

SRV GROUP QUARTERLY REPORT 1 January–31 March 2008**GROWTH IN REVENUE AND ORDER BACKLOG**

- SRV's revenue grew by 20.7 per cent to EUR 146.4 million (EUR 121.4 million in January–March 2007)
- Operating profit grew by 150.1 per cent to EUR 8.9 million (EUR 3.6 million)
- The order backlog at the close of the review period was EUR 451.3 million (EUR 507.0 million)
- The equity ratio was 52.1 per cent (33.2%)
- Earnings per share grew by 116.9 per cent and were EUR 0.16 (EUR 0.07)
- Net profit for the review period January–March 2008 was EUR 5.9 million (EUR 1.3 million)

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

“Positive development of SRV's revenue and operations has continued. The profit margin in the order backlog has improved. According to our strategy we have continued to develop our international business and acquired two new significant development projects, including land areas, in St Petersburg. Even though the growth prospects in the Finnish national economy have weakened, the outlook for SRV Business Premises is favourable. The demand for housing has declined and focusing on units that are close to completion will weaken the profit forecast for the Housing business area. The demand for housing construction will, however, continue in the growth centres and will provide a solid base for growth for SRV in the long term. The company's strong balance sheet and good solvency give a chance to utilise SRV's innovative property development know-how in years to come. In 2008, the group's revenue is expected to grow and the operating profit to surpass clearly the previous year's level”, estimates Eero Heliövaara, president and CEO of SRV.

In the review period, the SRV Group's revenue grew by 20.7 per cent to EUR 146.4 million (EUR 121.4 million in January–March 2007). The share of revenue coming from Finland was 89 per cent (90%), whereas 11 per cent (10%) came from Russia and the Baltic countries.

Revenue in the Business Premises business area grew to EUR 104.8 million (EUR 69.4 million). Revenue in the Housing business area declined to EUR 26.0 million (EUR 40.1 million). Revenue in the International business area grew to EUR 15.7 million (EUR 11.9 million).

SRV's operating profit was EUR 8.9 million (EUR 3.6 million) and net profit for the review period EUR 5.9 million (EUR 1.3 million). The operating profit margin was 6.1 per cent (2.9%). Operating profit grew both in the Business Premises and International business areas. The operating profit in Business Premises grew to EUR 8.2 million (EUR 2.9 million). The operating profit in the International business area grew to EUR 1.2 million (a loss of EUR 0.9 million). Operating profit in the Housing business area declined to EUR 0.4 million (EUR 2.0 million) as the selling of residences slowed down.

The order backlog was EUR 451.3 million (EUR 507.0 million on 31 March 2007). At the end of 2007 the order backlog was EUR 528.7 million.

SRV Group key figures (EUR million)	IFRS Jan–Mar 2008	IFRS Jan–Mar 2007	change, MEUR	change, %	IFRS 2007
Revenue	146.4	121.4	25.1	20.7	561.4
Operating profit	8.9	3.6	5.4	150.1	15.1
Profit before taxes	8.3	3.0	5.3	176.1	11.5
Net profit for the period	5.9	1.3	4.6	357.3	7.6
Order backlog	451.3	507.0	-55.7	-11.0	528.7
Operating profit, %	6.1	2.9			2.7
Profit before taxes, %	5.7	2.5			2.1
Net profit, %	4.0	1.1			1.4
Equity ratio, %	52.1	33.2			55.4
Return on investment, % ¹⁾	16.7	11.7			9.7
Return on equity, % ¹⁾	14.6	8.2			6.9
Earnings per share, EUR ²⁾	0.16	0.07		116.9	0.22

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), the rights issue on 11 June 2007 and the rights issue and cancellation of treasury shares in connection with the merger of the SRV Henkilöstö Oy on 28 September 2007.

Outlook for construction

Growth in the world economy is expected to slacken as a result of the slowdown in the United States. Strong demand in Asia, Europe's moderately good business outlook and a growing Russian economy will nevertheless also maintain the growth of the Finnish economy at a fairly good level. The increased uncertainties surrounding the economy make it difficult to assess the business climate going forward.

The Finnish economy grew at an annual rate of 4.4 per cent in 2007. Economic growth in 2008 is expected to stay in around three per cent. The economic trend in construction is expected to hold up in 2008, though the pace of growth will slow down. The credit crunch that has hit the USA will add to uncertainty in the markets.

Selling times of residencies have lengthened in Finland, but according to the barometer of the Statistics Finland, the inclination to buy dwellings has not declined. In 2007, the construction of 30,500 new dwellings was started, which is 3,500 less than in 2006. This year the number of construction start-ups of new dwellings is expected to be smaller than in 2006. The decline focuses on single-family and semi-detached housing, demand and production of apartment houses is expected to remain on the present level. The long-term forecasts predict the demand of new dwellings to remain at roughly 30,000 units until 2020.

Construction of business premises is expected to remain present level this year. The reasonably good business climate in conjunction with completion of the Vuosaari harbour will underpin brisk logistics and construction of storage facilities in the Helsinki Metropolitan Area.

The cost level in construction has clearly risen more than the cost level in general since 2003. According to Statistics Finland construction costs rose 5.4 per cent from March 2007 to March

2008. In 2007 the rise was 5.6 per cent. Availability of subcontractors and materials has shown a favourable development.

Following several years of growth, the Estonian economy is slackening. This has hit the construction industry in particular. Construction companies had 2,300 unsold new residential units in Tallinn at the end of the review period, and a number of large construction projects were put to halt or delayed. The Estonian long term economic development is estimated to be good. A decline in domestic demand has lowered the Latvian growth figures. Due to a brisk rise in recent years and a small market, the forecasts of economic growth in the Baltic countries as a whole involve elements of uncertainty.

