

SRV'S ORDER BACKLOG CONTINUED TO GROW - SRV'S INTERIM REPORT 1
JANUARY–30 JUNE 2010

Reporting period 1 January–30 June 2010 in brief:

- SRV's revenue was EUR 212.3 million (EUR 183.1 million in January–June 2009), change 16.0%
- Operating profit was EUR 3.1 million (EUR 5.7 million), change 46.4% negative
- Profit before taxes was EUR 0.0 million (EUR 3.3 million)
- The order backlog at the close of the review period was EUR 604.4 million (EUR 461.1 million), change 31.1%
- New contracts EUR 327.3 million (EUR 189.5 million), change 72.7%
- The equity ratio was 35.1 per cent (40.1%)
- Earnings per share were EUR 0.01 (EUR 0.04)
- SRV adheres to the previous outlook for 2010. Revenue in 2010 is expected to exceed the previous year's level and profit before taxes is expected to be positive.

Second quarter 1 April – 30 June 2010 in brief:

- Revenue amounted to EUR 117.3 million (EUR 96.0 million in April – June 2009)
- Operating profit was EUR 1.5 million (EUR 3.9 million)
- Loss before taxes was EUR -0.1 million (profit EUR 2.9 million)
- Earnings per share were EUR 0.02 (EUR 0.04)

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

"SRV's efforts on customer acquisition and residential construction have produced results. Order backlog grew to all time high in SRV's history amounting to EUR 604 million. The volume of new contracts grew by 72.7 per cent. The development of the order backlog in Business Premises was especially positive, which grew by 59.7 per cent. The position of SRV has strengthened in residential construction as planned. SRV started the construction of 300 developer contracting housing units in the first half of the year, this surpasses the total number of start-ups in 2009. The economic recession put further on hold the start-ups in SRV's international operations and weakened the development of the order backlog in the segment.

In the first half of the year, SRV's revenue grew by 16% thanks to the positive trend in the volume of domestic construction. SRV's operating profit and financial result declined due to decline in volume and growth of operating profit in international operations.

Revenue and order backlog in SRV's Business Premises grew during the first half of the year. The growth of the order backlog proves that SRV's robust expertise in implementation, and our reputation as a reliable construction firm, support new customer acquisition also in a tight market situation. The profitability of the business area was good.

The positive trend in the Housing business area continued. Its revenue and operating profit improved, thanks to the growth in contract production volumes and housing sales. SRV sold

a total of 197 housing units to consumers (78 units in January–June 2009). Demand for housing is also directed towards projects under construction and as a result of premarketing outcome, SRV has decided to start the construction of another 110 residential units.

In our Russian operations, start-ups of projects under development were postponed. The Russian financial and property markets are gradually recovering. In order to further boost our growth strategy, we have diversified our business model. Besides developing implementation of SRV's current projects, we are seeking growth by placing emphasis on the preparation of the first investment sites for the property fund, as well as the development of a shopping centre to be realised in cooperation with Shanghai Industrial Investment Group.

SRV's result is not on a satisfactory level due to postponement of projects in the International Business Area. We will now focus our efforts on start-up of key projects in order to raise the volume of the segment to the level required by its cost level.

"SRV boasts strong innovative project development, and we will continue our efforts on it by utilising the support from the company's solvency and financing position. Even though the business premises market is challenging, I believe that through project development SRV can start projects that are important to the business activities of our clients. As an example of successful result of persistence we can mention the Karisto shopping centre project, the construction contract for which was signed in June. In the domestic housing production our aim is to raise our market share in the growth centres. Of the long-term possibilities offered by project development we can mention, among others, the Keilaniemi Towers project, the future metro station in Niittykumpu district in Espoo and the project for planning the land use of the neighbouring areas, as well as the Sitra's Low2No project with the aim to develop and implement a solution for the construction of low carbon or no-carbon sustainable urban environment", says Jukka Hienonen, CEO of SRV.

<u>Group key figures</u>	IFRS	IFRS	change,	change,	IFRS	IFRS	IFRS
(EUR million)	1-6/ 2010	1-6/ 2009	MEUR	%	4-6/ 2010	4-6/ 2009	1-12/ 2009
Revenue	212.3	183.1	29.3	16.0	117.3	96.0	390.5
Operating profit	3.1	5.7	-2.6	-46.4	1.5	3.9	10.7
Financial income and expenses. total	-3.0	-2.5	-0.6		-1.6	-1.0	-4.2
Profit before taxes	0.0	3.3	-3.2	-98.9	-0.1	2.9	6.5
Order backlog	604.4	461.1	143.2	31.1			481.6
New agreements	327.3	189.5	137.7	72.7	186.7	98.2	396.1
Operating profit. %	1.4	3.1			1.3	4.1	2.7
Net profit. %	0.0	0.8			0.6	1.6	0.7
Equity ratio. %	35.1	40.1					41.3
Net interest bearing debt	216.7	186.8					179.9
Gearing. %	142.3	116.6					109.8
Return on investment. % ¹⁾	2.1	4.0					4.9
Return on equity. % ¹⁾	0.1	1.8					1.8
Earnings per share. EUR	0.01	0.04			0.02	0.04	0.08
Equity per share. EUR	4.38	4.44					4.48
Weighted average number of shares outstanding	33.9	36.2		-6.2			36.0

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

Consolidated revenue was EUR 212.3 million (EUR 183.1 million in January–June 2009), of which Finland accounted for 97 per cent (93%) and Russia and the Baltic countries for 3 per cent (7%). Revenue in the Business Premises business area was EUR 131.5 million (EUR 100.9 million). Revenue in the Housing business area was EUR 74.1 million (EUR 69.0 million). Revenue in the International business area was EUR 6.7 million (EUR 13.2 million).

