	-0.5	6.4
Minority interest	-0.5	-0.2	-1.2

Consolidated balance sheet (EUR million)	IFRS 31.3.11	IFRS 31.3.10	change, %	IFRS 31.12.10
ASSETS				
Non-current assets				
Property, plant and equipment	14.2	15.9	-10.8	14.0
Goodwill	1.7	1.7	0.0	1.7
Other intangible assets	0.4	0.4	-16.3	0.4
Other financial assets	5.6	4.8	16.7	5.2
Receivables	21.1	17.2	22.8	22.8
Deferred tax assets	5.8	4.6	26.2	5.1
Non-current assets, total	48.8	44.7	9.2	49.2
Current assets				
Inventories	330.6	290.0	14.0	324.1
Trade and other receivables	103.0	85.4	20.5	96.0
Current tax receivables	1.9	3.2	-40.5	1.5
Cash and cash equivalents	9.4	6.6	42.1	7.1
Current assets, total	444.9	385.3	15.5	428.8
ASSETS, TOTAL	493.7	430.0	14.8	478.0

Consolidated balance sheet (EUR million)	IFRS 31.3.11	IFRS 31.3.10	change, %	IFRS 31.12.10
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	87.8	87.3	0.5	87.8
Translation differences	-0.1	-0.1	-0.1	-0.1
Fair value reserve	0.0	-0.1	-100.0	0.0
Retained earnings	61.9	57.2	8.1	63.8
Equity attributable to equity holders of the parent company, total	152.6	147.5	3.5	154.5
Minority interest	2.3	3.5	-36.3	2.7
Equity, total	154.8	151.0	2.5	157.2
Non-current liabilities				
Deferred tax liabilities	1.0	1.1	-11.0	0.7
Provisions	4.1	4.7	-14.3	4.2
Interest-bearing liabilities	67.4	62.4	8.0	78.8
Other liabilities	0.4	0.8	-46.0	0.4
Non-current liabilities, total	72.8	69.0	5.6	84.1
Current liabilities				
Trade and other payables	69.3	58.0	19.5	78.6
Current tax payables	4.2	3.5	19.8	3.4
Provisions	4.1	4.3	-6.2	3.5
Interest-bearing liabilities	188.4	144.1	30.8	151.1
Current liabilities, total	266.0	210.0	26.7	236.7
Liabilities, total	338.8	279.0	21.5	320.8
EQUITY AND LIABILITIES	493.7	430.0	14.8	478.0

Consolidated cash flow statement (EUR million)	IFRS 1-3/2011	IFRS 1-3/2010	IFRS 1-12/2010
Cash flows from operating activities			
Net profit for the period	1.1	-0.7	5.2
Adjustments:			
Depreciation and impairments	0.8	0.8	3.5
Non-cash transactions	1.1	9.4	0.7
Financial income and expenses	-0.7	1.4	4.5
Capital gains on sales of tangible and intangible assets	0.0	0.0	0.0
Income taxes	0.6	0.8	2.8
Adjustments, total	1.8	12.5	11.5
Changes in working capital:			
Change in loan receivables	-0.5	-4.7	-2.7
Change in trade and other receivables	-4.4	6.7	-9.7
Change in inventories	-6.3	-9.6	-43.8
Change in trade and other payables	-8.4	-7.8	21.7
Changes in working capital, total	-19.5	-15.5	-34.4
Interest paid	-2.5	-1.4	-7.7
Interest received	1.7	1.0	1.7
Dividends received	0.0	0.0	0.1
Income taxes paid	-0.6	-3.0	-4.2
Net cash flow from operating activities	-18.0	-7.1	-27.8
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash	0.0	0.0	-0.3
Property, plant and equipment	-1.0	-0.5	-1.5
Intangible assets	0.0	0.0	-0.1
Other financial assets	-0.4	0.0	-0.4
Sale of property, plant and equipment and intangible assets	0.0	0.0	0.2
Sale of financial assets	0.0	0.0	0.0
Net cash used in investing activities	-1.4	-0.5	-2.2
Cash flows from financing activities			
Proceeds from share issue	6.9	0.0	14.5
Proceeds from loans	0.0	-0.3	-6.1
Repayments of loans	0.0	0.0	0.0
Change in loan receivables	-20.0	-6.8	-2.2
Change in housing corporation loans	39.0	20.1	38.2
Change in credit limits	0.0	0.0	-8.5
Purchase of treasury shares	-4.1	-4.1	-4.1
Dividends paid	21.8	9.0	31.9
Net cash from financing activities	2.3	1.4	1.9
Net change in cash and cash equivalents	7.1	5.2	5.2
Cash and cash equivalents at the beginning of period	9.4	6.6	7.1