In 2007, Russia's economy grew at a rate of 8.1 per cent and a growth of 7.6 per cent is predicted for 2008. Last year construction in Russia grew by 18 per cent and the growth is expected to remain on a good level. The rise in the level of costs and a shortage of skilled personnel nonetheless pose challenges for operations. Demand for both business premises and housing is estimated to remain a high level.

Key figures for the business area

Revenue (EUR million)	IFRS Jan–Mar 2008	IFRS Jan–Mar 2007	change, MEUR	change, %	IFRS 2007
Business Premises	104.8	69.4	35.4	51.0	345.4
Housing	26.0	40.1	-14.1	-35.2	163.1
International	15.7	11.9	3.8	32.2	53.2
Other Operations	2.9	1.9	1.0	50.4	11.2
Eliminations	-2.9	-1.9	-1.0		-11.4
Group, total	146.4	121.4	25.1	20.7	561.4
Operating profit (EUR million)	IFRS Jan–Mar 2008	IFRS Jan–Mar 2007	change, MEUR	change, %	IFRS 2007
Business Premises	8.2	2.9	5.3	182.0	18.0
Housing	0.4	2.0	-1.5	-78.7	10.7
International	1.2	-0.9	2.2		-10.2
Other Operations	-0.9	-0.4	-0.5		-3.1
Eliminations	0.0	0.0	0.0	126.1	-0.4
Group, total	8.9	3.6	5.4	150.1	15.1
Order backlog at the end of period (EUR million)	IFRS Jan–Mar 2008	IFRS Jan–Mar 2007	change, MEUR	change, %	IFRS 2007
Business Premises	235.2	326.0	-90.8	-27.9	302.8
Housing	182.4	143.0	39.4	27.5	174.6
International	33.7	38.0	-4.3	-11.3	51.3
Group, total	451.3	507.0	-55.7	-11.0	528.7

Earnings trends of the operating business areas

Business Premises (EUR million)	IFRS Jan–Mar	IFRS Jan–Mar	change, MEUR	change, %	IFRS 2007
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	2008	2007				
Revenue	104.8	69.4	35.4	51.0	345.4	
Operating profit	8.2	2.9	5.3	182.0	18.0	
Order backlog at end of period	235.2	326.0	-90.8	-27.9	302.8	

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

Revenue in the Business Premises business area grew by 51.0 per cent amounting to EUR 104.8 million (EUR 64.9 million). Operating profit was EUR 8.2 million (EUR 2.9 million). The order backlog was EUR 235.2 million (EUR 326.0 million).

Among the projects completed in the financial period were new head quarters for Neste Oil in the Keilaniemi district in Espoo, the first phase of the TRIO shopping centre in Lahti, commercial and production premises for the Etola Group in Kings Gate in Porvoo as well as alteration and extension works for Rolac in Espoo.

In early 2007 the second phase of TRIO in Lahti and the preconstruction of L&T in Kerca were started. Senate Properties chose SRV as the project management contractor in the construction and renovation of Svenska Social & Kommunal Högskolan of the University of Helsinki. The project will be included in the order backlog of the second quarter of 2008.

The Keravanportti property was sold to the real-estate investment trust REFF I Kv, which is managed by Pohjola Kiinteistösijoitus Oy, a property investment company. SRV is constructing two retail buildings in Keravanportti.

Helsinki Court of Appeal announced on 6 March 2008 its decision on the dispute between SRV Business Premises Ltd and F-Secure Corporation. The dispute was about interior works done during the construction and whether they are covered by the original rental agreement. The Court of Appeal did not revise the decision by Helsinki District Court, which stated that the construction work is not covered by the original rental agreement. According to the Court's decision, F-Secure was sentenced to pay the additional work costs, and the costs of the trial plus interest. The financial impact pursuant to the decision on SRV's operating profit is about EUR 0.7 million and about EUR 1.2 million on profit before taxes. F-Secure has appealed permission for appeal.

Housing (EUR million)	IFRS Jan–Mar 2008	IFRS Jan–Mar 2007	change, MEUR	change, %	IFRS 2007
Revenue	26.0	40.1	-14.1	-35.2	163.1
Operating profit	0.4	2.0	-1.5	-78.7	10.7
Order backlog at end of period	182.4	143.0	39.4	27.5	174.6

The Housing business area comprises housing construction in the Helsinki Metropolitan Area and the neighbouring municipalities as well as the operations of the regional subsidiaries. The

regional subsidiaries are engaged in housing, commercial, business premises and logistics construction projects.

Revenue in the Housing business area amounted to EUR 26.0 million (EUR 40.1 million) and operating profit was EUR 0.4 million (EUR 2.0 million). The decline in both revenue and operating profit was attributable to slower sales than earlier and later decision making. Revenue from the major sites which were started in late 2007, will be recorded as the construction and sales progress. The order backlog was EUR 182.4 million (EUR 143.0 million).

During the review period contracts with external clients worth EUR 27.6 million were concluded. Of these, the most important were a 58 unit apartment house for HOAS (Foundation for Student Housing in the Helsinki Region) in Viikki, the renovation of a 62 unit apartment house for KY Kiinteistö Oy in Töölö district in Helsinki and the renovation of the Jyväskylä ice stadium. A total of 33 (103) developer contracting housing units were sold during the review period. At the end of the period, 298 (613) residential units were under construction. There were 105 (18) completed but unsold residential units. A total of 125 (81) residential units were completed during the review period.

Major projects under construction included the Helsingin Oscar condominium, where 65 units will be completed, Vallikallion Helmi in Espoo (67 units) and Ulriikanhuippu in Vantaa (46 units), which will be realised jointly with Asuntosäätiö (Housing Foundation).

