

SRV Group Plc



Interim Report 1-6/2007

8 August 2007

SRV's business and business environment

- 20 years of industry experience in Finland, Russia and the Baltics
- Consistently profitable
- Significant in-house development capacity
- Project management approach to construction
- Three business areas: Business Premises, Housing, International

Diversified business portfolio



Property Development

Business Premises

58% of sales

- Shopping centers, retail parks
- Offices and hotels
- Logistics centers
- Underground infrastructure



Housing

32% of sales

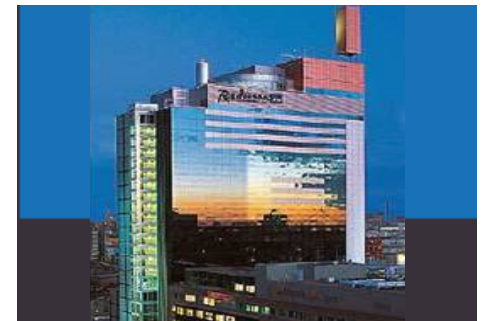
- Apartments in city centers
- Terraced house projects
- Year-round leisure homes



International

10% of sales

- Commercial and housing properties in Russia and the Baltic States



Experience in Finland, Russia and Baltics



Finland

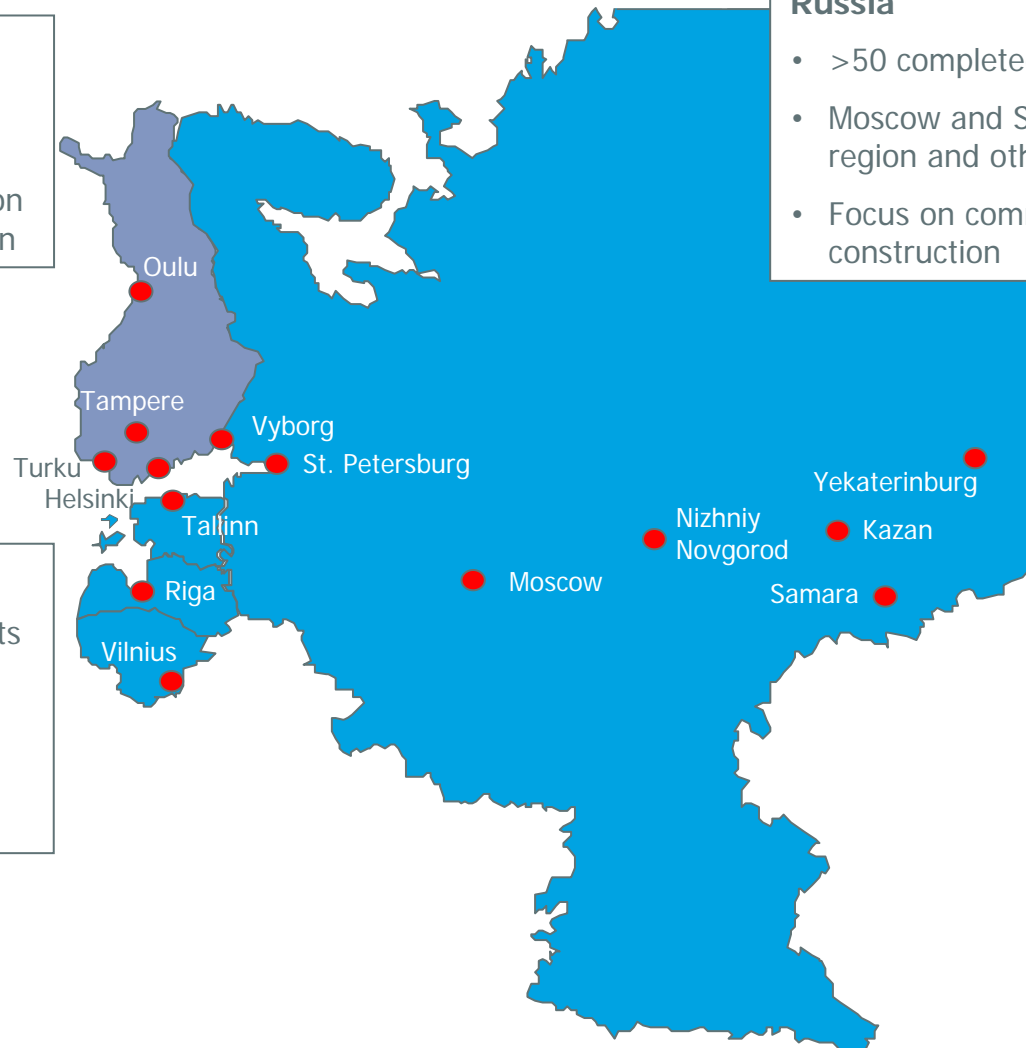
- A leading commercial constructor
- Increasing emphasis on residential construction

Russia

- >50 completed projects
- Moscow and St. Petersburg region and other large cities
- Focus on commercial construction

Baltics

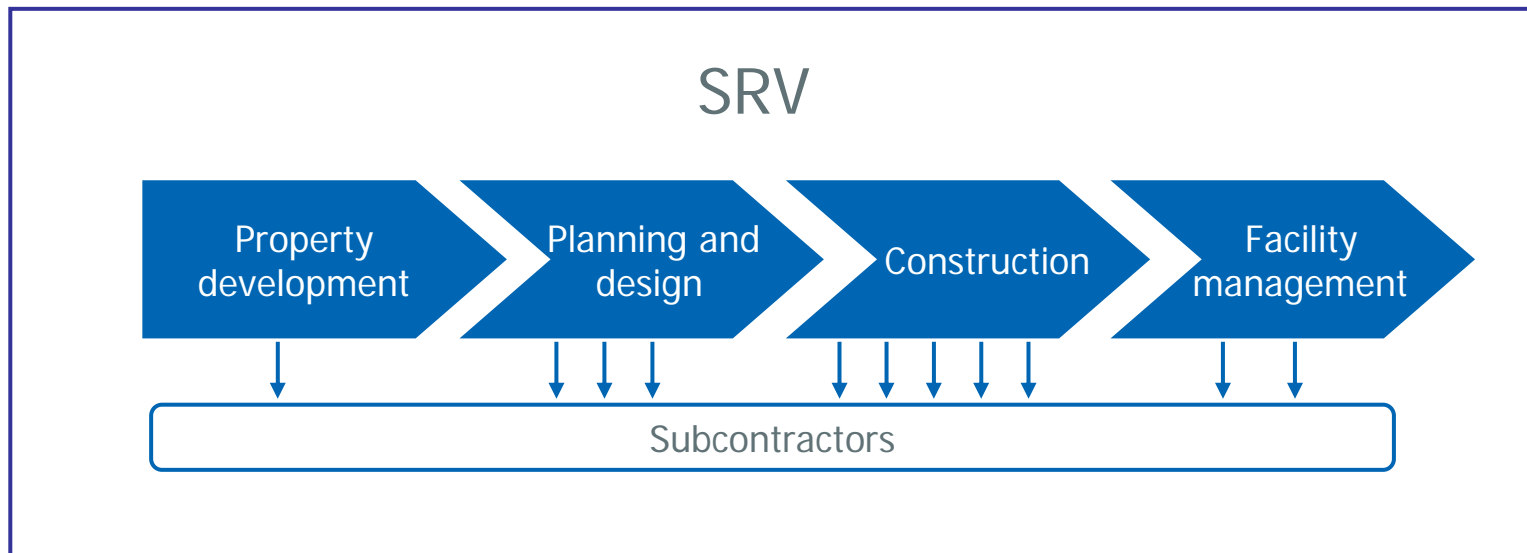
- >70 completed projects
- Focus on commercial construction
- Selective residential projects