The Group's operating profit was EUR 3.1 million (EUR 5.7 million in January–June 2009). Operating profit margin was 1.4 per cent (3.1%). Operating profit in the Business Premises business area was EUR 9.0 million (EUR 10.6 million). Operating profit in the Housing business area was EUR 3.2 million (EUR 2.2 million). Operating loss in the International business area was EUR 6.1 million (operating loss of EUR 4.4 million).

The Group's profit before taxes was EUR 0.0 million (profit of EUR 3.3 million in January–June 2009). The profit for the review period was EUR 0.1 million (profit of EUR 1.5 million). Earnings per share were EUR 0.01 (EUR 0.04 positive). Return on equity was 0.1 per cent (1.8%) and return on investment was 2.1 per cent (4.0%).

The Group's revenue for the second quarter was EUR 117.3 million (EUR 96.0 million in April–June 2009) and operating profit EUR 1.5 million (EUR 3.9 million). Loss before taxes was EUR 0.1 million (profit of EUR 2.9 million). Earnings per share were EUR 0.02 (EUR 0.04)

The order backlog grew by 31.1 per cent and was EUR 604.4 million on 30 June 2010 (EUR 461.1 million on 30 June 2009). The growth in the order backlog was attributed by the 39.3

per cent growth of the portion of the sold production to EUR 426 million (EUR 306.1 million on 30 June 2009). The start-ups of the developer contracting housing projects raised the share of the unsold order backlog to EUR 178 million (EUR 155 million on 30 June 2009).

Key figures for the Segments

Revenue (EUR million)	IFRS 1-6/ 2010	IFRS 1-6/ 2009	change. MEUR	change. %	IFRS 4-6/ 2010	IFRS 4-6/ 2009	IFRS 1-12/ 2009
Business Premises	131.5	100.9	30.5	30.2	76.8	46.1	208.0
Housing	74.1	69.0	5.2	7.5	35.8	42.4	158.6
International	6.7	13.2	-6.5	-48.9	4.8	7.6	24.0
Other Operations	5.0	4.3	0.8	17.6	2.5	2.1	8.7
Eliminations	-5.1	-4.3	-0.7		-2.6	-2.1	-8.8
Group. total	212.3	183.1	29.3	16.0	117.3	96.0	390.5

Operating profit (EUR million)	IFRS 1-6/ 2010	IFRS 1-6/ 2009	change. MEUR	change. %	IFRS 4-6/ 2010	IFRS 4-6/ 2009	IFRS 1-12/ 2009
Business Premises	9.0	10.6	-1.6	-14.9	4.7	4.6	18.0
Housing	3.2	2.2	1.0	45.6	0.7	2.3	5.4
International	-6.1	-4.4	-1.7		-2.2	-1.9	-7.7
Other Operations	-2.8	-2.6	-0.2		-1.6	-1.0	-4.7
Eliminations	-0.2	0.0	-0.2	-641.2	-0.1	0.0	-0.3
Group. total	3.1	5.7	-2.6	-46.4	1.5	3.9	10.7

Operating profit (%)	IFRS 1-6/2010	IFRS 1-6/2009	IFRS 4-6/2009	IFRS 4-6/2008	IFRS 1-12/2009
Business Premises	6.8	10.5	6.1	10.0	8.6
Housing	4.3	3.1	2.1	5.3	3.4
International	-90.6	-33.5	-46.6	-25.6	-32.1
Group. total	1.4	3.1	1.3	4.1	2.7

Order backlog (EUR million)	IFRS 30.6.09	IFRS 30.6.08	muutos. meur	muutos. %	IFRS 31.12.09
Business Premises	358.2	224.3	133.8	59.7	255.3
Housing	220.5	206.1	14.4	7.0	201.7
International	25.7	30.7	-5.0	-16.2	24.6
Group. total	604.4	461.1	143.2	31.1	481.6
- sold order backlog	426	306			317
- unsold order backlog	178	155			165

Earnings trends of the Segments

Business Premises (EUR million)	IFRS 1-6/ 2010	IFRS 1-6/ 2009	change. MEUR	change. %	IFRS 4-6/ 2010	IFRS 4-6/ 2009	IFRS 1-12/ 2009
Revenue	131.5	100.9	30.5	30.2	76.8	46.1	208.0
Operating profit	9.0	10.6	-1.6	-14.9	4.7	4.6	18.0
Operating profit. %	6.8	10.5			6.1	10.0	8.6
Order backlog	358.2	224.3	133.8	59.7			255.3

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 131.5 million (EUR 100.9 million). Operating profit was EUR 9.0 million (EUR 10.6 million), generating an operating profit margin of 6.8 per cent (10.5%). The order backlog grew by 59.7 per cent, to EUR 358.2 million (EUR 224.3 million).

