

SRV Group Plc



Interim Report 1-9/2007

13 November 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 61% of sales	<ul style="list-style-type: none">• Shopping centers, retail parks• Offices and hotels• Logistics centers• Underground infrastructure	
	Housing 30% of sales	<ul style="list-style-type: none">• Apartments in city centers• Terraced house projects• Year-round leisure homes	
	International 9% of sales	<ul style="list-style-type: none">• Commercial and housing properties in Russia and the Baltic States	

Experience in Finland, Russia and Baltics



Finland

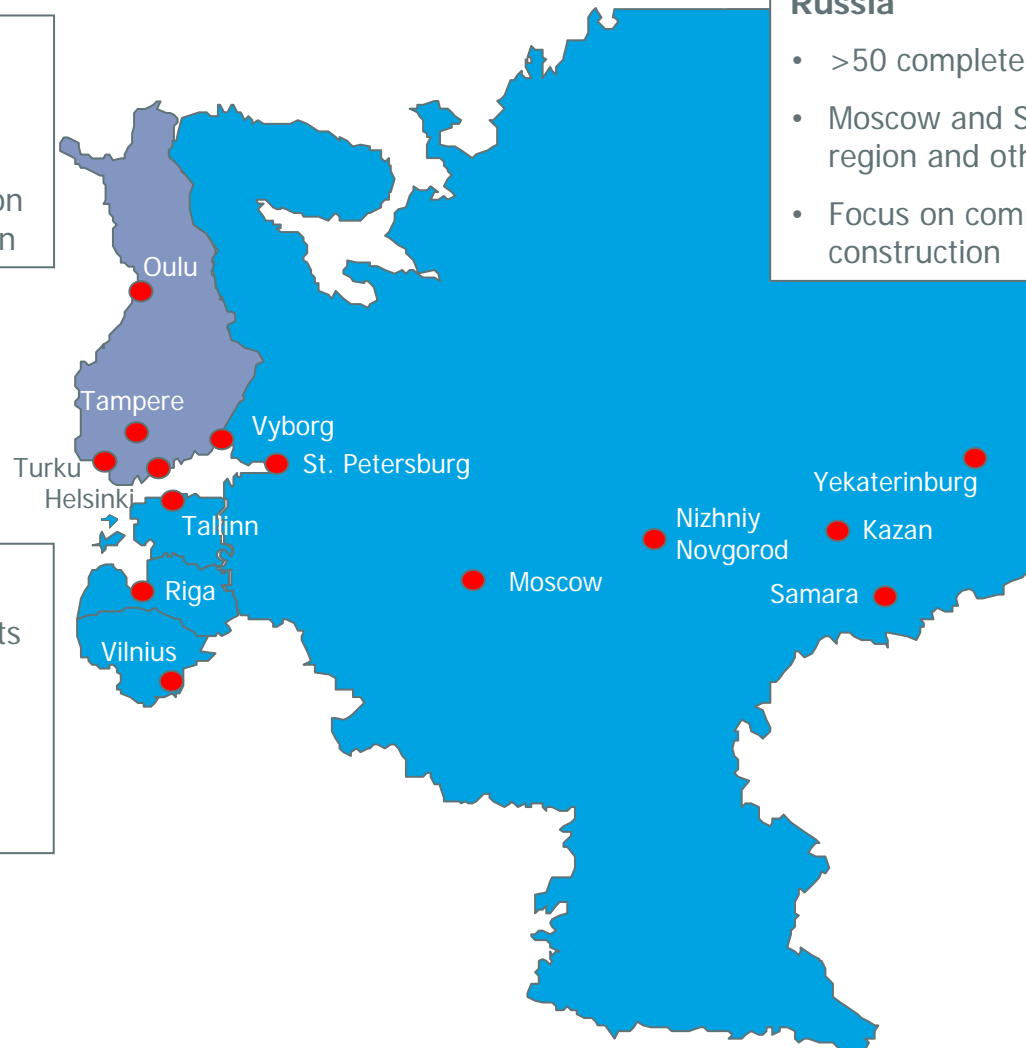
- A leading commercial constructor
- Increasing emphasis on residential construction

Russia

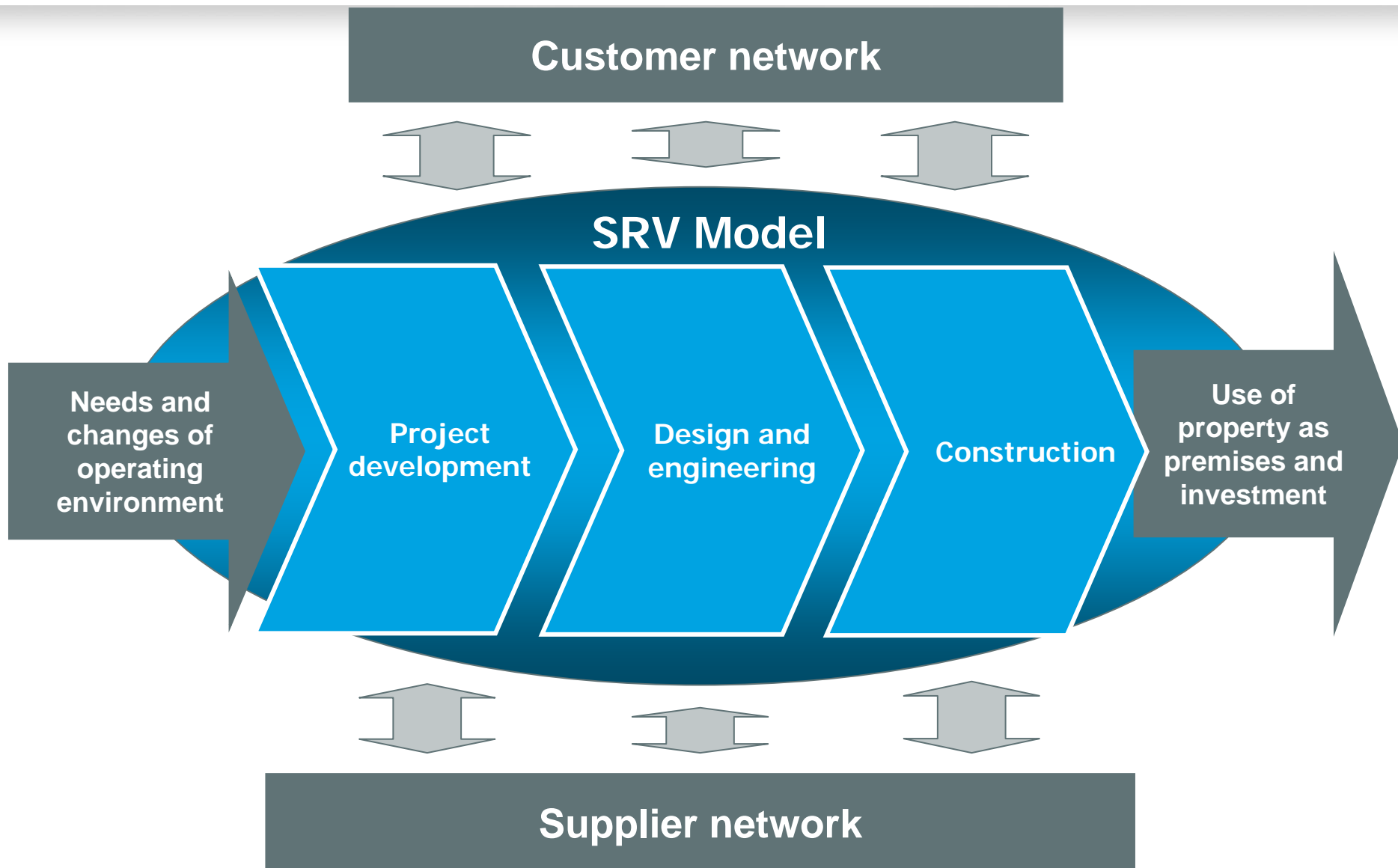
- >50 completed projects
- Moscow and St. Petersburg region and other large cities
- Focus on commercial construction

