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SRV'S OPERATING PROFIT GREW - FINANCIAL STATEMENT RELEASE 1 JANUARY – 31 DECEMBER 2008

Financial year 1.1.-31.12.2008 in brief:

- SRV's revenue was EUR 537.0 million (EUR 561.4 million 1-12/2007)
- Operating profit grew to EUR 32.9 million (EUR 15.1 million)
- Profit before taxes grew EUR 23.7 million (EUR 11.5 million)
- The order backlog at the close of the financial year was EUR 455.3 million (EUR 528.7 million)
- The equity ratio was 41.3 per cent (55,4 %)
- Earnings per share were EUR 0.43 (EUR 0,22)
- The proposed dividend 0.12 (EUR 0.12) per share

Fourth quarter 1.10.-31.12.2008 in brief:

- Revenue amounted to EUR 121.4 million (EUR 165,5 million10-12/2007)
- Operating profit was EUR 0.7 million (EUR -2.9 million)
- Loss before taxes was EUR 2.6 million (EUR -5.2 million)
- Earnings per share were EUR -0.06 (EUR -0.17)

"The significant slowing down of the economy clearly affected SRV's business operations towards the end of 2008, with revenue falling below the previous year's level. However, the rull-year operating profit grew substantially.

In the past year, SRV Business premises reached its best result ever, and its order backlog has stayed on a good level. Robust project management know-how, open cooperation with long-time clients together with innovative project development supports the competitiveness of the business area in the challenging market situation.

SRV Approach enables fast reacting to market changes. Thanks to the open operating model, SRV's clients can benefit from declined construction costs. Resources can be allocated flexibly to new projects both in Finland and Russia. Testimony to the competitiveness of SRV's approach in challenging projects can be found in its being awarded the contract to build the Helsinki Music Centre and the transfer of the Stockmann department store expansion project to SRV in October as well as the contract agreement to build the Vierumäki Congress & Resort hotel, which was signed in January 2009.

SRV's activities in development of Russian operations continued and two major new development projects, including land, in St Petersburg were acquired. The sale of the hotel in Ekaterinburg, which was concluded in July, raised SRV's operating profit substantially and also released equity for the development of Russian operations.

Financial result of Housing business area was a clear disappointment. Demand for housing has slackened, the number of start-ups has declined and sales have turned down, weakening the forecast for the Housing business area for 2009. However, long-term demand for housing construction will continue in growth centres, providing a solid foundation for growth for SRV.

With the spread of the global financial crisis, the outlook for the Finnish economy has weakened and growth in the Russian economy has slowed down considerably. The outlook for the Baltic national economies is difficult.

SRV's 41.3 per cent equity ratio gives a solid base to utilise SRV's innovative property development know-how in the years to come. SRV's financing position is good. To secure the financing needs, SRV has undrawn loan commitments and binding financing agreement amounting to over EUR 169 million and, " says Eero Heliövaara, President and CEO of SRV.

Group key figures (EUR million)	IFRS 1-12/ 2008	IFRS 1-12/ 2007	change, MEUR	change, %	IFRS 10-12/ 2008	IFRS 10-12/ 2007
Revenue	537.0	561.4	-24.5	-4.4	121.4	165.5
Operating profit	32.9	15.1	17.9	118.6	0.7	-2.9
Financial income and expenses, total	-9.2	-3.5	-5.7	161.3	-3.3	-2.3
Profit before taxes	23.7	11.5	12.2	105.5	-2.6	-5.2
Net profit for the financial year	15.3	7.6	7.6	99.6	-2.8	-5.1
Order backlog	455.3	528.7	-73.3	-13.9		
Operating profit, %	6.1	2.7			0.6	-1.8
Net profit, %	2.8	1.4			-2.3	-3.1
Equity ratio, %	41.3	55.4				
Net interest bearing debt	169.4	43.2				
Gearing, %	85.1	27.3				
Return on investment, %	12.9	9.7				
Return on equity, %	9.4	6.9				
Earnings per share, EUR [1)]	0.43	0.22		95.5	-0.06	-0.17
Equity per share, EUR [1)]	4.54	4.22		7.6		
Weighted average number of shares outstanding	36.5	32.7		11.7	36.3	36.8

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

In the financial year, consolidated revenue was EUR 349.1 million (EUR 561,4 million 1-12/2007). The share of revenue generated in Finland was 89 per cent (91 %), whereas 11 per cent (9 %) came from Russia and the Baltic countries. Revenue in the Business Premises business area was EUR 349.9 million (EUR 345.4 million). Revenue in the Housing business area declined to EUR 127.9 million (EUR 163.1 million). Revenue in the International business area was EUR60.1 million (EUR 53.2 million).

The Group's operating profit for the financial yearwas EUR 32.9 million (EUR 15.1 million 1-12/2007). Its operating profit margin was 6.1 per cent (2.7 %). Operating profit in Business Premises grew to EUR27.8 million (EUR 18.0 million). Operating profit in the International business area was EUR 9.2 million (operating loss of EUR 10.2 million). Operating profit in the Housing business area declined to EUR 0.7 million (EUR 10.7 Million).

The Group's profit before taxes for the financial year was EUR 23.7 million (EUR 11.5 million 1-12/2007). The profit for the financial year was EUR 15.3 million (EUR 7.6 million).

Earnings per share were EUR 0.43 (EUR 0.22). The increase in the number of shares is due to the share issues and structural changes in 2007. Return on equity was 9.4 per cent (6.9 %) and return on investment 12.9 per cent (9.7 %).

The Group's revenue for the fourth quarter amounted to EUR 121.4 million (EUR 165.5 million 10-12/2007) and operating profit to EUR 0.7 million (operating loss of EUR 2.9 million). Loss before taxes was EUR 2.6 million (EUR -5.2 Million). Earnings per share were EUR -0.06 (EUR -0.17).

The order backlog was EUR 455.3 million on 31.12.2008 (EUR 528.7 million 31.12.2007).

Key figures for the Segments

Revenue (EUR million)	IFRS 1-12/ 2008	IFRS 1-12/ 2007	change, MEUR	change, %	IFRS 10-12/ 2008	IFRS 10-12/ 2007
Business Premises	349.1	345.4	3.7	1.1	77.9	103.2
Housing	127.9	163.1	-35.2	-21.6	33.3	43.5
International	60.1	53.2	6.9	12.9	10.2	18.8
Other Operations	11.5	11.2	0.3	2.6	3.0	2.7
Eliminations	-11.6	-11.4	-0.1		-3.1	-2.7
Group, total	537.0	561.4	-24.5	-4.4	121.4	165.5

Operating profit (EUR million)	IFRS 1-12/ 2008	IFRS 1-12/ 2007	change, MEUR	change, %	IFRS 10-12/ 2008	IFRS 10-12/ 2007
Business Premises	27.8	18.0	9.8	54.2	6.0	4.7
Housing	0.7	10.7	-10.0	-93.4	-1.2	2.8
International	9.2	-10.2	19.5		-2.7	-9.4
Other Operations	-4.9	-3.1	-1.9		-1.4	-1.1
Eliminations	0.1	-0.4	0.4		0.0	0.0
Group, total	32.9	15.1	17.9	118.6	0.7	-2.9

Operating profit (%)	IFRS 1-12/2008	IFRS 1-12/2007	IFRS 10-12/2008	IFRS 10-12/2007
Business Premises	8.0	5.2	7.8	4.5
Housing	0.6	6.5	-3.6	6.5
International	15.4	-19.2	-26.5	-49.9
Group, total	6.1	2.7	0.6	-1.8

Order backlog (EUR million)	IFRS 31.12.08	IFRS 31.12.07	change, MEUR	change, %
Business Premises	265.7	302.8	-37.0	-12.2
Housing	154.0	174.6	-20.6	-11.8
International	35.6	51.3	-15.7	-30.6
Group, total	455.3	528.7	-73.3	-13.9

Earnings trends of the Segments

Business Premises (EUR million)	IFRS 1-12/ 2008	IFRS 1-12/ 2007	change, MEUR	change, %	IFRS 10-12/ 2008	IFRS 10-12/ 2007
Revenue	349.1	345.4	3.7	1.1	77.9	103.2
Operating profit	27.8	18.0	9.8	54.2	6.0	4.7
Order backlog	265.7	302.8	-37.0	-12.2		

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 1.1 per cent during the financial year, totalling EUR 349.1 million (EUR 345.4 million). Operating profit was EUR 27.4 million (EUR 18.0). The positive trend in the operating profit was mostly a result of successful implementation of development projects.. The order backlog was EUR 292.9 million (EUR 302.8 million). Profit margin of the order backlog has stayed on a good level.