Second-quarter revenue amounted to EUR 76.8 million (EUR 46.1 million) and operating profit to EUR 4.7 million (EUR 4.6 million). Competition for new contracts remained tight.

Among the projects completed during the review period were the first phase of Malmi Hospital in Helsinki, the renovation of Kiinteistö Oy Niittymäentie 7 for Ilmarinen Mutual Pension Insurance Company in Espoo alteration and renovation works in the mail sorting department of Itella's postal centre in Pasila, Helsinki, as well as the service tunnel and repair works on the second stage of the University of Helsinki's Metsätalo Building in Unioninkatu, Helsinki. The new equestrian center Primus in Espoo, the bus depot in Kivikko, Vantaa, and the renovation and building of Mercuria business school in Vantaa were also completed. The construction of Vierumäki Congress & Resort Hotel was completed and handed over to Mutual Pension Insurance Company Varma.

In January, SRV signed a contract for the construction of the spa hotel Holiday Club Saimaa in Lappeenranta. In addition to the hotel, the contract includes an aqua park with a wellness area, a restaurant world and a multifunction ice arena. The spa hotel will be completed in the summer of 2011. In January, SRV and the Finnish Fair Corporation signed a contract for the heightening of the Helsinki Fair Centre's car park, expanding it by approximately 1,200 new parking spaces. The project will be completed by the end of 2010.

In February, Citycon Oyj chose SRV as its project management contractor for the construction and renovation of Espoontori shopping centre. The total floor area of the project is about 18,600 square metres and the renovation will be completed by December 2010. In February, SRV and Helsinki University Premises and Property Services signed a project management contract on the construction and renovation of the Kaisa-talo building, a shopping centre in Kaisaniemenkatu, Helsinki, which will be converted into the University's central campus library. This 30,740 square metre project will be completed by 1 May 2012.

In June, SRV and Kesko signed the project management contract for the construction of the shopping centre Karisma to be built in the Karisto district in Lahti. SRV and Kesko have jointly developed the project and SRV will act as the main contractor in the project. The total sales area in the shopping centre is 35,000 square meters including a modern K-Citymarket and some 90 shops. The shopping centre will open for Christmas 2011.

During the review period, contracts were also signed for the construction of new car service and repair premises for ScanAuto in Hämeenlinna, the renovation of the premises of the European Chemicals Agency in Annankatu, Helsinki, and the renovation of the Jyväskylä Forum shopping centre owned by Citycon Oyj. Moreover, SRV signed a contract with the City of Hyvinkää on the construction of new premises for town hall in the Old Wool Factory. Contracts were also signed with the Helsinki University Premises and Property Services for the completion of the renovation of the Institute of Dentistry and the renovation of the Accelerator Laboratory on the Kumpula campus, for construction of K-supermarket for Ruokakesko in Espoo and for the extension works of an aviation service hangar at the Helsinki-Vantaa airport.

After the end of the review period, SRV and Aro-Yhtymä Oy signed a project management contract for the construction of a car sales room in Vantaa. The earth works at the site will start in August and the 18,400 gross square meter building will be completed towards the end of 2011.

Housing (EUR million)	IFRS 1-6/ 2010	IFRS 1-6/ 2009	change. MEUR	change. %	IFRS 4-6/ 2010	IFRS 4-6/ 2009	IFRS 1-12/ 2009
Revenue	74.1	69.0	5.2	7.5	35.8	42.4	158.6
Operating profit	3.2	2.2	1.0	45.6	0.7	2.3	5.4
Operating profit. %	4.3	3.1			2.1	5.3	3.4
Order backlog	220.5	206.1	14.4	7.0			201.7

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

Revenue in the Housing business area amounted to EUR 74.1 million (EUR 69.0 million) in the review period and operating profit was EUR 3.2 million (EUR 2.2 million). This growth in revenue and operating profit was attributable to the pickup in housing sales as well as the expansion of contract operation volumes. The order backlog was EUR 220.5 million (EUR 206.1 million). For the developer contracting housing projects SRV applies the recognition principle based upon delivery. By using the earlier percentage of completion method the revenue for the review period would have been around EUR 11.1 million bigger.

Second-quarter revenue amounted to EUR 35.8 million (EUR 42.3 million) and operating profit EUR 0.7 million (EUR 2.3 million). During the second quarter the housing sales concentrated more to production under construction. Planning expenses of EUR 0.4 million, which were earlier activated, were recorded as costs, because essential changes were made in the planning specifications, affecting the second-quarter result.

During the review period, we signed contracts worth EUR 29.8 million with external clients. Of the signed contracts, negotiation contracts amounted to EUR 17.0 million. In March, SRV completed a Scania centre in Jyväskylä and a contract was signed with Scan-Auto for the construction of a new Scania centre in Oulu for servicing large vehicles. We signed a contract with YH-Asumisoikeus Länsi Oy for the construction of 28 right-of-occupancy flats in the Vatiala district in Kangasala. These terraced houses will be completed in April 2011. In Ylöjärvi, SRV will build two blocks of flats housing a total of 40 residential units for AVO Vuokratalot Oy. Moreover, 28 flats and terraced houses will be built for Suomen Asumisoikeus Oy in Kaarina. Contracts worth EUR 12.9 million that were won through bidding competition were signed.