SRV continued its participation in the 24Living development project, which is being partly funded by TEKES (the Finnish Funding Agency for Technology and Innovation). Started in 2006, the 3-year project is headed by the University of Art and Design in Helsinki, in cooperation with Finpro, the Massachusetts Institute of Technology (MIT) and TEKES, with a number of Finnish companies also participating.

Start of new developer contracting housing projects will be adjusted to the market situation.

International Operations (EUR million)	IFRS Jan–Mar 2008	IFRS Jan–Mar 2007	change, MEUR	change, %	IFRS 2007
Revenue	15.7	11.9	3.8	32.2	53.2
Operating profit	1.2	-0.9	2.2		-10.2
Order backlog at end of period	33.7	38.0	-4.3	-11.3	51.3

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

International Operations increased its revenue by 32.2 per cent to EUR 15.7 million (EUR 11.9 million). Operating profit was EUR 1.2 million (a loss of EUR 0.9 million). The order backlog was EUR 33.7 million (EUR 38.0 million).

Russia

SRV continued the renovation of the Pulkovskaya and Pribaltiskaya hotels operated by the Rezidor Group in St Petersburg. The Etmia II office and parking facility in the heart of Moscow is estimated to be completed by the end of 2008. SRV's role in the project is as a co-owner

with a 50 per cent stake and responsibility for acting as the project management contractor. The glass fibre plant for Ahlström was completed during the review period.

Construction of the Papula residential area in the city of Vyborg continued. In the first phase, 38 units are to be built, and they are estimated to reach completion by the end of 2008. Six of the project's units have been sold.

On 11 February 2008, SRV acquired a 32 per cent share in the Russian enterprise OOO "Olgino-4", which will buy a land plot of 24.9 hectares located north of St Petersburg, in close vicinity of the Ring Road. SRV will raise its ownership in the enterprise aiming at majority stockholding by summer 2008. Over 100,000 square metres of logistics facilities will be built on the site in several stages during the next few years. SRV intends to commence construction works of the first stage by the end of 2008.

In the review period SRV continued the design, the preparations for construction and the search for tenants of the shopping centre project developed by SRV that will be realised in the Moscow area. The ensemble will have about 100,000 square metres of floor area. The schedule will be determined when the building permit and implementation prerequisites are valid. SRV is involved in the project also an owner, with a 25 per cent stake. SRV has invested around EUR 4.5 million in the project.

SRV has concluded a contract with the International Banking Institute (IBI), St Petersburg, and a local partner concerning the development of an 8.5 hectare land area in St Petersburg. SRV develops, together with IBI, zoning for the area. The plans include construction of office and retail space, as well as hotel, restaurant and entertainment premises. Moreover, facilities will be built for the IBI university. The aim is to start the construction works during 2009.

SRV has established a development company OOO IBI Invest to implement the project and acquired a land area to its possession. SRV has invested about EUR 30 million on land and properties on 31 March 2008. SRV's total investment on acquisitions will be EUR 60 million. SRV's ownership is estimated to be 77.5 per cent of the project, when IBI Invest has acquired all the land areas included in the cooperation contract. SRV's partner and the future minority share holder is the main owner and chairman of the board of NPO Znamia Truda company from St. Petersburg, Mr. Boris Kholmyansky through the companies that he owns.

SRV is developing property fund cooperation with a local banking partner, which would focus on development of business premises and on financing construction in Russia. The investors would be, in 50/50 shares, a group of international investors together with SRV and a local partner, who would also administer the fund. Should the plan be materialised, SRV plans to make a fund investment of around EUR 20 million.

SRV's aim is to sell the Ekaterinburg hotel project during 2008.

Baltic countries

A partnership project with Facio Ehitus continued in Tartu, Estonia. SRV owns a plot for 7 high-rise apartment buildings, on one of which (42 units) construction was started in the summer 2007. No new developer contracting projects were started. No residential units were sold during the period (13) and all in all, 46 (7) were up for sale at the end of the period, 5 of which were in already-completed projects (3).

In Estonia, the sale of the logistics centre that had been leased to Oriola KD in Estonia was completed on 15 January 2008. Revenue of EUR 5 million was recorded on the sale. Construction of a vehicle dealership for Inchcape Motors continued and design work for enlarging the Mercantile logistics centre is in progress.

In Latvia, the HRX logistics centre was handed over to the client.

Other Operations (EUR million)	IFRS Jan–Mar 2008	IFRS Jan–Mar 2007	change, MEUR	change, %	IFRS 2007
Revenue	2.9	1.9	1.0	50.4	11.2
Operating profit	-0.9	-0.4	-0.5		-3.1

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

Financing and financial position

The Group's interest-bearing liabilities were EUR 95.7 million at 31 March 2008 (EUR 69.2 million). Net financial expenses were EUR 0.6 million (EUR 0.6 million). The Group's liquid assets at the end of the review period amounted to EUR 19.6 million (EUR 16.7 million).

The return on investment was 16.7 per cent (11.7%) and the return on equity 14.6 per cent (8.2%). The equity ratio was 52.1 per cent (33.2%).

Investments

The Group's investments totalled EUR 0.7 million (EUR 0.7 million) and consisted mainly of spending on machinery and equipment.

Unbuilt land areas, land acquisition commitments and land development agreements

Land reserve 31 March 2008	Business Operations	Housing	International Operations	Total
Unbuilt land areas and land acquisition commitments				
Building rights*, m ²	124,000	211,000	759,000	1,094,000
Capital invested incl. commitments, EUR million	23	45	95	163
Land development agreements				
Building rights*, m ²	421,000	233,000	100,000	754,000
* Building rights include also the estimated building rights/construction volume of unzoned land reserves and land areas covered by agreements				

In January, SRV signed a preliminary property purchase agreement for the old Government Building designed by Alvar Aalto, and the adjacent plot, on which a new building of 12,000 floor square metres is being developed. The listed Government Building will partly be returned to its original use.

