SRV'S REVENUE GREW - SRV'S FINANCIAL STATEMENT RELEASE 1 JAN. – 31 DEC. 2009

Reporting period 1 January – 31 December 2009 in brief:

- SRV's revenue was EUR 385.0 million (EUR 537.0 million in January-December 2008), change 28.3% negative
- Operating profit was EUR 9.9 million (EUR 32.9 million), change 69.8% negative
- Profit before taxes was EUR 5.8 million (EUR 23.7 million), change 75.6% negative
- The order backlog at the close of the review period was EUR 480.6 million (EUR 455.3 million), change 5.6%
- New contracts EUR 396.1 million (EUR 399.1 million), change 0.8% negative
- The equity ratio was 41.3 per cent (41.3%)
- Earnings per share were EUR 0.06 (EUR 0.43)
- Proposed divided EUR 0.12 (EUR 0.12) per share

Fourth quarter 1 October – 31 December 2009 in brief:

- Revenue amounted to EUR 120.1 million (EUR 121.4 million in October – December 2008)
- Operating profit was EUR 2.8 million (EUR 0.7 million)
- Profit before taxes was EUR 2.3 million (EUR -2.6 million)
- Earnings per share were EUR 0.02 (EUR -0.06)

"As a result of the recession in the construction business, SRV's revenue declined but financial result is clearly positive, even though it is on an unsatisfactory level. In the difficult market situation, we have invested in customer acquisition. We have been able to increase our order backlog by 5.6 per cent, and the volume of new contracts remains at almost the previous year's level. The Group's costs have been adjusted due to the lower volume.

The operational profitability of SRV's Business Premises business area remained on a good level, even though revenue and operating profit fell from the corresponding period a year earlier. The order backlog remained almost on the previous year's level. SRV's strong competence supports the profitable implementation of current projects and facilitates customer acquisition in tight market conditions.

The revenue and operating profit of the Housing business area increased thanks to the growth in contract production volumes and housing sales. SRV sold a total of 530 housing units to consumers and, through negotiated contracts, to investors (205 units in 2008). Housing sales to consumers picked up, particularly in the final quarter when 86 housing units were sold (13 in October-December 2008), and SRV decided to start the construction of a total of 247 developer contracting housing projects at the year-end. The order backlog grew thanks to contracts won and to new developer contracting housing projects.

The market situation in Russia has pushed back both customers' and SRV's projects. The fund established in early June with VTB Capital and Deutsche Bank is a step towards implementing SRV's growth strategy in Russia. This arrangement gives SRV the opportunity to be the project management contractor in numerous significant construction projects in major Russian cities. SRV views its growth potential in Russia as good, and continues to invest in development projects.

Net operational cash flow showed a marked improvement and was EUR 3.6 million positive. Net cash flow in the comparison year 2008 was EUR 103.2 million negative due to the considerable increase in inventories.

During the final quarter, we focused strongly on our personnel's professional and supervisory skills. The objective of the training programs is to take full advantage of the group's best practices and the latest know-how in the industry in all business operations.

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

Group key figures (EUR million)	**IFRS 1-12/ 2009**	IFRS 1-12/ 2008	change, MEUR	change, %	IFRS 10-12/ 2009	IFRS 10-12/ 2008
Revenue	**385.0**	537.0	-152.0	-28.3	120.1	121.4
Operating profit	**9.9**	32.9	-23.0	-69.8	2.8	0.7
Financial income and expenses, total	**-4.2**	-9.2	5.0		-0.5	-3.3
Profit before taxes	**5.8**	23.7	-17.9	-75.6	2.3	-2.6
Order backlog	**480.6**	455.3	25.3	5.6		
New agreements	**396.1**	399.1	-3.1	-0.8	121.1	115.4
Operating profit, %	**2.6**	6.1			2.3	0.6
Net profit, %	**0.6**	**2.8**			0.8	-2.3
Equity ratio, %	**41.3**	41.3				
Net interest bearing debt	**180.7**	169.4				
Net gearing ratio, %	**110.1**	101.7				
Return on investment, %	**4.7**	12.9				
Return on equity, %	**1.4**	9.4				
Earnings per share, EUR	**0.06**	0.43			0.02	-0.06
Equity per share, EUR	**4.48**	4.54				
Weighted average number of shares outstanding	**36.0**	36.5				

Consolidated revenue was EUR 385.0 million (EUR 537.0 million in January–December 2008). The share of revenue generated in Finland was 94 per cent (89%), whereas 6 per cent (11%) came from Russia and the Baltic countries. Revenue in the Business Premises business area was EUR 208.0 million (EUR 349.1 million). Revenue in the Housing business area was EUR 154.1 million (EUR 127.9 million). Revenue in the International business area was EUR 22.9 million (EUR 60.1 million).

The Group's operating profit was EUR 9.9 million (EUR 32.9 million in January-December 2008). Operating profit margin was 2.6 per cent (6.1%). Operating profit in the Business Premises business area was EUR 18.0 million (EUR 27.8 million). Operating profit in the Housing business area was EUR 4.9 million (EUR 0.7 million). Operating loss in the International business area was EUR 7.9 million (operating profit of EUR 9.2 million).

The Group's profit before taxes was EUR 5.8 million (EUR 23.7 million in January-December 2008). Net profit for the review period was EUR 2.3 million (EUR 15.3 million). Earnings per share were EUR 0.06 (EUR 0.43). Return on equity was 1.4 per cent (9.4%) and return on investment was 4.7 per cent (12.9%).

The Group's revenue for the fourth quarter was EUR 120.1 million (EUR 121.4 million in October-December 2008) and operating profit was EUR 2.8 million (EUR 0.7 million). Profit before taxes was EUR 2.3 million (EUR -2.6 million). Earnings per share were EUR 0.02 (EUR -0.06).

The order backlog was EUR 480.6 million on 31 December 2009 (EUR 455.2 million on 31 December 2008). The share of order backlog which has been sold (construction contracts and sold developer contracting production) amounted to EUR 316 million (EUR 280 million on 31 Dec. 2008), and the unsold share amounted to EUR 165 million (EUR 176 million). Value of new contracts signed during the review period was EUR 396.1 million (EUR 399.1 million in January–December 2008).

Key figures for the Segments

Revenue (EUR million)	**IFRS 1-12/ 2009**	IFRS 1-12/ 2008	change, MEUR	change, %	IFRS 10-12/ 2009	IFRS 10-12/ 2008
Business Premises	**208.0**	349.1	-141.1	-40.4	66.9	77.9
Housing	**154.1**	127.9	26.3	20.5	49.9	33.3
International	**22.9**	60.1	-37.2	-61.9	3.4	10.2
Other Operations	**8.7**	11.5	-2.8	-24.1	2.3	3.0
Eliminations	**-8.8**	-11.6	2.8		-2.3	-3.1
Group, total	**385.0**	537.0	-152.0	-28.3	120.1	121.4

Operating profit (EUR million)	**IFRS 1-12/ 2009**	IFRS 1-12/ 2008	change, MEUR	change, %	IFRS 10-12/ 2009	IFRS 10-12/ 2008
Business Premises	**18.0**	27.8	-9.8	-35.4	4.3	6.0
Housing	**4.9**	0.7	4.2	590.1	2.0	-1.2
International	**-7.9**	9.2	-17.1	-185.4	-2.0	-2.7
Other Operations	**-4.7**	-4.9	0.2		-1.4	-1.4
Eliminations	**-0.3**	0.1	-0.4	-462.2	-0.2	0.0
Group, total	**9.9**	32.9	-23.0	-69.8	2.8	0.7

Operating profit (%)	**IFRS 1-12/2009**	IFRS 1-12/2008	IFRS 10-12/2009	IFRS 10-12/2008
Business Premises	**8.6**	8.0	6.5	7.8
Housing	**3.2**	0.6	4.0	-3.6
International	**-34.4**	15.4	-58.4	-26.5
Group, total	**2.6**	6.1	2.3	0.6

Order backlog (EUR million)	**IFRS 31.12.09**	IFRS 31.12.08	change, MEUR	change, %
Business Premises	**255.3**	265.7	-10.4	-3.9
Housing	**200.7**	154.0	46.7	30.3
International	**24.6**	35.6	-11.0	-31.0
Group, total	**480.6**	455.3	25.3	5.6
- sold order backlog	316	280		
- unsold order backlog	165	176		

Earnings trends of the Segments

Business Premises (EUR million)	**IFRS 1-12/ 2009**	IFRS 1-12/ 2008	change, MEUR	change, %	IFRS 10-12/ 2009	IFRS 10-12/ 2008
Revenue	**208.0**	349.1	-141.1	-40.4	66.9	77.9
Operating profit	**18.0**	27.8	-9.8	-35.4	4.3	6.0
Operating profit, %	**8.6**	8.0			6.5	7.8
Order backlog	**255.3**	265.7	-10.4	-3.9		

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

Revenue in the Business Premises business area was EUR 208.0 million (EUR 349.1 million). The decrease in revenue could be attributed to the general decline in construction volumes, and to the volume of around EUR 39 million relating to the extension project of the Stockmann department store not being recognised as SRV's revenue. Operating profit was EUR 18.0 million (EUR 27.8 million). Operating profit margin rose to 8.6 per cent (8.0%). The order backlog was EUR 255.3 million (EUR 265.7 million).