Baltics

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



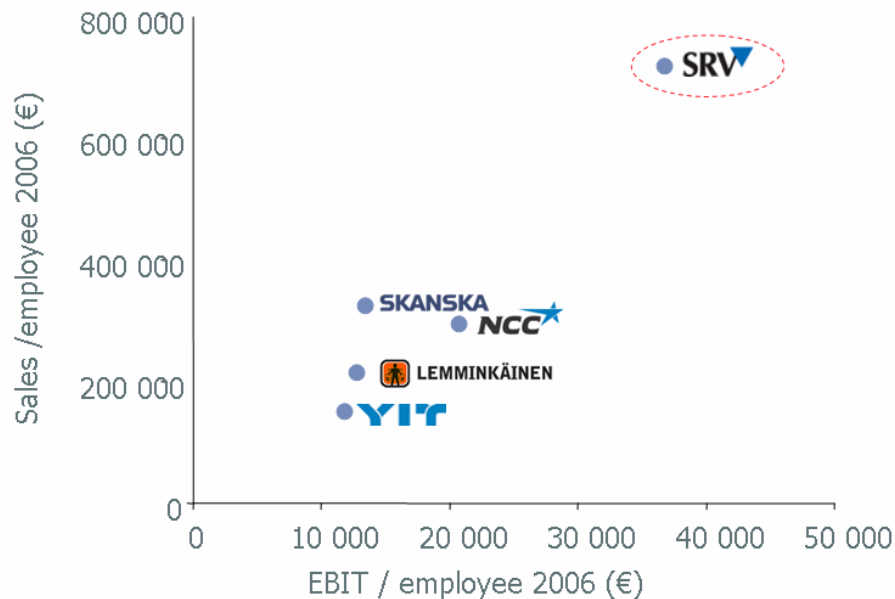
How we approach the value chain - SRV Model