During the review period 300 (4) new housing units reached sales conditions and were included in the order backlog. The number includes 142 price and quality controlled owner-occupied HITAS apartments in Isolokki, which will be built in Arabianranta, Helsinki. The selling will start in August. Construction of 29 flats in high-rise blocks was started in Kannelmäki, Helsinki, 57 flats in Saunavuori, in Saunalahti, Espoo and 26 flats in Sello in Kaarina. Moreover, a terraced-house project, Pirkkalan Sinisiipi, with 26 housing units was started in Pirkanmaa and a terraced-house with 20 units, Marjalan Saunaranta, in Joensuu.

In addition to projects that have reached the selling stage, SRV has decided to start the construction of high-rise blocks in Matinkylä, Espoo and in Jyväskylä as well as a terraced-house in Tampere. The projects include 110 housing units, but they have not reached the selling stage and are not included in the order backlog.

During the review period, SRV sold 293 (284) developer contracting units. 197 (78) units were sold to consumers, most of them in projects under construction. With negotiation contracts, 96 (206) units were sold to investors. At the end of the period, 547 (118) residential units were being constructed, 400 (100) of which had not been sold. Of the unsold units 142 are in the HITAS-project in Arabianranta, the selling of which will start in August. There were 105 (185) completed but unsold units, 27 of which were rented at the period-end. A total of 16 (151) developer contracting residential units were completed during the review period. Based on the current completion schedules, SRV estimates that a total of 116 developer contracting residential units will be completed by the end of 2010.

Developer contracting housing production in Finland	1-6/2010	1-6/2009	change. units	4-6/2010	4-6/2009	1-12/2009
Start-ups	300	4	296	300	0	251
Sold	197	78	119	102	51	207
Completed	16	151	-135	0	93	252
Completed and unsold ¹⁾	105	185	-80			171
Under construction ¹⁾	547	118	429			263
- of which unsold	400	100	300			231

1) at the end of the period

The S-Group's Kodin Terra hardware and home decor department store and ABC service station in the Kolmenkulma business estate in Nokia were completed in late spring. Major projects under construction include Musketööri in the Kartanonkoski district of Vantaa (88

units) and Vantaan Martti in the Martinlaakso district of Vantaa (67 units) and the HITAS-project Isolokki in Arabianranta, Helsinki.

International Operations (EUR million)	IFRS 1-6/ 2010	IFRS 1-6/ 2009	change. MEUR	change. %	IFRS 4-6/ 2010	IFRS 4-6/ 2009	IFRS 1-12/ 2009
Revenue	6.7	13.2	-6.5	-48.9	4.8	7.6	24.0
Operating profit	-6.1	-4.4	-1.7		-2.2	-1.9	-7.7
Operating profit. %	-90.6	-33.5			-46.6	-25.6	-32.1
Order backlog	25.7	30.7	-5.0	-16.2			24.6

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 6.7 million (EUR 13.2 million). The decrease in revenue was due to the small number of projects under construction while the activities were focused on the development of our own projects in Russia, in particular. Operating loss was EUR 6.1 million (a loss of EUR 4.4 million). In addition to the small number of projects under construction, operating profit was affected by the development costs of developer contracting projects and the fixed costs of business operations. Furthermore, a cost increase provision of EUR 1.9 million was made. The order backlog was EUR 25.7 million (EUR 30.7 million).

Second-quarter revenue amounted to EUR 4.8 million (EUR 7.6 million) and operating loss EUR 2.2 million (loss of EUR 1.9 million).

Russia

The leasing of the Etmia II office and parking facility project in the heart of Moscow was continued. Around 50 per cent of the facilities are leased. SRV's role in the project is to act as co-owner with a 50 per cent stake and as the project management contractor.

In the Moscow area, construction of the electrical connection for the Mytischi shopping centre project, which has been developed by SRV, will be completed during the summer. The building permit for this project was obtained already in the summer of 2009. The majority owner of the project is the Finnish real estate investment company Vicus, with a 75 per cent stake. 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 EUR 7.9 million.

At the Sheremetyevo airport in Moscow, SRV began the renovation of the old Aeroport hotel. This hotel, which will move under the Park Inn brand, is a continuation of the cooperation SRV initiated in St. Petersburg with the hotel owner, Wenaas Group. At the end of June a new contract was signed with Wenaas Group for the renovation of some 200 rooms in the Pulkovskaya Hotel.

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. In January 2010, the Urban Planning and Architectural Committee of St. Petersburg approved SRV's concept for the 600,000 square metre project, and site planning for phase I has begun. SRV has invested about EUR 50 million in acquisition of land and properties in this area; further investment in land acquisition is estimated at EUR 10 million. At the moment, SRV owns 87.5 per cent of the project, but its ownership will decline to 77.5 per cent when all ownership arrangements have been completed according to the cooperation contract.

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 immediate 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.

In the city of Vyborg, the intensified marketing campaign for the apartments in the Papula residential area continued till the summer. A total of 10 housing units have been sold while 28 units remained unsold at the end of the period.

