SRV GROUP PLC INTERIM REPORT 5 May 2010, 8.30 a.m. EET

SRV'S ORDER BACKLOG CONTINUED TO GROW - SRV'S INTERIM REPORT 1 JANUARY–31 MARCH 2010

Reporting period 1 January–31 March 2010 in brief:

- SRV's revenue was EUR 95.0 million (EUR 87.0 million in January–March 2009), change 9.1%
- Operating profit was EUR 1.6 million (EUR 1.8 million), change 12.9% negative
- Profit before taxes was EUR 0.2 million (EUR 0.3 million), change 49.4% negative
- The order backlog at the close of the review period was EUR 530.0 million (EUR 458.5 million), change 15.6%
- New contracts EUR 140.6 million (EUR 91.3 million), change 53.9%
- The equity ratio was 37.0 per cent (40.5%)
- Earnings per share were EUR -0.01 (EUR 0.00)
- SRV changes the previous outlook for 2010 due to the postponement of start-ups of projects in Russia. Revenue in 2010 is expected to exceed the previous year's level and profit before taxes is expected to be positive.

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

"SRV posted positive development in revenue and its order backlog in January–March. The volume of new contracts increased by 54 per cent, despite the fall in the order backlog of our international operations. This is proof of SRV's strong competitiveness, since our order backlog has continued to grow for four consecutive quarters. SRV's operating profit and financial result declined.

SRV's Business Premises performed well in an extremely challenging market, its order backlog showing growth of 31.2 per cent. Our robust expertise in implementation, and our reputation as a reliable construction firm, have supported new customer acquisition in a tight market situation and enabled us to further increase our market share. Revenue in the Business Premises business area was almost on a par with the previous year and profitability was good.

The Housing business area continued to perform strongly. Its revenue and operating profit clearly improved, thanks to the growth in contract production volumes and housing sales. SRV sold a total of 95 housing units to consumers (27 units in January–March 2009). Demand for housing is also directed towards projects under construction; SRV will start up new residential projects within the next few months.

In our Russian operations, start-ups of projects under development were postponed. However, the Russian financial and property markets are gradually recovering. In order to further boost our growth strategy, we have continued to diversify our business model. Besides developing implementation of SRV's current projects, we are placing a particular emphasis on the preparation of the first investment sites for the property fund we established with VTB and Deutsche Bank, as well as the development of a shopping centre to be realised in cooperation with Shanghai Industrial Investment Group.

SRV's solvency and financial position have remained strong, supporting us in utilising our innovative project development know-how", says Hannu Linnoinen, CEO of SRV.

Group key figures (EUR million)	IFRS 1-3/ 2010	IFRS 1-3/ 2009	change, MEUR	change, %	IFRS 1-12/ 2009
Revenue	**95.0**	87.0	8.0	9.1	**390.5**
Operating profit	**1.6**	1.8	-0.2	-12.9	**10.7**
Financial income and expenses, total	**-1.4**	-1.5	0.1		**-4.2**
Profit before taxes	**0.2**	0.3	-0.2	-49.4	**6.5**
Order backlog	**530.0**	458.5	71.5	15.6	**481.6**
New agreements	**140.6**	91.3	49.3	53.9	**396.1**
Operating profit, %	**1.6**	2.1			**2.7**
Net profit, %	**-0.7**	-0.1			**0.7**
Equity ratio, %	**37.0**	40.5			**41.3**
Net interest bearing debt	**199.8**	172.6			**179.9**
Net gearing ratio, %	**132.3**	107.1			**109.8**
Return on investment, % 1)	**2.5**	2.8			**4.9**
Return on equity, % 1)	**-1.7**	-0.2			**1.8**
Earnings per share, EUR	**-0.01**	0.00			**0.08**
Equity per share, EUR	**4.36**	4.40			**4.48**
Weighted average number of shares outstanding	**34.0**	36.2		-6.2	**36.0**

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

Consolidated revenue was EUR 95.0 million (EUR 87.0 million in January–March 2009), of which Finland accounted for 98 per cent (93%) and Russia and the Baltic countries for 2 per cent (7%). Revenue in the Business Premises business area was EUR 54.7 million (EUR 54.8 million). Revenue in the Housing business area was EUR 38.3 million (EUR 26.6 million). Revenue in the International business area was EUR 2.0 million (EUR 5.6 million).

The Group's operating profit was EUR 1.6 million (EUR 1.8 million in January–March 2009). Operating profit margin was 1.6 per cent (2.1%). Operating profit in the Business Premises business area was EUR 4.3 million (EUR 5.9 million). Operating profit in the Housing business area was EUR 2.4 million (EUR -0.1 million). Operating loss in the International business area was EUR 3.9 million (operating loss of EUR -2.5 million).

The Group's profit before taxes was EUR 0.2 million (EUR 0.3 million in January–March 2009). The loss for the review period was EUR 0.7 million (a loss of EUR 0.1 million). Earnings per share were EUR -0.01 (EUR 0.00). Return on equity was -1.7 per cent (-0.2%) and return on investment was 2.5 per cent (2.8%).

The order backlog was EUR 530.0 million on 31 March 2010 (EUR 458.5 million on 31 March 2009).

Key figures for the Segments

Revenue (EUR million)	**IFRS 1-3/ 2010**	IFRS 1-3/ 2009	change, MEUR	change, %	**IFRS 1-12/ 2009**
Business Premises	**54.7**	54.8	-0.1	-0.2	**208.0**
Housing	**38.3**	26.6	11.7	43.9	**158.6**
International	**2.0**	5.6	-3.6	-65.0	**24.0**
Other Operations	**2.5**	2.2	0.3	14.8	**8.7**
Eliminations	**-2.5**	-2.2	-0.3		**-8.8**
Group, total	**95.0**	87.0	8.0	9.1	**390.5**

Operating profit (EUR million)	**IFRS 1-3/ 2010**	IFRS 1-3/ 2009	change, MEUR	change, %	**IFRS 1-12/ 2009**
Business Premises	**4.3**	5.9	-1.6	-27.3	**18.0**
Housing	**2.4**	-0.1	2.5		**5.4**
International	**-3.9**	-2.5	-1.4		**-7.7**
Other Operations	**-1.2**	-1.6	0.4		**-4.7**
Eliminations	**-0.1**	0.0	-0.1		**-0.3**
Group, total	**1.6**	1.8	-0.2	-12.9	**10.7**

Operating profit (%)	**IFRS 1-3/2010**	IFRS 1-3/2009	**IFRS 1-12/2010**
Business Premises	**7.9**	10.8	**8.6**
Housing	**6.3**	-0.4	**3.4**
International	**-197.5**	-44.4	**-32.1**
Group, total	**1.6**	2.1	**2.7**