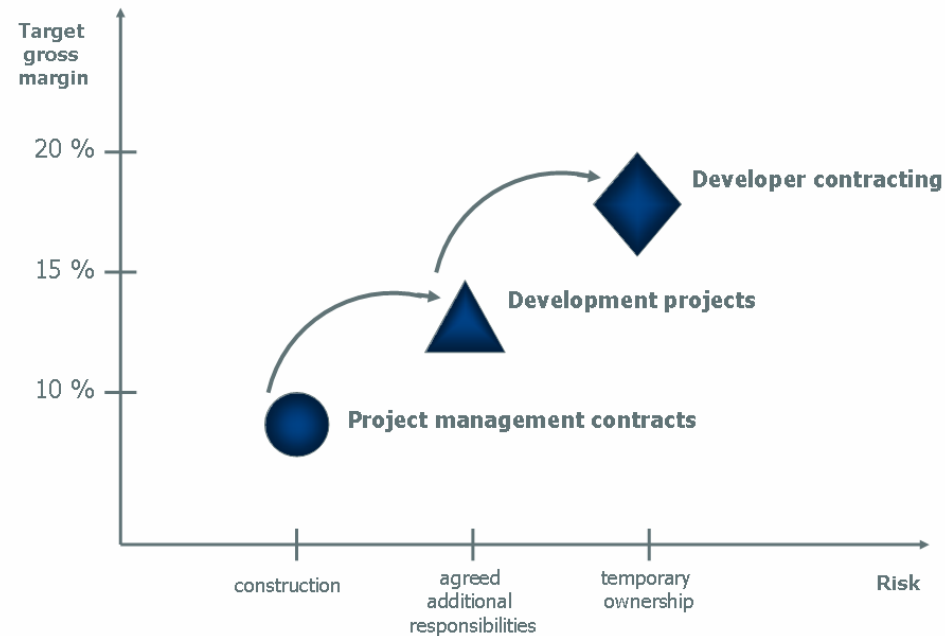
Benefits of SRV approach



Scaleable capacity with flexible cost structure



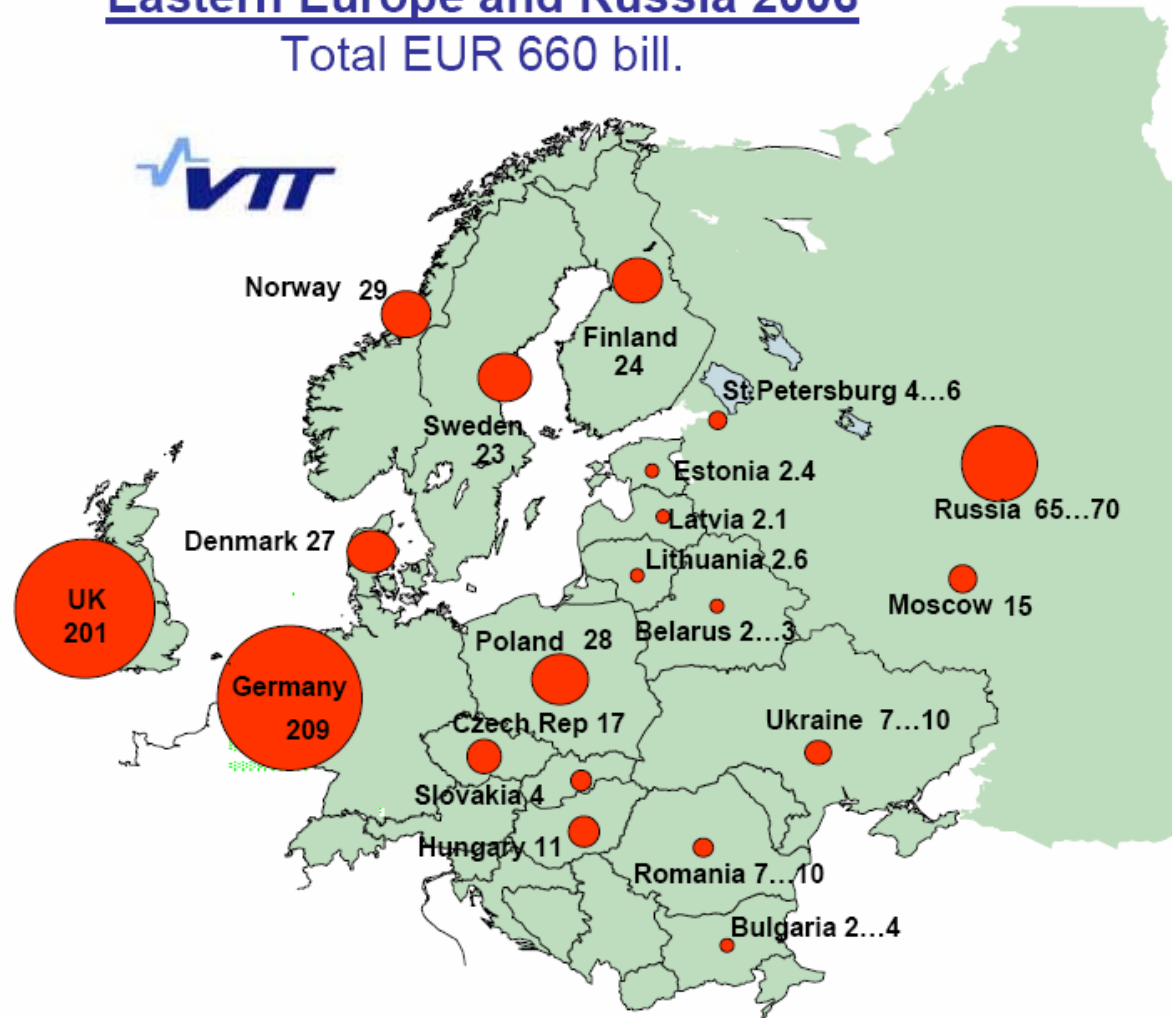
SRV Approach, operational models



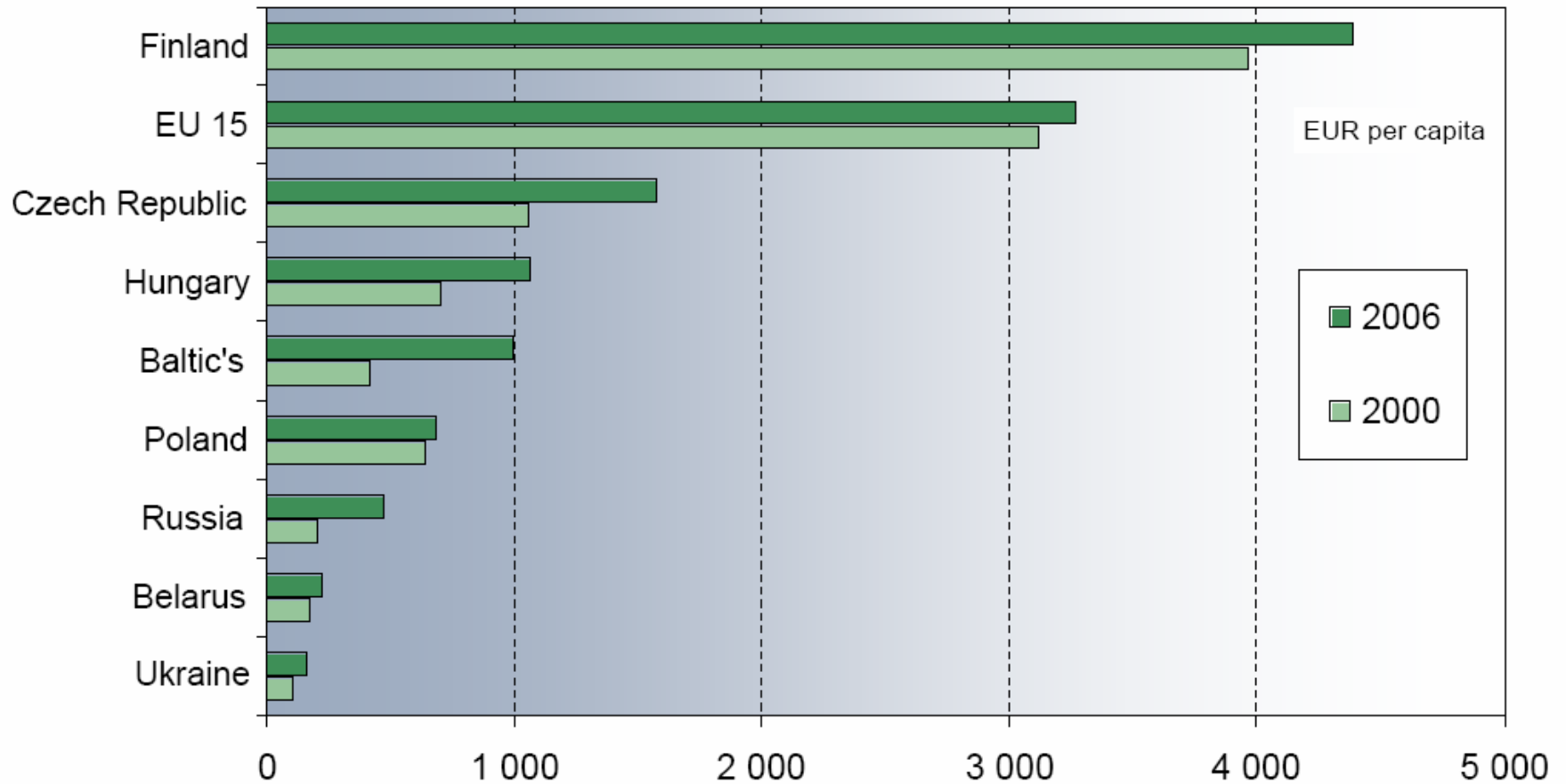
Construction output around Baltic Sea area

Construction Output in Baltic Sea Area, Eastern Europe and Russia 2006

Total EUR 660 bill.



Value of construction per capita in 2000 and 2006



Source: Euroconstruct and VTT

VTT 5/2007

- Demand for construction of business premises remains strong
 - Vuosaari harbour and brisk development in the St. Petersburg region support demand for construction of logistics premises
 - Growth in office construction remains good, vacancy rate (Helsinki 7 per cent) relates mostly to old offices
 - Commercial construction increases outside Helsinki Metropolitan area
- Growth in residential market has slowed down
 - Selling times for dwellings have lengthened and the rise in housing prices has steadied especially outside the growth centres
 - Favourable economic development, demand for higher quality of housing and internal migration support new building
- Investors' yield requirements remain low
 - Disturbances in financial market reflect on some property investors

- Demand for construction of business premises remains strong
 - Strong growth in Russian economy support demand for construction
 - Despite high growth predictions, there are uncertainties in the Baltic economic development, which can decrease also demand for construction of business premises
 - Residential demand reduces in Estonia and remains strong in Russia
- Investors' interest in business premises grows in Russia
 - Yield levels are estimated to decline further
 - Investors' interest grows from Russian metropolises to other million plus cities

Major own projects under construction



- Business premises in Finland
 - HTC Keilaniemi project, sold to MEAG in August 2007
 - Kamppi Park underground parking facilities (500 parking spaces), 100% ownership
- Residential projects in Finland
 - Order backlog EUR 128.2 million in September 2007
 - Espoon Vallikallio, Vantaan Ulrikanhuippu, started in October
 - Töölön Oscar, 65 apartments, estimated start 2007
- Projects under construction in Russia and the Baltic states
 - Etmia: 14.000 m² office project with parking in Moscow, 50 % ownership
 - Mitischi: 100.000 m² shopping centre project in Moscow, 25 % ownership
 - Papula: residential project in Vyborg, 36 apartments, under construction
 - Park Inn: hotel in Yekaterinburg, for sale
 - Oriola KD: logistics project in Tallinn, preliminary sales agreement in October 2007