How we approach the value chain – SRV Model



Traditional

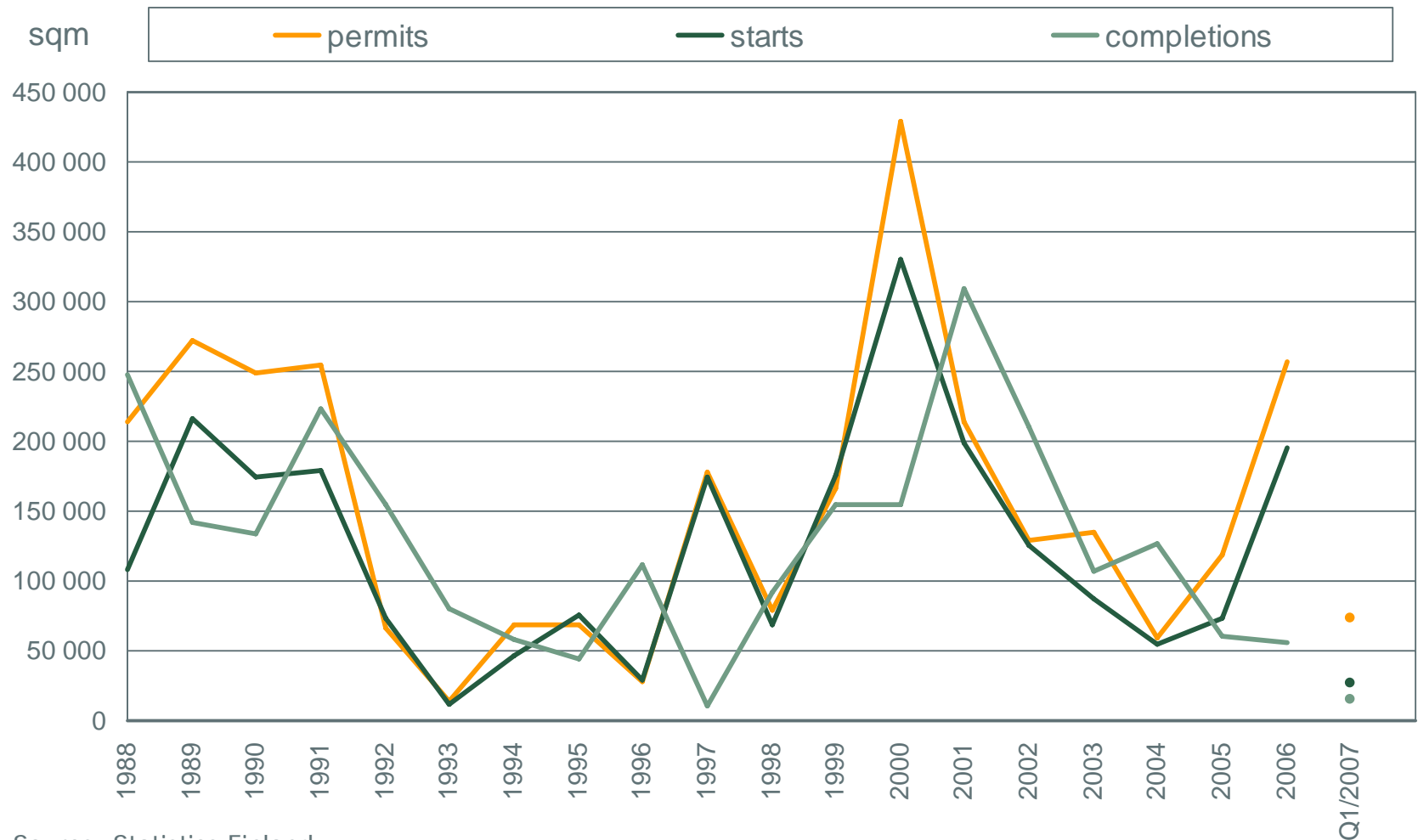


- SRV's Board of Directors set financial targets for the company in spring 2007
 - Annual average growth of 15 per cent in Group revenue in the medium term
 - Annual average growth of 30 per cent in the International business area
 - Return on equity at least 30 per cent
 - To increase the Operating profit margin to 8 per cent in the medium to long term

- Demand for construction of business and commercial premises remains strong
- Investors' return requirements are still
- Low occupancy rate (Helsinki 7%) concerns mostly old offices
- Selling times of dwellings have lengthened
- Rise in housing prices has steadied especially outside the growth centres
- Growth in all sectors of construction in Russia