Order backlog (EUR million)	**IFRS 31.3.10**	IFRS 31.3.09	change, meur	change, %	**IFRS 12/2009**
Business Premises	**331.7**	252.8	79.0	31.2	**255.3**
Housing	**174.3**	174.3	0.1	0.0	**201.7**
International	**24.0**	31.5	-7.5	-24.0	**24.6**
Group, total	**530.0**	458.5	71.5	15.6	**481.6**
- sold order backlog	389	280			317
- unsold order backlog	141	176			165

Earnings trends of the Segments

Business Premises (EUR million)	**IFRS 1-3/ 2010**	IFRS 1-3/ 2009	change, MEUR	change, %	**IFRS 1-12/ 2009**
Revenue	**54.7**	54.8	-0.1	-0.2	**208.0**
Operating profit	**4.3**	5.9	-1.6	-27.3	**18.0**
Operating profit, %	**7.9**	10.8			**8.6**
Order backlog	**331.7**	252.8	79.0	31.2	**255.3**

The Business Premises business area comprises SRV Toimitilat Oy's retail, office, logistics and rock construction operations and property development.

Revenue in the Business Premises business area was EUR 54.7 million (EUR 54.8 million). Operating profit was EUR 4.3 million (EUR 5.9 million), generating an operating profit margin of 7.9 per cent (10.8%). The order backlog grew by 31.2 per cent, to EUR 331.7 million (EUR 252.8 million).

Among the projects completed during the review period were the first phase of Malmi Hospital in Helsinki, including underground technical facilities and soil improvement work in the area, the renovation of Kiinteistö Oy Niittymäentie 7 for Ilmarinen Mutual Pension Insurance Company in Espoo, alteration and renovation works in the mail sorting department of Itella's postal centre in Pasila, Helsinki, and repair works on the second stage of the University of Helsinki's Metsätalo Building in Unioninkatu, Helsinki.

In January, SRV signed a contract for the construction of the spa hotel Holiday Club Saimaa in Lappeenranta. In addition to the hotel, the contract includes an aqua park with a wellness area, a restaurant world and a multifunction ice arena. The spa hotel will be completed in the summer of 2011. In January, SRV and the Finnish Fair Corporation signed a contract for the heightening of the Helsinki Fair Centre's car park, expanding it by approximately 1,200 new parking spaces. The project will be completed by the end of 2010.

In February, Citycon Oyj chose SRV as its project management contractor for the construction and renovation of Espoontori shopping centre. The total floor area of the project is about 18,600 square metres and the renovation will be completed by December 2010. In February, SRV and Helsinki University Premises and Property Services signed a project management contract on the construction and renovation of the Kaisa-talo building, a shopping centre in Kaisaniemenkatu, Helsinki, which will be converted into the University's central campus library. This 30,740 square metre project will be completed by 1 May 2012.

During the review period, contracts were also signed for the construction of new car service and repair premises for ScanAuto in Hämeenlinna, the renovation of the premises of the European Chemicals Agency in Annankatu, Helsinki, and the renovation of the Jyväskylä Forum shopping centre owned by Citycon Oyj. Moreover, SRV signed a contract with the City of Hyvinkää on the construction of new premises for town hall in the Old Wool Factory.

Housing (EUR million)	**IFRS 1-3/ 2010**	IFRS 1-3/ 2009	change, MEUR	change, %	**IFRS 1-12/ 2009**
Revenue	**38.3**	26.6	11.7	43.9	**158.6**
Operating profit	**2.4**	-0.1	2.5		**5.4**
Operating profit, %	**6.3**	-0.4			**3.4**
Order backlog	**174.3**	174.3	0.1	0.0	**201.7**

The Housing business area comprises housing construction in the Helsinki Metropolitan Area and the neighbouring municipalities, in addition to regional business operations. Besides housing, regional business operations include commercial, business premises and logistics construction projects.

Revenue in the Housing business area amounted to EUR 38.3 million (EUR 26.6 million) in the review period and operating profit was EUR 2.4 million (EUR -0.1 million). This growth in revenue and operating profit was attributable to the pickup in housing sales as well as the expansion of contract operation volumes. The order backlog was EUR 174.3 million (EUR 174.3 million).

During the review period, we signed three negotiated contracts worth EUR 12.7 million with external clients. A contract was signed with Scan-Auto, for the construction of a Scania centre in Oulu, for servicing large vehicles. In March, SRV completed a Scania centre in Jyväskylä. Moreover, we signed a contract with YH-Asumisoikeus Länsi Oy for the construction of 28 right-of-occupancy flats in the Vatiala district in Kangasala. These terraced houses will be completed in April 2011. In Ylöjärvi, SRV will build two blocks of flats housing a total of 40 residential units for AVO Vuokratalot Oy.

SRV has several developer contracting housing projects in the pre-marketing phase, on the basis of which the company has already decided to start the construction of 78 housing units in the Matinkylä district in Espoo and 26 housing units in the centre of Kaarina. Since these projects not yet reached the readiness stage required for sales under the RS system, they were not included in the reported order backlog.

During the review period, 95 (27) developer contracting units were sold. In addition to completed units, demand was also directed at projects under construction. At the end of the period, 247 (211) residential units were being constructed, 169 (180) of which had not been sold. There were 138 (156) completed but unsold units, 32 of which were rented at the period-end. A total of 16 (58) developer contracting residential units were completed during the review period. Based on the current completion schedules, SRV estimates that a total of 116 developer contracting residential units will be completed by the end of 2010.

Developer contracting housing production in Finland	**1-3/ 2010**	1-3/ 2009	change, units	**1-12/ 2009**
Start-ups	**0**	4	-4	**251**
Sold	**95**	27	68	**207**
Completed	**16**	58	-42	**252**
Completed and unsold [1)]	**138**	156	-18	**171**
Under construction [1)]	**247**	211	36	**263**
- of which unsold	**169**	180	-11	**231**

1) at the end of the period

Major projects under construction included the S-Group’s Kodin Terra hardware and home decor department store and ABC service station in the Kolmenkulma business estate in Nokia, to be completed in late spring 2010. The most important residential projects under construction included a high-rise project of 74 apartments for Sato in the Vallikallio district of Espoo as well as the developer contracting projects Musketööri in the Kartanonkoski district of Vantaa (88 units) and Vantaan Martti in the Martinlaakso district of Vantaa.