- 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

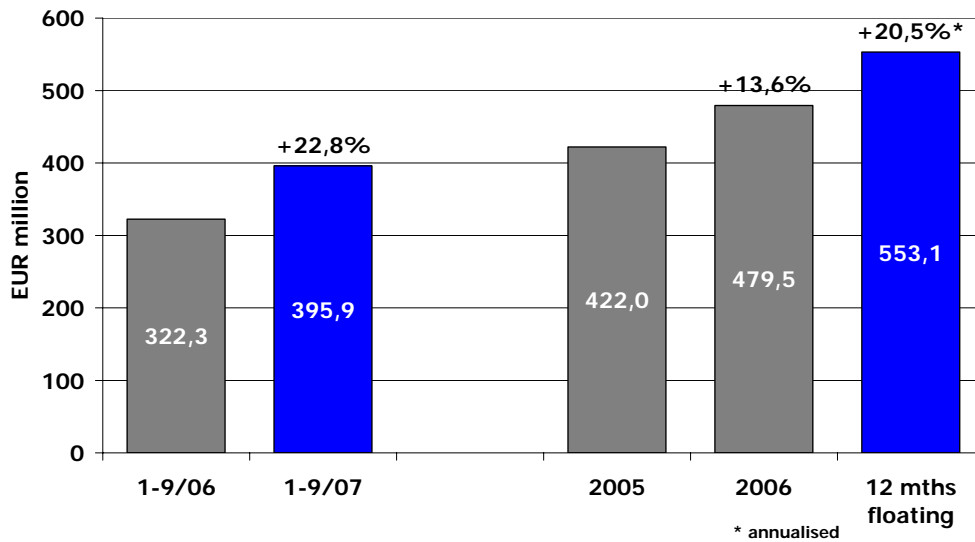
SRV's financial result 1-9/2007

Operating profit grew by 39.9%

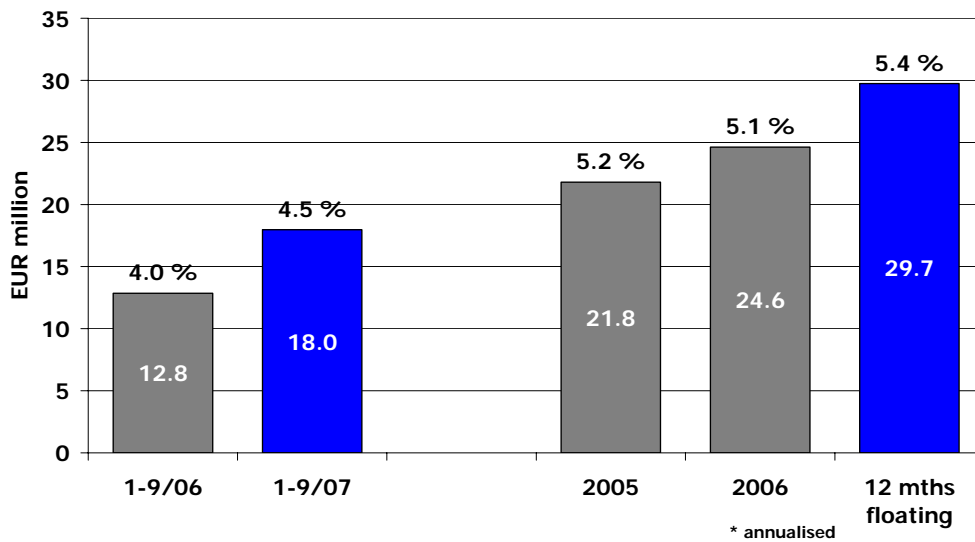
1-9/2007 in brief: revenue and operating profit grew

- Revenue grew by 22.8% and amounted to EUR 359.9 million (EUR 322.3 million in January-September 2006)
- Operating profit grew by 39.9% and was EUR 18.0 million (12.8 million)
- Order backlog grew by 22.0% and amounted to EUR 546.3 million (EUR 447.4 million)
- Return on investment was 15.4% (12.1%)
- Return on equity was 15.2% (19.3%)
- Return on equity was 60.9% (30.6%)
- Earnings per share amounted to EUR 0.39 (0.27 eur)
- Initial public offering strengthened capital structure in June and supports growth