Fourth-quarter revenue was EUR 66.9 million (EUR 77.9 million) and operating profit was EUR 4.3million (EUR 6.0 million). A property transaction worth EUR 8.5 million was closed during the quarter.

Projects completed during the review period included the renovation of the office building at Hakaniemenranta 6 in Helsinki as well as the construction and renovation of Svenska Social & Kommunal Högskolan at Snellmaninkatu 6 in Helsinki for Senate Properties, production premises for Caternet in the Kivikko district in Vantaa, and HTC office buildings in the Keilaniemi district in Espoo. STC (Smart Tech Centre) concept office buildings were completed in Porvoo's King's Gate area and at Koivuhaantie in Vantaa. The Plantagen garden store with office was also completed in Porvoo's King's Gate are, as well as a retail centre of 20,000 cubic meters in the northern wing of the area. In the city of Vantaa, an office and warehouse building for SGN and a logistics centre for Transphere were completed. In Kerava, the new timber crushing plant for Lassila & Tikanoja was completed, and in Lahti a car dealership and a repair shop for Autosalpa. The main contract for the interior construction of the Helsinki City Service Tunnel, with a total volume of 120,000 cubic metres, was also brought to completion. The underground car park built by SRV was completed in the Kamppi district of Helsinki and opened to the public in May. The P-City car park is operated by Europark Finland Oy.

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

In January 2009, 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 Centre) logistics building with about 20,000 square metres of floor space. Kerca occupies an area of 160 hectares on the Kerava-Vantaa border.

In February 2009, property and contract agreements were signed concerning the Anttila logistics centre to be built in Kerca. Kesko pension fund bought a plot of 40,000 square metres from the city of Kerava, where a high-bay warehouse of approximately 19,000 gross square metres for Anttila will be built. The volume of the building is 300,000 cubic metres. Preconstruction on the plot has been completed and the construction works will be finished in August 2010.

SRV Business Premises signed a project management contract agreement with Varma Mutual Pension Insurance Company in June to build a production and logistics centre for Primula bakery in Järvenpää. The centre includes production, logistics, sales and administration premises as well as a luncheonette, cafeteria and bakery shop. The total floor area of the project is 13,000 square meters and production in the premises is scheduled to begin in the early autumn of 2010.

In July, SRV was selected as the project management contractor for the renovation of the Aurora-house of the Helsinki Deaconess Institute. SRV is in charge of rebuilding the old hospital and hotel into supported and assisted accommodation units, as well as of building new facilities in the building.

In September, SRV and the insurance companies Tapiola General and Tapiola Life signed a contract for the construction of Housing Company Helsingin Vanhalinna, close to Itäkeskus in Helsinki. The gross floor area of the project is 42,000 square meters, and it includes 309 rental apartments as well as service, restaurant and retail premises.

In October, SRV and the Finnish Rail Administration signed a contract for tunnel excavations of the Ring Rail Line in Vantaa. SRV builds the Ruskeasanta station and excavates Ring Rail Line tunnels. A total length of 3.6 kilometres of rail line tunnels will be excavated. This contract is part of the Ring Rail Line project that will link the Vantaankoski line, via the Helsinki-Vantaa airport, to the main rail line.

In October, SRV and the Finnish Fair Corporation signed a project management contract for the expansion of the exhibition and convention centre. This contract covers the construction of a new multi-purpose hall, considerable field work and the alteration of the existing hall. The new hall will have a floor area of about 19,000 square meters and will be completed in late August 2011.

During the review period, contracts were also concluded to build a service tunnel for the University of Helsinki in the heart of Helsinki and an equestrian centre for the Primus riding centre in Espoo. Renovation of an office building for Ilmarinen was started in the Niittykumpu district in Espoo. The preliminary works for the extension and renovation of Malmi Hospital in Helsinki were started, as was the extension of the Mercuria Business College in Vantaa. The construction of production plant for Lassila & Tikanoja was commenced in Kerava. The construction of a logistics and warehouse facility for Ilmarinen began in Tuusula, as well as the construction of new premises for Fin-Seula Oy. In addition, SRV was awarded the project management contract for the new premises of Hyvinkää town hall.

The office building in Hakaniemenranta was selected as the construction project of the year 2008 for Senate Properties. Through this recognition, Senate Properties seeks to encourage and support skilled designers and builders. The recognition is based on general quality factors and social responsibility, as well as solutions that support the clients and innovations.

Housing (EUR million)	**IFRS 1-12/ 2009**	IFRS 1-12/ 2008	change, MEUR	change, %	IFRS 10-12/ 2009	IFRS 10-12/ 2008
Revenue	**154.1**	127.9	26.3	20.5	49.9	33.3
Operating profit	**4.9**	0.7	4.2	590.1	2.0	-1.2
Operating profit, %	**3.2**	0.6			4.0	-3.6
Order backlog	**200.7**	154.0	46.7	30.3		

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

Revenue in the Housing business area for the review period amounted to EUR 154.1 million (EUR 127.9 million) and operating profit was EUR 4.9 million (EUR 0.7 million). Order backlog was EUR 200.7 million (EUR 154.0 million). The increase in operating profit was attributed to the increase in the volume of contracting, brisker housing sales at the end of the year, and the cost savings measures implemented. Operating profit was eroded by the total losses of EUR 1.2 million from SRV Keski-Suomi's three completed construction projects.

Fourth-quarter revenue was EUR 49.9 million (EUR 33.3 million) and operating profit was EUR 2.0 million (loss of EUR 1.2 million). The increase in operating profit could be attributed to the revived housing sales, the increase in the volume of contracting, and the executed savings measures.

More resources were allocated to contracting and, during the review period, contracts worth EUR 140.5 million were concluded with external clients. EUR 82.6 million of the concluded contracts were negotiation contracts, where SRV has also acted as developer. SRV is building the S-Group's Kodin Terra hardware and home decor department store and ABC service station for Tampereen Osuuskauppa in Nokia. Also in Tampere, a car dealership focusing on the sale of BMWs and Minis will be renovated for Aro-Yhtymä. The Pakkalanrinne day care centre will be built for lease to the City of Vantaa, the investor in the project is Ilmarinen Mutual Pension Insurance Company. A contract was signed with Scan-Auto to build a Scania centre in Jyväskylä, for servicing large vehicles, and an earthworks contract was signed for a similar project in Oulu. Provisional premises for the Cygnaeus school centre in Jyväskylä and Valintatalo market in Nokia are also being built.

During the review period, 323 (76) housing units were sold to investors under negotiation contracts. A construction contract was signed with Sato to build two housing blocks with a total of 74 units on a property previously owned by SRV in the Vallikallio district in Espoo. In the Ulrika area in the Rekola district in Vantaa, 50 right-of-occupancy homes are being built for Asuntosäätiö. 40 housing units are being built for Tampereen YH in Ylöjärvi and 42 units in the Henneri area in Tampere on a property previously owned by SRV. In Jyväskylä SRV is building a total of 117 service-accommodation units for Jyväskylän Nuoriso- ja Palveluasunnot ry. They will be used mainly as elderly care homes.

SRV won contracts worth EUR 57.9 million through bidding competitions. The most important of these were a high-rise project of 104 apartments for HOAS (Foundation for Student Housing in the Helsinki Region) in the Viikki district of Helsinki and the piping renovation of two housing companies in the Haaga district of Helsinki. Two apartment houses with a total of 75 apartments are being built for the city of Joensuu A health centre is being built for the town of Ylöjärvi for, and an S market for the S Group in Lappeenranta.