International Operations (EUR million)	IFRS 1-3/ 2010	IFRS 1-3/ 2009	change, MEUR	change, %	IFRS 1-12/ 2009
Revenue	**2.0**	5.6	-3.6	-65.0	**24.0**
Operating profit	**-3.9**	-2.5	-1.4		**-7.7**
Operating profit, %	**-197.5**	-44.4			**-32.1**
Order backlog	**24.0**	31.5	-7.5	-24.0	**24.6**

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

Revenue in the International business area was EUR 2.0 million (EUR 5.6 million). The lower revenue was due to the small number of projects under construction. Operating loss was EUR 3.9 million (a loss of EUR 2.5 million). In addition to the small number of projects under construction, operating profit was affected by the development costs of developer contracting projects and the fixed costs of business operations. Furthermore, a cost increase provision of EUR 1.9 million was made. The order backlog was EUR 24.0 million (EUR 31.5 million).

Russia

The leasing of the Etmia II office and parking facility project in the heart of Moscow was continued, with 26 per cent of the facilities leased by the end of the review period. SRV's role in the project is to act as the project management contractor and as co-owner with a 50 per cent stake.

In the Moscow area, construction of the electrical connection for the Mytischi shopping centre project, which has been developed by SRV, will be completed during the summer of 2010. A building permit for this project was obtained already in the summer of 2009. The majority owner of the project is the Finnish real estate investment company Vicus, with a 75 per cent stake. The final investment decisions will be made after the financing of the project and negotiations with the tenants have been concluded. SRV owns 25 per cent of the shopping centre project and its total investments amount to about EUR 7.7 million.

At the Sheremetyevo airport in Moscow, SRV began the renovation of the old Aeroport hotel. This hotel, which will move under the Park Inn brand, is a continuation of the cooperation SRV initiated in St. Petersburg with the hotel owner, Wenaas Group.

SRV continued the development of the roughly 8.5 hectare land area in St Petersburg. The plans include the construction of office and retail space, as well as hotel, restaurant and entertainment premises. Moreover, facilities will be built for the IBI University. In January 2010, the Urban Planning and Architectural Committee of St. Petersburg approved SRV's concept for this 600,000 square metre project, and site planning for phase I is about to begin. SRV has invested about EUR 50 million in land and properties in this area; further investment in land acquisition is estimated at EUR 10 million. At the moment, SRV owns 87.5 per cent of the project, but its ownership will decline to 77.5 per cent when all land-owning arrangements have been completed according to the cooperation contract.

The development of the Eurograd logistics area in St Petersburg continued. SRV has 49 per cent ownership of the Russian company that possesses a plot of 24.9 hectares 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, in several stages during the next few years. The zoning of the area for logistics has been completed.

In the city of Vyborg, the intensified marketing campaign for the apartments in the Papula residential area will continue until the summer. A total of 6 housing units have been sold while 32 units remained unsold at the end of the period.

In January–March, SRV had a particular focus on the analysis and clarification of the investment sites of VTBC-DB Real Estate Partners I in Moscow and St. Petersburg. 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 Deutsche Bank and the Finnish pension insurance companies Ilmarinen and Etera. VTB Capital and Deutsche Bank act in partnership as the sponsor and general partner 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 construction contracts.

During the period, SRV signed a joint stock company shareholder agreement with Shanghai Industrial Investment Group for the construction of a shopping mall in the Baltic Pearl area of St. Petersburg. SRV will be responsible for the development and construction of the project and initiate the required concept design, market research and external financing arrangements. The construction of the shopping centre will move ahead if a final investment decision is made by 31 December, 2010. The shopping centre is part of a Baltic Pearl development project in which Baltic Pearl CJSC will use a land area of over 205 hectares, located south-west of central St. Petersburg, for development. This project is China's largest international investment project, apart from oil and natural gas investments.

Baltic countries

Volumes in the Baltic business operation were low. In Estonia, 4 (0) residential units were sold during the period and, all in all, there were 27 (41) completed but unsold units at the end of the period. In Estonia, a cost increase provision of EUR 1.3 million was made. In Latvia, the number of staff was adjusted to the market situation.

Due to a delay in the financing of a construction contract between SRV and the International School of Latvia, the project start-up has been postponed to the end of 2010.

Other Operations (EUR million)	**IFRS 1-3/ 2010**	IFRS 1-3/ 2009	change, MEUR	change, %	**IFRS 1-12/ 2009**
Revenue	**2.5**	2.2	0.3	14.8	**8.7**
Operating profit	**-1.2**	-1.6	0.4		**-4.7**

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

The revenue of Other Operations during the review period was EUR 2.5 million (EUR 2.2 million) and operating loss was EUR 1.2 million (a loss of EUR 1.6 million). This favourable development in revenue and operating profit was attributable to higher operation volumes.

Financing and financial position

Net operational cash flow was EUR -7.1 million (EUR -0.8 million in January-March 2009). The weakening of the cash flow during the review period was attributed to the increase of inventories. The group's inventories were EUR 303.9 million (EUR 307.5 million), the share of land areas and plot-owning companies being EUR 165.9 million (EUR 144.2 million). The Group's invested capital amounted to EUR 356.9 million (EUR 342.3 million).

At the end of the review period, the Group's financing reserves were EUR 88.8 million, of which the Group's cash assets amounted to EUR 6.6 million and committed undrawn financing reserves amounted to EUR 82.2 million. Undrawn housing corporate loans related to RS projects totalled EUR 39.4 million. The Group's net interest-bearing liabilities were EUR 199.8 million on 31 March 2010 (EUR 172.6 million). Net financing expenses totalled EUR 1.4 million (EUR 1.5 million).

Investments in SRV's developer contracting housing projects in Finland consonant with the RS-system, including completed, unsold projects, total around EUR 71.1 million. SRV estimates that the completion of these projects requires another EUR 26.4 million. Investments in business premise projects in Finland amount to EUR 25.6 million. Investments in international developer contracting projects amount to about EUR 44.5 million, of which EUR 1.8 million relates to unsold residential projects in Estonia, EUR 3.4 million to an unsold housing project in Vyborg and EUR 39.3 million to the Etmia office project and Mytischi shopping centre project.

Equity ratio was 37.0 per cent (40.5%). 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 (an impact of approximately 2.1 percentage points) as well as the increase in receivables. The Group's shareholders' equity totalled EUR 150.4 million (EUR 161.2 million on 31 March 2009). The return on investment was 2.5 per cent (2.8%) and the return on equity was -1.7 per cent (-0.2%).

Investments

The Group's investments totalled EUR 0.5 million (EUR 0.1 million) and were mainly related to the acquisition of machinery and equipment.