SRV Group: Revenue

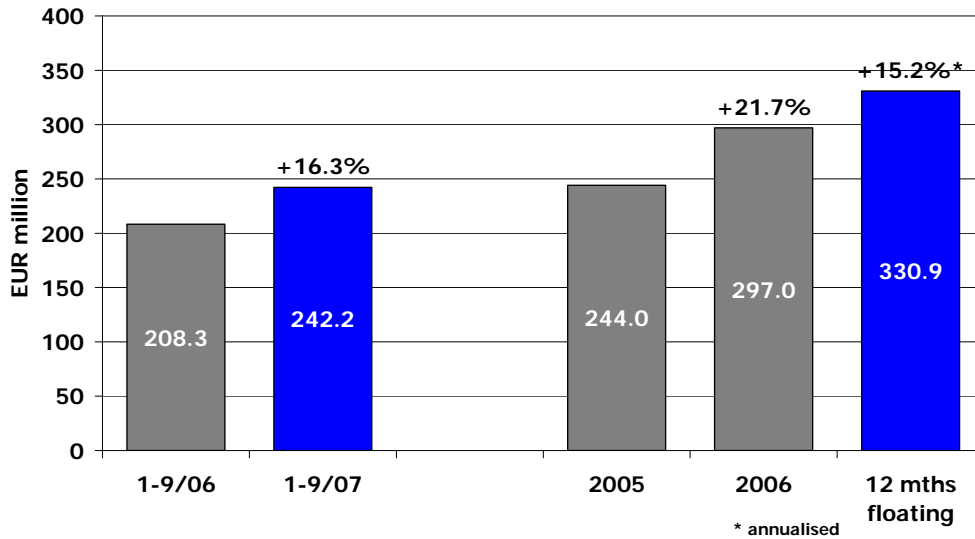


SRV Group: Operating profit and margin

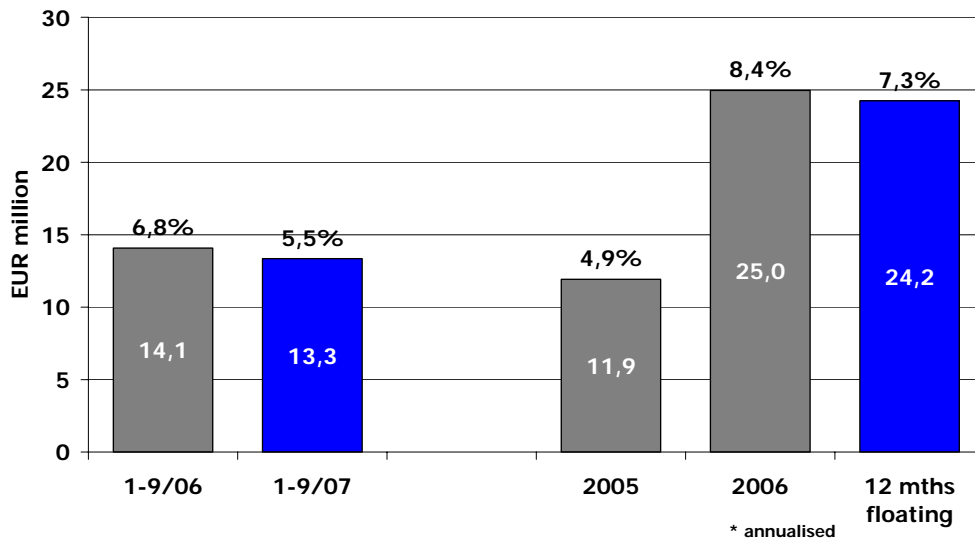


Business Premises

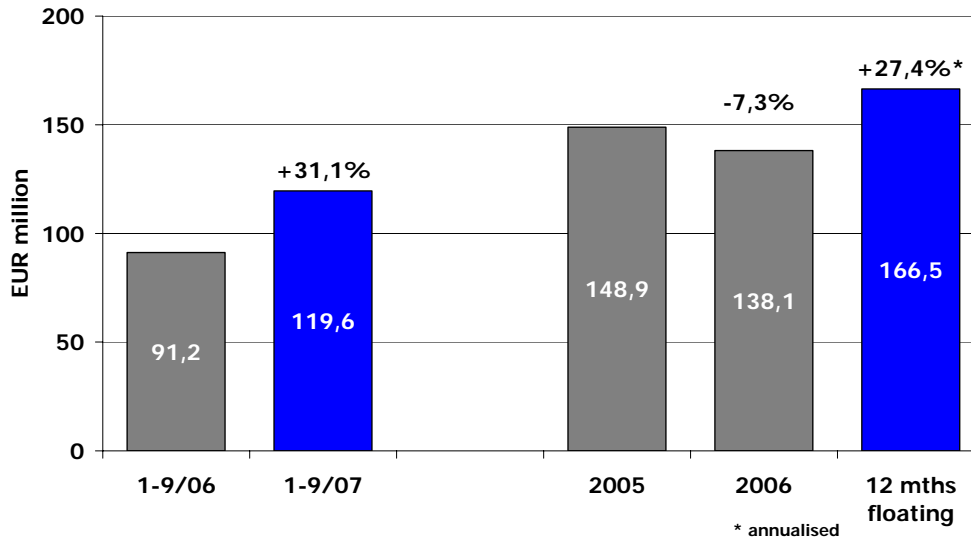
Business Premises: Revenue



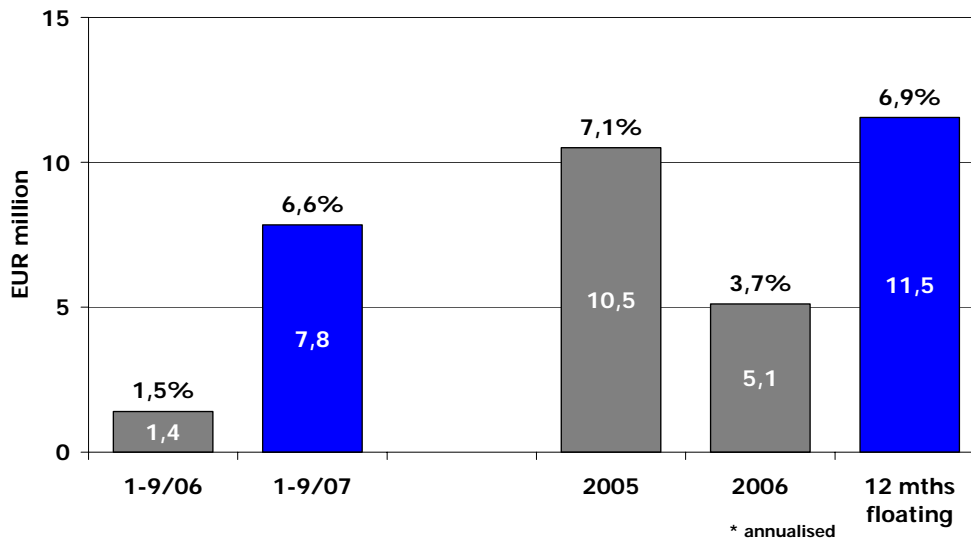
Business Premises: Operating profit and margin