In the Varsinais-Suomi region, SRV signed several contracts during the period: A well-being centre for the municipality of Tarvasjoki, the Logicity terminal for Varsinais-Suomen Kaukokiito in the vicinity of Turku airport, a sports hall for the municipality of Aura, and an industrial hall for Turun Thermohuolto. In addition, restaurant facilities in connection with the Turku Fair and Congress Centre will be expanded and renovated, and the premises of Kiinteistö Oy Kuninkaanväylä will be renovated.

During the period under review, SRV began the construction and sales of 251 developer contracting housing units in seven projects. Six of these, containing a total of 247 apartments, were started up during the final quarter. SRV will build an apartment building with 88 apartments in the Kartanonkoski district in Vantaa, and an apartment building with 67 apartments in the Martinlaakso district in Vantaa. The construction of the final building with 43 apartments began in the Vallikallio district in Espoo, where SRV is building five apartment buildings. Seven extremely high-quality terraced houses and semi-detached houses are being built in Haukilahti in Espoo. The construction of an apartment building with 28 apartments in Parkano and of a building with 14 apartments in Jyväskylä began at the year-end, and a terraced house with 4 apartments in Oulu at the beginning of the year. The Helsingin Oscar condominium with 64 units in the Töölö district in the immediate vicinity of Kamppi in Helsinki was completed in October.

During the review period, 207 (141) developer contracting units were sold. Sales picked up, particularly in the fourth quarter with the sale of 86 (13) residential units. At the end of the period, 263 (265) residential units were being constructed, 231 (226) of which had not been sold. There were 171 (133) completed but unsold units, 40 of which were rented at the period-end. A total of 252 (260) developer contracting residential units were completed during the review period. SRV has several residential projects in prime locations whose planning has been taken further. Strict criteria have been established for the start-up of new developer contracting projects; start-ups will be considered depending on pre-marketing results.

Developer contracting housing production in Finland	**1-12/ 2009**	1-12/ 2008	change, units	10-12/ 2009	10-12/ 2008
Start-ups	**251**	110	141	247	0
Sold	**207**	141	66	86	13
Completed	**252**	260	-8	64	0
Completed and unsold 1)	**171**	133	38		
Under construction 1)	**263**	265	-2		
- of which unsold 1)	**231**	226	5		

1) At the end of the period

During the review period, codetermination negotiations were commenced in SRV Keski-Suomi in Jyväskylä region due to financial and production reasons. As a result of these negotiations, SRV dismissed three salaried employees. Erkki Jaala, the regional manager in SRV Keski-Suomi, left the company in October. In December, codetermination negotiations were commenced in SRV Pohjois-Suomi in Oulu due to financial and production reasons.

International Operations (EUR million)	**IFRS 1-12/ 2009**	IFRS 1-12/ 2008	change, MEUR	change, %	IFRS 10-12/ 2009	IFRS 10-12/ 2008
Revenue	**22.9**	60.1	-37.2	-61.9	3.4	10.2
Operating profit	**-7.9**	9.2	-17.1	-185.4	-2.0	-2.7
Operating profit, %	**-34.4**	15.4			-58.4	-26.5
Order backlog	**24.6**	35.6	-11.0	-31.0		

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

Revenue in the International business area was EUR 22.9 million (EUR 60.1 million). Operating loss was EUR 7.9 million (a profit of EUR 9.2 million). Revenue and operating profit were affected by the small number of projects under construction, and operating profit also by the development costs of developer contracting projects and the fixed costs of business operations. Revenue and operating profit for the comparison period were increased by the sale of the hotel in Ekaterinburg, where EUR 14.2 million was recorded in revenue and EUR 13.5 million in operating profit. The order backlog was EUR 24.6 million (EUR 35.6 million).

Fourth-quarter revenue was EUR 3.4 million (EUR 10.2 million) and operating loss was EUR 2.0 million (EUR -2.7 million). Revenue was affected by the small number of projects under construction and, in addition to this factor, operating profit fell due to the development costs of developer contracting projects and the fixed costs of business operations.

Russia

The Etmia II office and parking facility project in the heart of Moscow has reached shell & core completion. Due to the slow-down of demand in the Moscow office market, SRV has decided to do the fit-out works in the office section itself with completion scheduled for the year-end. Negotiations with potential tenants are under way. SRV's role in the project is to act as the project management contractor and as co-owner with a 50 per cent stake.

In the Moscow area, a building permit was granted for the Mytischi shopping centre project which has been developed by SRV. Construction of the electrical connection has started. The majority owner of the project is the Finnish real estate investment company Vicus, with a 75 per cent stake. Due to the global financing situation, negotiations concerning the financing of the project have not been successful. The site organisation has been temporarily moved to other projects to await the final investment decision. The final investment decisions will be made after the financing of the project and negotiations with the tenants have been concluded. SRV owns 25 per cent of the shopping centre project and its total investments amount to about EUR 7.7 million.

SRV continued the development of the roughly 8.5 hectare land area in St Petersburg. The plans include the construction of office and retail space, as well as hotel, restaurant and entertainment premises. Moreover, facilities will be built for the IBI University. SRV has invested about EUR 50 million in land and properties. Further investment in land acquisition by SRV is estimated at EUR 10 million. At the moment, SRV owns 87.5% of the project, but its ownership will decline to 77.5 per cent when all land-owning arrangements have been completed according to the cooperation contract.

Phase II of the renovation works of the Pribaltiskaya hotel and phase II of the renovation of hotel Pulkovskaya, both operated by the Rezidor Group, were completed during the period.

The development of the Eurograd logistics area in St Petersburg continued. SRV has 49 per cent ownership of the Russian company that possesses a plot of 24.9 hectares located north of St Petersburg, in the near vicinity of the Ring Road. Over 100,000 square metres of logistics facilities are planned for the site, in several stages during the next few years. The zoning of the area for logistics has been completed. Site planning has begun and negotiations with potential tenants for phase I are under way.

Demand for the apartments in the Papula residential area in the city of Vyborg remained weak during the review period and no new transactions were concluded. 30 of the first-phase units had been sold to a Russian company that was unable to arrange financing for the transaction and the sale had to be cancelled. The sale of another unit also had to be cancelled. At the end of the period, 32 units were unsold.

During the review period, SRV concluded the establishment of a real estate fund together with VTB Capital and Deutsche Bank. The fund will invest mainly in office, retail and hotel projects as well as in the construction of top end residential projects in Moscow and in St Petersburg. The fund can also invest in operating completed properties.

SRV's share of the investment commitments in the first phase is EUR 20 million. VTB Capital and Deutsche Bank are also investors in the fund. Other investors are the pension insurance companies Ilmarinen and Etera. The final target for the investment commitments of the fund is at least EUR 300 million, which may equal as much as EUR 1 billion in investment volume.

VTB Capital and Deutsche Bank will act in partnership as the sponsor and general partner of the fund. Their tasks will include identifying investments and arranging financing for the projects. SRV acts both as an investor and project management contractor with respect to the fund, through which it expects to receive at least EUR 200 million worth of construction contracts.

In December, SRV signed a letter of intent with the Chinese Baltic Pearl CJSC to construct a shopping centre in St. Petersburg. According to the letter of intent, SRV will initiate the required preliminary work, which includes concept design, market research and the arrangement of external financing. Once the conditions of the letter of intent have been fulfilled, SRV intends to design and build a shopping centre with a floor area of more than 100,000 square meters in two phases and over a period of three years. The companies have also agreed to set up a joint venture that will own the property. The construction of the shopping centre will move ahead if a final investment decision is made by 31 December, 2010. The shopping centre is part of the Baltic Pearl development project in which Baltic Pearl CJSC will develops a land area of over 205 hectares, located south-west of central St. Petersburg. This project is China’s largest international investment project, apart from oil and natural gas investments.

Baltic countries

Volumes in the Baltic business operation were low. No new residential projects start-ups are scheduled in the present market situation. In Estonia, 6 (6) residential units were sold during the period and, all in all, 35 (41) units were up for sale in already-completed projects at the end of the period. The number of staff in Estonia was adjusted to the market situation.

On 9 April 2009, SRV and the International School of Latvia signed a contract agreement concerning the construction of an international school in Riga. The design phase of the project is completed, but due to delays in the client’s financing the start-up has been postponed to 2010.