On 14 January 2008, Espoo City Board accepted SRV's planning reservation application for housing towers above the Karhusaarentie road. The plan includes four 27–28 storey houses and an underground carpark on four levels. According to initial plans, the area includes about 50,000 square meters of residential building volume, and the total number of apartments would be around 370. The project would be connected with the implementation of the Keilaniemi metro station. The Karhusaarentie road is designed to be covered with a deck, which would connect the area to be a part of Tapiola adding the supply of high quality housing in Tapiola.

In St Petersburg the targeted minimum building volume for the land area to be developed together with a local partner is 400,000 square metres after the land acquisition defined in the cooperation agreement has been completed. SRV has invested around EUR 30 million in land acquisition on 31 March 2008. SRV's total investment for the land acquisition will be around EUR 60 million.

On 11 February 2008, SRV acquired a 32 per cent share in the Russian enterprise OOO "Olgino-4", which will buy a land plot of 24.9 hectares located north of St Petersburg, in close vicinity of the Ring Road. Over 100,000 square metres of logistics facilities will be built on the site in several stages during the next few years.

New names for SRV's subsidiaries as part of renewed brand

As part of SRV's renewed brand the company changed the names of its subsidiaries. The name of SRV Viitoset, which specialises in business premises, was changed to SRV Business Premises Ltd as of 1 March 2008. The name of SRV Westerlund, which operates in residential construction, was changed to SRV Housing Ltd. The renewed brand will bring the Group's business areas more clearly under one SRV brand.

Changes in Group management

Director Veli-Matti Kullas, who is in charge of SRV's operations in Russia, was nominated member of SRV's Corporate Executive Team on 12 February 2008.

Personnel

SRV had an average payroll of 779 (704) employees, of whom 575 (494) were white-collar. The parent company had an average staff of 61 (62) white-collar employees. At the close of the review period, the Group had 795 (701) employees, of whom 63 (54) were employed by the parent company. An average of 11 per cent (8.2%) of the employees works at subsidiaries abroad.

SRV is developing its cooperation with universities and colleges as part of its effort to cover staffing needs for recruitment and the holiday seasons. At the end of the review period, SRV had a total of 38 trainees working for the Group's operations in Finland.

Personnel by business area	31 March 2008	31 Dec 2007	Share of Group personnel, 31 March 2008, %
Business Premises	299	295	37.6
Housing	277	257	34.8
International	127	114	16.0
Other Operations	92	86	11.6
Group, total	795	752	100.0

On 11 February 2008, the Board of Directors of SRV Group Plc approved a new share-based incentive plan for the Group's key personnel. The Plan includes three earning periods – the calendar years 2008, 2009 and 2010. The potential reward from the Plan for the earning period 2008 will be based on the Group's profit before taxes.

The potential reward from the earning period 2008 will be paid in 2009, partly as Company shares and partly in cash. The proportion to be paid in cash will cover taxes and tax-related costs arising from the reward. It is prohibited to transfer the shares during the two year restriction period. If a key person's employment or service ends during a restriction period, he/she must return the shares given as reward to the Company without compensation.

The Plan is directed at approximately 60 people during the earning period 2008. The rewards to be paid for the earning period 2008 correspond to the approximate value of a total maximum of 450,000 SRV Group Plc shares (also including the proportion to be paid in cash).

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 actual cash flow from operating activities and financing costs.

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. The recognition date of the developer contracting projects also depends on the percentage of sold premises in projects. Construction is subject to significant risks relating to subcontracting and deliveries, and their control underlines the need for long-term planning. The project management contracting model requires skilled and competent personnel. Warranty and liability obligations related to construction can span up to ten years.

The financial risks related to the SRV Group's business are interest rate, foreign exchange, liquidity and counterparty risks, which have been presented in the Notes to the 2007 Financial Statements.

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. The Group's president and CEO has overall responsibility for risk management. 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 2007 Annual Report and Financial Statements.

SRV estimates that no essential changes have occurred in company's risks.

Corporate governance and resolutions of general meetings

The Annual General Meeting was held on 14 April 2008. The AGM adopted the financial statements for 2007 and granted release from liability to the members of the Board of Directors and the president and CEO. A dividend of EUR 0.12 per share was declared.

Mr Ilpo Kokkila was elected chairman of the Board of Directors and Mr Jukka Hienonen, Mr Lasse Kurkilahti, Mr Matti Mustaniemi and Mr Markku Sarkamies were elected to seats on the Board. In its organisational meeting on 14 April 2008 the Board of Directors elected Lasse Kurkilahti vice chairman of the Board. Matti Mustaniemi was elected chairman and Markku Sarkamies member of the Audit Committee. Ilpo Kokkila was elected chairman and Jukka Hienonen and Lasse Kurkilahti members of the Nomination and Remuneration Committee

Mr Jarmo Lohi, Authorised Public Accountant, was elected as the company's auditor, and the firm of public accountants Ernst & Young Oy was elected deputy auditor, with Mr Mikko Ryttilahti, Authorised Public Accountant, acting as principal auditor.

The Annual General Meeting authorised the Board of Directors to resolve on the acquisition of the company's own shares (treasury shares). The authorisation is in force for 18 months from the decision of the Meeting. The Annual General Meeting authorised the Board of Directors to resolve on the transfer of treasury shares against payment or without consideration. The authorisation is in force for 18 months from the decision of the Meeting.

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 36,696,615. The company has one class of shares. SRV's shares were admitted to public trading on the OMX Nordic Exchange Helsinki Pre List on 12 June 2007 and on the Main List on 15 June 2007. SRV had a total of 6,104 shareholders at 31 March 2008. The closing rate at the end of the review period was EUR 5.55 (5.02 on 31 December 2007). The highest share price in the review period was EUR 6.60 and the lowest was EUR 4.67. The change in the all-share index of the Helsinki Stock Exchange (OMX Helsinki) during the same period was 16.18 per cent negative and the OMX Industrial and Services index 3.91 per cent negative.