Unbuilt land areas, land acquisition commitments and land development agreements

Land reserve 31.3.2010	Business Operations	Housing	International Operations	Total
Unbuilt land areas and land acquisition commitments				
Building rights*, m^2	**199 000**	**279 000**	**842 000**	**1 320 000**
Land development agreements				
Building rights*, m^2	**491 000**	**309 000**	**117 000**	**917 000**

* 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

During the review period, SRV bought a total of 10,000 square metres of building rights in the Matinkylä district from the city of Espoo. Furthermore, the company has agreed with the city of Espoo on the purchase of 4,000 square metres in Matinkylä. SRV bought 7,000 square metres of building rights in the Kaarela area in the district of Kannelmäki in Helsinki. Moreover, the lease of 12,000 square metres of building rights in a HITAS project in the Arabianranta district of Helsinki has been transferred from VVO to 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 Business Premises, Housing, International Operations, and Other Operations. The Business Premises business area comprises the operations of SRV Toimitilat Oy. Housing comprises the operations of SRV Asunnot Oy and the regional subsidiaries. International Operations comprises the business activities of the SRV International subgroup in Russia and the Baltic countries. Other Operations consist primarily of the SRV Group Plc and SRV Kalusto Oy businesses.

Personnel

SRV had an average payroll of 773 (815) employees, of whom 534 (579) were white-collar. The parent company had an average staff of 46 (62) white-collar employees. At the close of the review period, the Group had 786 (784) employees, of whom 45 (58) were employed by the parent company. An average of 19 per cent (17) of the employees work in subsidiaries and representative offices abroad.

Personnel by business area	**31.3.2009**	31.3.2009	Share of Group personnel, 31.3.2010, %
Business Premises	**306**	287	38,9
Housing	**215**	233	27,4
International	**183**	175	23,3
Other Operations	**82**	89	10,4
Group, total	**786**	784	100,0

The share-based incentive plan for 2010 includes about 70 employees and the reward is based mainly on consolidated and partly on business area performance. The rewards to be paid for the earning period 2010 correspond to the total maximum of 240,000 SRV Group Plc shares plus a corresponding sum of money paid for tax withholding purposes.

Outlook for construction

The recovery of the world economy has been slow and unstable. The situation continues to be challenging in the property and construction markets. Expectations for increases in interest rates have been postponed in Europe and the United States. The Finnish economy is expected to grow by 1–2 per cent in 2010.

The total number of building permits saw an upward trend at the beginning of the review period. There has been some upward pressure on construction costs. Unemployment in construction continues to increase, but at a decelerating pace.

Strong consumer confidence in the housing markets, and the low interest level have increased demand, prompting a larger number of new start-ups in developer contracting housing projects. Weak employment trends will have a negative short-term effect on the housing markets. Meanwhile, in the longer term, trends such as migration to population growth centres and the smaller size of household dwelling units will increase the need for housing construction.

New start-ups in commercial and office construction continued to decrease during the period. Vacancy rates in office premises in particular have reached a high level and construction is slow. The near future outlook for commercial and logistics construction is somewhat better.

The slight growth in renovations is expected to continue in 2010. The outlook for civil engineering has weakened despite government support measures.

The economic situation in the Baltic countries has remained weak. In Estonia, Latvia and Lithuania, the decline in total production is expected to continue in 2010, although at a decelerating pace. Construction and the property markets are extremely slow. In the short term, the economic situation in the Baltic countries will continue to be difficult.

The Russian economy continues to be challenging. On the other hand, the Russian national economy has nevertheless revived due to rising oil prices, inflation has abated and interest rates have declined while the scarce availability of financing limits growth opportunities. In 2010, Russia’s total production is expected to grow by 4–6 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. While the general economic trend is upward, demand for property investments has remained weak. Interest rates are low but, 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 have decreased due to difficulties in securing financing. The financial crisis adds SRV's risk to be forced to tie up capital in projects longer than intended.

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. 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 while remaining virtually at a standstill in Estonia.

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 also increases financial risks relating to subcontractors. SRV's contracting model requires skilled and competent personnel. Warranty and liability obligations related to construction can span up to ten years. At present, the decline in construction costs has ended, with some of these costs experiencing upward pressure.

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. 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 2009 Financial Statements. Currency risks are divided into transaction risks and translation risks. Transaction risks are related to currency-denominated business and financing cash flows. Translation risks encompass investments made in foreign subsidiaries, the accounting effects of which are recorded in the translation differences of equity in the consolidated figures.

Liquidity risks may have an effect on the Group's earnings and cash flow if the Group is unable to ensure sufficient financing for its operations. SRV maintains adequate liquidity by means of efficient management of cash flows and solutions linked to it, such as binding lines of credit that are valid until further notice. The company has a long-term liquidity arrangement of EUR 100 million, part of which will mature in 2012 and the rest 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 2009 Annual Report and Financial Statements.

Corporate governance and resolutions of general meetings

The Annual General Meeting was held on 16 March 2010. The AGM adopted the financial statements for 2009 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. Mr Ilpo Kokkila was elected chairman of the Board of Directors and Mr Arto Hiltunen, Mr Timo Kokkila, Mr Lasse Kurkilahti, 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. Mikko Rytilahti, authorised public accountant, will act as the principal 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. These authorisations will remain in force for 18 months from the decision of the meeting.

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 16 March 2010 the Board of Directors elected Lasse Kurkilahti vice chairman of the Board, Matti Mustaniemi chairman of the Audit Committee, Lasse Kurkilahti and Timo Kokkila members of the Audit Committee, Arto Hiltunen and Ilkka Salonen members of the Nomination and Remuneration Committee and Ilpo Kokkila chairman of the Nomination and Remuneration Committee.

Shares and shareholders

SRV Group Plc's share capital is EUR 3,062,520. The share has no nominal value and the number of shares outstanding is 36,768,468. The company has one class of shares. SRV had a total of 5,892 shareholders on 31 March 2010. The company received two flagging notifications during the reporting period. On 5 January 2010, Nordea Bank AB (publ) announced that it had bought 1,909,483 SRV Group Plc shares, increasing Nordea Group's total holding in SRV to 5.28 per cent. On 17 March 2010, Nordea Bank Suomi Oyj announced that it had purchased the above-mentioned shares from Nordea Bank AB (publ), after which the total holding of Nordea Group in SRV was 5.28 per cent. Both of these flagging notifications are related to a futures contract between Nordea and SRV. Upon termination of the contract, the shares will be sold and Nordea Group's holding in SRV will fall to below 1/20 in July 2010.