Fourth-quarter revenue amounted to EUR 77.9 million (EUR 103.2 million) and operating profit to EUR 6.0 million (EUR 4.7 million). The market situation clearly deteriorated during the latter half of the year. During the final quarter, Meag Munich Ergo's office building in Keilaniemi, a developer contracting project carried out in line with the HTC concept, was completed.

Among the projects completed during the financial year were the Tuupakka logistics centre in Vantaa, office buildings implemented under the HTC concept and new headquarters for Neste Oil in the Keilaniemi district of Espoo, the Biomedicum II project in Helsinki for the Hospital District of Helsinki and Uusimaa, a logistics centre for Itella in the Voutila district in Vantaa, the Kara Mid Point research and development and office building for Nokia in the Karaportti district in Espoo as well as numerous rock construction projects. The King's Gate business district in Porvoo was complemented in September with the completion of commercial buildings for Vepsäläinen and Koti-Idea.

The second phase of the TRIO shopping centre in the heart of Lahti was handed over to the client, Citycon, in November. This second phase was a direct follow-up to the first phase, which was also constructed by SRV.

SRV handed over the Flamingo recreational centre in Vantaa to the client, Varma Mutual Pension Insurance Company, in August, two months ahead of the original schedule.

During the financial year, construction commenced on the Plantagen garden store and the retail centre of the northern wing in King's Gate, Porvoo. Construction work on STC King's Gate, the office premises in the King's Gate area, was also started. The pre-construction of L&T Kerca in Kerava and the construction of a car dealership for Autosalpa in Lahti and a logistics warehouse for Codel in Vantaa also began. Repair works on the second stage of the University of Helsinki's Metsätalo Building in Helsinki were started, and an agreement was reached with the university's Property Services Department for a renovation project that is to be carried out in stages at the Institute of Dentistry building in the Ruskeasuo district of Helsinki. In addition, the construction work on the new central laboratory at Neste Oil's Kilpilahti refinery in Porvoo was started in November. Senaatti-kiinteistöt selected SRV as the main contractor for the new civil defence shelter in the Viikki district of Helsinki and as the project management contractor for the new construction and renovation work on the University of Helsinki's Svenska Social & Kommunal Högskolan.

SRV and Kiinteistöosakeyhtiö Helsingin Musiikkitalo signed a contract for the construction of the Helsinki Music Centre. Construction began in September. SRV's main contract is valued at EUR 90.5 million. The total cost of the Helsinki Music Centre is estimated at EUR 140 million, and it is scheduled for completion at the end of April 2011.

In March 2008, the Keravanportti property was sold to the real-estate investment trust REFF I Ky, which is managed by Pohjola Kiinteistösijoitus Oy, a property investment company. SRV constructed two retail buildings in Keravanportti.

In October, Stockmann and SRV agreed that the project management and implementation of the extension and alteration works of Stockmann's Helsinki department store will be transferred to SRV. The agreement covers both the works now in progress and the completion of the entire extension project. SRV's share of the project is estimated at EUR 80 million. The works will be completed by the end of 2010.

In December, SRV and Suomi Mutual Life Assurance Company signed an agreement for STC Meiramitie, a logistics project, to be carried out in the district of Koivuhaka in Vantaa. The project encompasses the construction of a complex of four logistics properties with a total of about 10,700 square metres of floor area. SRV's STC (Smart Tech Center) concept has been developed specifically to enable small and medium-sized companies to utilise their warehousing, production and office premises efficiently.

On 6 March 2008, the Helsinki Court of Appeal announced 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 of the 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 must 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 was about EUR 0.7 million and about EUR 1.2 million on profit before taxes. The Supreme Court did not grant leave to appeal for F-Secure.

Housing (EUR million)	IFRS 1-12/ 2008	IFRS 1-12/ 2007	change, MEUR	change, %	IFRS 10-12/ 2008	IFRS 10-12/ 2007
Revenue	127.9	163.1	-35.2	-21.6	33.3	43.5
Operating profit	0.7	10.7	-10.0	-93.4	-1.2	2.8
Order backlog	154.0	174.6	-20.6	-11.8		

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 127.9 million (EUR 163.1 million) in the financial year and operating profit was EUR 0.7 million (EUR 10.7 million). The decline in both revenue and operating profit was attributable to the sharp slowdown in housing sales. The order backlog was EUR 154.0 million (EUR 174.6 million).

Fourth-quarter revenue amounted to EUR 33.3 million (EUR 43.5 million) and operating loss to EUR 1.2 million (operating profit of EUR 0.4). The decline in both revenue and operating profit was attributable to the general situation in housing sales. Operating profit in the fourth quarter was reduced by cost entries of EUR 1 million, mostly made in conjunction with a reassessment of the profitability of remaining developer contracting projects.

Besides housing production, resources were allocated to contracting and, during the financial year contracts worth EUR 76.9 million were concluded with external clients. Of these, the most important in the Helsinki metropolitan area were a 58-unit apartment building for HOAS (Foundation for Student Housing in the Helsinki Region) in Viikki and the renovation of a 62-unit apartment building for KY Kiinteistö Oy in the Töölö district of Helsinki. The construction of a total of 76 residential units was started up in Tampere for AVO-Asunnot Oy and AVO-Asumisoikeus Oy. Other contracts that were concluded included the renovation of an ice stadium for the City of Jyväskylä, the construction of Tietotie upper secondary school for the City of Valkeakoski, the construction of a wind turbine production plant for The Switch in Lappeenranta and the construction of a logistics centre and covering the parking hall for Turku University Hospital.

During the financial year, the construction of 110 (363) developer contracting housing units was started. SRV bought an area in the Saunalahti district of Espoo during the review period and will build more than 100 low-rise units there. The construction of the first stage, comprising 16 units, commenced in late summer.

A total of 141 (288) developer contracting housing units were sold during the financial year. Sales focused on units that were completed or close to completion. Although sales of residences picked up during the second quarter, they weakened in the third and particularly in the fourth quarter.

At the end of the financial year, 265 (415) residential units were under construction, of which 266 units were unsold. There were 133 (80) completed but unsold residential units. Of the completed residential units, 20 had been leased out by the close of the period. A total of 260 (519) developer contracting residential units were completed during the review period. Start-ups of new developer contracting housing projects have been decreased further due to the market situation.

Developer contracting housing production in Finland	1-12/ 2008	1-12/ 2007	change, units	10-12/ 2008	10-12/ 2007
Start-ups	110	363	-253	0	155
Sold	141	288	-148	13	40
Completed	260	519	-259	260	519
Completed and unsold [1)]	133	80	53		
Under construction [1)]	265	415	-150		

1) at the end of the period

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

Codetermination negotiations were started and completed in the Greater Helsinki area during the financial year The codetermination negotiations led to the termination of the contracts of four salaried employees, the laying-off of five salaried employees and the conditional termination of the contracts of 10 employees for production and financial reasons.

SRV continued its participation as the only construction company in the 24Living development project, which is being partly funded by TEKES (the Finnish Funding Agency for Technology and Innovation). Begun 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.

International Operations (EUR million)	IFRS 1-12/ 2008	IFRS 1-12/ 2007	change, MEUR	change, %	IFRS 10-12/ 2008	IFRS 10-12/ 2007
Revenue	60.1	53.2	6.9	12.9	10.2	18.8
Operating profit	9.2	-10.2	19.5		-2.7	-9.4
Order backlog	35.6	51.3	-15.7	-30.6		

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

International Operations posted revenue of EUR 60.1 million (EUR 53.2 million). Operating profit amounted to EUR 9.2 million (operating loss of EUR 10.2 million). Revenue of EUR 14.2 million and operating profit of EUR 13.5 million were recorded on the sale of the hotel in Ekaterinburg. The order backlog was EUR 35.6 million (EUR 51.3 million).