At the end of the review period, the company had a market capitalisation of EUR 203.7 million. About 5.1 million shares were traded on the Helsinki Stock Exchange in the review period and the trade volume was EUR 27.7 million.

Treasury shares

At the end of the review period, SRV Group Plc's subsidiary SRV Kalusto Oy had 71,853 of SRV Group Plc's shares, which equals 0.2 per cent of company's shares. The shares were acquired according to conditions of the merger plan of SRV Group Plc and SRV Henkilöstö Oy

Financial targets

In the medium term SRV aims to achieve an annual average growth of approximately 15 per cent in Group revenue and an annual average growth of 30 percent in revenue in 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. Also, the company aims to maintain an equity ratio of 30 per cent.

Events after the balance sheet date

In April, SRV submitted a EUR 90.5 million tender for the construction of the Helsinki Music Centre based on the study agreed on by SRV and the real estate company Helsingin Musiikkitalo. SRV estimates that the decision concerning the construction could be done and the contract agreements be signed by the end of May. According to the schedule, the Music Centre would be completed at the end of April 2011.

Acquisition of land areas and properties has been continued according to the plans, and SRV has used a total of around EUR 50 million for the acquisitions by the end of April.

Outlook for 2008

Construction of business premises is estimated to remain on present level this year. Selling times of residencies have lengthened in Finland and the demand is estimated to focus on projects that are close to completion. Russia's strong economic growth is set to support the development of the International Operations.

The level of the order backlog provides a favourable basis for a good trend in revenue and earnings in 2008. The Group will seek to sell the Park Inn hotel located in Ekaterinburg during 2008.

Revenue in 2008 is expected to increase on the previous year. Operating profit in 2008 is anticipated to exceed operating profit in 2007 by a substantial margin.

Espoo, 12 May 2008

SRV Group Plc
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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OMX Nordic Exchange Helsinki
Principal media
www.srv.fi

Key figures:

		1- 3/2008 IFRS	1- 3/2007 IFRS	2007 IFRS	2006 IFRS
Revenue	EUR million	146.4	121.4	561.4	479.5
Operating profit	EUR million	8.9	3.6	15.1	24.6
Operating profit, % of revenue	%	6.1	2.9	2.7	5.1
Profit before extraordinary items	EUR million	8.3	3.0	11.5	20.7
Profit before extraordinary items, % of revenue	%	5.7	2.5	2.1	4.3
Profit before taxes	EUR million	8.3	3.0	11.5	20.7
Profit before taxes, % of revenue	%	5.7	2.5	2.1	4.3
Net profit for the financial year attributable to equity holders of the parent company	EUR million	5.8	1.9	7.2	14.5
Return on equity ¹	%	14.6	8.2	6.9	27.3
Return on investment ¹	%	16.7	11.7	9.7	15.9
Equity ratio	%	52.1	33.2	55.4	31.7
Property, plant and equipment investments	EUR million	0.7	0.7	5.4	3.3
Property, plant and equipment investments, % of revenue	%	0.5	0.6	1.0	0.7
Order backlog	EUR million	451.3	507.0	528.7	453.7
Personnel on average		779	704	761	668
Invested capital	EUR million	259.8	132.6	222.9	141.7
Net interest-bearing debt	EUR million	76.1	52.5	43.2	64.6
Gearing ratio	%	46.3	82.9	27.3	103.9
Earnings per share, share issue adjusted ²	EUR	0.16	0.07	0.22	0.56
Equity per share, share issue adjusted ²	EUR	4.38	2.29	4.22	2.22
Dividend per share, share issue adjusted	EUR	-	-	0.12	0.12
Dividend payout ratio	%	-	-	54.6	21.4
Dividend yield	%	-	-	2.4	-
Price per earnings ratio		-	-	22.8	-
Share price development					
Share price at the end of the period	EUR	5.55	-	5.02	-
Average share price	EUR	5.55	-	8.40	-
Lowest share price	EUR	4.67	-	4.72	-
Highest share price	EUR	6.60	-	10.79	-
Market capitalisation at the end of the period	EUR million	203.67	-	184.60	-
Trading volume	1,000	5,078	-	22,514	-
Trading volume	%	13.8	-	68.8	-
Weighted average number of shares outstanding	1,000	36,718	26,064	32,703	26,064
Number of shares outstanding at the end of the period	1,000	36,697	26,064	36,768	26,064

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

2) The Extraordinary General Meeting of SRV Group Plc decided on 2 April 2007 to increase the number of shares of SRV Group Plc twenty fold (split). Before the change in nominal value the number of shares was 1,303,200 and after the change the number of shares was 26,064,000. SRV Group Plc arranged its Initial Public Offering in June 2007. In the Offering 13,000,000 shares were subscribed. After the Offering the number of shares was 39,064,000. The plan to merge SRV Henkilöstö Oy into SRV Group Plc was executed on 28 September 2007. At the same time 10,216,468 new shares of SRV Group Plc were issued without raising the share capital. In connection with the merger SRV Group Plc received the 12,512,000 shares held by SRV Henkilöstö Oy. After the merger the number of shares was 36,768,468.

Calculation of key figures:

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

SRV Group Plc Interim Report 1 January - 31 March 2008: 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) Segment information
- 3) other SRV Group key figures

1. Group financials 1 January – 31 March 2008

IFRS-standards and operating segments

SRV Group (SRV) adopted International Financial Reporting Standards (IFRS) on 1 January 2006. In preparing interim condensed consolidated financial statement information, SRV has applied the same accounting principles as in its year-end financial statements for 2007. The interim condensed consolidated financial statement information has been prepared in accordance with the accounting policies set out in the IAS 34 standard and the information disclosed is unaudited.