The share closing price at OMX Helsinki at the end of the review period was EUR 6.41 (EUR 5.89 on 31 December 2009). The highest share price in the review period was EUR 6.55 and the lowest was EUR 5.50. The change in the all-share index of the Helsinki Stock Exchange (OMX Helsinki) during the same period was 10.1 per cent positive and the OMX Industrial and Services index 6.4 per cent positive.

At the end of the review period, the company had a market capitalisation of EUR 216.9 million, excluding the Group's own shares. About 5.8 million shares were traded during the period and the trade volume was EUR 31.6 million.

On 5 January 2010, SRV implemented the agreement signed with Eero Heliövaara on 11 August 2009 and Nordea Bank AB (publ) acquired Heliövaara's shares for a per-share price of EUR 4.45. In the same connection, SRV signed an EUR 8.5 million derivative agreement with Nordea, maturing in July, for 1,909,483 company shares, according to which the shares will be sold to SRV or an entity named by SRV. These shares are considered equal to treasury shares held by the company.

At the end of the review period, SRV Group Plc's subsidiary SRV Kalusto Oy had 228,299 of SRV Group Plc's shares. The shares were acquired in accordance with the conditions of the merger plan of SRV Group Plc and SRV Henkilöstö Oy. Taking account of the derivative contract concluded with Nordea Bank AB, SRV Group Plc and SRV Kalusto Oy had, on 31 March 2009, a total of 2,922,220 of SRV Group Plc's shares, representing 7.9 per cent of the total number of the company's shares and votes. On 4 May 2010, the Group had a total of 2,919,761 shares (7.9 per cent of the total number of the company's shares and combined number of votes).

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.

The international economic and financial crisis has hampered the growth outlook for business operations. Realisation of the sales of developer contracting projects has an essential effect on the development of profitability. In the current economic conditions, the set financial targets cannot be met. The company is endeavouring to maintain profitability by rationalising operations and cutting costs.

Previous outlook for 2010

Revenue in 2010 is expected to exceed the previous year's level and profit before taxes is expected to be clearly positive.

Outlook for 2010

SRV changes the previous outlook for 2010 due to the postponement of start-ups of projects in Russia. Revenue in 2010 is expected to exceed the previous year's level and profit before taxes is expected to be positive.

Espoo, 5 May 2010

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/ 2010	IFRS 1-3/ 2009	IFRS 1-12/ 2009
Revenue	EUR million	95.0	87.0	390.5
Operating profit	EUR million	1.6	1.8	10.7
Operating profit, % of revenue	%	1.6	2.1	2.7
Profit before taxes	EUR million	0.2	0.3	6.5
Profit before taxes, % of revenue	%	0.2	0.4	1.7
Net profit attributable to equity holders of the parent company	EUR million	-0.4	0.0	2.9
Return on equity [1]	%	-1.7	-0.2	1.8
Return on investment [1]	%	2.5	2.8	4.9
Invested capital	EUR million	357.5	342.3	349.0
Equity ratio	%	37.0	40.5	41.3
Net interest-bearing debt	EUR million	199.8	172.6	179.9
Net gearing ratio	%	132.3	107.1	109.8
Order backlog	EUR million	530.0	458.5	481.6
New agreements		140.6	91.3	396.1
Personnel on average		773	815	776
Property, plant and equipment investments	EUR million	0.5	0.1	3.7
Property, plant and equipment investments, % of revenue	%	0.5	0.1	0.9
Earnings per share, share issue adjusted	EUR	-0.01	0.00	0.08
Equity per share, share issue adjusted	EUR	4.36	4.40	4.48
Dividend per share, share issue adjusted	EUR	0.12	0.12	0.12
Dividend payout ratio	%			150.0
Dividend yield	%	1.9	4.0	2.0
Price per earnings ratio				73.6
Share price development				
Share price at the end of the period	EUR	6.41	3.00	5.89
Average share price	EUR	5.95	3.47	4.06
Lowest share price	EUR	5.50	2.76	2.75
Highest share price	EUR	6.55	4.79	5.97
Market capitalisation at the end of the period	EUR million	216.9	108.6	210.7
Trading volume	1.000	5 837	2 050	8 309
Trading volume	%	17.2	5.7	23.1
Weighted average number of shares outstanding	1.000	33 964	36 202	35 999
Number of shares outstanding at the end of the period	1.000	33 843	36 197	35 768

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

Calculation of key figures:

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

SRV Group Plc Interim Report 1.1. - 31.12.2010: 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. - 31.12.2010

IFRS standards and operating segments

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 2009. The figures in the tables have been rounded which should be noted when counting the total sums.

SRV's reporting segments comprise Business Premises, Housing, 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.

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.

Consolidated income statement (EUR million)	**IFRS 1-3/ 2010**	IFRS 1-3/ 2009	change. MEUR	change. %	**IFRS 1-12/ 2009**
Revenue	**95.0**	**87.0**	8.0	9.1	**390.5**
Other operating income	0.8	0.5	0.3	65.0	2.6
Change in inventories of finished goods and work in progress	10.8	6.7	4.1	61.1	-10.3
Use of materials and services	-89.7	-77.1	-12.7	16.5	-313.5
Employee benefit expenses	-11.7	-11.6	-0.2	1.3	-44.5
Depreciation and impairments	-0.8	-0.9	0.1	-9.1	-3.7
Other operating expenses	-2.7	-2.9	0.2	-5.3	-10.4
Operating profit	**1.6**	**1.8**	-0.2	-12.9	**10.7**
Financial income	0.6	0.7	-0.1	-9.1	6.0
Financial expenses	-2.0	-2.2	0.1	-6.4	-10.2

Financial income and expenses. total	-1.4	-1.5			-4.2
Profit before taxes	**0.2**	**0.3**	-0.2	-49.4	**6.5**
Income taxes	-0.8	-0.4	-0.4	111.8	-3.6
Net profit for the period	**-0.7**	**-0.1**	-0.6	871.9	**2.9**
Attributable to					
Equity holders of the parent company	-0.4	0.0			2.9
Minority interest	-0.2	-0.1			0.0
Earnings per share calculated on the profit attributable to equity holders of the parent company (undiluted and diluted)	-0.01	0.00			0.08

Statement of comprehensive income (EUR million)	**IFRS 1-3/ 2010**	IFRS 1-3/ 2009	**IFRS 1-12/ 2009**
Net profit for the period	**-0.7**	**-0.1**	**2.9**
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	0.0
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	**-0.7**	**-0.1**	**2.9**
Profit for the period attributable to:			
Equity holders of the parent company	-0.5	0.0	2.9
Minority interest	-0.2	-0.1	0.0