Fourth-quarter revenue was EUR 10.2 million (EUR 18.8. million) and operating loss EUR 2.7 million (loss of EUR 9.4 million). Following an adjustment to the price of the hotel sold in July, EUR 0.9 million was booked to revenue and operating profit. Operating profit was burdened by EUR 1.8 million in development expenses for the property development project in St Petersburg and the slowing down of activities in the Baltic countries.

Russia

The renovation works of the Pulkovskaya and Pribaltiskaya hotels operated by the Rezidor Group in St Petersburg were completed in April. In June, SRV signed contracts valued at around EUR 15 million for further renovation works at the hotels. Ahlström's glass fibre plant in Tver was completed in March.

The construction of the Etmia II office and parking facility in the heart of Moscow continued. Acquisition of lessees for the site began during the autumn. The site will have shell & core readiness at the start of 2009, after which interior works will commence. SRV's role in the project is to act as the project management contractor and as co-owner with a 50 per cent stake. SRV's objective is to sell the project to investors after completion.

Construction of the Papula residential area in the city of Vyborg continued. In the first phase, 38 units are to be built, and are slated for completion during the first quarter of 2009. All of the first-phase units have been sold. The sale of 30 units, valued at EUR 4.6 million, will be recognised after the buyer has finalised the financing.

The development of the Eurograd logistics area in St Petersburg continued during the review period. On 11 February 2008, SRV acquired a 32 per cent share in the Russian enterprise OOO "Olgino-4", which owns a plot of 24.9 hectares located north of St Petersburg, in the close vicinity of the Ring Road. SRV raised its ownership in the enterprise to 49 per cent during the review period and will acquire the majority stockholding the first half of 2009. Over 100,000 square metres of logistics facilities are planned for the site, in several stages during the next few years. The zoning of the area for logistics was completed in August and site planning has begun.

In the financial year, SRV continued the design, preparations for the construction and the search for tenants of the Mytichi shopping centre project developed by SRV, to be realised in the Moscow area. The ensemble will have about 120,000 square metres of floor area. The majority owner of the project is the Finnish real estate investment company Vicus with a 75 per cent stake. Due to the global financial crisis, the project will be split into two phases, to facilitate external financing. The scope of construction works during the first phase will be about 52,000 m2, including an underground car park and commercial premises. The final investment decision will be made in 2009. In July, SRV signed a project management contract, valued at EUR 107 million, with the project company for the planning and construction of the project. The contract agreement will be amended in line with the new scope of the project. The project will not be included in the order backlog until the final investment decision is made. Preparations for construction and work for the transfer of the plot's infrastructure have started in accordance with the project management contract. Negotiations with the anchor tenants are underway. The aim is to finalise the negotiations by the end of the year. SRV owns 25 per cent of the project and has invested EUR 6.4 million in it.

SRV 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 is developing zoning for the area. The plans include the construction of office and retail space, as well as hotel, restaurant and entertainment premises. Moreover, facilities will be built for the IBI university. SRV has made agreements with three international architecture firms to develop the overall concept of the project on the basis of a pre-study carried out by the British firm Locum Consulting. The aim is to conclude the development of the overall concept in 2009, which would enable starting up the construction of the first phase during 2010. SRV has established a development company named OOO IBI Invest to implement the project, and acquired a land area for said company. SRV had invested about EUR 50 million in land and properties as of 31 December 2008. Further investment in the project by SRV is estimated at EUR 10 million. It is further estimated that SRV's ownership will total 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 future minority shareholder in the joint venture is Mr. Boris Kholmyansky through the companies that he owns. Mr. Kholmyansky is the main owner and chairman of the board of the St Petersburg-based company NPO Znamia Truda.

During the period, SRV continued negotiations with a Russian banking partner with a view to developing property fund cooperation, which would focus on developing commercial and business premises projects and financing construction in Russia. The investors would be SRV together with a group of international investors as well as a local partner, who would also administer the fund. Should the plan be carried out, SRV intends to make a fund investment of around EUR 20 million.

In July, SRV signed a contract for the sale of shares in ZAO Nordrus Hotel with Wenaas Hotel Russia A/S, which belongs to the Norwegian Wenaas Group. ZAO Nordrus Hotel owns the 160-room Park Inn hotel in Ekaterinburg, Russia. The selling price of the shares was EUR 22.5 million. The transaction was completed on 24 September 2008, when the Russian competition authorities had given their consent.

Baltic countries

A partnership project with Facio Ehitus continued in Tartu, Estonia. SRV owns a plot for 7 high-rise apartment buildings. The construction of one of these buildings (42 units) was begun in the summer of 2007. The project was completed in October. No start-ups of new developer contracting projects are planned in the present market situation. 6 (17) residential units were sold during the period and, all in all, 41 (46), were up for sale at the end of the period, 41 (4) of which were in already-completed projects. The sale of the logistics centre leased to Oriola KD in Estonia was completed in January 2008. Revenue of EUR 5 million was recorded on the sale. The vehicle dealership for Inchcape Motors was handed over to the client in November. Design work for the Mercantile logistics centre was completed but the construction start-up was put on hold.

The HRX logistics centre was handed over to the client in Latvia in March 2008.

Other Operations (EUR million)	IFRS 1-12/ 2008	IFRS 1-12/ 2007	change, MEUR	change, %	IFRS 10-12/ 2008	IFRS 10-12/ 2007
Revenue	11.5	11.2	0.3	2.6	3.0	2.7
Operating profit	-4.9	-3.1	-1.9		-1.4	-1.1

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

The revenue of Other Operations during the financial year was EUR11.5 million (EUR 11.2 million) and operating loss EUR 4.9 million (loss of EUR 3.1 million).Operating profit was burdened with the increase of depreciation, fixed costs and project development costs.

Fourth-quarter revenue was EUR 3.0 million (EUR 2.7 million) and operating loss was EUR 1.4 million (loss of EUR 1.1 million). Operating profit was impacted by the increase of depreciation to EUR 0.7 million (EUR 0.4 million).

Financing and financial position

The Group's equity amounted to 166.6 million (EUR 158.3 million) and the group's inventories were EUR 294.8 million (EUR 196.4 million), the share of land areas and plot-owning companies being EUR 142.1 million (EUR 64.3 million).

The Group's invested capital amounted to EUR 339.4 million (EUR 222.9 million).
Investments in SRV's developer contracting projects total around EUR 160 million. Investments in unsold housing production in Finland amount to EUR 89 million. The

company estimates that completion of these projects demands another EUR 20 million, which is financed mainly using the undrawn housing corporate loans. Investments in uncompleted developer contracting business premise projects in Finland amount to EUR 30 million. To complete the projects another EUR 10 million is estimated to be invested. Investments in international developer contracting projects amount to EUR 38 million, of which EUR 3.3 million is in unsold residential projects in Estonia, EUR 3.4 million in housing project under construction in Vyborg and around EUR 31 million in Etmia II office and Mytischi shopping centre projects under construction.
The Group's net interest-bearing liabilities were EUR 169.4 million on 31.12.2008 (EUR 43,2 million). Net financial expenses totalled EUR 9.2 million (EUR 3.5 million). The Group's cash assets at the end of the financial year amounted to EUR3.4 million (EUR 21.4 million). Cash assets in the reference period were increased through the share issue in June 2007. At the change of the year, share of the Group's undrawn financing reserves was EUR 107.0 million (EUR 130.0 million)., Undrawn project specific loans amounted to EUR 25 million and financing commitments amounted to EUR 10 million.

The return on investment was 12.9 per cent (9.7 %) and the return on equity 9.4 per cent (6.9 %). The equity ratio was 41.3 per cent (55,4 %). The change in the equity ratio was impacted by land investments and other increase in inventories.

Investments

The Group's investments totalled EUR 16.8 million (EUR 5,4 million), of which EUR 10 million were investments related to buildings in the IBI project.