Office construction activity

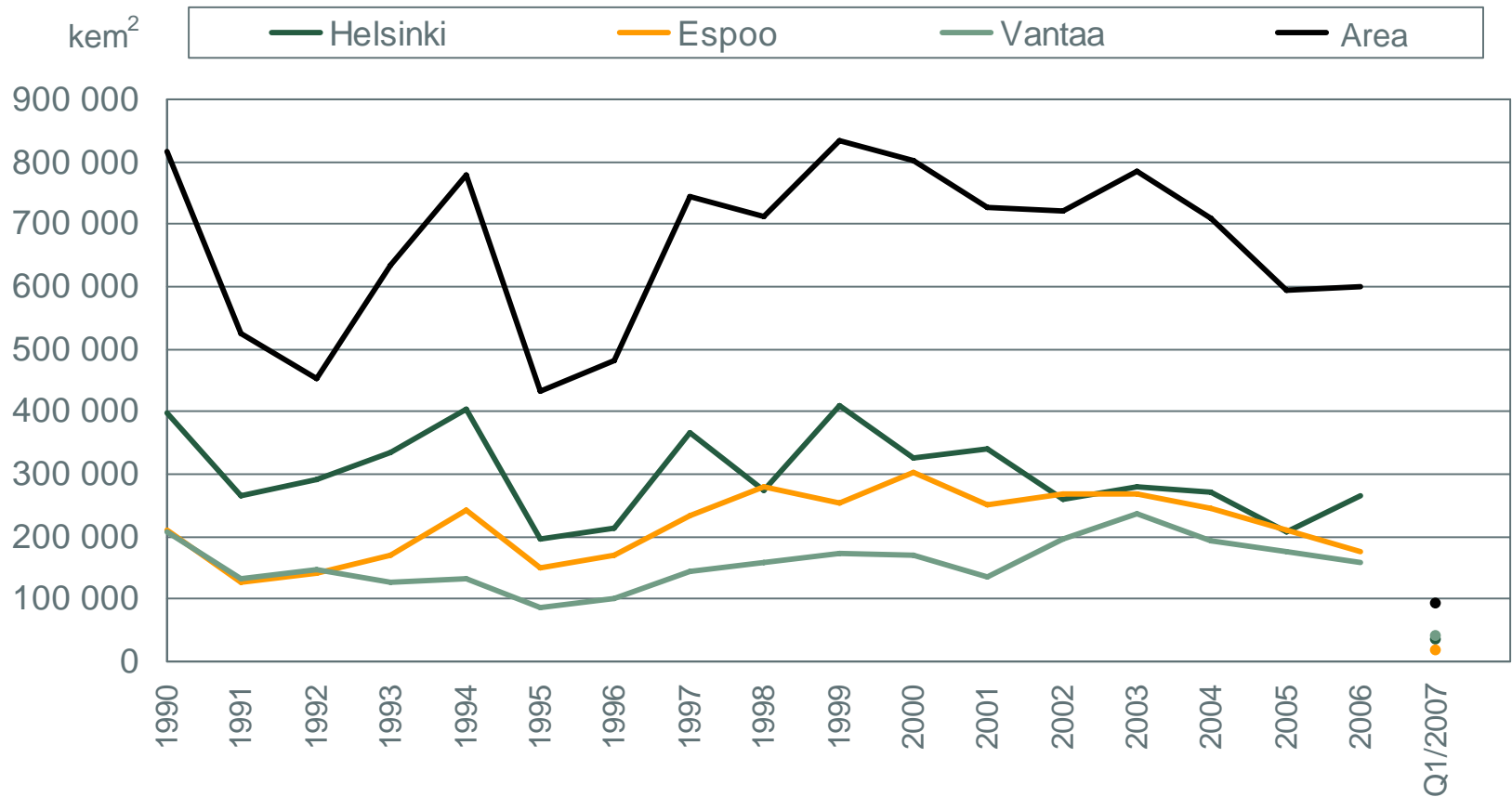
Helsinki Metropolitan Area



Source: Statistics Finland

Residential construction activity

Helsinki Metropolitan Area



Source: Statistics Finland

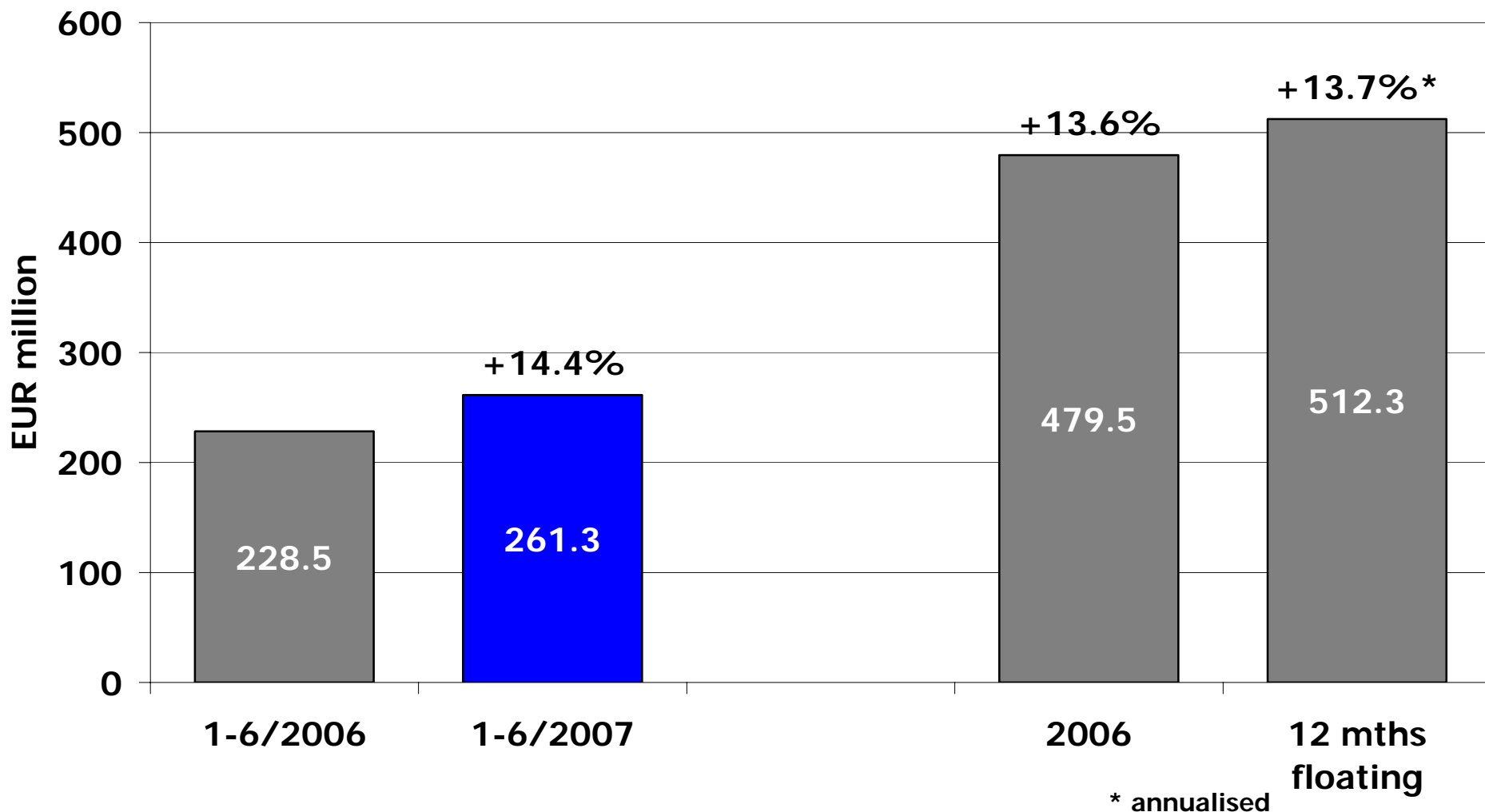
SRV's financial result 1-6/2007

1-6/2007 in brief: record high order backlog

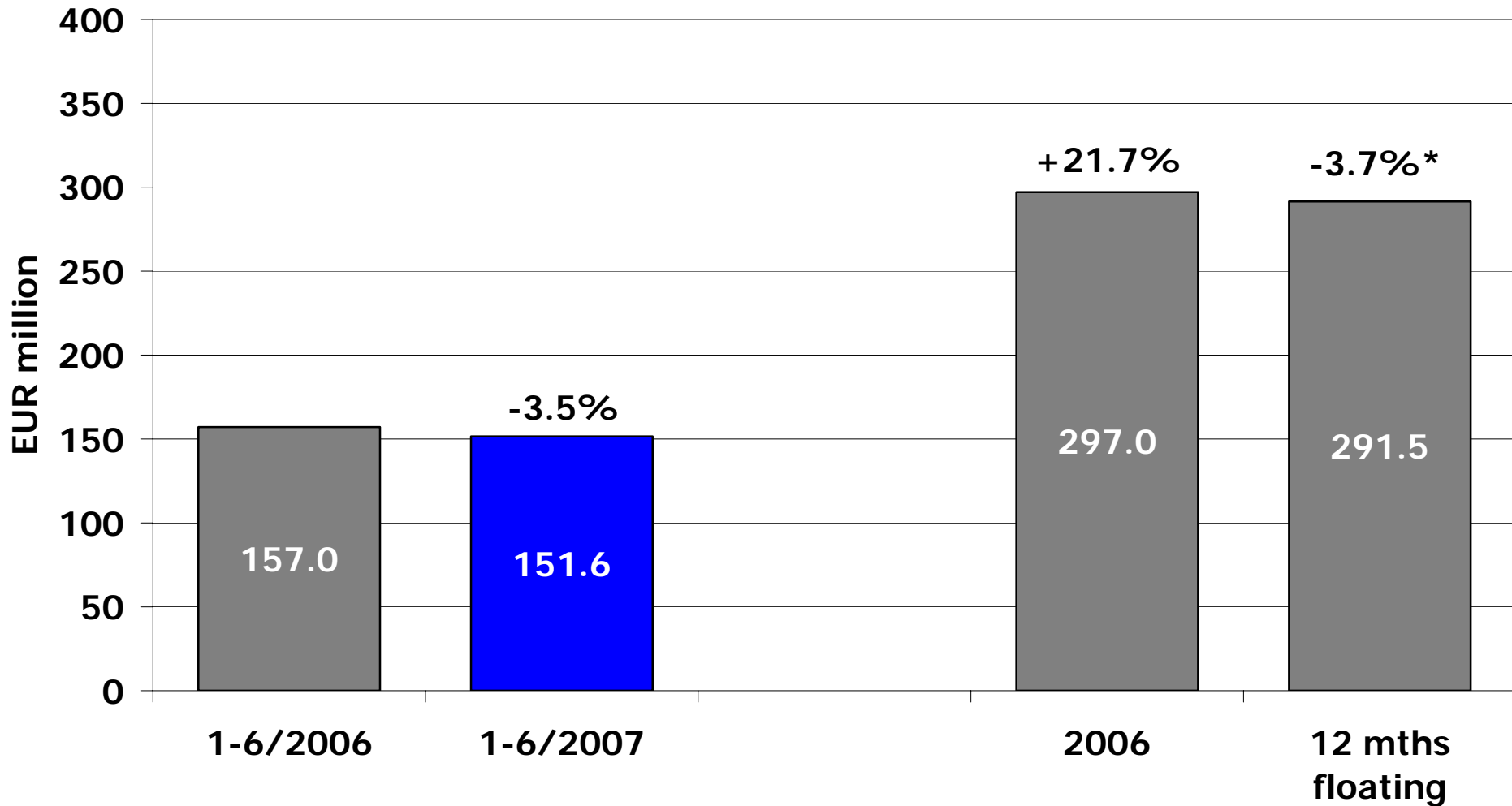


- Revenue grew by 14.4% and amounted to EUR 261.3 million (EUR 228.5 million in January-June 2006)
- Operating profit was EUR 10.3 million (11.9 million)
- Order backlog grew by 68.4% and amounted to EUR 517.4 million (EUR 307.3 million)
- Return on investment was 11.6% (16.8%)
- Return on equity was 59.4% (32.5%)
- Earnings per share amounted to EUR 0.25 (0.25 eur)
- Initial public offering strengthened capital structure and supports growth