SRV Terbelat Sia, a subsidiary of SRV Group Plc, has been engaged as a claimant in international arbitration proceedings in Berlin concerning a power plant construction contract in Latvia with a Latvian customer, SIA Juglas Jauda. SRV suspended the work due to breach of contract by the customer and terminated the contract in the autumn of 2007. On 28 July 2009, the arbitration tribunal confirmed SRV’s right to terminate the contract and ordered the defendant to pay SRV approximately EUR 1.4 million in costs and interest. SRV applied for the enforcement of the arbitration tribunal’s decision in a Latvian local court, where the customer has also initiated proceedings, based on the same contract, against SRV. SRV signed an agreement with the customer in December whereby the customer will pay SRV compensation of EUR 0.5 million. This agreement had no material impact on the financial results.

Other Operations (EUR million)	**IFRS 1-12/ 2009**	IFRS 1-12/ 2008	change, MEUR	change, %	IFRS 10-12/ 2009	IFRS 10-12/ 2008
Revenue	**8.7**	11.5	-2.8	-24.1	2.3	3.0
Operating profit	**-4.7**	-4.9	0.2		-1.4	-1.4

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

The revenue of Other Operations during the review period was EUR 8.7 million (EUR 11.5 million) and operating loss was EUR 4.7 million (EUR -4.9 million). This decrease in revenue was caused by lower operation volumes. The operating loss was reduced by cost savings measures. Fourth-quarter revenue was EUR 2.3 million (EUR 3.0 million) and operating loss was EUR 1.4 million (EUR -1.4 million). The lower revenue was due to lower operation volumes.

Financing and financial position

Net operational cash flow improved to EUR 3.6 million (a loss of EUR 103.2 million in January-December 2008). This improvement can be attributed to the downsizing of inventories instead of pursuing strong growth, due to which the change in working capital was slightly positive. The group's inventories were EUR 291.4 million (EUR 294.8 million), the share of land areas and plot-owning companies being EUR 153.0 million (EUR 142.1 million). The Group's invested capital amounted to EUR 349.9 million (EUR 339.4 million).

At the end of the review period, the Group's financing reserves were EUR 124.4 million, of which the Group's cash assets amounted to EUR 5.2 million and committed undrawn financing reserves and credit facilities amounted to EUR 119.2 million. The Group's net interest-bearing liabilities were EUR 180.7 million on 31 December 2009 (EUR 169.4 million). Net financing expenses totalled EUR 4.2 million (EUR 9.2 million).

Investments in SRV's developer contracting housing projects in Finland consonant with the RS-system, including completed, unsold projects, total around EUR 75.9 million. SRV estimates that the completion of these projects requires another EUR 32 million. Undrawn housing corporate loans total EUR 41 million. Investments in business premise projects in Finland amount to EUR 25.5 million. Investments in international developer contracting projects amount to about EUR 42 million, of which EUR 1.9 million relates to unsold residential projects in Estonia, EUR 3.5 million an unsold housing project in Vyborg and EUR 36.7 million in Etmia office project and Mytischi shopping centre project.

Equity ratio was 41.3 per cent (41.3%). The change in the equity ratio and net liabilities was affected by the increase in inventories in particular. The Group's shareholders' equity totalled EUR 164.3million (EUR 166.6 million on 31 December 2008). The return on investment was 4.7 per cent (12.9%) and the return on equity was 1.4 per cent (9.4%).

Investments

The Group's investments totalled EUR 3.7 million (EUR 16.8 million) and were mainly related to the acquisition of shares of one subsidiary. In the reference period, EUR 10.0 million of the investments were related to the properties in the IBI project.

Unbuilt land areas, land acquisition commitments and land development agreements

Land reserve 31.12.2009	Business Operations	Housing	International Operations	Total
Unbuilt land areas and land acquisition commitments				
Building rights*, m^2	**199 000**	**257 000**	**842 000**	**1298 000**
Capital invested incl. commitments, EUR million	**36**	**56**	**98**	**190**
Land development agreements				
Building rights*, m^2	**466 000**	**354 000**	**117 000**	**937 000**

* 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 March, the City of Oulu granted SRV a planning reservation for an approximately 5 hectare land area in the immediate vicinity of Oulu harbour. SRV aims to develop logistics facilities and business premises in the area, together with the Port of Oulu and companies operating there.

Group structure

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

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

Changes in Group structure

In June 2009, SRV acquired 100 per cent ownership of Pirkanmaan Projektitoimi Oy. To streamline the business structure and operations, SRV initiated the process to merge the company into SRV Asunnot Oy in July 2009. Pirkanmaan Projektitoimi was merged with SRV Asunnot Oy on 31 December 2009 and continues to operate under the business name SRV Pirkanmaa.

Rationalising measures

On 19 January, SRV began negotiations to adjust the number of employees to the market situation. The codetermination negotiations concerning the Group's Finnish companies were concluded on 26 March, and as a result SRV laid off 60 persons during 2009. In addition to lay-offs, the company agreed with the Finnish employees that additional holiday pay would be traded for time off. A similar process has been started in the Group's companies abroad. These and other Group-wide measures generated savings of around EUR 6 million in the Group's fixed costs in 2009.

Personnel

SRV had an average payroll of 776 (871) employees, of whom 544 (614) were white-collar. The parent company had an average staff of 53 (66) white-collar employees. At the close of the review period, the Group had 766 (870) employees, of whom 47 (66) were employed by the parent company. An average of 17 per cent (15) of the employees work in subsidiaries and representative offices abroad. At the end of the review period, SRV had a total of 18 (25) 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). The salaries and compensations paid during the financial period totalled EUR 35.8 million (EUR 37.7. million)

Personnel by business area	**31.12.2009**	31.12.2008	Share of Group personnel, 31.12.2009, %
Business Premises	**289**	296	37.7
Housing	**215**	285	28.0
International	**182**	191	23.7
Other Operations	**81**	98	10.6
Group, total	**767**	870	100.0

During the final quarter, we focused strongly on our personnel's professional and supervisory skills. The objective of the training programs is to take full advantage of the group's best practices and the latest know-how in the industry in all business operations.

The share-based incentive plan for 2009 includes about 77 employees and the reward is based mainly on consolidated and partly on business area performance. The rewards to be paid for the earning period 2009 correspond to 77,340 SRV Group Plc shares. In addition, a sum of money corresponding to this number of shares is paid for tax withholding purposes.

Outlook for construction

After a rapid decline, the global economy has taken an upward turn. However, the recovery is slow and the situation in the property and construction market continues to be challenging. It is estimated that the Finnish economy will grow slightly in 2010.

Falling construction input prices have levelled out. The availability of subcontracting and materials is good. Unemployment in construction is increasing and government support measures have been initiated.

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

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

Renovation continues to grow, and in the long term, this trend is maintained by the growth of the building stock, the ageing of existing buildings, as well as modernisation needs to meet current technical standards and energy efficiency requirements. The outlook for civil engineering has weakened despite government support measures.

The economic situation in the Baltic countries has remained weak. Construction and the property markets are extremely slow. In the short term, the economic situation in the Baltic countries will continue to be difficult.

The Russian economy continues to be challenging. A faltering investment trend is reflected strongly in construction, reducing it significantly. The scarce availability of financing limits growth opportunities. The Russian national economy is reviving due to rising oil prices. Inflation has abated and interest rates have declined.

Risks, risk management and corporate governance

General economic trends and changes in customers' operating environments have an immediate effect on the construction and property markets. A change in the general interest level has a direct impact on both SRV's cash flow from operating activities and financing costs. The general economic situation is weak and is lowering the volume of property investments. Interest rates are low, but the availability of credit from the banks is poor and loan margins have risen to a high level. The banks' own refinancing has become more expensive, which has shortened customers' loan maturities.

The international financial crisis can weaken the availability of financing for property development and investments, making it more difficult for SRV's customers to obtain financing throughout SRV's operating regions and in Russia in particular. Property values face pressures and the number of property transactions and new project start-ups has decreased due to difficulties in securing financing. The financial crisis can intensify SRV's risk of being forced to tie up capital in projects for longer than intended.

SRV's revenue is generated by construction projects. The company's revenue and result depend on the order backlog, volume of new projects, and the profitability of individual projects as well as their progress. The recognition date of developer contracting projects also depends on the percentage of sold premises therein. As of 1 January 2010, the Completed Contract Method will be applied to revenue recognition for housing unit sales.