Unbuilt land areas, land acquisition commitments and land development agreements

Land reserve 31.12.2008	Business Operations	Housing	International Operations	Total
Unbuilt land areas and land acquisition commitments				
Building rights*, m^2	238 000	268 000	859 000	1 365 000
Capital invested incl. commitments, EUR million	45	60	104	209
Land development agreements				
Building rights*, m^2	466 000	221 000	100 000	787 000

* Building rights also include the estimated building rights/construction volume of unzoned land reserves and land areas covered by agreements in projects that are wholly or partly owned by SRV

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 square metres of floor area is being developed. The listed Government Building will partly be returned to its original use. During the financial year SRV bought 14,700 square metres of floor area in residential building rights in the Saunalahdenranta district of Espoo. Single-family, terraced and semidetached houses will be built in the area. In the Aviapolis business district in the Viinikkala logistics area in Vantaa, SRV bought a 4.5 hectare piece of land, where it plans to build logistics facilities measuring around 26,000 square metres of floor area.

In June, SRV concluded a preliminary property purchase agreement for the roughly 4.5 hectare land area in the Vantaankoski district of Vantaa. The land area borders the 6.3 hectare property SRV purchased earlier in the area.

On 14 January 2008, Espoo City Board accepted SRV's planning reservation application for housing towers above Karhusaarentie road. The plan includes four 27–28 storey buildings and an underground car park on four levels. According to initial plans, the area includes about 50,000 square metres 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. Plans include a deck that would span over Karhusaarentie road, connecting the residential site to Tapiola and thereby adding to its supply of high-quality housing.

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

As part of SRV's renewed brand the company renamed 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.

SRV's Group structure

SRV is Finland's leading project management contractor. The Group builds and develops retail and commercial premises, residential units as well as infrastructure and logistics projects. Apart from Finland, the company operates in Russia and the Baltic countries. SRV Group Plc is the Group's parent company, and it is responsible for the Group's management, treasury, finance and administrative functions. The Property Development and Building Systems Engineering units support and serve all the Group's business operations.

SRV's business areas are Business Premises, Housing and International as well as Other Operations. The Business Premises business area comprises the operations of SRV Toimitilat Oy. Housing comprises the operations of SRV Asunnot Oy and the regional subsidiaries. The SRV International subgroup carries on international operations in Russia and the Baltic countries. Other Operations consist primarily of the SRV Group Plc and SRV Kalusto Oy businesses.

Changes in Group structure

SRV Group Plc acquired 100 per cent ownership of SRV Keski-Suomi Oy in April 2008 and Rkl Erkki Huhdanpää Oy in June 2008. In order to strengthen the business structure and operations, SRV started the procedure to merge SRV Kaakkois-Suomi Oy, SRV Keski-Suomi Oy, SRV Lounais-Suomi Oy and Rkl Erkki Huhdanpää Oy into SRV Housing Ltd at the end of June 2008. The companies were merged with SRV Housing Ltd on 31 December 2008 and continue their operations as SRV Housing Ltd's regional businesses under the brands SRV Kaakkois-Suomi, SRV Keski-Suomi, SRV Lounais-Suomi and SRV Pirkanmaa.

Changes in Group management

Executive Vice President 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. Katri Innanen, LL.M, was appointed Chief Legal Counsel and member of the Corporate Executive Team of SRV Group, when the current Chief Legal Counsel, Marja Sarnela retires. Mrs Innanen started in her new position on 29 September 2008. Valtteri Palin, M.Sc. (Econ.), was appointed Senior Vice President, Financial Administration, and member of the Corporate Executive Team of SRV Group Plc as from 1 August 2008 when his predecessor and Corporate Executive Team Member Anu Hämäläinen left the company.

SRV reorganised its international operations on 15 September 2008. The Executive Vice President in charge of Russian operations, Veli-Matti Kullas, now reports directly to President and CEO Eero Heliövaara and the Baltic country managers to the Executive Vice President in charge of Business Premises, Juha Pekka Ojala. In connection with the organisational rearrangements, Ari Beilinson, Executive Vice President in charge of the SRV International business area and member of the Corporate Executive Team, left the company.

Personnel

SRV had an average payroll of 871 (761) employees, of whom 614 (537) were white-collar. The parent company had an average staff of 66 (62) white-collar employees. At the close of the financial year, the Group had 870 (752) employees, of whom 66 (59). were employed by the parent company. An average of 15 per cent (9%) of the employees work at subsidiaries and representative offices 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 financial year, SRV had a total of 25 (27) trainees working in the Group's operations in Finland (in summer jobs and in work training as well as students working on their thesis or diploma).

Personnel by business area	31.12.2008	31.12.2007	Share of Group personnel, 31.12.2008, %
Business Premises	296	295	34.0
Housing	285	257	32.8
International	191	114	22.0
Other Operations	98	86	11.3
Group, total	870	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 earning period 2008 will be paid in 2009, partly as shares in the company and partly as cash. The proportion to be paid in cash will cover taxes and tax-related costs arising from the reward. The shares may not be transferred during the two-year restriction period. If a key person's employment or service ends during said restriction period, he/she must return the shares rewarded under the Plan to the company without compensation. The earnings target for the 2008 earning period was not met, and thus no rewards will be paid for 2008 under the system.

On 10 February 2009, SRV's Board of Directors decided on the target group and performance targets for the 2009 earning period. The target group includes about 70 employees, and the reward is based mainly on consolidated and partly on business area performance. The rewards to be paid for earning period 2009 correspond to the approximate value of a total maximum of 350 000 SRV Group Plc shares and equal amount of money, at the most, for taxes.

Outlook for construction

Due to the uncertainty in the global financial markets, the world economy will continue to weaken. Growth in the Finnish economy has come to a halt, and growth in 2008 is estimated to have settled at around 2 per cent. Uncertainties concerning the length and impacts of the financial crisis are hampering the assessment of the construction market outlook. The business cycles of the real estate market and construction have weakened significantly.

The total number of building permits has decreased across the board, except for public buildings. After a prolonged rise, construction costs have begun to decrease. The availability of subcontracting and materials has developed favourably after the dip in the construction business cycle.

The housing market has taken a sharp turn for the worse due to slower economic growth. The number of unsold residences has grown. The number of residential start-ups has decreased, and due to the challenging situation, the lull in the housing market may continue into 2010.

In 2009, the construction of commercial premises and offices is expected to decline. Vacancy rates in office premises will increase due to the completion of new premises in 2009. Warehouse construction volumes depend on decisions to implement projects to improve logistics.

Economic growth in the Baltic countries has deteriorated quickly. Estonia and Latvia are sliding towards recession. The housing market has clearly cooled down and private consumption is on the wane due to rapid inflation. The short-term outlook for the Baltic economies is highly challenging.

Russian economic growth will decelerate rapidly. The financial crisis has made it more difficult to grant loans and construction volumes have dropped.

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. The general economic situation has deteriorated considerably. Interest rates fell sharply during the latter part of 2008, but the availability of credit from banks has weakened, and loan margins have risen significantly. The international financial crisis will make it more difficult also for SRV's customers to obtain financing and will hamper the functioning of property markets. Property values face pressures and the number of property transactions in decreased due to difficulties in getting financing. The financial crisis adds SRV's risk to be forced to tie up capital in projects longer than intended.

SRV's revenue is generated by construction projects, and the company's result depends on the profitability of individual projects as well as their progress. The recognition date of the developer contracting projects also depends on the percentage of sold premises in projects. Postponed residential start-ups increase the amount of development expense, which are recorded as costs. Housing sales have taken a steep fall in Finland, while in Estonia, in particular, they have come almost to a complete halt. The slowdown in housing sales will increase sales and marketing costs and interest expenses in developer contracting housing production.

Construction is subject to significant cost risks relating to subcontracting and deliveries, and their control underlines the need for long-term planning. SRV's contracting model requires skilled and competent personnel. Warranty and liability obligations related to construction can span up to ten years. Currently the upward trend in construction costs has ceased and turned into a downward one.