SRV's reporting segments comprise Business Premises, Housing, International Operations and Other operations. The operating segment figures are disclosed in accordance the IFRS 8 following accounting principles applied to the consolidated financial statements.

Consolidated income statement EUR million	IFRS 1-3/2008	IFRS 1-3/2007	change, MEUR	change, %	IFRS 2007
Revenue	146.4	121.4	25.1	20.7	561.4
Other operating income	0.4	0.3	0.1	23.6	1.1
Change in inventories of finished goods and work in progress	1.4	7.1	-5.7	-80.3	18.3
Use of materials and services	-124.0	-112.0	-12.0	10.7	-509.7
Employee benefit expenses	-11.3	-9.6	-1.7	17.9	-41.6
Depreciation and impairments	-0.6	-0.4	-0.2	40.5	-1.9
Other operating expenses	-3.4	-3.2	-0.2	6.2	-12.6
Operating profit	8.9	3.6	5.4	150.1	15.1
Financial income	1.2	0.5	0.7	124.8	2.6
Financial expenses	-1.8	-1.1	-0.7	66.0	-6.1
Financial income and expenses, total	-0.6	-0.6	-0.1	10.9	-3.5
Profit before taxes	8.3	3.0	5.3	176.1	11.5
Income taxes	-2.4	-1.7	-0.7	39.9	-3.9
Net profit for the period	5.9	1.3	4.6	357.3	7.6
Attributable to					
Equity holders of the parent company	5.8	1.9			7.2
Minority interest	0.1	-0.6			0.5
Earnings per share calculated on the profit attributable to equity holders of the parent company (undiluted and diluted) 1)	0.16	0.07		116.9	0.22

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

Consolidated balance sheet EUR million	IFRS 3/2008	IFRS 3/2007	change, %	IFRS 2007
ASSETS				
Non-current assets				
Property, plant and equipment	8.1	5.6	45.5	8.0
Goodwill	0.7	0.7	0.0	0.7
Other intangible assets	0.7	0.8	-14.4	0.6
Other financial assets	2.9	2.6	14.8	2.9
Receivables	11.6	6.4	80.5	2.7
Deferred tax assets	1.5	0.9	64.1	1.1
Non-current assets, total	25.5	17.0	50.3	16.1
Current assets				
Inventories	217.0	141.7	53.2	196.4
Trade and other receivables	78.7	70.6	11.5	94.2
Current tax receivables	4.5	2.6	74.4	3.4
Cash and cash equivalents	19.6	16.7	17.7	21.4
Current assets, total	319.8	231.5	38.1	315.4
ASSETS, TOTAL	345.3	248.5	39.0	331.6

Consolidated balance sheet EUR million	IFRS 3/2008	IFRS 3/2007	change, %	IFRS 2007
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent company				
Share capital	3.1	1.3	135.0	3.1
Share premium reserve	0.0	1.8		0.0
Invested free equity fund	87.3	-		87.3
Translation differences	0.0	0.0	-110.5	0.0
Fair value reserve	0.0	0.0	-100.0	0.0
Retained earnings	70.4	56.7	24.3	64.7
Equity attributable to equity holders of the parent company, total	160.8	59.7	169.2	155.1
Minority interest	3.3	3.6	-7.2	3.2
Equity, total	164.2	63.3	159.2	158.3
Non-current liabilities				
Deferred tax liabilities	0.4	1.5	-71.1	0.1
Provisions	6.1	4.9	25.2	5.9
Interest-bearing liabilities	46.3	52.9	-12.4	37.7
Other liabilities	0.4	0.1		0.4
Non-current liabilities, total	53.3	59.3	-10.1	44.1
Current liabilities				
Trade and other payables	71.2	103.9	-31.4	96.9
Current tax payables	3.5	1.8	98.8	1.6
Provisions	4.3	3.9	8.5	4.1
Interest-bearing liabilities	48.9	16.3	199.7	26.5
Current liabilities, total	127.9	125.9	1.6	129.1
Liabilities, total	181.2	185.2	-2.2	173.2
EQUITY AND LIABILITIES	345.3	248.5	39.0	331.6

Statement of changes in Group equity 1 Jan. - 31 Mar. 2008

IFRS EUR million	Equity attributable to the equity holders of the parent company							Minority interest	Total equity
	Share capital	Share premium reserve	Invested free equity fund	Translation differences	Fair value reserve	Retained earnings	Total		
Equity, total 1 Jan. 2008	3.1	0.0	87.3	0.0	0.0	64.7	155.1	3.2	158.3
Translation differences				0.0			0.0		
Net gains on available-for-sale financial assets					0.0		0.0		
Other changes						0.0	0.0		
Net income recognised directly in equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Net profit for the period						5.8	5.8		
Total income and expenses for the period	0.0	0.0	0.0	0.0	0.0	5.8	5.8		
Dividends paid						0.0	0.0		
Purchase of treasury shares						-0.1	-0.1		
Equity, total 31 Mar. 2008	3.1	0.0	87.3	0.0	0.0	70.4	160.8	3.3	164.2

Statement of changes in Group equity 1 Jan. - 31 Mar. 2007

IFRS EUR million	Equity attributable to the equity holders of the parent company							Minority interest	Total equity
	Share capital	Share premium reserve	Translation differences	Fair value reserve	Retained earnings	Total			
Equity, total 1 Jan. 2007	1.3	1.8	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				-0.2		-0.2			
Net gains on available-for-sale financial assets				0.1		0.1			
Other changes					0.0	0.0			
Net income recognised directly in equity	0.0	0.0	0.0	-0.1	0.0	-0.1			
Net profit for the financial period					1.9	1.9			
Total income and expenses for the period	0.0	0.0	0.0	0.0	1.9	1.9			
Dividends paid					0.0	0.0			
Equity, total 31 Mar. 2007	1.3	1.8	0.0	0.0	56.7	59.7	3.6	63.3	