Project sales are affected by factors such as the availability of financing for the buyer and occupancy rate. When sales are delayed, the recognition of revenue and operating profit is delayed correspondingly. Postponed start-ups of developer contracting projects increase the level of development expenses, which are recorded as costs. Housing sales have revived somewhat in Finland, while they remain at a standstill in Estonia. 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 the control of these underlines the need for long-term planning. In a poor economic situation, financing risks relating to subcontractors will also increase (including labour market disturbances, bankruptcies and the grey economy). SRV's contracting model requires skilled and competent personnel. Construction projects also face other case-specific risks relating to the design and construction of projects (including new and difficult planning solutions, thermal insulation and waterproofing, and occupational safety). Warranty and liability obligations related to construction can span up to ten years.

Besides land acquisition risks, property projects face other challenges, such as those related to the outcome of zoning, soil conditions, financing, commercialisation of projects, partners, and the geographical location and type of project. In accordance with its strategy, SRV has focused on developer contracting projects and has increased its land acquisition in Finland and Russia in particular.

The financial risks connected with SRV's operations are interest rate, currency, liquidity and contractual party risks, which are discussed in more detail in the Notes to the 2009 Financial Statements. Currency risks are divided into transaction risks and translation risks. Transaction risks are related to currency-denominated business and financing cash flows. Translation risks encompass investments made in foreign subsidiaries, the accounting effects of which are recorded in the translation differences of equity in the consolidated figures.

Liquidity risks may have an effect on the Group's earnings and cash flow if the Group is unable to ensure sufficient financing for its operations. SRV maintains adequate liquidity by means of efficient management of cash flows and solutions linked to it, such as binding lines of credit that are valid until further notice. The company has a long-term liquidity arrangement of EUR 100 million, EUR 55 million of which will mature in December 2012 and EUR 45 million in December 2013. The company's financing agreements contain customary terms and conditions. The financial terms and conditions of the agreements concern the equity ratio.

The Group's risk management is carried out in line with the Group's operations system and control is exercised in accordance with the Group strategy approved by the Board of Directors of the Group's parent company. SRV also makes every effort to cover operational risks by means of insurance and contractual terms. A more detailed account of SRV's risks, risk management and corporate governance policies will be disclosed in the 2009 Annual Report and Notes to the Financial Statements.

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

The 2009 annual report including Financial Statements, Report of the Board of Directors and Corporate Governance Statement is available in the company's website at www.srv.fi on week 8/2010.

Environmental issues

In its operations, the Group seeks to adhere to the principles of sustainable development and to minimise the harmful environmental impacts of buildings over their entire life cycle. Attention is paid to environmental management during both the design and actual construction stage. In 2009, two research projects were launched to develop sustainable building and implementation models. In Finland, SRV employs an environmental reporting system on its construction sites.

Corporate governance and resolutions of general meetings

The Annual General Meeting was held on 25 March 2009. The AGM adopted the financial statements for 2008 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. The date of dividend payment was set at 3 April 2009. Mr Ilpo Kokkila was elected chairman of the Board of Directors and Mr Jukka Hienonen, Mr Lasse Kurkilahti, Mr Hannu Leinonen and Mr Matti Mustaniemi were elected Board members. The firm of public accountants Ernst & Young Oy was elected as the company's auditor. Mikko Rytilahti, authorised public accountant, will act as the principal auditor.

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

In its organisational meeting on 25 March 2009 the Board of Directors elected Lasse Kurkilahti vice chairman of the Board, Matti Mustaniemi chairman of the Audit Committee, Lasse Kurkilahti member of the Audit Committee, Jukka Hienonen and Hannu Leinonen members of the Nomination and Remuneration Committee and Ilpo Kokkila chairman of the Nomination and Remuneration Committee.

On 12 August 2009, Eero Heliövaara, President and CEO of SRV resigned from his post. The Board of Directors appointed Senior Executive Vice President, CFO Hannu Linnoinen as CEO and began the process to select the new CEO. On 15 December 2009, the Board of Directors appointed Jukka Hienonen (M.Sc. Econ.) as SRV's President and CEO effective as of 1 August 2010.

On 9 September 2009, Hannu Leinonen, Member of SRV's Board of Directors, resigned from the membership of the Board of Directors after being appointed CEO of Destia Oy. A new member of the Board of Directors will be elected in the next Annual General 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 had a total of 5,712 shareholders on 31 December 2009.

The share closing price at OMX Helsinki at the end of the financial year was EUR 5.89 (EUR 3.47 on 31 December 2008).). The highest share price in the financial year was EUR 5.97 and the lowest was EUR 2.75. The change in the all-share index of the Helsinki Stock Exchange (OMX Helsinki) during the same period was 19.5 per cent positive and the OMX Industrial and Services index 83.5 per cent positive.

At the end of the review period, the company's market capitalisation was EUR 210.7 million, excluding the Group's own shares. About 8.3 million shares were traded during the period and the trade volume was EUR 31.4 million.

On 13 May 2009 the Board of Directors of SRV Group Plc decided to exercise its authorisation to acquire the company's own shares. The share acquisition started on 25 May 2009. At the end of the review period, SRV Group Plc's subsidiary SRV Kalusto Oy had 215,562 of SRV Group Plc's shares acquired in accordance with the conditions of the merger plan of SRV Group Plc and SRV Henkilöstö Oy. On 31 December 2009, SRV Group Plc and SRV Kalusto Oy had a total of 1,000,000 of SRV Group Plc's shares, representing 2.7 per cent of the total number of the company's shares and votes. On 10 February 2010, the Group had a total of 1,000,000 shares with an average acquisition price of EUR 3.7 (2.7 per cent of the total number of the company's shares and votes).

Eero Heliövaara, SRV Group Plc and Ilpo Kokkila concluded a contract on 11 August 2009 stipulating that SRV Group Plc and Ilpo Kokkila commit themselves to buying or to designating a buyer of the 1,909,483 SRV shares owned by Eero Heliövaara so that the shares will be sold by 5 January 2010 at the latest, and that the received price will average EUR 4.45 per share. This agreement creates a situation in which the shares will be transferred so that the threshold as intended in the Chapter 2 Section 9 of the Securities Market Act falls below one twentieth (1/20) of the voting rights and total number of shares. The arrangement was based on an earlier agreement concerning the shares.

Financial targets

As SRV's medium term aim, the Board of Directors has set the achievement of annual average growth of approximately 15 per cent in Group revenue and annual average growth of 30 per cent in revenue from International Operations. SRV aims to increase the level of operating profit and, in the medium to long term, to achieve an operating margin of 8 per cent. In addition, the company aims to maintain an equity ratio of 30 per cent.

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

Events after the reporting period

The value of new contracts in the Business Premises business area grew by EUR 55.7 million in January. The Housing business area sold 38 residential units in January (6 units in January 2008).

In January, SRV signed a contract for the construction of spa hotel Holiday Club Saimaa in Lappeenranta, in the Rauha area. An aqua park with a wellness area, a restaurant world and a multifunction ice arena will operate in connection with the spa hotel. SRV is acting as a contractor and investor in the project. The spa hotel will be completed in summer 2011.

In January, SRV signed an agreement to buy a total of 28,000 square metres of building rights from VVO Rakennuttaja Oy. The land areas transferred in the agreement consist of leaseholds, purchase options and direct landed property. These areas are located in the Metropolitan Helsinki area: in Arabianranta and Kannelmäki in Helsinki and in Matinkylä in Espoo. They have been zoned for the construction of apartment buildings.