SRV Group: Revenue

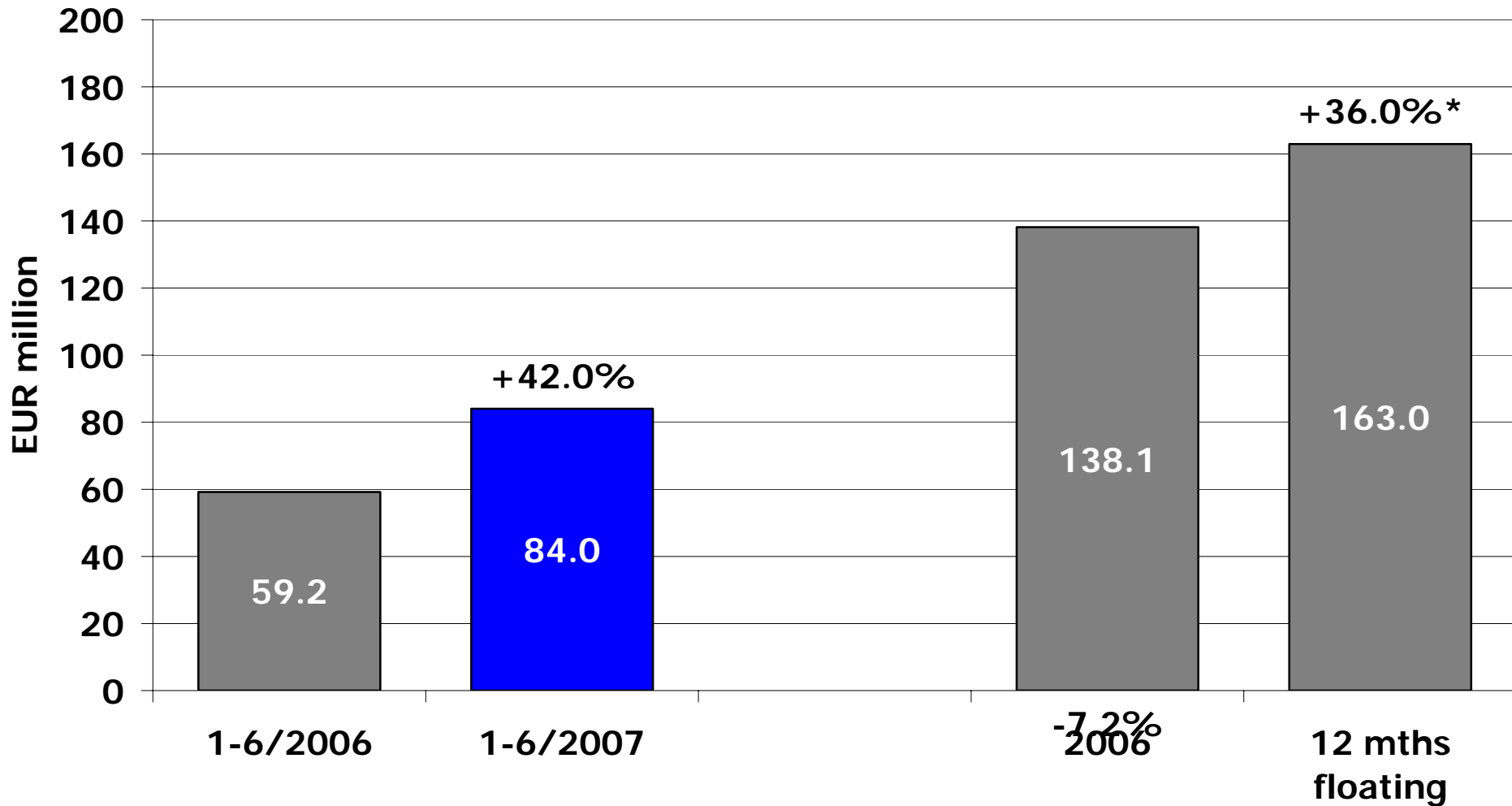


Business Premises: Revenue



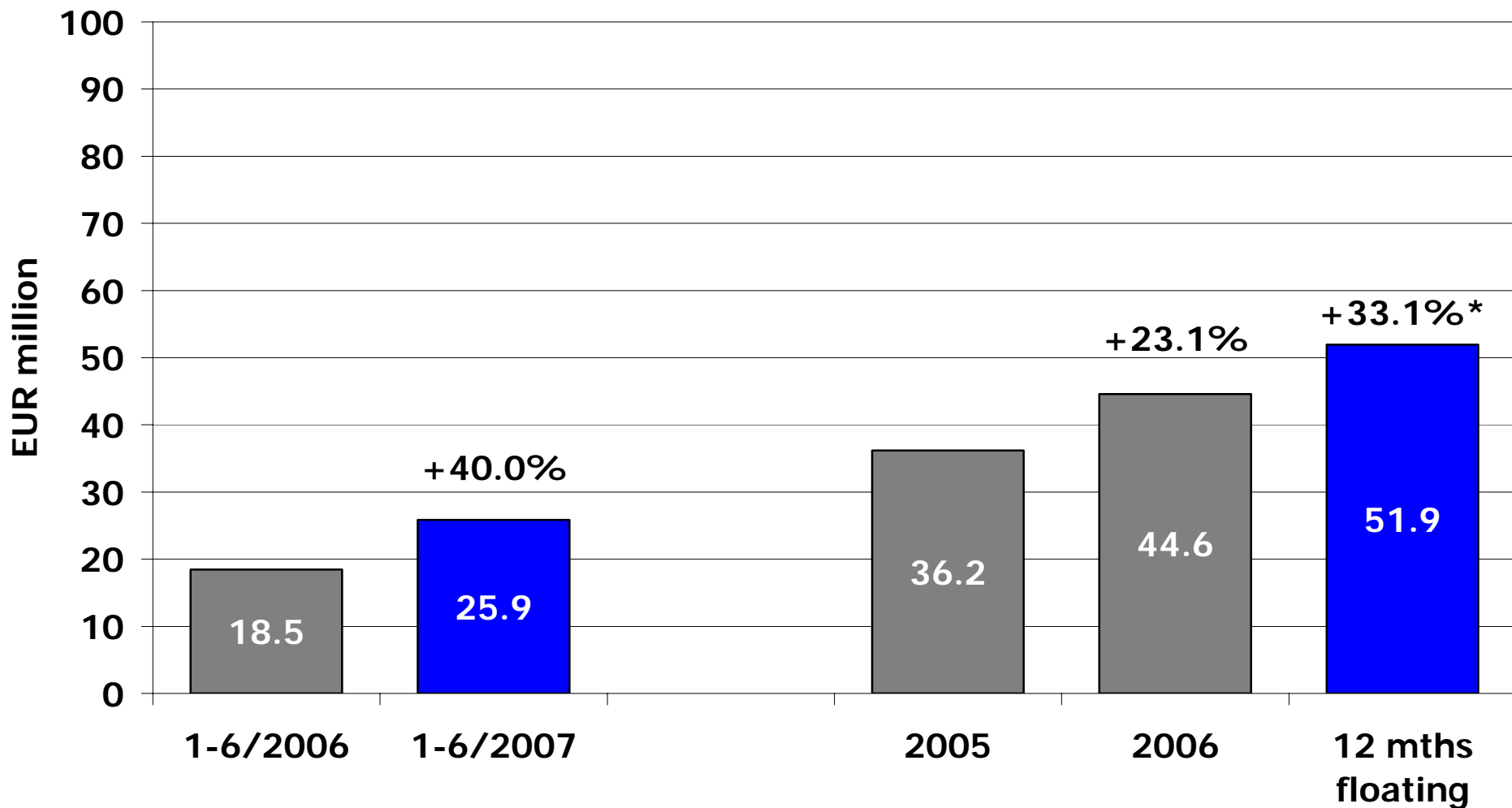
* annualised

Housing: Revenue



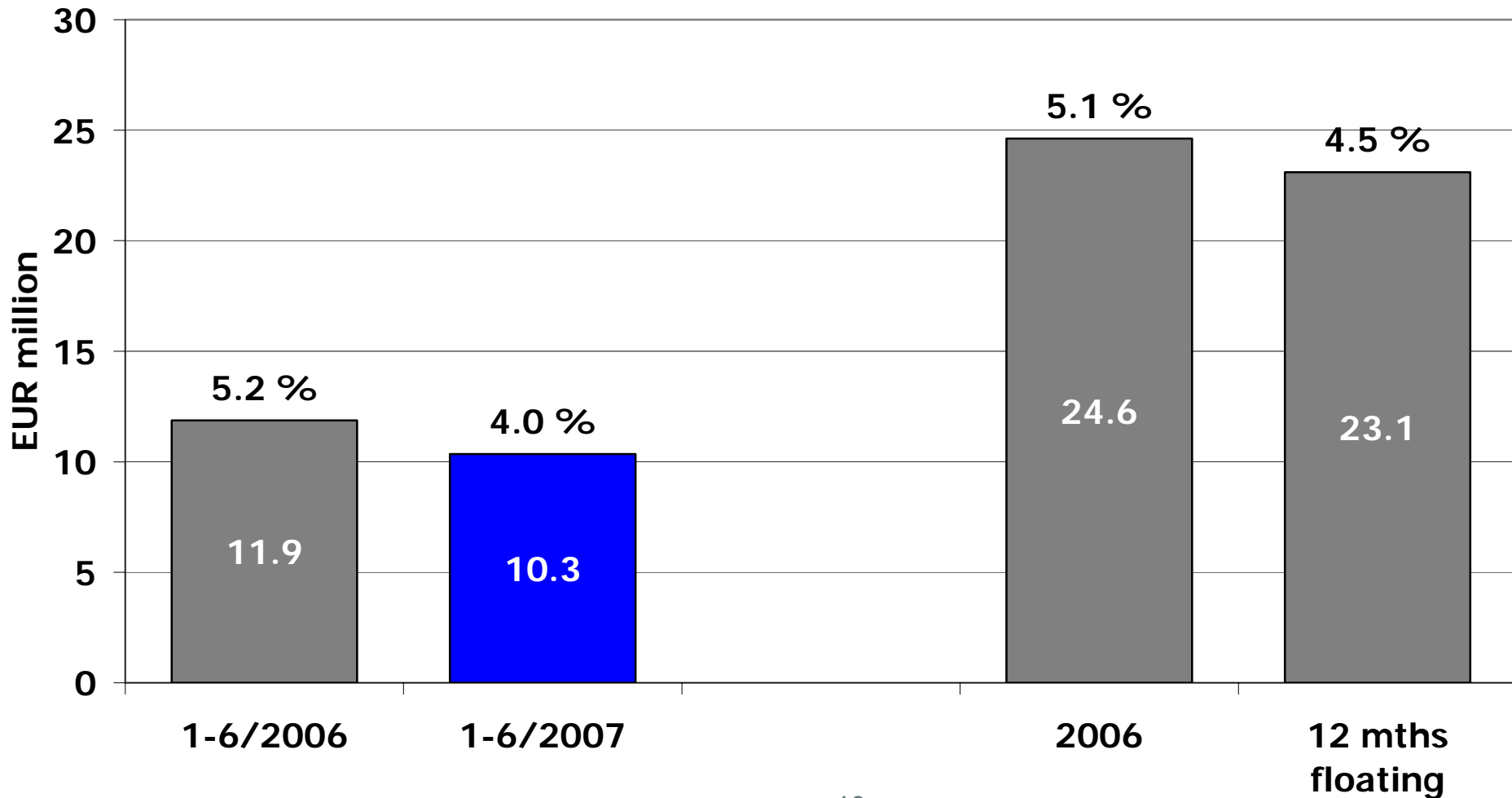
* annualised

International operations: Revenue

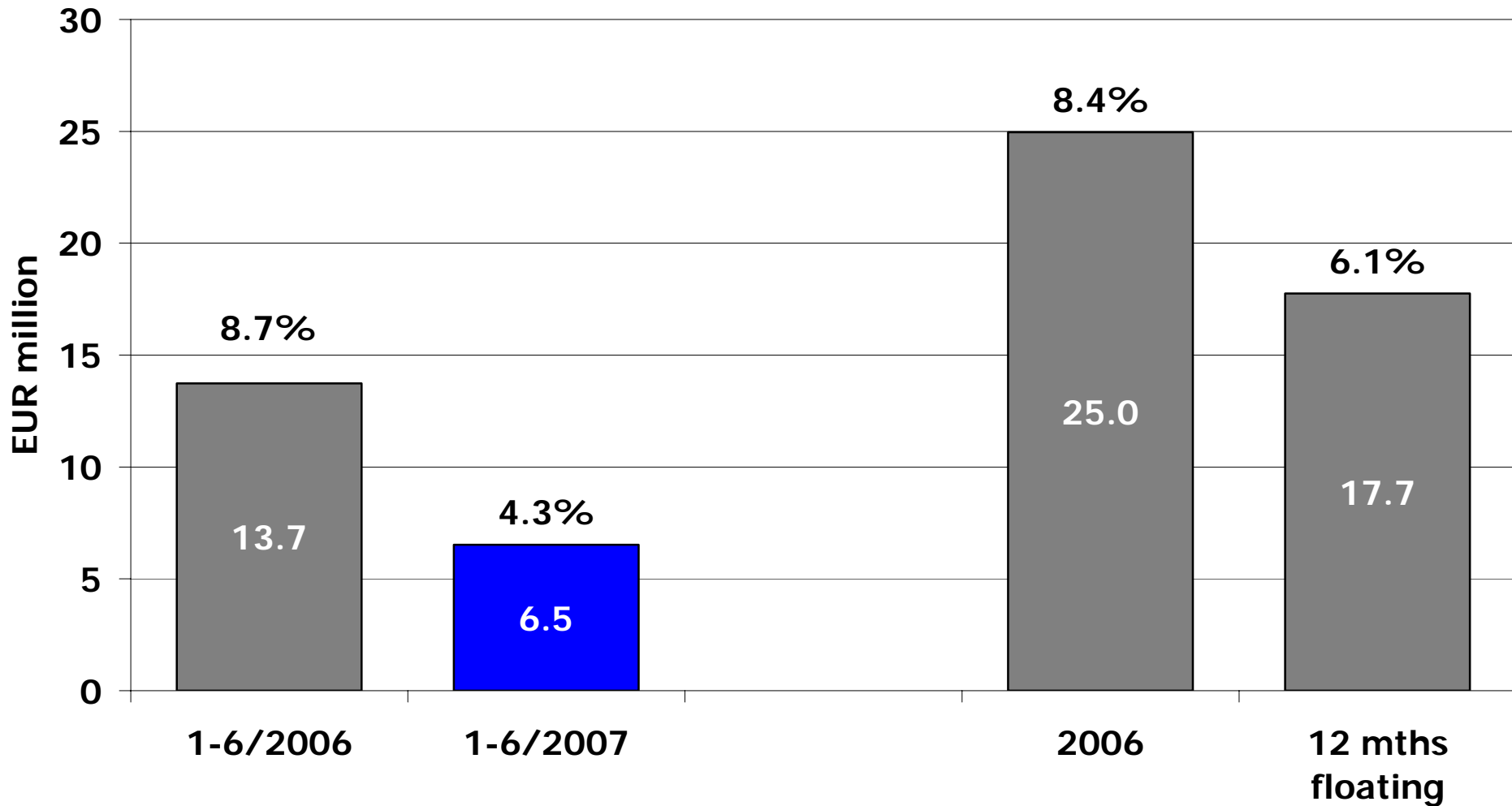


* annualised

SRV Group: Operating profit

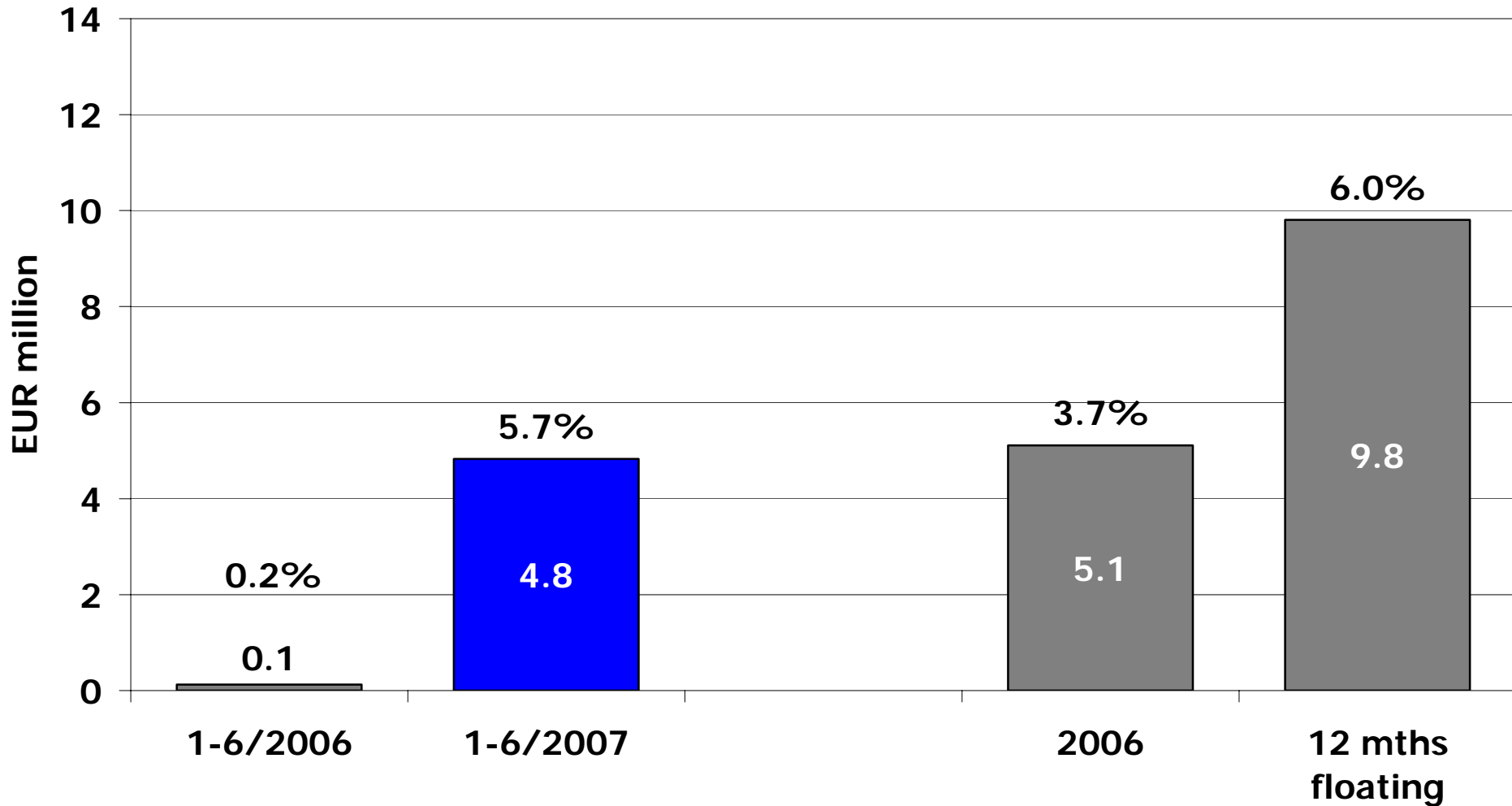


Business Premises: Operating profit



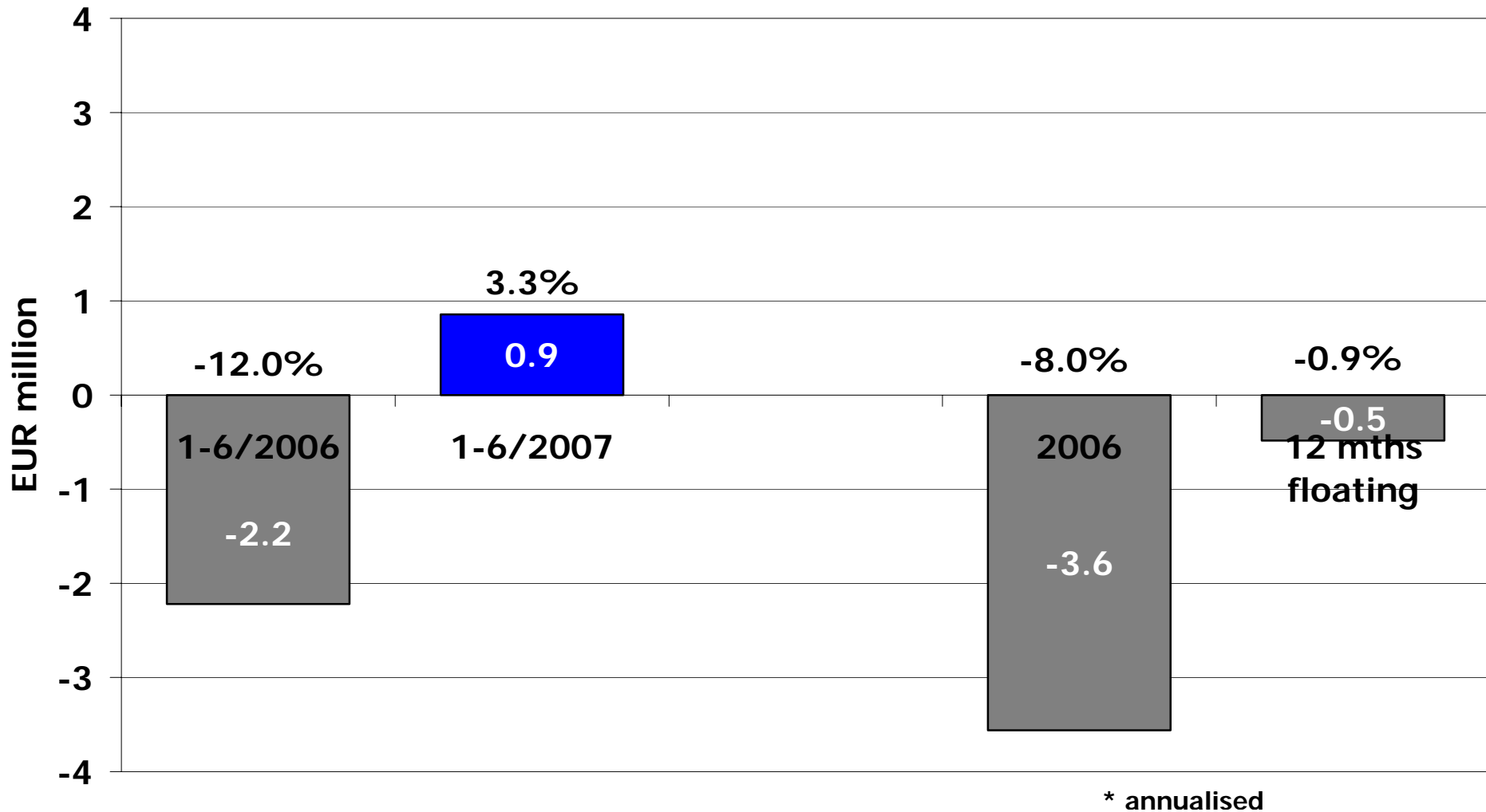
* annualised

Housing: Operating profit

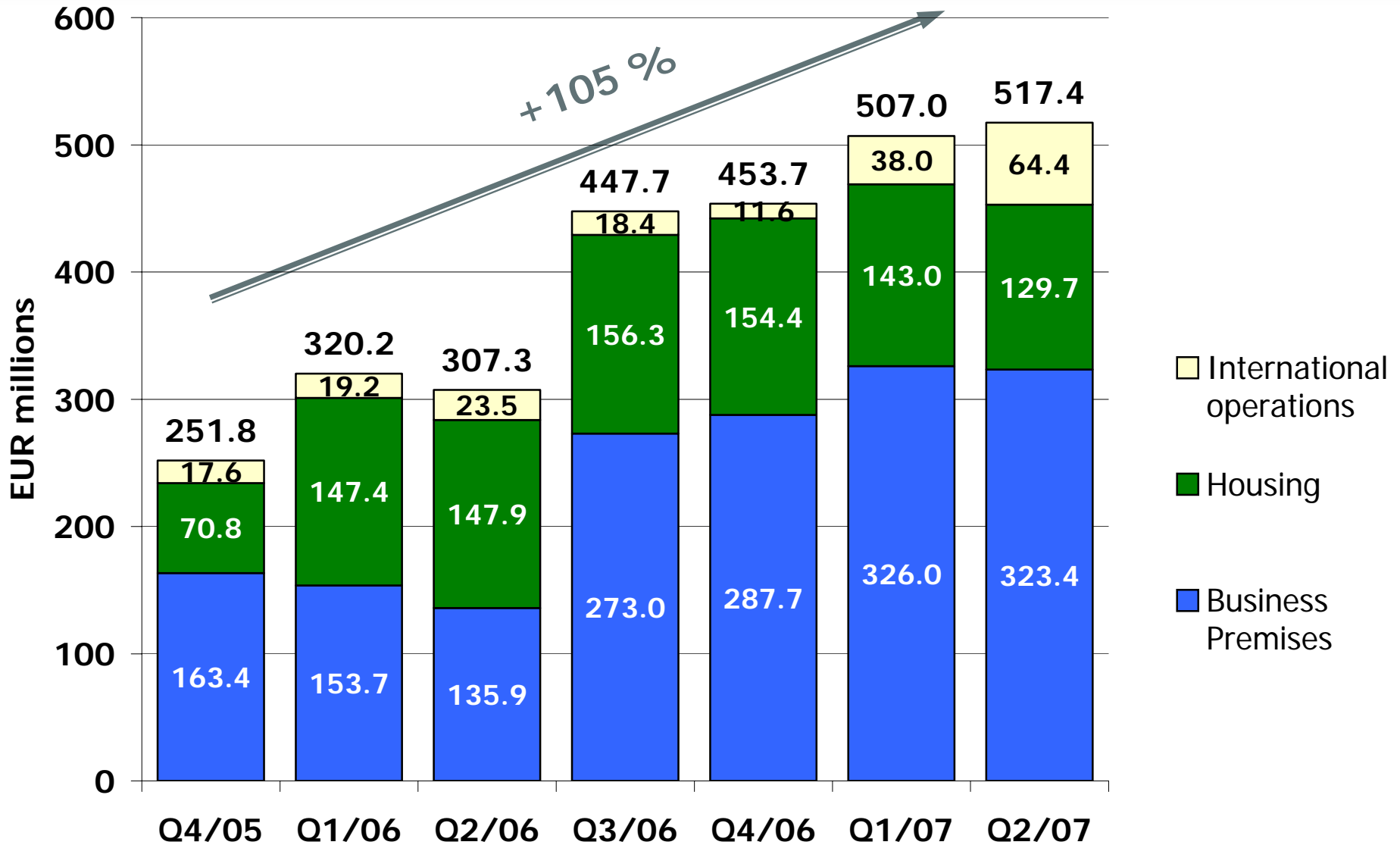


* annualised

International Operations: Operating profit



Order backlog 12/2005 - 6/2007



1. To maintain the strong position of Business Premises business area and to improve profitability

- Order backlog +137.9 %, EUR 323.4 million (EUR 135.9 million)
- Revenue EUR 151.6 million remained on the previous year's level (EUR 157.0 million), which included the capital gain on the sale of Kamppi

2. To increase the housing production and to improve the profitability by adding the share of developer contracting projects

- Revenue +42%, EUR 84 million (EUR 59.2 million)
- Operating profit EUR 4.8 million (EUR 0.1 million)

3. To increase the share of International business area

- Revenue +40%, EUR 25.9 million (EUR 18.5 million)
- Order backlog +173,3%, EUR 64.4 million (EUR 23.5 million)

4. To improve operational efficiency

- The order backlog growth makes a favourable basis for the development of revenue and profit for 2007
- The operating profits in Business Premises and Housing business areas for the latter half of the year are expected to surpass the results for the first half of the year
- The selling date of developer contracting projects contributes to the operating profit in International business area
- **SRV Group's revenue and operating profit are expected to surpass the previous year's level**



Thank You!
Questions?