Statements of changes in Group equity 1.1. - 31.3.2011

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

Statements of changes in Group equity 1.1. - 31.3.2010

IFRS (EUR million)	Equity attributable to the equity holders of the parent company						Minority interest	Total equity
	Share capital	Invested free equity fund	Trans- lation differ- ences	Fair value reserve	Retai- ned earn- ings	Total		
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	0.0	-0.5	-0.5		
Dividends paid					-4.1	-4.1		
Share based incentive plan					0.6	0.6		
Purchase of treasury shares					-8.5	-8.5		
Other changes					-0.2	-0.2		
Equity on 31.3.2010	3.1	87.3	-0.1	-0.1	57.2	147.5	3.5	151.0

Statements of changes in Group equity 1.1. - 31.12.2010

IFRS (EUR million)	Equity attributable to the equity holders of the parent company						Minority interest	Total equity
	Share capital	Invested free equity fund	Trans- lation differ- ences	Fair value reserve	Retai- ned earn- ings	Total		
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	0.1	6.4	6.4		
Dividends paid					-4.1	-4.1		
Share based incentive plan					0.3	0.3		
Purchase of treasury shares					-8.5	-8.5		
Other changes		0.4			-0.3	0.2		
Equity on 31.12.2012	3.1	87.8	-0.1	0.0	63.8	154.5	2.7	157.2

Commitments and contingent liabilities EUR million	IFRS 31.3.11	IFRS 31.3.10	change, %	IFRS 31.12.10
Collateral given for own liabilities				
Real estate mortgages given	225.6	96.7	133.3	129.0
Pledges given	0.0	0.0		0.0
Other commitments				
Guarantees given for liabilities on uncompleted projects	0.0	0.0		0.0
Investment commitments given	21.3	22.0	-3.1	21.8
Plots purchase commitments	15.0	26.9	-44.3	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.

Fair and nominal values of derivative instruments (EUR million)	IFRS 31.3.11		IFRS 31.3.2010		IFRS 31.12.10	
	Fair Values		Fair Values		Fair Values	
	Positive	Negat.	Positive	Negat.	Positive	Negat.
Hedge accounting not applied						
Foreign exchange forward contracts	0.0	0.0	0.0	0.0	0.0	0.0
Interest rate swaps	0.0	0.4	0.0	1.5	0.0	1.3
	IFRS		IFRS		IFRS	
	3/2011		3/2010		12/2010	

Nominal values of derivative instruments

Foreign exchange forward contracts	0.0	0.0	0.0
Interest rate swaps	50.0	63.4	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 1-3/11	IFRS 10-12/10	IFRS 7-9/10	IFRS 4-6/10	IFRS 1-3/10
Revenue	132.6	157.9	115.2	117.3	93.8
Operating profit	1.0	5.9	3.5	1.5	1.6
Financial income and expenses, total	0.7	-1.8	0.3	-1.6	-1.4
Profit before taxes	1.7	4.1	3.8	-0.1	0.2
Order backlog ¹⁾	702.2	594.5	604.6	604.4	530.0
New agreements	220.2	120.1	112.6	186.7	140.6
Earnings per share, eur	0.05	0.10	0.08	0.02	-0.01
Equity per share, eur ¹⁾	4.49	4.56	4.47	4.38	4.36
Share price, eur ¹⁾	6.75	6.63	6.14	6.16	6.41
Equity ratio, % ¹⁾	33.2	35.2	35.1	35.1	37.0
Net interest bearing debt ¹⁾	246.4	222.8	229.7	217.2	199.8
Gearing, % ¹⁾	159.1	141.7	147.9	142.7	132.3

Revenue (EUR million)	IFRS 1-3/11	IFRS 10-12/10	IFRS 7-9/10	IFRS 4-6/10	IFRS 1-3/10
Domestic operations	123.9	147.3	109.5	112.5	93.0
- business construction	75.3	98.9	94.2	91.1	68.9
- housing construction	48.8	48.5	15.3	21.5	24.1
International operations	8.4	10.5	5.7	4.7	0.7
Other Operations	3.3	2.8	2.5	2.5	2.5
Eliminations	-3.0	-2.7	-2.5	-2.5	-2.5
Group, total	132.6	157.9	115.2	117.3	93.8

Operating profit (EUR million)	IFRS 1-3/11	IFRS 10-12/10	IFRS 7-9/10	IFRS 4-6/10	IFRS 1-3/10
Domestic operations	4.4	8.4	5.8	5.4	6.7
International operations	-2.4	-0.7	-1.2	-2.2	-3.9
Other Operations	-1.0	-2.0	-1.1	-1.6	-1.2
Eliminations	0.0	0.2	0.0	-0.1	-0.1
Group, total	1.0	5.9	3.5	1.5	1.6

Operating profit (%)	IFRS 1-3/11	IFRS 10-12/10	IFRS 7-9/10	IFRS 4-6/10	IFRS 1-3/10
Domestic operations	3.5	5.7	5.3	4.8	7.2
International operations	-28.4	-7.1	-21.0	-46.9	-517.7
Group, total	0.8	3.7	3.0	1.3	1.7