Besides land acquisition risks, property projects face, among other things, risks relating to outcome of zoning, financing, commercialisation of projects, geographical location and type of project. In accordance with its strategy, SRV focuses on developer contracting projects and has increased its land acquisition in Finland and in Russia, in particular. The crisis in the international financial market has substantially weakened the availability of financing in property projects for property development and investments. It has also put project start-ups on hold.

The financial risks connected with SRV's operations are interest rate, currency, liquidity and contractual party risks, which are discussed in more detail in the Notes to the 2008 Financial Statements. Currency risks are divided into transaction risks and translation risks. Transaction risks are related to currency-denominated business and financing cash flows. Translation risks encompass investments made in foreign subsidiaries, the accounting effects of which are recorded in the translation differences of equity in the consolidated figures.

Liquidity risks may have an effect on the Group's earnings and cash flow if the Group is unable to ensure sufficient financing for its operations. SRV maintains adequate liquidity by means of efficient management of cash flows and solutions linked to it, such as binding lines of credit that are valid until further notice. The company has a long-term liquidity arrangement (EUR 100 million), which shall fall due in 2012. The company's financing agreements contain customary terms and conditions. The financial terms and conditions of the agreements concern the equity ratio.

The Group's risk management is carried out in line with the Group's operations system and control is exercised in accordance with the Group strategy approved by the Board of Directors of the Group's parent company. SRV also makes every effort to cover operational risks by means of insurance and contractual terms. A more detailed account of SRV's risks, risk management and corporate governance policies has been disclosed in the 2007 Annual Report and Financial Statements.

SRV estimates that no other essential changes have occurred in company's risks in the financial year.

Environmental matters

In its operations, the Group's aim is to follow the principles of sustainable development and to minimise harmful environmental effects related to the life cycle of buildings. The activities are focused on management of environmental matters during both the design and construction phases. The group employs a waste reporting system on Finnish construction sites. SRV has upgraded the resources in the management of environmental matters as of the beginning of 2008.

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 Rytilahti, 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. A maximum of 3,676,846 own shares, or a lower amount that, in addition to the shares already owned by the company and its subsidiaries, is less than 10 per cent of all shares, may be acquired on the basis of the authorization. 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 36,768,468. 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 5 764 shareholders at 31 December 2008. SRV did not receive any flagging notifications during the financial year.
The closing rate at the end of the review period was EUR 3.47 (EUR 5.02 eur 31.12.2007). The highest share price in the review period was EUR 6.60 and the lowest was EUR 2.82. The change in the all-share index of the Helsinki Stock Exchange (OMX Helsinki) during the same period was 53.4 per cent negative and the OMX Industrial and Services index 58,3 per cent negative.

At the end of the financial year, the company had a market capitalisation of EUR 125.7 million, excluding the Group's own shares. About 13.5 million shares were traded on the Helsinki Stock Exchange in the financial year and the trade volume was EUR 69.0 million.

At the end of the financial year, SRV Group Plc's subsidiary SRV Kalusto Oy had 150,241 of SRV Group Plc's shares. The shares were acquired in accordance with the conditions of the merger plan of SRV Group Plc and SRV Henkilöstö Oy. On 30 May 2008, SRV Group Plc's Board of Directors decided to use the authorisation to acquire the company's own shares. Share acquisition started on 9 June 2008. On 31 December 2008, SRV Group Plc and SRV Kalusto Oy had a total of 558 000 of SRV Group Plc's shares, representing 1.5 per cent of the total number of the company's shares and combined number of votes. On 10 February 2009, the Group had a total of 551 064 shares (1.6 per cent of the total number of the company's shares and combined number of votes).

Financial targets

The Board of Directors has set the aim of SRV in the medium term to achieve annual average growth of approximately 15 per cent in Group revenue and annual average growth of 30 per cent 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.

The international economic and financing crisis has hindered the growth outlook for business operations. The realisation of the sales of developer contracting projects has an essential effect on the development of profitability. The set financial targets cannot be met during in the present economic situation. The company endeavours to maintain the profitability by rationalising operations and cutting costs.

Events after the end of the financial year

SRV is preparing for a continued downturn in construction markets. Negotiations were initiated in January 2009 within the Group companies for adapting its operations. The Group's Finland-based companies will start codetermination negotiations concerning senior salaried employees and salaried employees. At the same time, SRV will start a similar process in the Group's foreign units. The negotiations will deal with personnel layoffs, contract terminations and adaptation measures. The aim is to get the negotiations completed by mid March. The personnel reduction measures are estimated to affect about 130 employees. Different needs and measures will be specified more accurately during the course of the negotiations.

The construction of the Kerca logistics area in Kerava developed by SRV proceeded in January. Kesko started the plans to locate Anttila's logistics center in the Kerca logistics area.. Anttila's plans cover the construction of a warehouse of about 19,000 gross square metres. The construction project will carried out under project management contract. SRV and the city of Kerava agreed on a contract package concerning the development of the Kerca logistics area and concluded a contract for a real estate transaction of four hectares of land and a preliminary contract for an area of 22 hectares. On the first plot, SRV plans to build a GCC (Grand Cargo Center) logistics building with about 20,000 square metres of floor space. Kerca occupies an area of 160 hectares on the Kerava-Vantaa border.

In January, SRV and Varma Mutual Pension Insurance Company signed the project management contract concerning the Vierumäki Congress & Resort Hotel project. SRV acts as main contractor with overall responsibility and is in charge of construction and planning.

In addition to 191 hotel rooms, the four-storey hotel building includes meeting facilities, six restaurants, fitness room, bowling alley with 10-lanes, and a wellness-area. The hotel will be opened in spring 2010.

Outlook for 2008

The international financial crisis has complicated the financing of property investments and weakened the economic outlook. Start-up decisions and housing sales, in particular, face uncertainties.

The trend in revenue, operating profit and earnings in 2009 will be affected by the sales volume of developer contracting sites and the volume of new works orders. In order to improve profitability, SRV aims to reduce the Group's fixed expenses by cutting costs.

Revenue and operating profit in 2009 are expected to be below the previous year's figures, but profit before taxes is expected to be clearly positive.

Proposal for the distribution of profits

The parent company's distributable funds at 31 December 2007 are	EUR	124,482,961.33
of which net profit for the financial year is	EUR	3,007,280.62

The Board of Directors proposes to the Annual General Meeting that the distributable equity be allocated as follows:

A dividend of EUR 0.12 per share be paid to shareholders, thus	EUR	4,412,216.16
The remainder be transferred to retained earnings	EUR	120,070,745.17

No material changes have taken place in the company's financial position after the close of the financial year. The company's liquidity is good and, in the view of the Board of Directors, the proposed dividend payout does not compromise the company's solvency.

Espoo 10 February, 2009

Board of Directors

All forward-looking statements in this review are based on the management's current expectations and beliefs about future events, and actual results may differ materially from the expectations and beliefs such statements contain.

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Key figures:

		IFRS 1-12/ 2008	IFRS 1-12/ 2007	IFRS 10-12/ 2008	IFRS 10-12/ 2007
Revenue	EUR million	537.0	561.4	121.4	165.5
Operating profit	EUR million	32.9	15.1	0.7	-2.9
Operating profit, % of revenue	%	6.1	2.7	0.6	-1.8
Profit before taxes	EUR million	23.7	11.5	-2.6	-5.2
Profit before taxes, % of revenue	%	4.4	2.1	-2.1	-3.2
Net profit attributable to equity holders of the parent company	EUR million	15.7	7.2	-2.2	-5.1
Return on equity	%	9.4	6.9		
Return on investment	%	12.9	9.7		
Invested capital	EUR million	339.4	222.9		
Equity ratio	%	41.3	55.4		
Net interest-bearing debt	EUR million	169.4	43.2		
Gearing ratio	%	85.1	27.3		
Order backlog	EUR million	455.3	528.7		
Personnel on average		873	761		
Property, plant and equipment investments	EUR million	16.8	5.4	24.8	5.4
Property, plant and equipment investments, % of revenue	%	4.6	1.0	20.4	3.2
Earnings per share, share issue adjusted [1)]	EUR	0.43	0.22	-0.06	-0.17
Equity per share, share issue adjusted [2]	EUR	4.54	4.22	-	-
Dividend per share, share issue adjusted [2)]	EUR	0.12	0.12	-	-
Dividend payout ratio	%	27.9	54.6	-	-
Dividend yield	%	3.5	2.4	-	-
Price per earnings ratio		8.1	22.8	-	-
Share price development					
Share price at the end of the period	EUR	3.47	5.02	-	-
Average share price	EUR	5.05	8.40	-	-
Lowest share price	EUR	2.82	4.72	-	-
Highest share price	EUR	6.60	10.79	-	-
Market capitalisation at the end of the period	EUR million	125.7	184.6	-	-
Trading volume	1,000	13 543	22 514	-	-
Trading volume	%	37.1	68.8	-	-
Weighted average number of shares outstanding	1,000	36 526	32 703	36 268	36 768
Number of shares outstanding at the end of the period	1,000	36 210	36 768	36 210	36 768