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

Outlook for 2010

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

Proposal for the distribution of profits

The parent company’s distributable funds on 31 December 2009 are	EUR 141,438,732.44
of which net profit for the financial year is	EUR 23,034,038.48

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

A dividend of EUR 0.12 per share be paid to shareholders, or	EUR 4,412,216.16
The amount to be transferred to shareholders' equity	EUR 137,026,516.28

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 11 February, 2010

Board of Directors

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

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Key figures:

		IFRS 1-12/ 2009	IFRS 1-12/ 2008	IFRS 10-12/ 2009	IFRS 10-12/ 2009
Revenue	EUR million	385.0	537.0	120.1	121.4
Operating profit	EUR million	9.9	32.9	2.8	0.7
Operating profit, % of revenue	%	2.6	6.1	2.3	0.6
Profit before taxes	EUR million	5.8	23.7	2.3	-2.6
Profit before taxes, % of revenue	%	1.5	4.4	1.9	-2.1
Net profit attributable to equity holders of the parent company	EUR million	2.3	15.7	1.0	-2.2
Return on equity	%	1.4	9.4		
Return on investment	%	4.7	12.9		
Invested capital	EUR million	349.9	339.4		
Equity ratio	%	41.3	41.3		
Net interest-bearing debt	EUR million	180.7	169.4		
Net gearing ratio	%	110.1	101.7		
Order backlog	EUR million	480.6	455.3		
New agreements		396.1	399.1		
Personnel on average		776	871		
Property, plant and equipment investments	EUR million	3.7	16.8	1.0	-6.0
Property, plant and equipment investments, % of revenue	%	1.0	3.1	0.8	-5.0
Earnings per share, share issue adjusted	EUR	0.06	0.43	0.02	-0.06
Equity per share, share issue adjusted	EUR	4.48	4.54	-	-
Dividend per share, share issue adjusted [1)]	EUR	0.12	0.12	-	-
Dividend payout ratio	%	200.0	27.9	-	-
Dividend yield	%	2.0	3.5	-	-
Price per earnings ratio		98.2	8.1	-	-
Share price development				-	-
Share price at the end of the period	EUR	5.89	3.47	-	-
Average share price	EUR	4.06	5.05	-	-
Lowest share price	EUR	2.75	2.82	-	-
Highest share price	EUR	5.97	6.60	-	-
Market capitalisation at the end of the period	EUR million	210.7	125.7	-	-
Trading volume	1,000	8 309	13 543	-	-
Trading volume	%	23.1	37.1	-	-
Weighted average number of shares outstanding	1,000	35 999	36 526	-	-
Number of shares outstanding at the end of the period	1,000	35 768	36 210	-	-

1) Board of Directors' proposal for the distribution of profits of 2009

Calculation of key figures:

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

SRV Group Plc Financial Statements Review 1 January - 31 December 2009: Tables

APPENDICES
1) Condensed consolidated financial statements: income statement, balance sheet, statement of changes in equity, cash flow statement, inventories, commitments and contingent liabilities, derivative contracts liabilities
2) Quarterly development
3) Segment information
4) Events after the reporting period

1. Financial Statements Review 1 January - 31 December 2009

IFRS standards and operating segments

SRV Group's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) valid on 31 December 2009. The figures in the tables have been rounded which should be noted when counting the total sums. 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 for the periods January December 2009 and January - December 2008 is audited and the information disclosed for the periods October - December 2009 and October December 2008 is unaudited.

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

Estimate of the impacts of new standards, amendments and interpretations:

- IAS 23 Borrowing costs. Borrowing costs attributable to construction projects starting in 2009 or later shall be capitalised in inventory and recognised in the income statement as the revenue from the construction project is recognised. This amendment has an impact both on the Group's financial position and reporting. During the period 1.1.-31.12.2009 the impact of this amendment to Group's financial position was minor.

- IAS 1 Presentation of financial statements. Starting from 2009, the Group shall present an income statement and a statement of comprehensive income. The statement of comprehensive income includes changes in equity that relate to transactions with non-owners.

Estimate of impacts of future interpretations:

- IFRIC 15 Agreements for the construction of real estate. The interpretation specifies when the revenue relating to construction contracts may be recognised using the Percentage of Completion method and when the Completed Contract method should be used instead. The application of this interpretation will have an impact primarily on the revenue recognition of housing developer contracting and will have an impact both on the Group's financial position and reporting. Currently, the Group applies the Percentage of Completion method to housing developer contracting. With the adoption of the interpretation, the Completed Contract method will be applied to income recognition from developer contracting projects. The EU enforced the interpretation on 22 July of 2009 and the interpretation will be applied in the financial year starting 1 January, 2010.

Consolidated income statement (EUR million)	IFRS 1-12/ 2009	IFRS 1-12/ 2008	change, MEUR	change, %	IFRS 10-12/ 2009	IFRS 10-12/ 2008
Revenue	**385.0**	**537.0**	**-152.0**	-28.3	**120.1**	**121.4**
Other operating income	2.6	1.4	1.2	89.3	1.0	0.4
Change in inventories of finished goods and work in progress	-6.5	53.5	-60.0	-112.1	-14.2	28.6
Use of materials and services	-312.6	-495.3	182.7	-36.9	-88.1	-133.4
Employee benefit expenses	-44.5	-46.3	1.8	-3.9	-12.3	-12.2
Depreciation and impairments	-3.7	-3.2	-0.5	16.1	-0.8	-1.1
Other operating expenses	-10.4	-14.1	3.7	-26.4	-2.9	-3.1
Operating profit	**9.9**	**32.9**	**-23.0**	-69.8	**2.8**	**0.7**
Financial income	6.0	4.2	1.9	45.2	0.5	0.8
Financial expenses	-10.2	-13.4	3.2	-23.7	-1.0	-4.1
Financial income and expenses, total	-4.2	-9.2			-0.5	-3.3
Profit before taxes	**5.8**	**23.7**	**-17.9**	-75.6	**2.3**	**-2.6**
Income taxes	-3.4	-8.5	5.0	-59.4	-1.3	-0.2
Net profit for the period	**2.3**	**15.3**	**-12.9**	-84.7	**1.0**	**-2.8**
Attributable to						
Equity holders of the parent company	2.3	15.7			1.0	-2.2
Minority interest	0.0	-0.4			0.0	-0.5
Earnings per share calculated on the profit attributable to equity holders of the parent company (undiluted and diluted)	0.06	0.43		-86.0	0.02	-0.06

Statement of comprehensive income (EUR million)	IFRS 1-12/ 2009	IFRS 1-12/ 2008	IFRS 10-12/ 2009	IFRS 10-12/ 2008
Net profit for the period	**2.3**	**15.3**	**1.0**	**-2.8**
Items recognised directly in equity:				
Exchange differences on translating foreign operations	0.0	-0.1	-0.1	-0.1
Available for sale financial assets	0.0	-0.1	0.0	-0.1
Net gain (loss) on cash flow hedges	0.0	0.0	0.0	0.0
Deferred tax	0.0	0.0	0.0	0.0
Income (loss) recognised directly in equity net of tax	**0.0**	**-0.1**	**0.0**	**-0.1**
Total comprehensive income for the period	**2.3**	**15.1**	**0.9**	**-2.9**
Profit for the period attributable to:				
Equity holders of the parent company	2.3	15.6	0.9	-2.9
Minority interest	0.0	-0.4	0.0	0.0

Consolidated balance sheet (EUR million)	IFRS 31.12.09	IFRS 31.12.08	change, %
ASSETS			
Non-current assets			
Property, plant and equipment	16.3	19.0	-14.3
Goodwill	1.7	1.7	0.0
Other intangible assets	0.5	0.5	-15.8
Other financial assets	4.8	4.3	12.5
Receivables	16.2	6.6	145.4
Deferred tax assets	2.2	1.7	30.7
Non-current assets, total	**41.7**	**33.8**	23.2
Current assets			
Inventories	291.4	294.8	-1.2
Trade and other receivables	77.6	86.7	-10.5
Current tax receivables	1.9	5.1	-62.5
Cash and cash equivalents	5.2	3.4	54.7
Current assets, total	**376.2**	**390.0**	-3.5
ASSETS, TOTAL	**417.9**	**423.8**	-1.4

Consolidated balance sheet (EUR million)	IFRS 31.12.09	IFRS 31.12.08	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	-0.1	15.2
Fair value reserve	-0.1	-0.1	0.0
Retained earnings	70.1	74.1	-5.4
Equity attributable to equity holders of the parent company, total	**160.3**	**164.3**	-2.5
Minority interest	**3.8**	**2.3**	66.0
Equity, total	**164.1**	**166.6**	-1.5
Non-current liabilities			
Deferred tax liabilities	0.5	0.3	95.8
Provisions	4.8	5.6	-14.4
Interest-bearing liabilities	97.6	69.7	40.0
Other liabilities			
Non-current liabilities, total	**102.9**	**75.6**	36.2
Current liabilities			
Trade and other payables	56.2	66.8	-15.9
Current tax payables	2.6	8.0	-67.1
Provisions	3.8	3.8	0.7
Interest-bearing liabilities	88.2	103.1	-14.4
Current liabilities, total	**150.9**	**181.6**	-16.9
Liabilities, total	**253.8**	**257.2**	-1.3
EQUITY AND LIABILITIES	**417.9**	**423.8**	-1.4