During the review period, SRV had a particular focus on the analysis and clarification of the investment sites of VTBC-DB Real Estate Partners I in Moscow and St. Petersburg. The fund primarily invests in the construction of offices, commercial premises, hotels and upscale housing in Moscow and St. Petersburg. SRV's share of the investment commitments in the first phase is EUR 20 million. During the spring, Deutsche Bank announced its wishes to withdraw from its position in the General Partner company due to tightened bank control regulations. Deutsche Bank has been replaced with Ashmore Group Plc ("Ashmore"), which became also a shareholder in the General Partner company and, together with various funds it manages, a Limited Partner investor. The other investors involved in the fund are VTB Capital and the Finnish pension insurance companies Ilmarinen and Etera. VTB Capital and Ashmore act as sponsors and general partners of the fund. Their tasks 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.

During the spring, SRV continued the development of the shopping centre to be built on the Baltic Pearl area. SRV and Shanghai Industrial Investment Company (SIIC) established a joint project company OOO Pearl Plaza to develop the project. SRV is responsible for the development and construction of the project. During the review period, SRV signed a project management contract with OOO Pearl Plaza for the design and development of the shopping centre. 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 a Baltic Pearl development project, in which Baltic Pearl CJSC will use a land area of over 205 hectares, located south-west of central St. Petersburg, for development. 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. In Estonia, 7 (4) residential units were sold during the period and, all in all, there were 24 (37) completed but unsold units at the end of the period. In Estonia, a cost increase provision of EUR 1.0 million was made during the review period. In Latvia, the number of staff was adjusted to the market situation.

Due to a delay in the financing of a construction contract between SRV and the International School of Latvia, the project start-up has been postponed to the end of 2010.

Other Operations (EUR million)	IFRS 1-6/ 2010	IFRS 1-6/ 2009	change. MEUR	change. %	IFRS 4-6/ 2010	IFRS 4-6/ 2009	IFRS 1-12/ 2009
Revenue	5.0	4.3	0.8	17.6	2.5	2.1	8.7
Operating profit	-2.8	-2.6	-0.2		-1.6	-1.0	-4.7

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

The revenue of Other Operations during the review period was EUR 5.0 million (EUR 4.3 million) and operating loss was EUR 2.8 million (a loss of EUR 2.6 million). Second-quarter revenue was EUR 2.5 million (EUR 2.1 million) and operating loss EUR 1.6 million (a loss of EUR 1.0 million). The increase in revenue was attributable to higher operation volumes and the decrease in operating profit was attributable to increased costs used for project development.

Financing and financial position

Net operational cash flow was EUR -23.8 million (EUR -8.0 million in January-June 2009). The weakening of the cash flow during the review period was attributed to the increase of inventories. The group's inventories were EUR 316.7 million (EUR 304.2 million), the share of land areas and plot-owning companies being EUR 174.0 million (EUR 149.2 million). The Group's invested capital amounted to EUR 384.9 million (EUR 353.8 million).

At the end of the review period, the Group's financing reserves were EUR 88.1 million, of which the Group's cash assets amounted to EUR 16.0 million and committed undrawn financing reserves amounted to EUR 70.1 million. The Group's net interest-bearing liabilities were EUR 216.7 million on 30 June 2010 (EUR 186.6 million on 30 June 2009). Net financing expenses totalled EUR -3.0 million (EUR 2.5 million).

Investments in SRV's developer contracting housing projects in Finland consonant with the RS-system, including completed, unsold projects, total around EUR 69.9 million. SRV estimates that the completion of these projects requires another EUR 67.0 million. Undrawn housing corporate loans related to RS projects totalled EUR 59.6 million. Investments in the international business area related to unsold residential projects in Estonia amount to EUR 2.4 million, and EUR 3.3 million in Vyborg. EUR 32.2 million is invested in the Etmia office project.

Equity ratio was 35.1 per cent (40.1%). The change in the equity ratio and net liabilities was affected by the EUR 8.5 million derivative agreement signed by SRV with Nordea Bank Ab for 1,909,483 SRV Group Plc's shares which are considered equal to treasury shares held by the company (an impact of approximately 2.1 percentage points) as well as the increase in receivables. The Group's shareholders' equity totalled EUR 148.7 million (EUR 159.8 million on 30 June 2009). The return on investment was 2.1 per cent (4.0%) and the return on equity was 0.1 per cent (1.8%).

In its reporting SRV Group applies IFRIC 15 Agreements for the Construction of Real Estate. The recognition of developer contracting production upon delivery increases the total amount of inventories, interest bearing debts and balance sheet, thus weakening the key figures related to the financing position for its part.

Investments

The Group's investments totalled EUR 1.0 million (EUR 2.3 million) and were mainly related to the acquisition of machinery and equipment.

Unbuilt land areas, land acquisition commitments and land development agreements

Land reserve 30.6.2010	Business Operations	Housing	International Operations	Total
Unbuilt land areas and land acquisition commitments				
Building rights*. m ²	220 000	264 000	842 000	1 326 000
Land development agreements				
Building rights*. m ²	446 000	312 000	169 000	927 000

* 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

During the review period, SRV bought a total of 10,000 square metres of building rights in the Matinkylä district from the city of Espoo. Furthermore, the company has agreed with the city of Espoo on the purchase of 4,000 square metres in Matinkylä. SRV bought 7,000 square metres of building rights in the Kaarela area in the district of Kannelmäki in Helsinki. Moreover, the lease of 12,000 square metres of building rights in a HITAS project in the Arabianranta district of Helsinki has been transferred from VVO to SRV.