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), the rights issue on 11 June 2007 and the rights issue and cancellation of treasury shares in connection with the merger of SRV Henkilöstö Oy on 28 September 2007 and purchases of own shares
2) Board of Directors' proposal for the distribution of profits of 2008

Calculation of key figures:

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

SRV Group Plc Financial statements bulletin 1.1. - 31.12.2008: 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) Quarterly development
3) Segment information
4) Outlook after the financial year

1. Group financials 1.1. - 31.12.2008

IFRS standards and operating segments

SRV Group's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) The figures in the tables have been rounded which should be noted when counting the total sums. The consolidated financial statement information has been prepared in accordance with the accounting policies set out in the IAS 34 standard and information disclosed is audited for the periods 1-12/2008 and 1-12/2007 and unaudited for the periods 10-12/2008 and 10-12/2007.

The following standards, amendments and interpretations have been applied as from the accounting period beginning on 1 January 2008:

- IFRIC 11 IFRS 2 Group and Treasury Shares Transactions This interpretation does not have an effect on the Group's financial position. It has effect to the notes of the consolidated financial statements to some extent.

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The following standard has been applied before the last effective date of the standard

- IFRS 8 Operating Segments. This standard does not have an effect on the Group's financial position. It has effect to the notes of the consolidated financial statements to some extent.

The following standards, amendments and interpretations shall be applied as from the accounting period beginning on 1 January 2009 or thereafter:

- IAS 23 Borrowing Costs. The Group will apply this amendment as from 1 January 2009.
- IAS 27 and IAS 1 Cost of and Investment in a Subsidiary, Jointly Controlled Entities or Associates (effective for the annual period beginning 1 January 2009/EU has not approved) The Group will apply this amendment as from 1 January 2009
- IFRS 3 Business Combinations and IAS 27 Consolidated and Separate. Financial Statements(effective for the annual period beginning 1 January 2010. The Group will apply this amendment as from 1 January 2010)
- IFRIC 15 Agreements for the Construction of Real Estate (effective for the annual period beginning 1 January 2010/EU has not approved). The Group will apply this amendment as from 1 January 2010.

  These standards, amendments have an effect on the Group's financial position and they have effect to the notes of the consolidated financial statements to some extent.

- 2008 Annual Improvements to IFRS. The Group will apply this amendment as from 1 January 2009
- IAS 1 Presentation of Financial Statements, amendments concerning presentation of the income statement, the statement of changes in equity and the comparative information in the balance sheet. The Group will apply this amendment as from 1 January 2009
- IAS 32 and IAS 1 Financial Instruments Puttable Financial Instruments and Obligations Arising on Liquidation. The Group will apply this amendment as from 1 January 2009
- IFRS 2 Vesting conditions and Cancellations. The Group will apply this amendment as from 1 January 2009
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation. The Group will apply this amendment as from 1 January 2009
  Based on the present information, these standards, amendments and interpretations not have an effect on the Group's financial position. They have effect to the notes of the consolidated financial statements to some extent.

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

Consolidated income statement (EUR million)	IFRS 1-12/ 2008	IFRS 1-12/ 2007	change, MEUR	change, %	IFRS 10-12/ 2008	IFRS 10-12/ 2007
Revenue	537.0	561.4	-24.5	-4.4	121.4	165.5
Other operating income	1.4	1.1	0.3	23.4	0.4	0.4
Change in inventories of finished goods and work in progress	53.5	18.3	35.2	192.1	28.6	12.3
Use of materials and services	-495.3	-509.7	14.4	-2.8	-133.4	-165.9
Employee benefit expenses	-46.3	-41.6	-4.8	11.4	-12.2	-11.5
Depreciation and impairments	-3.2	-1.9	-1.3	65.3	-1.1	-0.5
Other operating expenses	-14.1	-12.6	-1.6	12.3	-3.1	-3.1
Operating profit	32.9	15.1	17.9	118.6	0.7	-2.9
Financial income	4.2	2.6	1.5	58.5	0.8	1.3
Financial expenses	-13.4	-6.1	-7.2	117.4	-4.1	-3.7
Financial income and expenses, total	-9.2	-3.5	-5.7	161.3	-3.3	-2.3
Profit before taxes	23.7	11.5	12.2	105.5	-2.6	-5.2
Income taxes	-8.5	-3.9	-4.6	117.1	-0.2	0.1
Net profit for the financial year	15.3	7.6	7.6	99.6	-2.8	-5.1
Attributable to						
Equity holders of the parent company	15.7	7.2			-2.2	-5.1
Minority interest	-0.4	0.5			-0.5	0.0
Earnings per share calculated on the profit attributable to equity holders of the parent company (undiluted and diluted) 1)	0.43	0.22		95.5	-0.06	-0.17

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 SRV Henkilöstö Oy on 29 September 2007 and purchases of own shares

Consolidated balance sheet (EUR million)	IFRS 31.12.08	IFRS 31.12.07	change %
ASSETS			
Non-current assets	19.0	8.0	137.0
Property, plant and equipment	1.7	0.7	138.9
Goodwill	0.5	0.6	-16.6
Other intangible assets	4.3	2.9	45.6
Other financial assets	6.6	2.7	143.6
Receivables	1.7	1.1	51.5
Deferred tax assets	33.8	16.1	109.5
Non-current assets, total			
Current assets	294.8	196.4	50.1
Inventories	86.7	94.2	-7.9
Trade and other receivables	5.1	3.4	49.4
Current tax receivables	3.4	21.4	-84.2
Cash and cash equivalents	390.0	315.4	23.7
Current assets, total	423.8	331.6	27.8
ASSETS, TOTAL	19.0	8.0	137.0

Consolidated balance sheet (EUR million)	IFRS 31.12.08	IFRS 31.12.07	change %
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company			
Share capital	3.1	3.1	0.0
Invested free equity fund	87.3	87.3	0.0
Translation differences	-0.1	0.0	-483.0
Fair value reserve	-0.1	0.0	
Retained earnings	74.1	64.7	14.6
Equity attributable to equity holders of the parent company, total	164.3	155.1	6.0
Minority interest	2.3	3.2	-30.0
Equity, total	166.6	158.3	5.2
Non-current liabilities			
Deferred tax liabilities	0.3	0.1	91.7
Provisions	5.6	5.9	-5.4
Interest-bearing liabilities	69.7	38.1	83.1
Other liabilities			
Non-current liabilities, total	75.6	44.1	71.3
Current liabilities			
Trade and other payables	66.8	96.9	-31.1
Current tax payables	8.0	1.6	399.2
Provisions	3.8	4.1	-6.4
Interest-bearing liabilities	103.1	26.5	288.7
Current liabilities, total	181.6	129.1	40.7
Liabilities, total	257.2	173.2	48.5
EQUITY AND LIABILITIES	423.8	331.6	27.8