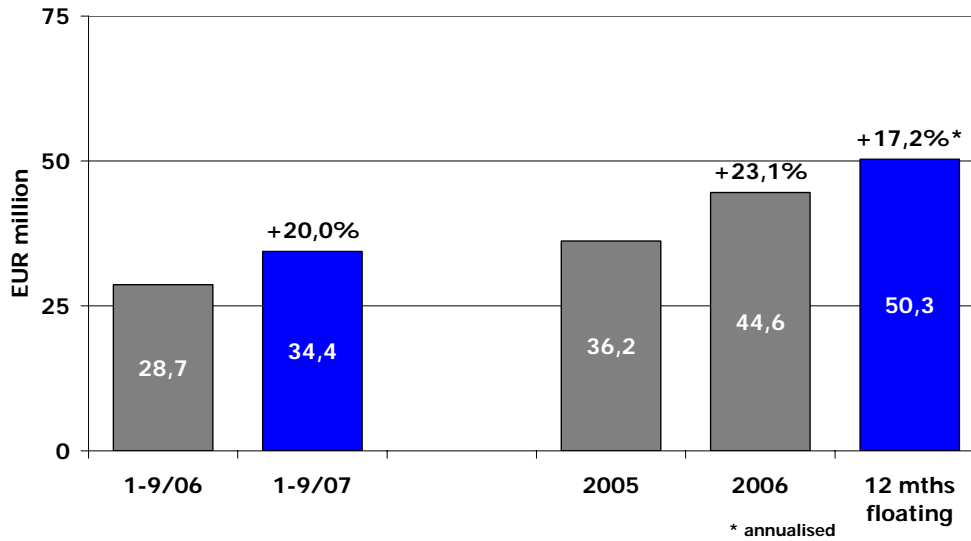
Housing: Revenue



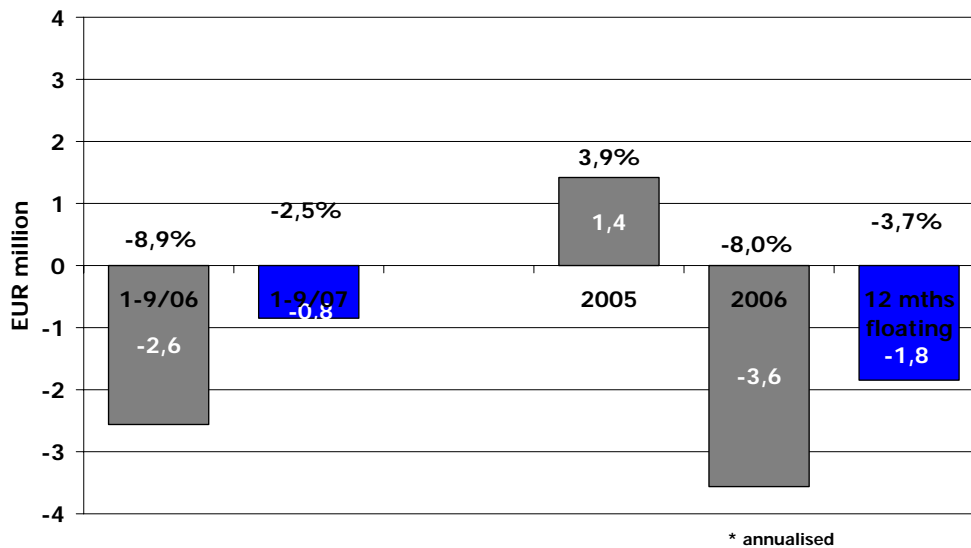
Housing: Operating profit and margin



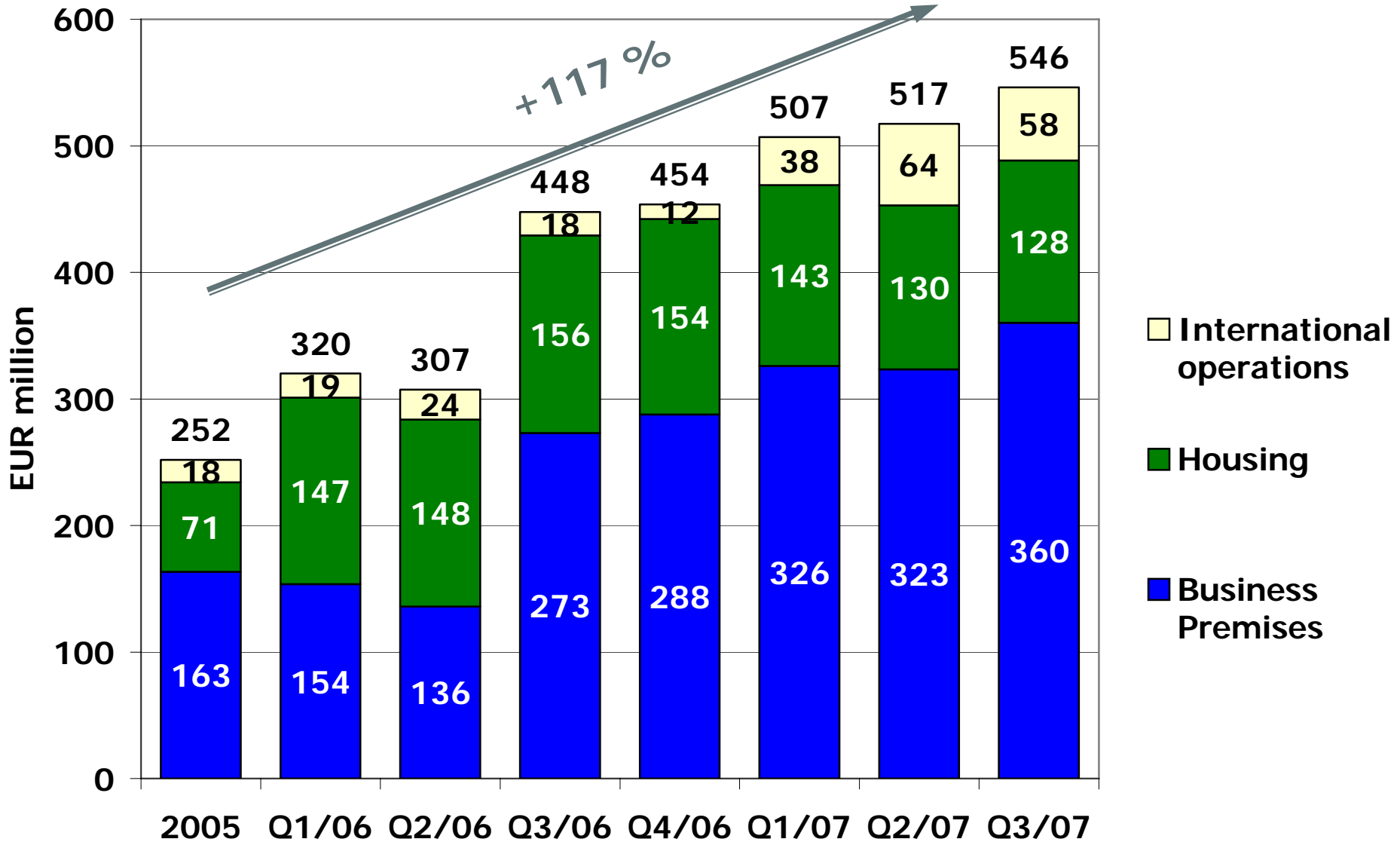
International: Revenue



International: Operating profit and margin



Order backlog 12/2005 - 9/2007



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

- Order backlog +31.9%, EUR 360.2 million (EUR 273.0 million)
- Revenue +16.3% EUR 242.2 million (EUR 208.3 million), which included EUR 93 million sales proceeds of Kamppi

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

- Revenue +31.1%, EUR 119.6 million (EUR 91.2 million)
- Operating profit EUR 7.8 million (EUR 1.4 million)

3. To increase the share of International business area

- Revenue +20%, EUR 34.4 million (EUR 28.7 million)
- Order backlog +214%, EUR 57.9 million (EUR 18.4 million)

4. To improve operational efficiency

- Operating profit 4.5% (4.0%)

- **Favourable outlook for construction in Finland and in Russia support the development of the Group's order backlog and revenue**
- **Order backlog is expected to grow in the last part of 2007**
- **Group's revenue for the whole year is expected to reach ca. EUR 550 million**
- **Operating profit is estimated to surpass the previous year's level**



Thank You!
Questions?

Interim report 1-9/2007

Tables

Key figures of SRV Group



Key figures of SRV Group EUR million	IFRS 1-9/2007	IFRS 1-9/2006	change, MEUR	change, %	IFRS 2006
Revenue	395.9	322.3	73.6	22.8	479.5
Operating profit	18.0	12.8	5.1	39.9	24.6
Profit before taxes	16.8	10.2	6.6	64.2	20.7
Net profit for the period	12.8	7.6	5.2	69.0	15.3
Order backlog	546.3	447.7	98.6	22.0	453.7
Operating profit, %	4.5	4.0			5.1
Profit before taxes, %	4.2	3.2			4.3
Net profit, %	3.2	2.3			3.2
Equity ratio, %	60.9	30.6			31.7
Return on investment, % 1)	15.4	12.1			15.9
Return on equity, % 1)	15.2	19.3			27.3
Earnings per share, eur 2)	0.39	0.27		44.3	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), new issue of shares on June 11th, 2007 and the new issue of shares and the cancellation of treasury shares in connection with the merger of the SRV Henkilöstö Oy on September 29th, 2007

Consolidated income statement



Consolidate income statement EUR million	IFRS	IFRS	change,	change,	IFRS	IFRS	IFRS
	1-9/2007	1-9/2006	MEUR	%	7-9/2007	7-9/2006	2006
Revenue	395.9	322.3	73.6	22.8%	134.6	93.9	479.5
Other operating income	0.7	2.0	-1.2	-63.0%	0.1	0.4	3.7
Change in inventories of finished goods and work in progress	6.0	15.1	-9.0	-60.0%	-4.8	3.3	27.2
Use of materials and services	-343.8	-290.6	-53.2	18.3%	-110.8	-86.3	-434.0
Employee benefit expenses	-30.1	-26.4	-3.6	13.8%	-8.3	-7.7	-36.8
Depreciation and impairments	-1.4	-1.4	0.0	3.5%	-0.5	-0.5	-2.0
Other operating expenses	-9.5	-8.2	-1.3	15.9%	-2.7	-2.2	-12.8
Operating profit	18.0	12.8	5.1	39.9%	7.6	1.0	24.6
Financial income	1.3	2.0	-0.8	-37.0%	0.5	0.5	2.6
Financial expenses	-2.5	-4.7	2.2	-46.8%	-0.4	-0.7	-6.6
Financial income and expenses, total	-1.2	-2.6	1.4	-54.3%	0.2	-0.2	-4.0
Profit before taxes	16.8	10.2	6.6	64.2%	7.8	0.8	20.7
Income taxes	-4.0	-2.7	-1.3	50.7%	-1.6	-0.2	-5.4
Net profit for the period	12.8	7.6	5.2	69.0%	6.1	0.6	15.3
Attributable to							
Equity holders of the parent company	12.3	7.1			5.6	0.5	14.5
Minority interest	0.5	0.5			0.6	0.1	0.8
Earnings per share calculated on the profit attributable to equity holders of the parent company (undiluted and diluted) 1)	0.39	0.27		44.3%	0.14	0.02	0.56

1) 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), new issue of shares on June 11th, 2007 and the new issue of shares and the cancellation of treasury shares in connection with the merger of the SRV Henkilöstö Oy on September 29th, 2007