Statement of changes in Group equity 1 Jan. - 31 Dec. 2007

IFRS (milj. euroa)	Equity attributable to the equity holders of the parent company							Mino- rity interest	Total equity
	Share capital	Share premium reserve	Invested free equity fund	Trans- lation differ- ences	Fair value reserve	Retai- ned earnings	Total		
Equity, total 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		
Net gains on available- for-sale financial assets					-0.1		-0.1		
Other changes						0.1	0.1		
Net income recognised directly in equity	0.0	0.0	0.0	0.0	-0.1	0.1	0.0		
Net profit for the period						7.2	7.2		
Total income and expenses for the period	0.0	0.0	0.0	0.0	0.0	7.2	7.2		
Dividends paid						-3.1	-3.1		
Transfer from share premium reserve to share capital	1.8	-1.8					0.0		
Share issue and employee offering			116.6			0.4	117.0		
Share issue and employee offering deductions						-3.2	-3.2		
Purchase and cancellation of treasury shares			-29.3			8.6	-20.7		
Equity, total 1 Dec. 2007	3.1	0.0	87.3	0.0	0.0	64.7	155.1	3.2	158.3

Consolidated cash flow statement EUR million	IFRS 1-3/2008	IFRS 1-3/2007	IFRS 2007
Cash flows from operating activities			
Net profit for the period	5.9	1.3	7.6
Adjustments:			
Depreciation and impairments	0.6	0.4	1.9
Non-cash transactions	0.0	0.6	1.5
Financial income and expenses	0.6	0.6	3.5
Capital gains on sales of tangible and intangible assets	0.0	0.0	-0.1
Income taxes	2.4	1.7	3.9
Adjustments, total	3.6	3.3	10.6
Changes in working capital:			
Change in loan receivables	-10.3	-1.3	-2.7
Change in trade and other receivables	15.8	-5.7	-23.0
Change in inventories	-20.2	-7.3	-62.8
Change in trade and other payables	-26.1	23.7	16.4
Changes in working capital, total	-40.7	9.4	-72.1
Interest paid	-2.1	-1.1	-6.3
Interest received	2.8	1.3	2.8
Income taxes paid	-1.7	-1.6	-6.3
Net cash flow from operating activities	-32.2	12.7	-63.7
Cash flow from investing activities			
Property, plant and equipment	-0.6	-0.6	-4.2
Intangible assets	-0.2	0.0	-0.1
Other financial assets	0.0	-0.1	-1.0
Sale of property, plant and equipment and intangible assets	0.0	0.0	0.7
Sale of financial assets	0.0	0.3	0.3
Net cash used in investing activities	-0.7	-0.5	-4.3
Cash flows from financing activities			
Proceeds from share issue	0.0	0.0	113.4
Proceeds from loans	17.8	5.5	19.1
Repayments of loans	-9.2	-4.2	-13.5
Change in loan receivables	0.0	-0.2	0.2
Change in housing corporation loans	12.9	2.9	-21.8
Change in credit limits	9.5	-14.5	0.9
Purchase of treasury shares	-0.1	0.0	-20.7
Dividends paid	0.0	0.0	-3.1
Net cash from financing activities	31.1	-10.4	74.5
Net change in cash and cash equivalents	-1.8	1.8	6.5
Cash and cash equivalents at the beginning of period	21.4	14.9	14.9
Cash and cash equivalents at the end of period	19.6	16.7	21.4

Inventories EUR million	IFRS 3/2008	IFRS 3/2007	change, %	IFRS 2007
Raw materials and consumables	0.0	0.0		0.0
Work in progress	78.7	61.7	27.5	86.7
Land areas and plot-owning companies	93.1	42.2	120.4	64.3
Shares in completed housing corporations and real estate companies	33.0	14.4	128.9	30.3
Advance payments	6.5	14.2	-54.3	6.5
Other inventories	5.6	9.0	-37.8	8.7
Inventories, total	217.0	141.7	53.2	196.4

Commitments and Contingent Liabilities EUR million	IFRS 3/2008	IFRS 3/2007	change, %	IFRS 2007
Collateral given for own liabilities				
Real estate mortgages given	90.4	88.8	1.8	69.9
Pledges given	0.0	10.8		5.2
Other commitments				
Guarantees given for liabilities on uncompleted projects	71.4	71.0	0.6	71.4
Investment commitments given	4.3	6.6	-35.2	4.7

Fair and nominal values of derivative instruments EUR million	IFRS 3/2008		IFRS 3/2007		IFRS 2007	
	Fair Values		Fair Values		Fair Values	
	Positive	Negative	Positive	Negative	Positive	Negative
Hedge accounting not applied						
Foreign exchange forward contracts	0.2	0.0	0.0	0.0	0.0	0.0
	IFRS 3/2008		IFRS 3/2007		IFRS 12/2007	

Nominal values of derivative instruments

Foreign exchange forward contracts	8.1	9.4	8.5
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The fair values of foreign exchange contracts are based on market prices at the end of the reporting period. Open foreign exchange forward contracts are hedging the financing cash flow.