Consolidated cash flow statement (EUR million)	IFRS 1-12/2008	IFRS 1-12/2007
Cash flows from operating activities		
Net profit for the period	**15.3**	**7.6**
Adjustments:		
Depreciation and impairments	3.2	1.9
Non-cash transactions	-0.5	1.5
Financial income and expenses	9.2	3.5
Capital gains on sales of tangible and intangible assets	0.0	-0.1
Income taxes	8.5	3.9
Adjustments, total	**20.3**	**10.6**
Changes in working capital:		
Change in loan receivables	-12.6	-2.7
Change in trade and other receivables	14.9	-23.0
Change in inventories	-98.8	-62.8
Change in trade and other payables	-31.9	16.4
Changes in working capital, total	**-128.3**	**-72.1**
Interest paid	-13.0	-6.3
Interest received	6.7	2.8
Dividends received	0.0	0.0
Income taxes paid	-4.2	-6.3
Net cash flow from operating activities	**-103.2**	**-63.7**
Cash flow from investing activities		
Acquisition of subsidiaries, net of cash	-1.3	0.0
Property, plant and equipment	-13.7	-4.2
Intangible assets	-0.3	-0.1
Other financial assets	-1.5	-1.0
Sale of property, plant and equipment and intangible assets	0.1	0.7
Sale of financial assets	0.0	0.3
Net cash used in investing activities	**-16.7**	**-4.3**
Cash flows from financing activities		
Proceeds from share issue	0.0	113.4
Proceeds from loans	68.9	19.1
Repayments of loans	-10.1	-13.5
Change in loan receivables	0.0	0.2
Change in housing corporation loans	30.6	-21.8
Change in credit limits	18.8	0.9
Purchase of treasury shares	-1.9	-20.7
Dividends paid	-4.4	-3.1
Net cash from financing activities	**101.8**	**74.5**
Net change in cash and cash equivalents	**-18.0**	**6.5**
Cash and cash equivalents at the beginning of period	21.4	14.9
Cash and cash equivalents at the end of period	**3.4**	**21.4**

Statement of changes in Group equity 1.1. - 31.12.2008

IFRS (EUR million)	Share capital	Share premium reserve	Invested free equity fund	Translation differences	Fair value reserve	Retained earnings	Total	Minority interest	Total equity
	Equity attributable to the equity holders of the parent company								
Equity on 1.1.2008	3.1	0.0	87.3	0.0	0.0	64.7	155.1	3.2	158.3
Translation differences				-0.1		0.1	0.0		
Net gains on available-for-sale financial assets					-0.1		-0.1		
Other changes			0.0			0.0	0.0		
Net income recognised directly in equity	0.0	0.0	0.0	-0.1	-0.1	0.0	-0.2		
Net profit for the financial year						15.7	15.7		
Total income and expenses for the financial year	0.0	0.0	0.0	0.0	0.0	15.7	15.7		
Dividends paid						-4.4	-4.4		
Purchase of treasury shares						-1.9	-1.9		
Equity on 31.12.2008	3.1	0.0	87.3	-0.1	-0.1	74.1	164.3	2.3	166.6

Statement of changes in Group equity 1.1. - 31.12.2007

IFRS (EUR million)	Share capital	Share premium reserve	Invested free equity fund	Translation differences	Fair value reserve	Retained earnings	Total	Minority interest	Total equity
	Equity attributable to the equity holders of the parent company								
Equity on 1.1.2007	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 financial year						7.2	7.2		
Total income and expenses for the financial year	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 31.12.2007	3.1	0.0	87.3	0.0	0.0	64.7	155.1	3.2	158.3

Inventories (EUR million)	IFRS 31.12.08	IFRS 31.12.07	change, %
Raw materials and consumables	0.0	0.0	-97.1
Work in progress	100.8	86.7	16.4
Land areas and plot-owning companies	142.1	64.3	121.0
Shares in completed housing corporations and real estate companies	34.0	30.3	12.4
Advance payments	3.7	6.5	-43.4
Other inventories	14.2	8.7	64.2
Inventories, total	294.8	196.4	50.1

Commitments and contingent liabilities EUR million	IFRS 31.12.08	IFRS 31.12.07	change, %
Collateral given for own liabilities			
Real estate mortgages given	114.7	69.9	64.1
Pledges given	0.0	5.2	-100.0
Other commitments			
Guarantees given for liabilities on uncompleted projects	0.4	71.4	-99.4
Investment commitments given	2.7	4.7	-42.1

Fair and nominal values of derivative instruments	IFRS 31.12.08		IFRS 30.12.07	
(EUR million)	Fair Values		Fair Values	
	Positive	Negative	Positive	Positive
Hedge accounting not applied				
Foreign exchange forward contracts	0	0	0	0
Interest rate swaps	0	0	0	0
Nominal values of derivative instruments	IFRS		IFRS	
	31.12.08		31.12.07	
Foreign exchange forward contracts	0		8.5	
Interest rate swaps	18.8		0	

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

2. Group and Segment information by quarter

SRV Group (EUR million)	IFRS 10-12/08	IFRS 7-9/08	IFRS 4-6/08	IFRS 1-3/08	IFRS 10-12/07	IFRS 7-9/07	IFRS 4-6/07	IFRS 1-3/07
Revenue	121.4	126.7	142.4	146.4	165.5	134.6	140.0	121.4
Operating profit	0.7	14.1	9.2	8.9	-2.9	7.6	6.8	3.6
Financial income and expenses, total	-3.3	-2.9	-2.4	-0.6	-2.3	0.2	-0.8	-0.6
Profit before taxes	-2.6	11.2	6.8	8.3	-5.2	7.8	6.0	3.0
Order backlog [1)]	455.3	455.2	521.1	451.3	528.7	546.3	517.4	507.0
Earnings per share, eur	-0.06	0.21	0.12	0.16	-0.17	0.14	0.18	0.07
Equity per share, eur [1)]	4.54	4.61	4.40	4.38	4.22	4.33	4.46	2.29
Share price, eur [1)]	3.47	4.19	5.28	5.55	5.02	8.10	10.10	0.00
Equity ratio, % [1)]	41.3	45.9	44.9	52.1	55.4	60.9	59.4	33.2
Net interest bearing debt [1)]	169.4	127.9	122.4	76.1	43.2	19.8	-10.4	52.5
Gearing, % [1)]	85.1	74.1	74.8	46.3	27.3	12.2	-5.8	82.9

Revenue (EUR million)	IFRS 10-12/08	IFRS 7-9/08	IFRS 4-6/08	IFRS 1-3/08	IFRS 10-12/07	IFRS 7-9/07	IFRS 4-6/07	IFRS 1-3/07
Business Premises	77.9	74.3	92.2	104.8	103.2	90.6	82.2	69.4
Housing	33.3	31.4	37.1	26.0	43.5	35.5	43.9	40.1
International	10.2	21.0	13.1	15.7	18.8	8.5	14.0	11.9
Other Operations	3.0	2.7	2.8	2.9	2.7	2.5	4.0	1.9
Eliminations	-3.1	-2.7	-2.9	-2.9	-2.7	-2.6	-4.2	-1.9
Group, total	121.4	126.7	142.4	146.4	165.5	134.6	140.0	121.4

Operating profit (EUR million)	IFRS 10-12/08	IFRS 7-9/08	IFRS 4-6/08	IFRS 1-3/08	IFRS 10-12/07	IFRS 7-9/07	IFRS 4-6/07	IFRS 1-3/07
Business Premises	6.0	3.7	9.9	8.2	4.7	6.8	3.6	2.9
Housing	-1.2	0.5	0.9	0.4	2.8	3.0	2.9	2.0
International	-2.7	10.8	-0.1	1.2	-9.4	-1.7	1.8	-0.9
Other Operations	-1.4	-1.0	-1.6	-0.9	-1.1	-0.5	-1.1	-0.4
Eliminations	0.0	0.0	0.0	0.0	0.0	0.0	-0.4	0.0
Group, total	0.7	14.1	9.2	8.9	-2.9	7.6	6.8	3.6

Operating profit (%)	IFRS 10-12/08	IFRS 7-9/08	IFRS 4-6/08	IFRS 1-3/08	IFRS 10-12/07	IFRS 7-9/07	IFRS 4-6/07	IFRS 1-3/07
Business Premises	7.8	4.9	10.8	7.8	4.5	7.5	4.4	4.2
Housing	-3.6	1.7	2.5	1.6	6.5	8.5	6.5	4.9
International	-26.5	51.5	-0.9	7.9	-49.9	-19.9	12.7	-7.8
Group, total	0.6	11.1	6.4	6.1	-1.8	5.7	4.8	2.9