Order backlog (EUR million)	IFRS 31.3.11	IFRS 31.12.10	IFRS 30.9.10	IFRS 30.6.10	IFRS 31.3.10
Domestic operations	589.8	574.5	581.2	578.6	506.1
- business construction	277.7	271.6	363.9	388.5	365.9
- housing construction	312.0	302.9	217.2	190.1	140.2
International operations	112.4	20.0	23.4	25.7	24.0
Group, total	702.2	594.5	604.6	604.4	530.0
- sold order backlog	569	442	443	426	389
- unsold order backlog	133	153	162	178	141

Invested capital (EUR million)	IFRS 31.3.11	IFRS 31.12.10	IFRS 30.9.10	IFRS 30.6.10	IFRS 31.3.10
Domestic operations	215.6	179.7	206.9	203.5	177.8
International operations	182.7	185.4	175.3	177.2	173.6
Other and eliminations	12.3	22.0	8.2	4.2	6.0
Group, total	410.6	387.1	390.3	384.9	357.5

Residential production in Finland (units)	IFRS 1-3/11	IFRS 10-12/10	IFRS 7-9/10	IFRS 4-6/10	IFRS 1-3/10
Developer contracting					
Start-ups	122	133	110	300	0
Sold	147	163	164	102	95
Completed ¹⁾	67	171	14	0	16
Completed and unsold ¹⁾	86	137	90	105	138
Under construction ¹⁾	1 956	1 629	1 183	1 064	996
- negotiation and construction contracts ¹⁾	1 296	1 024	540	517	749
- developer contracting ¹⁾	660	605	643	547	247
- of which unsold ¹⁾	310	284	361	400	169

1) at the end of the period

3. Segment information

Assets (EUR million)	IFRS 31.3.11	IFRS 31.3.10	change, MEUR	change, %	IFRS 31.12.10
Domestic operations	283.5	237.9	45.6	19.2	273.6
International operations	189.2	178.4	10.8	6.1	189.7
Other Operations	285.2	214.8	70.4	32.8	230.0
Eliminations	-264.2	-201.0	-63.1		-215.4
Group, total	493.7	430.0	63.7	14.8	478.0

Liabilities (EUR million)	IFRS 31.3.11	IFRS 31.3.10	change, MEUR	change, %	IFRS 31.12.10
Domestic operations	239.4	198.8	40.5	20.4	217.2
International operations	198.8	183.0	15.8	8.6	196.3
Other Operations	149.6	103.2	46.4	44.9	109.1
Eliminations	-248.9	-206.1	-42.8		-202.0
Group, total	338.8	279.0	59.9	21.5	320.8

Invested capital (EUR million)	IFRS 31.3.11	IFRS 31.3.10	change, MEUR	change, %	IFRS 31.12.10
Domestic operations	215.6	177.8	37.8	21.3	179.7
International operations	182.7	173.6	9.1	5.2	185.4
Other and eliminations	12.3	6.0	6.3	104.0	22.0
Group, total	410.6	357.5	53.1	14.9	387.1

Return on investment, %	IFRS 1-3/11	IFRS 1-3/10	IFRS 1-12/10
Domestic operations ¹⁾	10.0	16.2	15.3
International operations ¹⁾	-3.2	-8.0	-3.2
Group, total ¹⁾	2.5	2.5	4.1

Inventories (MEUR)	IFRS 31.3.11	IFRS 31.3.10	change, MEUR	IFRS 31.12.10
Land areas and plot-owning companies	191.4	165.9	25.5	181.3
Domestic operations	100.0	82.1	17.9	90.7
International operations	91.1	83.5	7.6	90.3
Work in progress	59.9	25.8	34.2	46.8
Domestic operations	55.0	21.0	34.0	46.0
International operations	5.0	4.8	0.2	0.9
Shares in completed housing corporations and real estate companies	57.8	80.6	-22.8	75.2
Domestic operations	52.5	75.7	-23.2	68.3
International operations	5.3	4.9	0.4	6.9
Other inventories	21.5	17.7	3.7	20.8
Domestic operations	11.4	9.1	2.3	11.3
International operations	10.0	9.7	0.4	10.6
Inventories, total	330.6	290.0	40.6	324.1
Domestic operations	219.0	188.0	31.0	216.3
International operations	111.4	102.8	8.6	108.7

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

4. Events after the end of the review period

After the review period on 11 April 2011, SRV Group Plc reduced its holding in own shares by implementing a directed share issue, in which 1,500,000 million shares were offered, in deviation from shareholders' pre-emptive rights, for subscription at a price of EUR 6.60 per share. Arrangement was executed on 11 April 2011 by Evli Bank Plc.

Related to the arrangement, SRV made a direct acquisition of 1,356,650 company shares using the company's unrestricted equity. The shares were acquired on 11 April 2011 from Nordea Bank AB (publ.) at a price of EUR 4.45 per share. The acquisition took place as part of a derivatives contract concluded between the company and Nordea on 5 January 2010. The derivatives contract will continue in respect of 552,833 shares, which are considered equal 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. The arrangement increased SRV's shareholders' equity by EUR 9.9 million.