Consolidated balance sheet (EUR million)	IFRS 31.3.10	IFRS 31.3.09	change. %	IFRS 31.12.09
ASSETS				
Non-current assets				
Property, plant and equipment	15.9	18.3	-12.8	16.3
Goodwill	1.7	1.7	0.0	1.7
Other intangible assets	0.4	0.5	-13.3	0.5
Other financial assets	4.8	4.3	12.5	4.8
Receivables	17.2	7.3	135.2	16.2
Deferred tax assets	4.6	1.9	144.7	2.3
Non-current assets, total	**44.7**	**34.0**	31.6	**41.7**
Current assets				
Inventories	303.9	307.5	-1.2	292.2
Trade and other receivables	71.5	61.4	16.4	76.9
Current tax receivables	3.2	5.7	-44.5	1.9
Cash and cash equivalents	6.6	8.6	-22.6	5.2
Current assets, total	**385.3**	**383.2**	0.5	**376.2**
ASSETS, TOTAL	**430.0**	**417.2**	3.1	**418.0**

Consolidated balance sheet (EUR million)	IFRS 31.3.10	IFRS 31.3.09	change. %	IFRS 31.12.09
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	87.3	87.3	0.0	87.3
Translation differences	-0.1	0.0	114.4	-0.1
Fair value reserve	-0.1	-0.1	0.0	-0.1
Retained earnings	57.2	68.8	-16.9	69.9
Equity attributable to equity holders of the parent company, total	**147.5**	**159.1**	-7.3	**160.1**
Minority interest	**3.5**	**2.0**	73.5	**3.8**
Equity, total	**151.0**	**161.2**	-6.3	**163.9**
Non-current liabilities				
Deferred tax liabilities	1.1	0.2	378.3	0.5
Provisions	4.7	4.9	-3.4	4.8
Interest-bearing liabilities	62.4	83.5	-25.3	96.9
Other liabilities	0.8	0.4	98.8	0.8
Non-current liabilities, total	**69.0**	**89.0**	-22.5	**102.9**
Current liabilities				
Trade and other payables	58.0	56.8	2.1	56.4
Current tax payables	3.5	8.7	-59.4	2.6
Provisions	4.3	3.9	12.3	3.8
Interest-bearing liabilities	144.1	97.7	47.5	88.2
Current liabilities, total	**210.0**	**167.0**	25.7	**151.1**
Liabilities, total	**279.0**	**256.0**	9.0	**254.1**
EQUITY AND LIABILITIES	**430.0**	**417.2**	3.1	**418.0**

Consolidated cash flow statement (EUR million)	IFRS 1-3/2010	IFRS 1-3/2009	IFRS 1-12/2009
Cash flows from operating activities			
Net profit for the period	**-0.7**	**-0.1**	**2.9**
Adjustments:			
Depreciation and impairments	0.8	0.9	3.7
Non-cash transactions	9.4	-0.8	2.7
Financial income and expenses	1.4	1.5	4.2
Capital gains on sales of tangible and intangible assets	0.0	0.0	0.0
Income taxes	0.8	0.4	3.6
Adjustments, total	**12.5**	**2.0**	**14.1**
Changes in working capital:			
Change in loan receivables	-3.0	-0.9	-13.5
Change in trade and other receivables	9.2	24.9	17.7
Change in inventories	-11.4	-7.2	10.0
Change in trade and other payables	-7.8	-15.6	-12.3
Changes in working capital, total	**-12.9**	**1.3**	**1.9**
Interest paid	-1.4	-4.1	-12.7
Interest received	1.0	0.5	5.7
Dividends received	-2.6	0.0	0.0
Income taxes paid	-3.0	-0.3	-5.9
	-5.9	**-3.9**	**-12.9**
Net cash flow from operating activities	**-7.1**	**-0.8**	**6.1**
Cash flow from investing activities			
Acquisition of subsidiaries, net of cash	0.0	0.0	-2.3
Property, plant and equipment	-0.5	-0.1	-0.8
Intangible assets	0.0	0.0	-0.1
Other financial assets	0.0	0.0	-0.5
Sale of property, plant and equipment and intangible assets	0.0	0.0	0.0
Sale of financial assets	0.0	0.0	0.0
Net cash used in investing activities	**-0.5**	**-0.1**	**-3.7**
Cash flows from financing activities			
Proceeds from share issue	0.0	0.0	0.0
Proceeds from loans	0.0	14.1	19.6
Repayments of loans	-0.3	-0.1	-22.2
Change in loan receivables	0.0	0.0	0.0
Change in housing corporation loans	-6.8	4.3	-9.2
Change in credit limits	20.1	-12.2	17.5
Purchase of treasury shares	0.0	0.0	-1.8
Dividends paid	-4.1	0.0	-4.4
Net cash from financing activities	**8.9**	**6.1**	**-0.6**
Net change in cash and cash equivalents	**1.4**	**5.2**	**1.8**
Cash and cash equivalents at the beginning of period	5.2	3.4	3.4
Cash and cash equivalents at the end of period	**6.6**	**8.6**	**5.2**

Inventories (EUR million)	IFRS 31.3.10	IFRS 31.3.09	change. %	IFRS 31.12.09
Raw materials and consumables	**0.1**	0.0	416.9	**0.0**
Work in progress	**39.7**	108.0	-63.3	**35.1**
Land areas and plot-owning companies	**165.9**	144.2	15.0	**153.0**
Shares in completed housing corporations and real estate companies	**80.6**	37.6	114.3	**86.5**
Advance payments	**3.6**	3.5	2.7	**3.6**
Other inventories	**14.1**	14.2	-0.5	**14.0**
Inventories, total	**303.9**	307.5	-1.2	**292.2**

Statement of changes in Group equity 1.1. - 31.3.2010

	Equity attributable to the equity holders of the parent company								
IFRS (EUR million)	Share capital	Share premium reserve	Invested free equity fund	Translation differences	Fair value reserve	Retained earnings	Total	Minority interest	Total equity
Equity on 1.1.2010	**3.1**	**0.0**	**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**	**0.0**	**-0.5**	**-0.5**		
Dividends paid						-4.1	**-4.1**		
Share-based incentive scheme						0.6	**0.6**		
Purchase of treasury shares						-8.5	**-8.5**		
Other change						-0.2	**-0.2**		
Equity on 31.3.2010	**3.1**	**0.0**	**87.3**	**-0.1**	**-0.1**	**57.2**	**147.5**	3.5	**151.0**