2. Segment information

Revenue EUR million	IFRS 1-3/2008	IFRS 1-3/2007	change, MEUR	change, %	IFRS 2007
Business Premises	104.8	69.4	35.4	51.0	345.4
Housing	26.0	40.1	-14.1	-35.2	163.1
International Operations	15.7	11.9	3.8	32.2	53.2
Other Operations	2.9	1.9	1.0	50.4	11.2
Eliminations	-2.9	-1.9	-1.0		-11.4
Group total	146.4	121.4	25.1	20.7	561.4

Operating profit EUR million	IFRS 1-3/2008	IFRS 1-3/2007	change, MEUR	change, %	IFRS 2007
Business Premises	8.2	2.9	5.3	182.0	18.0
Housing	0.4	2.0	-1.5	-78.7	10.7
International Operations	1.2	-0.9	2.2		-10.2
Other Operations	-0.9	-0.4	-0.5		-3.1
Eliminations	0.0	0.0	0.0	126.1	-0.4
Group total	8.9	3.6	5.4	150.1	15.1

Operating profit %	IFRS 1-3/2008	IFRS 1-3/2007	IFRS 2007
Business Premises	7.8	4.2	5.2
Housing	1.6	4.9	6.5
International Operations	7.9	-7.8	-19.2
Group total	6.1	2.9	2.7

Assets EUR million	IFRS 3/2008	IFRS 3/2007	change, MEUR	change, %	IFRS 2007
Business Premises	98.7	111.0	-12.3	-11.1	117.2
Housing	116.8	79.0	37.7	47.8	113.4
International Operations	123.6	63.2	60.4	95.5	114.3
Other Operations	162.3	49.2	113.1	230.1	162.0
Eliminations and other adjustments	-156.0	-53.9	-102.1		-175.4
Group total	345.3	248.5	96.8	39.0	331.6

Liabilities EUR million	IFRS 3/2008	IFRS 3/2007	change, MEUR	change, %	IFRS 2007
Business Premises	76.3	93.8	-17.5	-18.7	83.9
Housing	102.8	65.3	37.5	57.4	93.8
International Operations	114.0	52.6	61.4	116.7	104.9
Other Operations	44.6	26.9	17.7	66.1	31.5
Eliminations and other adjustments	-156.5	-53.4	-103.1		-140.9
Group total	181.2	185.2	-4.0	-2.2	173.2

Invested capital EUR million	IFRS 3/2008	IFRS 3/2007	change, MEUR	change, %	IFRS 2007
Business Premises	43.7	40.1	3.6	9.0	33.4
Housing	97.0	39.5	57.5	145.6	81.5
International Operations	115.1	29.9	85.2	284.9	101.3
Other Operations and eliminations	4.0	23.0	-19.0		6.7
Group total	259.8	132.6	127.2	96.0	222.9

Return on investment (%)	IFRS 1-3/2008	IFRS 1-3/2007	IFRS 2007
Business Premises	95.2	33.5	52.4
Housing	2.0	21.0	16.7
International Operations	5.5	-8.3	-11.3
Group total	16.7	11.7	9.7

Order backlog EUR million	IFRS 3/2008	IFRS 3/2007	change, MEUR	change, %	IFRS 2007
Business Premises	235.2	326.0	-90.8	-27.9	302.8
Housing	182.4	143.0	39.4	27.5	174.6
International Operations	33.7	38.0	-4.3	-11.3	51.3
Group total	451.3	507.0	-55.7	-11.0	528.7

Business Premises EUR million	IFRS 1-3/2008	IFRS 1-3/2007	change, MEUR	change, %	IFRS 2007
Revenue	104.8	69.4	35.4	51.0	345.4
Operating profit	8.2	2.9	5.3	182.0	18.0
Segment's assets					
Non-current assets	1.0	0.8	0.2	26.7	1.0
Current assets	97.7	110.2	-12.5	-11.4	116.2
Total assets	98.7	111.0	-12.3	-11.1	117.2
Segment's liabilities					
Non-current liabilities	1.3	14.1	-12.8	-90.9	1.2
Current liabilities	75.0	79.6	-4.7	-5.8	82.7
Total liabilities	76.3	93.8	-17.5	-18.7	83.9
Invested capital at end of period	43.7	40.1	3.6	9.0	33.4
Return on investment, % 1)	95.2	33.5			52.4
Order backlog at end of period	235.2	326.0	-90.8	-27.9	302.8

Housing EUR million	IFRS 1-3/2008	IFRS 1-3/2007	change, MEUR	change, %	IFRS 2007
Revenue	26.0	40.1	-14.1	-35.2	163.1
Operating profit	0.4	2.0	-1.5	-78.7	10.7
Segment's assets					
Non-current assets	2.4	1.1	1.3	116.9	2.6
Current assets	114.4	77.9	36.4	46.8	110.9
Total assets	116.8	79.0	37.7	47.8	113.4
Segment's liabilities					
Non-current liabilities	41.2	28.4	12.8	45.1	28.1
Current liabilities	61.6	36.9	24.7	66.9	65.7
Total liabilities	102.8	65.3	37.5	57.4	93.8
Invested capital at end of period	97.0	39.5	57.5	145.6	81.5
Return on investment, % 1)	2.0	21.0			16.7
Order backlog at end of period	182.4	143.0	39.4	27.5	174.6

International Operations EUR million	IFRS 1-3/2008	IFRS 1-3/2007	change, MEUR	change, %	IFRS 2007
Revenue	15.7	11.9	3.8	32.2	53.2
Operating profit	1.2	-0.9	2.2		-10.2
Segment's assets					
Non-current assets	11.4	6.8	4.5	66.3	2.4
Current assets	112.2	56.4	55.8	99.1	111.8
Total assets	123.6	63.2	60.4	95.5	114.3
Segment's liabilities					
Non-current liabilities	10.6	19.3	-8.7	-44.9	14.8
Current liabilities	103.3	33.3	70.0	210.3	90.1
Total liabilities	114.0	52.6	61.4	116.7	104.9
Invested capital at end of period	115.1	29.9	85.2	284.9	101.3
Return on investment, % 1)	5.5	-8.3			-11.3
Order backlog at end of period	33.7	38.0	-4.3	-11.3	51.3

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