On 14 June 2010, The Trade and Competitiveness Division of the Espoo City Board decided to make a reservation for SRV, Mutual Pension Insurance Company Varma and SATO Oyj regarding the future Niittykumpu metro station and neighbouring areas in the intersection of Merituulentie and Haukilahdenkatu for planning of the metro station and related use of land. The meaning is to plan and build residential and commercial buildings in the area. The preliminary plan includes building right of about 150,000 floor square meters.

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 one regional subsidiary. International Operations comprises the business activities in Russia and the Baltic countries. Other Operations consist primarily of the SRV Group Plc and SRV Kalusto Oy businesses.

Changes in the Group management

Jukka Hienonen started as CEO of the Group on 1 August 2010. Hannu Linnoinen, Senior Executive Vice President, CFO, has acted as CEO during 1. January - 31. July 2010. Member of the Corporate Executive Team, Senior Vice President, Communications and Marketing, Jussi Ollila will move to another company outside the group as of 1. September 2010.

Personnel

SRV had an average payroll of 780 (796) employees, of whom 549 (562) were white-collar. The parent company had an average staff of 46 (58) white-collar employees. At the close of the review period, the Group had 835 (784) employees, of whom 47 (54) were employed by the parent company. An average of 18 per cent (17) of the employees work in subsidiaries and representative offices abroad. At the end of the review period, SRV had a total of 86 (44) 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	30.6.2010	30.6.2009	Share of Group personnel. 30.6.2010. %
Business Premises	369	291	44.2
Housing	229	240	27.4
International	152	169	18.2
Other Operations	85	84	10.2
Group. total	835	784	100.0

The share-based incentive plan for 2010 includes about 70 employees and the reward is based mainly on consolidated and partly on business area performance. The rewards to be paid for the earning period 2010 correspond to the total maximum of 240,000 SRV Group Plc shares plus a corresponding sum of money paid for tax withholding purposes.

Outlook for construction

The recovery of the world economy has continued to be slow and unstable. The situation continues to be challenging in the property and construction markets. Expectations for increases in interest rates have been postponed in Europe and the United States. The Finnish economy is expected to grow by 1–2 per cent in 2010.

The total number of building permits increased during the review period due to sharp rise in residential buildings. The number of permits of commercial and office buildings declined clearly. There has been some upward pressure on construction costs.

Strong consumer confidence in the housing markets and the low interest level have increased demand, prompting a larger number of new start-ups in developer contracting housing projects. Weak employment trends will have a negative short-term effect on the housing markets. Meanwhile, in the longer term, trends such as 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 continued to decrease during the period. Vacancy rates in office premises in particular have reached a high level and construction is slow. The near future outlook for commercial and logistics construction is somewhat better.

The slight growth in renovations is expected to continue in 2010. The outlook for civil engineering has weakened despite government support measures.

The economic situation in the Baltic countries has remained weak. The Estonian economy is predicted to grow during the ongoing year. In Latvia and Lithuania, the decline in total production is expected to continue in 2010, although at a decelerating pace. 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. The Russian national economy has revived due to rising oil prices, inflation has abated and interest rates have declined while the scarce availability of financing limits growth opportunities. In 2010, Russia's total production is expected to grow by 5–6 per cent.

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 trend is upward but unstable. Demand for property investments has remained weak. Interest rates are low but, compared to pre-recession times, the availability of credit from banks is lower and loan margins are clearly higher. The global financial crisis is making it more difficult for SRV's clients to obtain financing and is hampering the functioning of the property markets. Property values face pressures and the number of property transactions and, in particular, new large-scale project start-ups have decreased due to difficulties in securing 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. Fierce competition for new orders in the construction sector may affect the volume and profitability of SRV's new order backlog. In developer contracting projects, recognition of revenue is based mainly on the Completed Contract method. Revenue recognition depends on the percentage of sold premises in delivered projects. 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. The slowdown in housing sales will increase sales and marketing costs and interest

expenses in developer contracting housing production. After a rapid decline, housing sales have recovered in Finland while remaining virtually at a standstill in Estonia.

Construction is subject to significant cost risks relating to subcontracting and deliveries, and the control of these underlines the need for long-term planning. A weak economic cycle increases financial risks relating to subcontractors. SRV's contracting model requires skilled and competent personnel. Warranty and liability obligations related to construction can span up to ten years. Construction costs in many materials are rising. The swift growth in residential construction has hampered the availability of purchases in adjusted production chains.

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 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 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, part of which will mature in 2012 and the rest in 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 has been disclosed in the 2009 Annual Report and Financial Statements.

Corporate governance and resolutions of general meetings

The Annual General Meeting was held on 16 March 2010. The AGM adopted the financial statements for 2009 and granted release from liability to the members of the Board of Directors and the Presidents and CEOs. A dividend of EUR 0.12 per share was declared. Mr Ilpo Kokkila was elected chairman of the Board of Directors and Mr Arto Hiltunen, Mr Timo Kokkila, Mr Lasse Kurkilahti, Mr Matti Mustaniemi and Mr Ilkka Salonen were elected to seats on the Board. The firm of public accountants Ernst & Young Oy was elected as the company's auditor. Mikko Ryttilahti, authorised public accountant, will act as the principal auditor.