Interim report 1-6/2007

Tables

Key figures of SRV Group



Key figures of SRV Group EUR million	IFRS 1-6/2007	IFRS 1-6/2006	change, MEUR	change, %	IFRS 2006
Revenue	261.3	228.5	32.9	14.4	479.5
Operating profit	10.3	11.9	-1.5	-12.8	24.6
Profit before taxes	9.0	9.4	-0.5	-5.0	20.7
Net profit for the period	6.6	7.0	-0.4	-5.4	15.3
Order backlog	517.4	307.3	210.1	68.4	453.7
Operating profit, %	4.0	5.2			5.1
Profit before taxes, %	3.4	4.1			4.3
Net profit, %	2.5	3.1			3.2
Equity ratio, %	59.4	32.5			31.7
Return on investment, % 1)	11.6	16.8			15.9
Return on equity, % 1)	11.0	27.0			27.3
Earnings per share, eur 2)	0.25	0.25		-3.7	0.56

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

2) Key figures per share have been adjusted to reflect the increase in the number of shares, which came into effect on April 11th, 2007 (split) and new issue of shares on June 11th, 2007

Consolidated income statement



Consolidate income statement EUR million	IFRS 1-6/2007	IFRS 1-6/2006	change, MEUR	change, %	IFRS 4-6/2007	IFRS 4-6/2006	IFRS 2006
Revenue	261.3	228.5	32.9	14.4	140.0	165.0	479.5
Other operating income	0.6	1.5	-1.0	-61.8	0.3	0.6	3.7
Change in inventories of finished goods and work in progress	10.8	11.8	-1.0		3.8	4.7	27.2
Use of materials and services	-233.1	-204.3	-28.7	14.1	-121.1	-132.3	-434.0
Employee benefit expenses	-21.7	-18.8	-3.0	15.8	-12.2	-10.9	-36.8
Depreciation and impairments	-0.9	-0.9	0.0	-1.1	-0.4	-0.4	-2.0
Other operating expenses	-6.8	-6.0	-0.8	12.9	-3.6	-3.5	-12.8
Operating profit	10.3	11.9	-1.5	-12.8	6.8	23.1	24.6
Financial income	0.8	1.5	-0.8	-51.1	0.2	0.8	2.6
Financial expenses	-2.1	-4.0	1.8	-46.3	-1.0	-2.7	-6.6
Financial income and expenses, total	-1.4	-2.4	1.1	-43.3	-0.8	-2.0	-4.0
Profit before taxes	9.0	9.4	-0.5	-5.0	6.0	21.1	20.7
Income taxes	-2.4	-2.5	0.1	-4.0	-0.6	-4.4	-5.4
Net profit for the period	6.6	7.0	-0.4	-5.4	5.3	16.7	15.3
Attributable to							
Equity holders of the parent company	6.7	6.6			4.8	16.5	14.5
Minority interest	-0.1	0.4			0.5	0.2	0.8
Earnings per share calculated on the profit attributable to equity holders of the parent company (undiluted and diluted) 1)	0.25	0.25		-3.7	0.17	0.63	0.56

1) Key figures per share have been adjusted to reflect the increase in the number of shares, which came into effect on 11 April 2007 (split) and new issue of shares on 11 June 2007

Other key figures of SRV Group



	IFRS 1-6/2007	IFRS 1-6/2006	change, %	IFRS 4-6/2007	IFRS 4-6/2006	IFRS 2006
Operating profit, %	4.0	5.2		4.8	14.0	5.1
Return on invested capital, % 1)	11.6	16.8		15.1	56.8	15.9
Return on equity, % 1)	11.0	27.0		17.6	142.2	27.3
Net interest bearing debt, EUR million	-10.4	31.6				64.6
Equity ratio, %	59.4	32.5				31.7
Gearing ratio, %	-5.8	58.8				103.9
Earnings per share, EUR 2)	0.25	0.25	-3.7	0.17	0.63	0.56
Equity per share, EUR 2)	4.46	1.92	132.9			2.22
Cash earnings per share, EUR 2)	-1.21	3.07		-1.59	4.22	1.86
Share price at the end of period, EUR	10.10					
Market capitalization at end of period, EUR million	394.6					
Weighted number of shares outstanding, 1000	27 429	26 064	5.2	28 778	26 064	26 064
Number of shares outstanding at end of period, 1000	39 065	26 064	49.9	39 065	26 064	26 064
Order backlog, EUR million	517.4	307.3	68.4			453.7
Personnel, average	744	624	19.3	784	655	668

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

2) Key figures per share have been adjusted to reflect the increase in the number of shares, which came into effect on 11 April 2007 (split) and new issue of shares on 11 June 2007

Consolidated balance sheet: Assets



Consolidated balance sheet EUR million	IFRS 1-6/2007	IFRS 1-6/2006	change, %	IFRS 2006
ASSETS				
Non-current assets				
Property, plant and equipment	6.2	7.0	-11.2	5.5
Goodwill	0.7	0.8	-9.7	0.7
Other intangible assets	0.8	0.7	3.9	0.9
Other financial assets	2.9	1.6	76.1	2.3
Receivables	6.0	5.9	1.0	5.6
Deferred tax assets	2.2	0.7	216.3	0.2
Non-current assets, total	18.7	16.8	11.6	15.2
Current assets				
Inventories	180.6	81.0	123.0	134.5
Trade and other receivables	77.1	66.7	15.6	65.4
Current tax	3.3	7.1	-53.0	1.4
Cash and cash equivalents	70.3	26.5	165.4	14.9
Current assets, total	331.3	181.2	82.8	216.3
ASSETS, TOTAL	350.1	198.0	76.8	231.4

Consolidated balance sheet: Equity and liabilities



Consolidated balance sheet EUR million	IFRS 1-6/2007	IFRS 1-6/2006	change, %	IFRS 2006
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent company				
Share capital	3.1	1.3	135.0	1.3
Share premium reserve	0.0	1.8		1.8
Invested free equity account	112.6	0.0		0.0
Translation differences	0.0	0.0		0.0
Fair value reserve	0.0	0.1		0.0
Retained earnings	58.7	46.8	25.3	54.8
Equity attributable to equity holders of the parent company, total	174.4	50.0	249.0	57.9
Minority interest	4.0	3.8	5.4	4.2
Equity, total	178.4	53.7	231.9	62.2
Non-current liabilities				
Deferred tax liabilities	1.1	1.1	3.3	1.0
Provisions	4.7	3.7	28.7	4.8
Interest-bearing liabilities	36.0	39.0	-7.7	48.3
Other liabilities	0.0	0.0		0.0
Non-current liabilities, total	41.8	43.7	-4.4	54.2
Current liabilities				
Trade and other liabilities	98.5	72.0	36.8	80.1
Current tax	3.4	6.6	-48.1	0.2
Provisions	4.0	2.8	43.3	3.6
Interest-bearing liabilities	24.0	19.1	25.3	31.2
Current liabilities, total	129.9	100.5	29.2	115.1
Liabilities, total	171.7	144.3	19.0	169.3
EQUITY AND LIABILITIES	350.1	198.0	76.8	231.4

Statement of changes in Group equity

1 Jan - 30 Jun. 2007



IFRS EUR million	Equity attributable to the equity holders of the parent company								Mino- rity interest	Total equity
	Share capital	Share premium reserve	Non- restricted equity reserve	Other reserve	Trans- lation differ- ences	Fair value reserve	Retain- ed earn- ings	Total		
Equity on 1 Jan.2007	1.3	1.8	0.0	0.0	0.0	0.1	54.7	57.9	4.2	62.2
Translation differences					0.0			0.0		
Amount of available-for-sale financial assets removed from equity and recognised in the income statement								0.0		
Net gains on available-for-sale financial assets						-0.1		-0.1		
Other changes	1.8	-1.8					0.0	0.0		
Share issue and employee offering			112.6				0.4	113.0		
Net income recorded directly in equity	1.8	-1.8	112.6	0.0	0.0	-0.1	0.4	112.9		
Net profit for the period							6.7	6.7		
Total recognized income and expenses	0.0	0.0	0.0	0.0	0.0	0.0	6.7	6.7		
Dividends paid							-3.1	-3.1		
Equity on 30 Jun. 2007	3.1	0.0	112.6	0.0	0.0	0.0	58.7	174.4	4.0	178.4

Consolidated cashflow statement



CONSOLIDATED CASH FLOW STATEMENT EUR million	IFRS 1-6/2007	IFRS 1-6/2006	IFRS 2006
Cash flows from operating activities			
Net profit for the financial year	6.6	7.0	14.5
Adjustments:			
Depreciation	0.9	0.9	2.0
Non-cash transactions	0.3	-0.2	0.7
Financial income and expenses	1.4	2.4	4.0
Capital gains on sales of tangible and intangible assets	-0.1	-0.2	-0.4
Income taxes	2.4	2.5	5.4
	4.7	5.3	11.7
Changes in working capital:			
Change in loan receivables	-1.3	15.7	21.6
Change in trade and other receivables	-11.4	33.0	30.3
Change in inventories	-46.1	19.7	-33.9
Change in trade and other liabilities	18.2	2.2	11.0
Change in provisions	0.3	1.0	3.0
	-40.3	71.5	32.0
Interest paid	-2.3	-5.1	-8.1
Interest received	0.9	7.1	8.1
Taxes paid	-2.9	-5.8	-9.6
Net cash flow from operating activities	-33.3	80.0	48.5