Statement of changes in Group equity 1.1. - 31.3.2009

	Equity attributable to the equity holders of the parent company								
IFRS (EUR million)	Share capital	Share premium reserve	Invested free equity fund	Translation differences	Fair value reserve	Retained earnings	Total	Minority interest	Total equity
Equity on 1.1.2009	**3.1**	**0.0**	**87.3**	**-0.1**	**-0.1**	**73.4**	**163.6**	**2.2**	**165.9**
Total income and expenses for the financial year	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**		
Dividends paid						-4.3	**-4.3**		
Share-based incentive scheme						0.0	**0.0**		
Purchase of treasury shares						0.0	**0.0**		
Other change						-0.2	**-0.2**		
Equity on 31.3.2009	**3.1**	**0.0**	**87.3**	**-0.1**	**-0.1**	**68.9**	**159.1**	2.0	**161.2**

Statement of changes in Group equity 1.1. - 31.12.2009

IFRS (EUR million)	Equity attributable to the equity holders of the parent company: Share capital	Share premium reserve	Invested free equity fund	Trans-lation differ-ences	Fair value reserve	Retai-ned earnings	Total	Minority interest	Total equity
Equity on 1.1.2009	**3.1**	**0.0**	**87.3**	**-0.1**	**-0.1**	**73.4**	**163.6**	**2.2**	**165.9**
Total income and expenses for the financial year	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**2.9**	**2.9**		
Dividends paid						-4.3	**-4.3**		
Share-based incentive scheme						0.0	**0.0**		
Purchase of treasury shares						-1.8	**-1.8**		
Other change						-0.2	**-0.2**		
Equity on 31.12.2009	**3.1**	**0.0**	**87.3**	**-0.1**	**-0.1**	**69.9**	**160.2**	3.8	**163.9**

Commitments and contingent liabilities EUR million	**IFRS 31.3.10**	IFRS 31.3.09	change. %	**IFRS 31.12.09**
Collateral given for own liabilities				
Real estate mortgages given	**73.8**	125.7	-41.3	**106.0**
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	**22.0**	2.2	11.4	**22.1**
Plots purchase commitments	**27.5**	48.9		**21.6**

Fair and nominal values of derivative instruments	**IFRS 3/2010**		IFRS 3/2009		**IFRS 12/2009**	
(EUR million)	Fair Values		Fair Values		(EUR million)	
Hedge accounting not applied	Positive	Negative	Positive	Negative	Positive	Negative
Foreign exchange forward contracts	**0.0**	**0.0**	0.0	0.0	**0.0**	**0.0**
Interest rate swaps	**0.0**	**1.5**	0.0	0.0	**0.0**	**0.7**

Nominal values of derivative instruments	**IFRS 3/2010**	IFRS 3/2009	**IFRS 12/2009**
Foreign exchange forward contracts	**0.0**	0.0	**0.0**
Interest rate swaps	**63.4**	22.4	**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 1-3/10	IFRS 10-12/09	IFRS 7-9/09	IFRS 4-6/09	IFRS 1-3/09
Revenue	**95.0**	120.1	87.3	96.0	87.0
Operating profit	**1.6**	2.7	2.3	3.9	1.8
Financial income and expenses, total	**-1.4**	-0.5	-1.2	-1.0	-1.5
Profit before taxes	**0.2**	2.2	1.1	2.9	0.3
Order backlog [1)]	**530.0**	481.6	465.8	461.1	458.5
New agreements	**140.6**	120.4	86.2	98.2	91.3
Earnings per share, eur	**-0.01**	0.03	0.01	0.04	0.00
Equity per share, eur [1)]	**4.36**	4.48	4.45	4.44	4.40
Share price, eur [1)]	**6.41**	5.89	5.64	4.18	3.00
Equity ratio, % [1)]	**37.0**	41.3	40.9	40.1	40.5
Net interest bearing debt [1)]	**199.8**	179.9	189.8	186.8	172.6
Net gearing ratio, % [1)]	**132.3**	109.8	116.3	116.6	107.1

Revenue (EUR million)	IFRS 1-3/10	IFRS 10-12/09	IFRS 7-9/09	IFRS 4-6/09	IFRS 1-3/09
Business Premises	**54.7**	66.9	40.2	46.1	54.8
Housing	**38.3**	49.9	39.7	42.4	26.6
International	**2.0**	3.4	7.4	7.6	5.6
Other Operations	**2.5**	2.3	2.1	2.1	2.2
Eliminations	**-2.5**	-2.3	-2.1	-2.1	-2.2
Group, total	**95.0**	**120.1**	**87.3**	**96.0**	**87.0**

Operating profit (EUR million)	IFRS 1-3/10	IFRS 10-12/09	IFRS 7-9/09	IFRS 4-6/09	IFRS 1-3/09
Business Premises	**4.3**	4.3	3.1	4.6	5.9
Housing	**2.4**	1.9	1.3	2.3	-0.1
International	**-3.9**	-2.0	-1.3	-1.9	-2.5
Other Operations	**-1.2**	-1.4	-0.7	-1.0	-1.6
Eliminations	**-0.1**	-0.2	-0.1	0.0	0.0
Group, total	**1.6**	**2.7**	**2.3**	**3.9**	**1.8**

Operating profit (%)	IFRS 1-3/10	IFRS 10-12/09	IFRS 7-9/09	IFRS 4-6/09	IFRS 1-3/09
Business Premises	**7.9**	6.5	7.7	10.0	10.8
Housing	**6.3**	3.8	3.4	5.3	-0.4
International	**-197.5**	-58.4	-17.6	-25.6	-44.4
Group, total	**1.6**	**2.2**	**2.6**	4.1	2.1

Order backlog (EUR million)	IFRS 31.3.10	IFRS 31.12.09	IFRS 30.9.09	IFRS 30.6.09	IFRS 31.3.09
Business Premises	**331.7**	255.3	252.0	224.3	252.8
Housing	**174.3**	201.7	187.5	206.1	174.3
International	**24.0**	24.6	26.3	30.7	31.5
Group, total	**530.0**	**481.6**	**465.8**	**461.1**	**458.5**
- sold order backlog	**389**	317	325	306	291

- unsold order backlog	**141**	165	141	155	168

Invested capital (EUR million)	**IFRS 31.3.10**	IFRS 31.12.09	IFRS 30.9.09	IFRS 30.6.09	IFRS 31.3.09
Business Premises	**56.2**	42.0	61.0	77.0	69.2
Housing	**121.6**	122.9	124.1	137.0	136.7
International	**173.6**	176.3	165.6	152.0	150.5
Other and eliminations	**6.0**	7.7	6.2	-12.2	-14.0
Group, total	**357.5**	**349.0**	**356.9**	**353.8**	**342.3**