Consolidated cash flow statement (EUR million)	IFRS 1-12/2009	IFRS 1-12/2008
Cash flows from operating activities		
Net profit for the period	**2.3**	**15.3**
Adjustments:		
Depreciation and impairments	3.7	3.2
Non-cash transactions	2.7	-0.5
Financial income and expenses	4.2	9.2
Capital gains on sales of tangible and intangible assets	0.0	0.0
Income taxes	3.4	8.5
Adjustments, total	**13.9**	**20.3**
Changes in working capital:		
Change in loan receivables	-13.5	-12.6
Change in trade and other receivables	17.8	14.9
Change in inventories	5.4	-98.8
Change in trade and other payables	-9.6	-31.9
Changes in working capital, total	**0.2**	**-128.3**
Interest paid	-12.7	-13.0
Interest received	5.7	6.7
Dividends received	0.0	0.0
Income taxes paid	-5.9	-4.2
	-12.9	**-10.5**
Net cash flow from operating activities	**3.6**	**-103.2**
Cash flow from investing activities		
Acquisition of subsidiaries, net of cash	-2.3	-1.3
Property, plant and equipment	-0.8	-13.7
Intangible assets	-0.1	-0.3
Other financial assets	-0.5	-1.5
Sale of property, plant and equipment and intangible assets	0.0	0.1
Sale of financial assets	0.0	0.0
Net cash used in investing activities	**-3.7**	**-16.7**
Cash flows from financing activities		
Proceeds from share issue	0.0	0.0
Proceeds from loans	19.6	68.9
Repayments of loans	-22.2	-10.1
Change in loan receivables	0.0	0.0
Change in housing corporation loans	-6.8	30.6
Change in credit limits	17.5	18.8
Purchase of treasury shares	-1.8	-1.9
Dividends paid	-4.4	-4.4
Net cash from financing activities	**1.9**	**101.8**
Net change in cash and cash equivalents	**1.8**	**-18.0**
Cash and cash equivalents at the beginning of period	3.4	21.4
Cash and cash equivalents at the end of period	**5.2**	**3.4**

Inventories (EUR million)	IFRS 31.12.09	IFRS 31.12.08	change, %
Raw materials and consumables	**0.0**	0.0	209.3
Work in progress	**34.4**	100.8	-65.9
Land areas and plot-owning companies	**153.0**	142.1	7.7
Shares in completed housing corporations and real estate companies	**86.5**	34.0	154.2
Advance payments	**3.6**	3.7	-3.5
Other inventories	**14.0**	14.2	-1.3
Inventories, total	**291.4**	294.8	-1.2

Statement of changes in Group equity 1.1. - 31.12.2009

	Equity attributable to the equity holders of the parent company								
IFRS (EUR million)	Share capital	Share premium reserve	Invested free equity fund	Trans-lation differ-ences	Fair value reserve	Retai-ned earnings	Total	Minority interest	Total equity
Equity on 1.1.2009	**3.1**	**0.0**	**87.3**	**-0.1**	**-0.1**	**74.1**	**164.3**	**2.3**	**166.6**
Net income recognised directly in equity	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-0.2**	**-0.2**		
Net profit for the financial year						2.3	**2.3**		
Total income and expenses for the financial year	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**2.3**	**2.3**		
Dividends paid						-4.3	**-4.3**		
Purchase of treasury shares						-1.8	**-1.8**		
Equity on 31.12.2009	**3.1**	**0.0**	**87.3**	**-0.1**	**-0.1**	**70.1**	**160.3**	3.8	**164.1**

Statement of changes in Group equity 1.1. - 31.12.2008

	Equity attributable to the equity holders of the parent company								
IFRS (EUR million)	Share capital	Share premium reserve	Invested free equity fund	Trans-lation differ-ences	Fair value reserve	Retai-ned earnings	Total	Minority interest	Total equity
Equity on 1.1.2008	**3.1**	**0.0**	**87.3**	**0.0**	**0.0**	**64.7**	**155.1**	**3.2**	**158.3**
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**

Commitments and contingent liabilities EUR million	IFRS 31.12.09	IFRS 31.12.08	change, %
Collateral given for own liabilities			
Real estate mortgages given	**106.0**	114.7	-7.5
Pledges given	0.0	0.0	
Other commitments			
Guarantees given for liabilities on uncompleted projects	**0.0**	0.4	-100.0
Investment commitments given	**22.1**	2.7	718.2
Plots purchase commitments	**21.6**	29.9	-27.8

Fair and nominal values of derivative instruments	IFRS 31.12.09		IFRS 31.12.2008	
(EUR million)	Fair Values		Fair Values	
	Positive	Negative	Positive	Negative
Hedge accounting not applied				
Foreign exchange forward contracts	**0.0**	**0.0**	0.0	0.0
Interest rate swaps	**0.0**	**0.7**	0.0	0.0

Nominal values of derivative instruments	IFRS 31.12.09	IFRS 31.12.08
Foreign exchange forward contracts	**0.0**	0.0
Interest rate swaps	**63.4**	18.8

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 10-12/09	IFRS 7-9/09	IFRS 4-6/09	IFRS 1-3/09	IFRS 10-12/08	IFRS 7-9/08	IFRS 4-6/08	IFRS 1-3/08
Revenue	**120.1**	84.3	94.2	86.4	121.4	126.7	142.4	146.4
Operating profit	**2.8**	1.8	3.5	1.9	0.7	14.1	9.2	8.9
Financial income and expenses, total	**-0.5**	-1.2	-1.0	-1.5	-3.3	-2.9	-2.4	-0.6
Profit before taxes	**2.3**	0.6	2.5	0.4	-2.6	11.2	6.8	8.3
Order backlog [1)]	**480.6**	464.8	458.4	453.9	455.3	455.2	521.1	451.3
New agreements	**121.1**	86.2	98.2	91.3	115.4	36.7	185.0	62.0
Earnings per share, eur	**0.02**	0.01	0.03	0.00	-0.06	0.21	0.12	0.16
Equity per share, eur [1)]	**4.48**	4.46	4.45	4.42	4.54	4.61	4.40	4.38
Share price, eur [1)]	**5.89**	5.64	4.18	3.00	3.47	4.19	5.28	5.55
Equity ratio, % [1)]	**41.3**	41.0	40.4	40.9	41.3	45.9	44.9	52.1
Net interest bearing debt [1)]	**180.7**	189.2	185.8	170.6	169.4	127.9	122.4	76.1
Net gearing ratio, % [1)]	**110.1**	115.9	115.6	105.3	101.7	75.2	74.8	46.3

Revenue (EUR million)	**IFRS 10-12/09**	IFRS 7-9/09	IFRS 4-6/09	IFRS 1-3/09	IFRS 10-12/08	IFRS 7-9/08	IFRS 4-6/08	IFRS 1-3/08
Business Premises	**66.9**	40.2	46.1	54.8	77.9	74.3	92.2	104.8
Housing	**49.9**	37.9	40.5	25.8	33.3	31.4	37.1	26.0
International	**3.4**	6.2	7.6	5.8	10.2	21.0	13.1	15.7
Other Operations	**2.3**	2.1	2.1	2.2	3.0	2.7	2.8	2.9
Eliminations	**-2.3**	-2.1	-2.1	-2.2	-3.1	-2.7	-2.9	-2.9
Group, total	**120.1**	**84.3**	**94.2**	**86.4**	**121.4**	**126.7**	**142.4**	**146.4**

Operating profit (EUR million)	**IFRS 10-12/09**	IFRS 7-9/09	IFRS 4-6/09	IFRS 1-3/09	IFRS 10-12/08	IFRS 7-9/08	IFRS 4-6/08	IFRS 1-3/08
Business Premises	**4.3**	3.1	4.6	5.9	6.0	3.7	9.9	8.2
Housing	**2.0**	1.0	1.9	0.0	-1.2	0.5	0.9	0.4
International	**-2.0**	-1.5	-1.9	-2.5	-2.7	10.8	-0.1	1.2
Other Operations	**-1.4**	-0.7	-1.0	-1.6	-1.4	-1.0	-1.6	-0.9
Eliminations	**-0.2**	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Group, total	**2.8**	**1.8**	**3.5**	**1.9**	**0.7**	**14.1**	**9.2**	**8.9**