CONSOLIDATED CASH FLOW STATEMENT EUR million	IFRS 1-6/2007	IFRS 1-6/2006	IFRS 2006
Net cash flow from operating activities	-33.3	80.0	48.5
Cash flow from investing activities			
Property, plant and equipment	-1.9	-0.5	-1.6
Intangible assets	-0.1	-0.1	-0.6
Other financial assets	-0.1	0.0	-1.0
Sale of property, plant and equipment and intangible assets	0.7	0.2	2.3
Sale of investments	0.3	0.0	0.0
Net cash used in investing activities	-1.2	-0.3	-0.9
Cash flows from financing activities			
Proceeds from share issue	112.6	0.0	0.0
Proceeds from long-term loans	2.8	4.8	6.3
Repayments of long-term loans	-2.5	-62.8	-62.8
Change in housing corporation loans	5.6	13.7	-0.5
Change in short-term loans	-25.5	-30.2	3.1
Dividends paid	-3.1	-2.2	-2.2
Net cash from financing activities	89.9	-76.7	-56.2
Net change in cash and cash equivalents	55.5	3.0	-8.6
Cash and cash equivalents at the beginning of period	14.9	23.5	23.5
Cash and cash equivalents at the end of period	70.3	26.5	14.9

Inventories



Inventories EUR million	IFRS 1-6/2007	IFRS 1-6/2006	change, %	IFRS 2006
Raw materials and consumables	0.0	0.0		0.3
Work in progress	70.2	37.7	86.1	51.8
Land areas and plot-owning companies	68.7	25.2	172.8	46.8
Shares in completed housing corporations and real estate companies	21.6	5.1	321.5	14.8
Advance payments	12.3	5.3	133.0	13.5
Other inventories	7.7	7.7	0.8	7.4
Inventories, total	180.6	81.0	123.0	134.5

Business segments: Revenue and operating profit



Revenue EUR million	IFRS 1-6/2007	IFRS 1-6/2006	change, MEUR	change, %	IFRS 4-6/2007	IFRS 4-6/2006	IFRS 2006
Business Premises	151.6	157.0	-5.4	-3.5	82.2	119.2	297.0
Housing	84.0	59.2	24.8	42.0	43.9	35.9	138.1
International Operations	25.9	18.5	7.4	40.0	14.0	12.7	44.6
Other Operations	6.0	3.3	2.6	78.9	4.0	1.8	6.0
Eliminations	-6.1	-9.6	3.5		-4.2	-4.6	-6.2
Group total	261.3	228.5	32.9	14.4	140.0	165.0	479.5

Operating profit EUR million	IFRS 1-6/2007	IFRS 1-6/2006	change, MEUR	change, %	IFRS 4-6/2007	IFRS 4-6/2006	IFRS 2006
Business Premises	6.5	13.7	-7.2	-52.5	3.6	21.9	25.0
Housing	4.8	0.1	4.7		2.9	0.9	5.1
International Operations	0.9	-2.2	3.1		1.8	-1.6	-3.6
Other Operations	-1.5	-1.9	0.4		-1.1	-1.1	-4.4
Eliminations	-0.4	2.2	-2.5	-117.5	-0.4	2.9	2.5
Group total	10.3	11.9	-1.5	-12.8	6.8	23.1	24.6

Operating profit %	IFRS 1-6/2007	IFRS 1-6/2006	IFRS 4-6/2007	IFRS 4-6/2006	IFRS 2006
Business Premises	4.3	8.7	4.4	18.4	8.4
Housing	5.7	0.2	6.5	2.6	3.7
International Operations	3.3	-12.0	12.7	-12.3	-8.0
Group total	4.0	5.2	4.8	14.0	5.1

Segments: Assets and liabilities



Assets EUR million	IFRS 1-6/2007	IFRS 1-6/2006	change, MEUR	change, %	IFRS 2006
Business Premises	125.1	84.7	40.5	47.8	111.9
Housing	88.2	59.5	28.7	48.2	74.2
International Operations	74.0	61.6	12.5	20.2	65.6
Other Operations	154.3	48.3	106.1	219.8	71.7
Eliminations and other adjustments	-91.6	-55.9	-35.6		-92.0
Group total	350.1	198.0	152.1	76.8	231.4

Liabilities EUR million	IFRS 1-6/2007	IFRS 1-6/2006	change, MEUR	change, %	IFRS 2006
Business Premises	104.9	45.8	59.1	129.0	72.2
Housing	72.9	43.8	29.1	66.5	61.0
International Operations	62.5	50.1	12.4	24.7	54.3
Other Operations	23.8	39.5	-15.7	-39.6	45.1
Eliminations and other adjustments	-92.5	-34.9	-57.5		-63.3
Group total	171.7	144.3	27.4	19.0	169.3

Segments: capital invested and order backlog



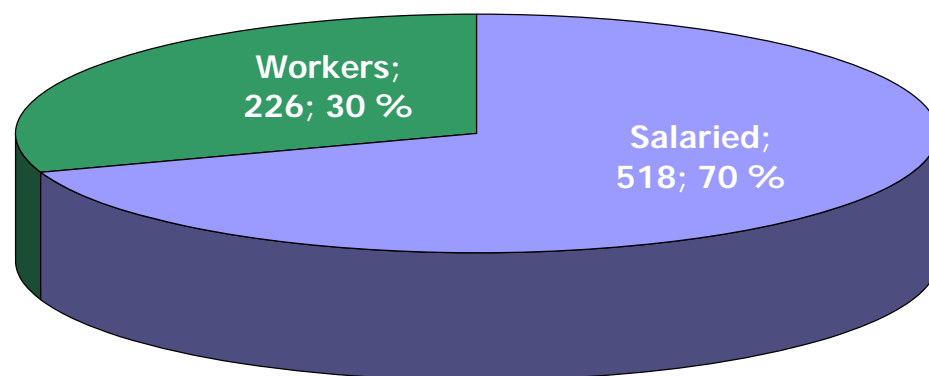
Capital invested EUR million	IFRS 1-6/2007	IFRS 1-6/2006	change, MEUR	change, %	IFRS 2006
Business Premises	60.7	35.6	25.1	70.6	37.9
Housing	60.6	27.3	33.3	122.1	35.6
International Operations	58.6	46.4	12.2	26.2	33.0
Other Operations and eliminations	58.5	2.6	55.9		35.1
Group total	238.3	111.9	126.5	113.1	141.7
Return on investment (%)	IFRS 1-6/2007	IFRS 1-6/2006	IFRS 2006		
Business Premises	29.2	44.2	60.3		
Housing	18.0	1.4	16.5		
International Operations	4.0	-7.1	-7.8		
Group total	11.6	16.8	15.9		
Order backlog EUR million	IFRS 1-6/2007	IFRS 1-6/2006	change, MEUR	change, %	IFRS 2006
Business Premises	323.4	135.9	187.5	137.9	287.7
Housing	129.7	147.9	-18.2	-12.3	154.4
International Operations	64.4	23.5	40.8	173.3	11.6
Group total	517.4	307.3	210.1	68.4	453.7

Plot reserves 30.6.2007	Business Operations	Housing	International Operations	Total
Plot reserves and land acquisition commitments				
Building rights*, 1000 m ²	121	201	336	658
Capital tied, including commitments, EUR million	27	47	22	97
Land development agreements				
Building rights*, 1000 m ²	348	115	100	563
* building rights include estimated zoning potential				

- SRV purchased a 6.3 hectare land area for construction of business premises in Vantaa

Personnel by operating segment	30.6.2007	31.12.2006	Share of Group personnel 30.6.2007, %
Business Premises	323	236	38
Housing	326	293	39
International Operations	103	87	12
Other	92	91	11
Group total	844	707	100

Personnel, average 1-6/2007



Shareholders per 23.7.2007



Owners	Shares	%
1 Kokkila Ilpo	13 552 000	34.7 %
2 SRV Henkilöstö Oy	12 512 000	32.0 %
3 Varma Mutual Pension Insurance Company	330 000	0.8 %
4 Mutual Insurance Company Pension Fennia	300 000	0.8 %
5 Ilmarinen Mutual Pension Insurance Company	275 000	0.7 %
6 Pensionsförsäkringsaktiebolaget Veritas	257 000	0.7 %
7 The State Pension Fund	250 000	0.6 %
8 Fondita Nordic Micro Cap Placeringsfond	225 000	0.6 %
9 Linnoinen Hannu	207 300	0.5 %
10 The Local Government Pensions Institution	155 225	0.4 %
Others	11 000 475	28.2 %
Nominee shareholders total	3 842 066	9.8 %
Total	39 064 000	100.0 %
Shareholders total	7 549	