Other key figures of SRV Group



	IFRS 1-9/2007	IFRS 1-9/2006	change, %	IFRS 7-9/2007	IFRS 7-9/2006	IFRS 2006
Operating profit, %	4.5	4.0		5.7	1.0	5.1
Return on invested capital, % 1)	15.4	12.1		16.3	5.2	15.9
Return on equity, % 1)	15.2	19.3		14.4	4.2	27.3
Net interest bearing debt, EUR million	19.8	49.6	-60.0			64.6
Equity ratio, %	60.9	30.6				31.7
Gearing ratio, %	12.2	91.4				103.9
Earnings per share, EUR 2)	0.39	0.27	44.3	0.14	0.02	0.56
Equity per share, EUR 2)	4.33	1.94	123.6			2.22
Cash earnings per share, EUR 2)	-1.05	2.43		-1.16	3.58	1.82
Share price at the end of period, EUR	8.10					
Market capitalization at end of period, EUR million	297.8					
Weighted number of shares outstanding, 1000	31 333	26 064	20.2	39 014	26 064	26 064
Number of shares outstanding at end of period, 1000	36 768	26 064	41.1	36 768	26 064	26 064
Order backlog, EUR million	546.3	447.7	22.0			453.7
Personnel, average	763	654	16.6	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 April 11th, 2007 (split), new issue of shares on June 11th, 2007 and the new issue of shares and the cancellation of treasury shares in connection with the merger of the SRV Henkilöstö Oy on September 29th, 2007

Consolidated balance sheet: Assets



Consolidated balance sheet EUR million	IFRS 9/2007	IFRS 9/2006	change, %	IFRS 2006
ASSETS				
Non-current assets				
Property, plant and equipment	6.8	7.0	-3.5%	5.5
Goodwill	0.7	0.8	-9.7%	0.7
Other intangible assets	0.7	1.0	-30.1%	0.9
Other financial assets	2.9	2.0	44.9%	2.3
Receivables	6.0	5.9	2.0%	5.6
Deferred tax assets	0.7	1.9	-62.8%	0.2
Non-current assets, total	17.8	18.6	-4.3%	15.2
Current assets				
Inventories	173.7	103.3	68.2%	134.5
Trade and other receivables	94.2	83.0	13.5%	65.4
Current tax	2.2	5.2	-57.4%	1.4
Cash and cash equivalents	25.1	19.2	30.5%	14.9
Current assets, total	295.3	210.8	40.1%	216.3
ASSETS, TOTAL	313.1	229.4	36.5%	231.4

Consolidated balance sheet: Equity and liabilities



Consolidated balance sheet EUR million	IFRS 9/2007	IFRS 9/2006	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	83.1	0.0		0.0
Translation differences	0.0	0.0		0.0
Fair value reserve	0.0	0.1	-83.8%	0.0
Retained earnings	73.0	47.3	54.3%	54.8
Equity attributable to equity holders of the parent company, total	159.1	50.4	215.4%	57.9
Minority interest	3.2	3.8	-15.3%	4.2
Equity, total	162.3	54.2	199.2%	62.2
Non-current liabilities				
Deferred tax liabilities	0.8	1.0	-25.7%	1.0
Provisions	5.5	3.7	46.7%	4.8
Interest-bearing liabilities	32.6	42.7	-23.5%	48.3
Other liabilities	0.0	0.0		0.0
Non-current liabilities, total	38.9	47.4	-18.0%	54.2
Current liabilities				
Trade and other liabilities	95.0	91.4	4.0%	80.1
Current tax	1.1	7.4	-85.0%	0.2
Provisions	3.4	2.8	21.8%	3.6
Interest-bearing liabilities	12.3	26.2	-52.9%	31.2
Current liabilities, total	111.9	127.7	-12.4%	115.1
Liabilities, total	150.8	175.1	-13.9%	169.3
EQUITY AND LIABILITIES	313.1	229.4	36.5%	231.4

Statement of changes in Group equity

1 Jan - 30 Sep. 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	Trans- lation differ- ences	Fair value reserve	Retai- ned earnings	Total		
Equity on 1 Jan.2007	1.3	1.8	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				0.1	0.1		
Purchase and cancellation of treasury shares			-29.3			8.6	-20.7		
Share issue and employee offering			112.4			0.4	112.8		
Net income recorded directly in equity	1.8	-1.8	83.1	0.0	-0.1	9.1	92.0		
Net profit for the period						12.3	12.3		
Total recognized income and expenses	0.0	0.0	0.0	0.0	0.0	12.3	12.3		
Dividends paid						-3.1	-3.1		
Equity on 30 Sep. 2007	3.1	0.0	83.1	0.0	0.0	73.0	159.1	3.2	162.3

Consolidated cashflow statement: operating activities

Consolidated cash flow statement EUR million	IFRS 1-9/2007	IFRS 1-9/2006	IFRS 2006
Cash flows from operating activities			
Net profit for the period	12.8	7.6	15.3
Adjustments:			
Depreciation	1.4	1.4	2.0
Non-cash transactions	7.6	-0.3	-0.2
Financial income and expenses	1.2	2.6	4.0
Capital gains on sales of tangible and intangible assets	-0.1	-0.4	-0.4
Income taxes	4.0	2.7	5.4
	14.1	6.0	10.8
Changes in working capital:			
Change in loan receivables	-4.0	14.8	31.5
Change in trade and other receivables	-25.2	16.6	18.3
Change in inventories	-39.7	-2.7	-33.9
Change in trade and other liabilities	15.1	22.8	11.3
Change in provisions	0.4	1.0	3.0
	-53.3	52.6	30.1
Interest paid	-3.7	-6.2	-8.1
Interest received	2.1	8.0	8.2
Income taxes paid	-4.7	-4.6	-9.0
Net cash flow from operating activities	-32.8	63.3	47.3

Consolidated cashflow statement: investing activities

Consolidated cash flow statement EUR million	IFRS 1-9/2007	IFRS 1-9/2006	IFRS 2006
Cash flow from investing activities			
Property, plant and equipment	-2.1	-0.9	-1.6
Intangible assets	-0.1	-0.6	-0.6
Other financial assets	-0.5	-0.3	-0.6
Sale of property, plant and equipment and intangible assets	0.7	0.5	2.3
Sale of investments	0.3	0.0	0.0
Net cash used in investing activities	-1.7	-1.2	-0.5
Cash flows from financing activities			
Proceeds from share issue	83.1	0.0	0.0
Proceeds from long-term loans	15.8	9.2	24.0
Repayments of long-term loans	-19.8	-77.3	-77.9
Change in loan receivables	-0.6	0.9	1.0
Change in housing corporation loans	-17.2	-16.5	-11.2
Change in short-term loanlimits	-13.5	19.6	10.8
Dividends paid	-3.1	-2.2	-2.2
Net cash from financing activities	44.7	-66.3	-55.5
Net change in cash and cash equivalents	10.2	-4.2	-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	25.1	19.2	14.9

Inventories



Inventories EUR million	IFRS 9/2007	IFRS 9/2006	change, %	IFRS 2006
Raw materials and consumables	0.0	0.0		0.3
Work in progress	73.6	49.2	49.6	51.8
Land areas and plot-owning companies	60.6	36.7	65.3	46.8
Shares in completed housing corporations and real estate companies	25.6	4.1	524.6	14.8
Advance payments	6.1	5.7	7.2	13.5
Other inventories	7.8	7.7	2.0	7.4
Inventories, total	173.7	103.3	68.2	134.5

Business segments: Revenue and operating profit



Revenue EUR million	IFRS 1-9/2007	IFRS 1-9/2006	change, MEUR	change, %	IFRS 7-9/2007	IFRS 7-9/2006	IFRS 2006
Business Premises	242.2	208.3	33.9	16.3	90.6	51.2	297.0
Housing	119.6	91.2	28.3	31.1	35.5	32.0	138.1
International Operations	34.4	28.7	5.7	20.0	8.5	10.2	44.6
Other Operations	8.5	5.6	2.9	52.1	2.5	2.2	6.0
Eliminations	-8.7	-11.4	2.7		-2.6	-1.8	-6.2
Group total	395.9	322.3	73.6	22.8	134.6	93.9	479.5