Operating profit (%)	**IFRS 10-12/09**	IFRS 7-9/09	IFRS 4-6/09	IFRS 1-3/09	IFRS 10-12/08	IFRS 7-9/08	IFRS 4-6/08	IFRS 1-3/08
Business Premises	**6.5**	7.7	10.0	10.8	7.8	4.9	10.8	7.8
Housing	**4.0**	2.7	4.6	0.0	-3.6	1.7	2.5	1.6
International	**-58.4**	-24.1	-25.6	-43.3	-26.5	51.5	-0.9	7.9
Group, total	**2.3**	**2.1**	**3.7**	**2.2**	**0.6**	**11.1**	**6.4**	**6.1**

Order backlog (EUR million)	**IFRS 31.12.09**	IFRS 30.9.09	IFRS 30.6.09	IFRS 31.3.09	IFRS 31.12.08	IFRS 30.9.08	IFRS 30.6.08	IFRS 31.3.08
Business Premises	**255.3**	252.0	224.3	252.8	265.7	228.8	291.1	235.2
Housing	**200.7**	186.5	203.3	169.6	154.0	186.3	186.8	182.4
International	**24.6**	26.3	30.7	31.5	35.6	40.2	43.2	33.7
Group, total	**480.6**	**464.8**	**458.4**	**453.9**	**455.3**	**455.2**	**521.1**	**451.3**
- sold order backlog	**316**	324	303	286	280	279	358	281
- unsold order backlog	**165**	141	155	168	176	176	163	170

Invested capital (EUR million)	**IFRS 31.12.09**	IFRS 30.9.09	IFRS 30.6.09	IFRS 31.3.09	IFRS 31.12.08	IFRS 30.9.08	IFRS 30.6.08	IFRS 31.3.08
Business Premises	**42.0**	61.0	77.0	69.2	63.9	63.5	51.2	43.7
Housing	**123.1**	123.4	135.9	134.9	138.9	115.9	105.3	97.0
International	**177.1**	165.8	152.6	151.0	138.6	143.9	145.1	115.1
Other and eliminations	**7.7**	6.2	-12.2	-14.0	-2.0	-16.6	-5.4	4.0
Group, total	**349.9**	**356.5**	**353.2**	**341.1**	**339.4**	**306.6**	**296.2**	**259.8**

Residential production in Finland (units)	**10-12/09**	7-9/09	4-6/09	1-3/09	10-12/08	7-9/08	4-6/08	1-3/08
Start-ups	**247**	0	0	4	0	49	53	8
Sold	**86**	43	51	27	13	32	63	33
Completed [1)]	**64**	37	93	58	0	31	104	125
Completed and unsold [1)]	**171**	161	185	156	133	140	128	105
Under construction [1]	**263**	80	118	211	265	251	247	298
- of which unsold [1)]	**231**	79	100	180	226	232	227	260

1) at the end of the period

3. Segment information

Assets (EUR million)	**IFRS 31.12.09**	IFRS 31.12.08	change, MEUR	change, %
Business Premises	**88.7**	116.9	-28.2	-24.1
Housing	**151.5**	158.4	-6.9	-4.4
International	**182.5**	158.6	23.9	15.0
Other Operations	**214.5**	185.1	29.4	15.9
Eliminations	**-219.4**	-195.2	-24.2	
Group, total	**417.9**	423.8	-6.0	-1.4

Liabilities (EUR million)	**IFRS 31.12.09**	IFRS 31.12.08	change, MEUR	change, %
Business Premises	**55.5**	81.7	-26.2	-32.0
Housing	**132.9**	141.5	-8.6	-6.1
International	**181.7**	147.2	34.5	23.4
Other Operations	**79.2**	65.7	13.5	20.6
Eliminations	**-195.5**	-178.9	-16.7	
Group, total	**253.8**	257.2	-3.4	-1.3

Inventories (MEUR)	**IFRS 31.12.09**	IFRS 31.12.08	change, MEUR
Land areas and plot-owning companies	**153.0**	**142.1**	**10.9**
Business Premises	27.8	24.6	3.2
Housing	41.4	41.6	-0.1
International	83.6	76.0	7.6
Work in progress	**34.4**	**100.8**	**-66.4**
Business Premises	0.0	30.0	-30.0
Housing	20.4	57.3	-36.9
International	14.0	13.6	0.4
Shares in completed housing corporations and real estate companies	**86.4**	**34.0**	**52.4**
Business Premises	25.5	0.0	25.5
Housing	55.5	30.6	24.9
International	5.5	3.3	2.1
Other inventories	**17.6**	**17.9**	**-0.3**
Business Premises	5.1	5.0	0.0
Housing	3.7	4.6	-0.9
International	9.9	9.3	0.6
Inventories, total	**291.4**	**294.8**	**-3.4**
Business Premises	58.4	59.6	-1.2
Housing	121.0	134.0	-13.1
International	112.9	102.1	10.8

Invested capital (EUR million)	**IFRS 31.12.09**	IFRS 31.12.08	change, MEUR	change, %
Business Premises	**42.0**	63.9	-21.8	-34.2
Housing	**123.1**	138.9	-15.8	-11.4
International	**177.1**	138.6	38.5	27.8
Eliminations and other	**7.7**	-2.0	9.7	
Group, total	**349.9**	339.4	10.5	3.1

Business Premises (EUR million)	**IFRS 1-12/2009**	IFRS 1-12/2008	change, MEUR	change, %
Revenue	**208.0**	349.1	-141.1	-40.4
Operating profit	**18.0**	27.8	-9.8	-35.4
Segment's assets				
Non-current assets	**0.9**	0.9	-0.1	-5.8
Current assets	**87.8**	116.0	-28.1	-24.3
Total assets	**88.7**	116.9	-28.2	-24.1
Segment's liabilities				
Non-current liabilities	**11.0**	1.1	9.9	885.1
Current liabilities	**44.5**	80.6	-36.0	-44.7
Total liabilities	**55.5**	81.7	-26.2	-32.0
Invested capital at end of period	**42.0**	63.9	-21.8	-34.2
Return on investment, %	**35.2**	**60.8**		
Order backlog at end of period	**255.3**	265.7	-10.4	-3.9

Housing (EUR million)	**IFRS 1-12/2009**	IFRS 1-12/2008	change, MEUR	change, %
Revenue	**154.1**	127.9	26.3	20.5
Operating profit	**4.9**	0.7	4.2	590.1
Segment's assets				
Non-current assets	**1.4**	1.9	-0.5	-25.9
Current assets	**150.0**	156.5	-6.4	-4.1
Total assets	**151.5**	158.4	-6.9	-4.4
Segment's liabilities				
Non-current liabilities	**68.2**	58.3	9.9	17.0
Current liabilities	**64.7**	83.2	-18.5	-22.3
Total liabilities	**132.9**	141.5	-8.6	-6.1
Invested capital at end of period	**123.1**	138.9	-15.8	-11.4
Return on investment, %	**3.8**	**0.7**		
Order backlog at end of period	**200.7**	154.0	46.7	30.3

International Operations (EUR million)	IFRS 1-12/2009	IFRS 1-12/2008	change, MEUR	change, %
Revenue	**22.9**	60.1	-37.2	-61.9
Operating profit	**-7.9**	9.2	-17.1	-185.4
Segment's assets				
Non-current assets	**25.1**	16.2	8.9	54.9
Current assets	**157.4**	142.4	15.0	10.5
Total assets	**182.5**	158.6	23.9	15.0
Segment's liabilities				
Non-current liabilities	**18.4**	12.7	5.7	45.0
Current liabilities	**163.3**	134.6	28.8	21.4
Total liabilities	**181.7**	147.2	34.5	23.4
Invested capital at end of period	**177.1**	138.6	38.5	27.8
Return on investment. %	**-1.5**	**9.3**		
Order backlog at end of period	**24.6**	35.6	-11.0	-31.0

4. Events after the reporting period

Value of new contracts in the Business Premises business area grew by EUR 55.7 million in January. The Housing business area sold 38residential units in January (6 units in January 2008).
In January, SRV signed a contract for the construction of spa hotel Holiday Club Saimaa in Lappeenranta, in the Rauha area. An aqua park with a wellness area, a restaurant world and a multifunction ice arena will operate in connection with the spa hotel. . SRV is acting as a contractor and investor in the project. The spa hotel will be completed in summer 2011.
In January, SRV signed an agreement to buy a total of 28,000 square metres of building rights from VVO Rakennuttaja Oy. The land areas transferred in the agreement consist of leaseholds, purchase options and direct landed property. These areas are located in the Metropolitan Helsinki area: in Arabianranta and Kannelmäki in Helsinki and in Matinkylä in Espoo. The areas have been zoned for the construction of apartment buildings.

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