Order backlog (EUR million)	IFRS 31.12.08	IFRS 31.12.08	IFRS 30.6.08	IFRS 31.3.08	IFRS 31.12.07	IFRS 30.9.07	IFRS 30.6.07	IFRS 31.3.07
Business Premises	265.7	228.8	291.1	235.2	302.8	360.2	323.4	326.0
Housing	154.0	186.3	186.8	182.4	174.6	128.2	129.7	143.0
International	35.6	40.2	43.2	33.7	51.3	57.9	64.4	38.0
Group, total	455.3	455.2	521.1	451.3	528.7	546.3	517.4	507.0

Invested capital (EUR million)	IFRS 31.12.08	IFRS 30.9.08	IFRS 30.6.08	IFRS 31.3.08	IFRS 31.12.07	IFRS 30.9.07	IFRS 30.6.07	IFRS 31.3.07
Business Premises	63.9	63.5	51.2	43.7	33.4	44.4	60.7	40.1
Housing	138.9	115.9	105.3	97.0	81.5	72.2	60.6	39.5
International	138.6	143.9	145.1	115.1	101.3	65.3	58.6	29.9
Other and eliminations	-2.0	-16.6	-5.4	4.0	6.7	25.3	58.5	23.0
Group, total	339.4	306.6	296.2	259.8	222.9	207.3	238.3	132.6

Residential production in Finland (units)	10-12/08	7-9/08	4-6/08	1-3/08	10-12/07	7-9/07	4-6/07	1-3/07
Start-ups	0	49	53	8	155	31	77	100
Sold	13	32	63	33	40	62	83	103
Completed	260	260	229	125	519	389	132	81
Completed and unsold [1)]	133	140	128	105	80	71	30	18
Under construction [1)]	265	251	247	298	415	382	593	613

1) at the end of the period

3. Segment information

Assets (EUR million)	IFRS 31.12.08	IFRS 31.12.07	change, MEUR	change, %
Business Premises	116.9	117.2	-0.3	-0.3
Housing	158.4	113.4	44.9	39.6
International	158.6	114.3	44.4	38.8
Other Operations	185.1	162.0	23.1	14.3
Eliminations	-195.2	-175.4		
Group, total	423.8	331.6	92.3	27.8

Liabilities (EUR million)	IFRS 31.12.08	IFRS 31.12.07	change, MEUR	change, %
Business Premises	81.7	83.9	-2.2	-2.6
Housing	141.5	93.8	47.7	50.8
International	147.2	104.9	42.3	40.4
Other Operations	65.7	31.5	34.1	108.2
Eliminations	-178.9	-140.9		
Group, total	257.2	173.2	84.0	48.5

Invested capital (EUR million)	IFRS 31.12.08	IFRS 31.12.07	change, MEUR	change, %
Business Premises	63.9	33.4	30.5	91.2
Housing	138.9	81.5	57.4	70.4
International	138.6	101.3	37.3	36.8
Other operations and eliminations	-2.0	6.7		
Group, total	339.4	222.9	116.5	52.2

Inventories (MEUR)	IFRS 31.12.08	IFRS 31.12.07	change, MEUR
Land areas and plot-owning companies	142,1	64,3	77,8
Business Premises	24.6	16.4	8.2
Housing	41.6	26.5	15.1
International	68.0	20.8	47.1
Work in progress	100.8	86.7	14.2
Business Premises	30.0	27.6	2.4
Housing	57.3	41.9	15.4
International	13.6	17.2	-3.7
Shares in completed housing corporations and real estate companies	34.0	30.3	3.8
Business Premises	0.0	0.0	0.0
Housing	30.6	20.8	9.8
International	3.3	9.5	-6.1
Other inventories	17.9	15.2	2.7
Business Premises	5.0	5.0	0.0
Housing	4.6	4.8	-0.2
International	9.3	6.1	3.2
Inventories. total	294.8	196.4	98.4
Business Premises	59.6	49.1	10.5
Housing	134.0	93.9	40.1
International	94.1	53.6	40.5

Business Premises (EUR million)	IFRS 1-12/2008	IFRS 1-12/2007	change. MEUR	change. %
Revenue	349.1	345.4	3.7	1.1
Operating profit	27.8	18.0	9.8	54.2
Segment's assets				
Non-current assets	0.9	1.0	-0.1	-5.8
Current assets	116.0	116.2	-0.3	-0.2
Total assets	116.9	117.2	-0.3	-0.3
Segment's liabilities				
Non-current liabilities	1.1	1.2	-0.1	-6.7
Current liabilities	80.6	82.7	-2.1	-2.6
Total liabilities	81.7	83.9	-2.2	-2.6
Invested capital at end of period	63.9	33.4	30.5	91.2
Return on investment. %	60.8	52.4		
Order backlog at end of period	265.7	302.8	-37.0	-12.2

Housing (EUR million)	IFRS 1-12/2008	IFRS 1-12/2007	change. MEUR	change. %
Revenue	127.9	163.1	-35.2	-21.6
Operating profit	0.7	10.7	-10.0	-93.4
Segment's assets				
Non-current assets	1.9	2.6	-0.7	-25.2
Current assets	156.5	110.9	45.6	41.1
Total assets	158.4	113.4	44.9	39.6
Segment's liabilities				
Non-current liabilities	58.3	28.1	30.1	107.1
Current liabilities	83.2	65.7	17.5	26.7
Total liabilities	141.5	93.8	47.7	50.8
Invested capital at end of period	138.9	81.5	57.4	70.4
Return on investment. %	0.7	16.7		
Order backlog at end of period	154.0	174.6	-20.6	-11.8

International Operations (EUR million)	IFRS 1-12/2008	IFRS 1-12/2007	change. MEUR	change. %
Revenue	60.1	53.2	6.9	12.9
Operating profit	9.2	-10.2	19.5	
Segment's assets				
Non-current assets	24.2	2.4	21.8	893.5
Current assets	134.4	111.8	22.6	20.2
Total assets	158.6	114.3	44.4	38.8
Segment's liabilities				
Non-current liabilities	12.7	14.8	-2.1	-14.3
Current liabilities	134.6	90.1	44.5	49.3
Total liabilities	147.2	104.9	42.3	40.4
Invested capital at end of period	138.6	101.3	37.3	36.8
Return on investment. %	9.3	-11.3		
Order backlog at end of period	35.6	51.3	-15.7	-30.6

4) Events after the end of the financial year

SRV is preparing for a continued downturn in construction markets. Negotiations were initiated in January 2009 within the Group companies for adapting its operations. The Group's Finland-based companies will start codetermination negotiations concerning senior salaried employees and salaried employees. At the same time, SRV will start a similar process in the Group's foreign units. The negotiations will deal with personnel layoffs. contract terminations and adaptation measures. The personnel reduction measures are estimated to affect about 130 employees. Detailed needs and measures will be specified more accurately during the course of the negotiations.

The construction of the Kerca logistics area in Kerava developed by SRV proceeded in January. SRV signed a project management contract for the construction of Anttila's logistics centre in January 2009. Anttila's plans cover the construction of a warehouse of about 19.000 gross square metres. SRV and the city of Kerava agreed on a contract package concerning the development of the Kerca logistics area and concluded a contract for a real estate transaction of four hectares of land and a preliminary contract for an area of 22 hectares. On the first plot SRV plans to build a GCC (Grand Cargo Center) logistics building with about 20.000 square metres of floor space. Kerca occupies an area of 160 hectares on the Kerava-Vantaa border.

In January, SRV and Varma Mutual Pension Insurance Company signed the project management contract concerning the Vierumäki Congress & Resort Hotel project. SRV acts as main contractor with overall responsibility and is in charge of construction and planning. In addition to 191 hotel rooms, the four-storey hotel building includes meeting facilities, six restaurants, fitness room, bowling alley with 10-lanes, and a wellness-area. The hotel will be opened in spring 2010.