Operating profit EUR million	IFRS 1-9/2007	IFRS 1-9/2006	change, MEUR	change, %	IFRS 7-9/2007	IFRS 7-9/2006	IFRS 2006
Business Premises	13.3	14.1	-0.7	-5.1	6.8	0.3	25.0
Housing	7.8	1.4	6.4	459.5	3.0	1.3	5.1
International Operations	-0.8	-2.6	1.7		-1.7	-0.3	-3.6
Other Operations	-2.0	-2.3	0.3		-0.5	-0.3	-4.4
Eliminations	-0.4	2.2	-2.6	-117.8	0.0	0.0	2.5
Group total	18.0	12.8	5.1	39.9	7.6	1.0	24.6

Operating profit %	IFRS 1-9/2007	IFRS 1-9/2006	IFRS 7-9/2007	IFRS 7-9/2006	IFRS 2006
Business Premises	5.5	6.8	7.5	0.7	8.4
Housing	6.6	1.5	8.5	4.0	3.7
International Operations	-2.5	-8.9	-19.9	-3.4	-8.0
Group total	4.5	4.0	5.7	1.0	5.1

Segments: Assets and liabilities



Assets EUR million	IFRS 9/2007	IFRS 9/2006	change, MEUR	change, %	IFRS 2006
Business Premises	112.7	84.6	28.1	33.2%	111.9
Housing	93.9	67.7	26.2	38.7%	74.2
International Operations	83.2	63.0	20.3	32.2%	65.6
Other Operations	116.7	46.6	70.1	150.7%	71.7
Eliminations and other adjustments	-93.3	-32.4	-60.9		-92.0
Group total	313.1	229.4	83.7	36.5%	231.4

Liabilities EUR million	IFRS 9/2007	IFRS 9/2006	change, MEUR	change, %	IFRS 2006
Business Premises	87.0	59.8	27.2	45.4	72.2
Housing	76.9	51.5	25.4	49.3	61.0
International Operations	74.7	52.2	22.5	43.1	54.3
Other Operations	7.4	36.1	-28.7	-79.6	45.1
Eliminations and other adjustments	-95.2	-24.4	-70.8		-63.3
Group total	150.8	175.1	-24.4	-13.9	169.3

Segments: capital invested and order backlog



Invested capital EUR million	IFRS 9/2007	IFRS 9/2006	change, MEUR	change, %	IFRS 2006
Business Premises	44.4	37.1	7.3	19.8	37.9
Housing	72.2	29.1	43.1	147.8	35.6
International Operations	65.3	46.5	18.9	40.6	33.0
Other Operations and eliminations	25.3	10.4	14.9		35.1
Group total	207.3	123.1	84.2	68.4	141.7

Return on investment (%)	IFRS 1-9/2007	IFRS 1-9/2006	IFRS 2006
Business Premises	45.0	30.0	60.3
Housing	17.6	7.1	16.5
International Operations	1.1	-4.6	-7.8
Group total	15.4	12.1	15.9

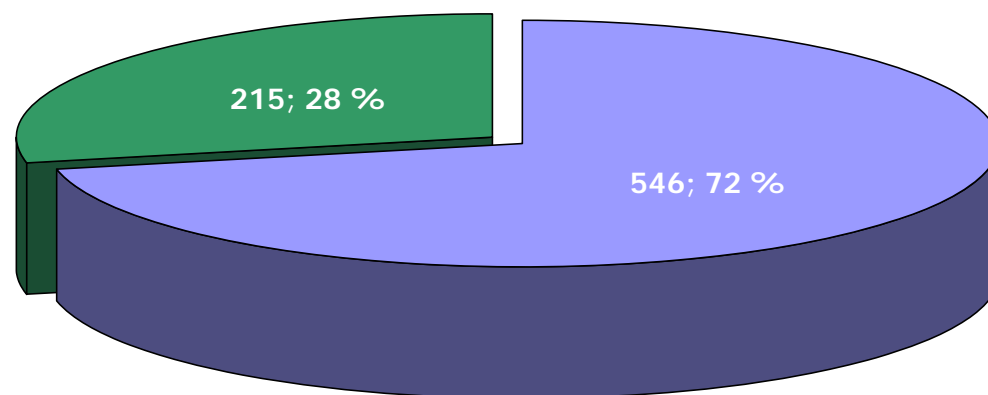
Order backlog EUR million	IFRS 9/2007	IFRS 9/2006	change, MEUR	change, %	IFRS 2006
Business Premises	360.2	273.0	87.2	31.9	287.7
Housing	128.2	156.3	-28.0	-17.9	154.4
International Operations	57.9	18.4	39.5	214.0	11.6
Group total	546.3	447.7	98.6	22.0	453.7

Plot reserves 30.9.2007	Business Operations	Housing	International Operations	Total
Plot reserves and land acquisition commitments				
Building rights*, 1000 m ²	100	249	325	673
Capital tied, including commitments, EUR million	16	60	25	101
Land development agreements				
Building rights*, 1000 m ²	399	119	100	618
* building rights include estimated zoning potential				

- In June SRV purchased a 6.3 hectare land area in Vantaa in the proximity of Hämeenlinna highway and Kehä III (Ring Road) The land area's permitted building volume is 66,000 floor square metres
- In June SRV concluded a preliminary property transaction contract for land area and buildings in Pakkala district in Vantaa. The aim is to build residential buildings with a floor area of 5,800 square metres
- In August SRV concluded a preliminary property transaction contract for alteration of city plan and development of a land area to commercial and residential premises in Seppälä district in Jyväskylä. SRV's objective is, after alteration of city plan, to implement a commercial building of 15,000 to 16,000 floor square metres and 8,000 to 9,000 floor square metres of residential buildings.
- The plot transaction contract related to the first phase of Töölön Stage was signed on 27 June 2007. The plot has building right for 5,800 floor square metres. The plot transaction contract for the second phase will be signed by the end of November 2007. This plot has building right for 6,400 floor square metres.

Personnel by operating segment	30.9.2007	31.12.2006	Share of Group personnel 30.9.2007, %
Business Premises	279	236	36.7
Housing	281	293	36.9
International Operations	111	87	14.6
Other	90	91	11.8
Group total	761	707	100.0

Personnel 30.9.2007



■ Salaried

■ Workers

Shareholders per 8.10.2007



Owners	Ownership	%
Kokkila Ilpo	13 552 000	36,86 %
Kolpi Investments Oy	5 178 129	14,08 %
Heliövaara Eero	1 909 483	5,19 %
Linnoinen Hannu	615 566	1,67 %
The State Pension Fund	470 000	1,28 %
Nieminen Timo	418 266	1,14 %
Mutual Insurance Company Pension Fennia	350 000	0,95 %
Varma Mutual Pension Insurance Company	303 000	0,82 %
Ilmarinen Mutual Pension Insurance Company	275 000	0,75 %
Pensionsförsäkringsaktiebolaget Veritas	257 000	0,70 %
Fondita Nordic Micro Cap Placeringsfond	225 000	0,61 %
Ålandsbanken Nordic Value	150 330	0,41 %
Evli Select	140 000	0,38 %
Maa- Ja Vesitekniikan Tuki Ry.	135 000	0,37 %
Glitnir Pankki Oy	117 643	0,32 %
Op-Suomi Pienyhtiöt	111 000	0,30 %
Kullas Veli-Matti	103 984	0,28 %
Sarnela Marja Elina	103 984	0,28 %
Sundholm Göran	103 878	0,28 %
Fim Visio Sijoitusrahasto	102 172	0,28 %
20 largest shareholders	24 621 435	66,96 %
Nominee shareholders total	2 030 066	5,52 %