Residential production in Finland (units)	**1-3/10**	10-12/09	7-9/09	4-6/09	1-3/09
Start-ups	**0**	247	0	0	4
Sold	**95**	86	43	51	27
Completed [1)]	**16**	64	37	93	58
Completed and unsold [1)]	**138**	171	161	185	156
Under construction [1]	**247**	263	80	118	211
- of which unsold [1)]	**169**	231	79	100	180

1) at the end of the period

3. Segment information

Assets (EUR million)	**IFRS 31.3.10**	IFRS 31.3.09	change. MEUR	change. %	**IFRS 31.12.09**
Business Premises	**89.8**	90.7	-0.9	-1.0	**88.7**
Housing	**148.1**	156.7	-8.6	-5.5	**151.5**
International	**178.4**	157.4	21.0	13.3	**182.5**
Other Operations	**214.8**	171.3	43.4	25.3	**214.5**
Eliminations	**-201.1**	-159.0	-42.1		**-219.3**
Group, total	**430.0**	417.2	12.8	3.1	**418.0**

Liabilities (EUR million)	**IFRS 31.3.10**	IFRS 31.3.09	change. MEUR	change. %	**IFRS 31.12.09**
Business Premises	**70.6**	50.7	19.9	39.2	**55.5**
Housing	**128.3**	142.2	-14.0	-9.8	**133.2**
International	**183.0**	160.3	22.7	14.2	**181.7**
Other Operations	**103.2**	64.1	39.2	61.1	**79.2**
Eliminations	**-206.1**	-161.2	-44.9		**-195.6**
Group, total	**279.0**	256.0	22.9	9.0	**254.1**

Invested capital (EUR million)	**IFRS 31.3.10**	IFRS 31.3.09	change. MEUR	change. %	**IFRS 31.12.09**
Business Premises	**56.2**	69.2	-13.0	-18.8	**42.0**
Housing	**121.6**	136.7	-15.0	-11.0	**122.9**
International	**173.6**	150.5	23.1	15.4	**176.3**
Elimintions and other	**6.0**	-14.0	20.1		**7.7**
Group, total	**357.5**	342.3	15.2	4.4	**349.0**

Inventories (MEUR)	**IFRS 31.3.10**	IFRS 31.3.09	change. MEUR	**IFRS 31.12.09**
Land areas and plot-owning companies	**165.9**	**144.2**	**21.7**	**153.0**
Business Premises	27.8	25.0	2.8	27.8
Housing	54.3	42.1	12.2	41.4
International	83.5	77.0	6.5	83.6
Work in progress	**39.7**	**108.0**	**-68.3**	**35.1**
Business Premises	0.0	30.6	-30.6	0.0
Housing	21.0	61.4	-40.4	21.2
International	18.7	15.9	2.8	14.0
Shares in completed housing corporations and real estate companies	**80.6**	**37.6**	**43.0**	**86.5**
Business Premises	25.6	0.0	25.6	25.5
Housing	50.1	34.2	15.9	55.5
International	4.9	3.3	1.6	5.5
Other inventories	**17.7**	**17.7**	**0.1**	**17.6**
Business Premises	5.1	5.0	0.0	5.1
Housing	4.0	4.4	-0.3	3.7
International	9.7	9.3	0.4	9.9
Inventories, total	**303.9**	**307.5**	**-3.5**	**292.2**
Business Premises	58.5	60.7	-2.2	58.4
Housing	129.4	142.1	-12.7	121.7
International	116.7	105.5	11.2	112.9

Business Premises (EUR million)	**IFRS 1-3/2010**	IFRS 1-3/2009	change. MEUR	change. %	**IFRS 1-12/2009**
Revenue	**54.7**	54.8	-0.1	-0.2	**208.0**
Operating profit	**4.3**	5.9	-1.6	-27.3	**18.0**
Segment's assets					
Non-current assets	**0.8**	0.9	-0.1	-8.0	**0.9**
Current assets	**89.0**	89.8	-0.9	-1.0	**87.8**
Total assets	**89.8**	90.7	-0.9	-1.0	**88.7**
Segment's liabilities					
Non-current liabilities	**1.1**	11.2	-10.1	-90.3	**11.0**
Current liabilities	**69.5**	39.5	30.0	76.0	**44.5**
Total liabilities	**70.6**	50.7	19.9	39.2	**55.5**
Invested capital at end of period	**56.2**	69.2	-13.0	-18.8	**42.0**
Return on investment, %[1)]	**36.8**	**36.4**			**35.2**
Order backlog at end of period	**331.7**	252.8	79.0	31.2	**255.3**

Housing (EUR million)	**IFRS 1-3/2010**	IFRS 1-3/2009	change. MEUR	change. %	**IFRS 1-12/2009**
Revenue	**38.3**	26.6	11.7	43.9	**158.6**
Operating profit	**2.4**	-0.1	2.5		**5.4**
Segment's assets					
Non-current assets	**1.3**	1.8	-0.5	-27.0	**1.4**
Current assets	**146.8**	154.9	-8.1	-5.2	**150.1**
Total assets	**148.1**	156.7	-8.6	-5.5	**151.5**
Segment's liabilities					
Non-current liabilities	**47.7**	63.7	-16.0	-25.1	**68.2**
Current liabilities	**80.6**	78.6	2.1	2.6	**65.0**
Total liabilities	**128.3**	142.2	-14.0	-9.8	**133.2**
Invested capital at end of period	**121.6**	136.7	-15.0	-11.0	**122.9**
Return on investment, %[1)]	**7.9**	**-0.3**			**4.2**
Order backlog at end of period	174.3	174.3	0.1	0.0	**201.7**

International Operations (EUR million)	**IFRS 1-3/2010**	IFRS 1-3/2009	change. MEUR	change. %	**IFRS 1-12/2009**
Revenue	**2.0**	5.6	-3.6	-65.0	**24.0**
Operating profit	**-3.9**	-2.5	-1.4		**-7.7**
Segment's assets					
Non-current assets	**26.0**	16.6	9.4	56.4	**25.1**
Current assets	**152.3**	140.7	11.6	8.2	**157.4**
Total assets	**178.4**	157.4	21.0	13.3	**182.5**
Segment's liabilities					
Non-current liabilities	**14.0**	10.1	3.9	38.7	**18.4**
Current liabilities	**169.0**	150.2	18.8	12.5	**163.4**
Total liabilities	**183.0**	160.3	22.7	14.2	**181.7**
Invested capital at end of period	**173.6**	150.5	23.1	15.4	**176.3**
Return on investment, %[1)]	**-8.0**	**-5.4**			**-1.4**
Order backlog at end of period	**24.0**	31.5	-7.5	-24.0	**24.6**

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