The general meeting authorised the Board of Directors to decide on the acquisition of the company's own shares, using the company's unrestricted equity. The Board was authorised to acquire a maximum of 3,676,846 own shares, however, in such a manner that the number of shares acquired on the basis of this authorisation when combined with the shares already owned by the company and its subsidiaries, does not at any given time exceed 3,676,846 shares, or 10 per cent of all shares of the company. Based on this authorisation, the Board may acquire a maximum of 3,676,846 shares of the company in public trading arranged by Nasdaq OMX Helsinki Oy at a market price valid at the moment of acquisition, and a maximum of 2,400,000 shares of the company in public trading arranged by Nasdaq OMX Helsinki Oy or otherwise for a maximum price of EUR 4.45 per share, the maximum being, however 3,676,846 shares. The aforementioned authorisations include the right to acquire own shares otherwise than in proportion to the holdings of the shareholders. These authorisations will remain in force for 18 months from the decision of the meeting.

The general meeting authorised the Board of Directors to decide on the issue of new shares or the transfer of treasury shares against payment or without consideration. This authorisation includes the right to issue new shares or to transfer the treasury shares in deviation from the shareholders' pre-emptive subscription right under the terms of the Companies Act. This authorisation is in force for two years from the decision of the meeting.

In its organisational meeting on 16 March 2010, the Board of Directors elected Lasse Kurkilahti vice chairman of the Board, Matti Mustaniemi chairman of the Audit Committee, Lasse Kurkilahti and Timo Kokkila members of the Audit Committee, Arto Hiltunen and Ilkka Salonen members of the Nomination and Remuneration Committee and Ilpo Kokkila chairman of the Nomination and Remuneration Committee.

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 5,740 shareholders on 30 June 2010. The company received four flagging notifications during the reporting period. On 5 January 2010, Eero Heliövara announced that he had sold and Nordea Bank AB (publ) announced that it had bought 1,909,483 SRV Group Plc shares, increasing Nordea Group's total holding in SRV to 5.28 per cent. On 17 March 2010, Nordea Bank Suomi Oyj announced that it had purchased the above-

mentioned shares from Nordea Bank AB (publ), after which the total holding of Nordea Group in SRV was 5.28 per cent. On 17 May 2010 Nordea Bank AB (publ) announced that it had bought the above mentioned shares, the holding of Nordea Group being 5.27%. The flagging notifications are related to a futures contract between Nordea and SRV. Upon termination of the contract, the shares will be sold and Nordea Group's holding in SRV will fall to below 1/20.

The share closing price at OMX Helsinki at the end of the review period was EUR 6.16 (EUR 5.89 on 31 December 2009). The highest share price in the review period was EUR 7.14 and the lowest was EUR 5.50. The change in the all-share index of the Helsinki Stock Exchange (OMX Helsinki) during the same period was 5.8 per cent negative and the OMX Industrial and Services index 6.0 per cent positive.

At the end of the review period, the company had a market capitalisation of EUR 209.0 million, excluding the Group's own shares. About 9.3 million shares were traded during the period and the trade volume was EUR 53.0 million.

On 5 January 2010, SRV implemented the agreement signed with Eero Heliövaara on 11 August 2009, and Nordea Bank AB (publ) acquired Heliövaara's shares for a per-share price of EUR 4.45. In the same connection, SRV signed an EUR 8.5 million derivative agreement with Nordea for 1,909,483 company shares, according to which the shares will be sold to SRV or an entity named by SRV. These shares are considered equal to treasury shares held by the company. The derivative agreement will mature in November 2010.

At the end of the review period, SRV Group Plc had 2,842,421 of SRV Group Plc's shares taking account of the derivative contract concluded with Nordea Bank AB. SRV (7.7 per cent of the total number of the company's shares and combined number of votes).

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 over 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 over 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.

Previous outlook for 2010 (11 February 2010)

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

Previous outlook for 2010 (5 May 2010)

SRV changes the previous outlook for 2010 due to the postponement of start-ups of projects in Russia. Revenue in 2010 is expected to exceed the previous year's level and profit before taxes is expected to be positive.

Outlook for 2010

SRV repeats the previous outlook for the revenue and profit before taxes in 2010.

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

Espoo. 5 August 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.

For further information, please contact:

Jukka Hienonen, CEO. +358 201 455 213

Hannu Linnoinen. Senior Executive Vice President, CFO. +358 201 455 990. +358 50 523 5850

Distribution: Nasdaq OMX Helsinki, principal media, www.srv.fi

Key figures:

		IFRS 1-6/ 2010	IFRS 1-6/ 2009	IFRS 4-6/ 2010	IFRS 4-6/ 2010	IFRS 1-12/ 2009
Revenue	EUR million	212.3	183.1	117.3	96.0	390.5
Operating profit	EUR million	3.1	5.7	1.5	3.9	10.7
Operating profit, % of revenue	%	1.4	3.1	1.3	4.1	2.7
Profit before taxes	EUR million	0.0	3.3	-0.1	2.9	6.5
Profit before taxes, % of revenue	%	0.0	1.8	-0.1	3.1	1.7
Net profit attributable to equity holders of the parent company	EUR million	0.4	1.4	0.8	1.3	2.9
Return on equity ¹⁾	%	0.1	1.8			1.8
Return on investment ¹⁾	%	2.1	4.0			4.9
Invested capital	EUR million	384.9	353.8			349.0
Equity ratio	%	35.1	40.1			41.3
Net interest-bearing debt	EUR million	216.7	186.8			179.9
Gearing ratio	%	142.3	116.6			109.8
Order backlog	EUR million	604.4	461.1			481.6
New agreements		327.3	189.5			396.1
Personnel on average		780	796			776
Property, plant and equipment investments	EUR million	1.0	2.3	0.5	2.2	3.7
Property, plant and equipment investments, % of revenue	%	0.5	1.3	0.4	2.3	0.9
Earnings per share, share issue adjusted	EUR	0.01	0.04	0.02	0.04	0.08
Equity per share, share issue adjusted	EUR	4.38	4.44	-	-	4.48
Dividend per share, share issue adjusted	EUR	0.12	0.12	-	-	0.12
Dividend payout ratio	%	1 200.0	300.0	-	-	150.0
Dividend yield	%	1.9	2.9	-	-	2.0
Price per earnings ratio		616.0	104.5	-	-	73.6
Share price development				-	-	
Share price at the end of the period	EUR	6.16	4.18	-	-	5.89
Average share price	EUR	6.40	3.52	-	-	4.06
Lowest share price	EUR	5.50	2.75	-	-	2.75
Highest share price	EUR	7.14	4.79	-	-	5.97
Market capitalisation at the end of the period	EUR million	209.0	150.4	-	-	210.7
Trading volume	1.000	9 263	6 004	-	-	8 309
Trading volume	%	27.3	16.6	-	-	23.1
Weighted average number of shares outstanding	1.000	33 930	36 169	-	-	35 999
Number of shares outstanding at the end of the period	1.000	33 926	35 981	-	-	35 768

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

Calculation of key figures:

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

SRV Group Plc Interim Report 1.1. - 30.6.2010: 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) Events after the reporting period

1. Group financials 1.1. - 30.6.2010

IFRS standards and operating segments

The interim report has been prepared in accordance with the accounting policies set out in the IAS 34 standard and the information disclosed is unaudited. SRV has applied the same accounting principles as in its year-end financial statements for 2009. The figures in the tables have been rounded which should be noted when counting the total sums.

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 the new standards, changes and interpretations:

As from 1 January 2010, SRV Group will apply IFRIC 15 Agreements for the Construction of Real Estate in its reporting. This interpretation concerns the recognition of revenue from developer contracting projects. The interpretation specifies whether revenue from a construction project should be recognised on a percentage of completion basis or upon delivery. The adoption of the interpretation primarily affects the recognition of revenue from SRV Group's developer contracting housing projects. The Group previously recognised revenue from developer contracting housing projects on a percentage of completion basis. Under the new interpretation, revenue will from now on mainly be recognised on the basis of project delivery.

The change in revenue recognition affects SRV Group's income statement and balance sheet items, the key figures based on them, and the order backlog. It will result in greater variation between quarterly trends in revenue and earnings, as the recognition of revenue from developer contracting projects may depend on the date of their completion. The delayed revenue recognition of projects will increase the balance sheet total and weaken the key figures calculated on the basis of the balance sheet.

SRV Group's internal management reporting follows earnings in line with the new interpretation and the Group publishes its segment reports in accordance with the new accounting principles.

Consolidated income statement (EUR million)	IFRS 1-6/ 2010	IFRS 1-6/ 2009	change, MEUR	change, %	IFRS 4-6/ 2010	IFRS 4-6/ 2009	IFRS 1-12/ 2009
Revenue	212.3	183.1	29.3	16.0	117.3	96.0	390.5
Other operating income	1.5	1.1	0.4	32.2	0.7	0.7	2.6
Change in inventories of finished goods and work in progress	17.5	7.9	9.6	121.1	6.7	1.2	-10.3
Use of materials and services	-195.6	-156.2	-39.4	25.2	-105.9	-79.1	-313.5
Employee benefit expenses	-24.8	-23.2	-1.6	6.8	-13.1	-11.7	-44.5
Depreciation and impairments	-1.7	-1.8	0.1	-6.0	-0.9	-0.9	-3.7
Other operating expenses	-6.2	-5.2	-1.0	19.3	-3.4	-2.3	-10.4
Operating profit	3.1	5.7	-2.6	-46.4	1.5	3.9	10.7
Financial income	0.8	1.3	-0.4	-35.3	0.2	0.6	6.0
Financial expenses	-3.8	-3.7	-0.1	3.5	-1.8	-1.6	-10.2
Financial income and expenses, total	-3.0	-2.5	-0.6		-1.6	-1.0	-4.2
Profit before taxes	0.0	3.3	-3.2	-98.9	-0.1	2.9	6.5
Income taxes	0.0	-1.8	1.8	-101.3	0.8	-1.4	-3.6
Net profit for the period	0.1	1.5	-1.4	-96.0	0.7	1.5	2.9
Attributable to							
Equity holders of the parent company	0.4	1.4			0.8	1.3	2.9
Minority interest	-0.3	0.1			-0.1	0.2	0.0
Earnings per share calculated on the profit attributable to equity holders of the parent company (undiluted and diluted)	0.01	0.04		-75.0	0.02	0.04	0.08
Statement of comprehensive income (EUR million)			IFRS 1-6/ 2010	IFRS 1-6/ 2009	IFRS 4-6/ 2010	IFRS 4-6/ 2010	IFRS 1-12/ 2009
Net profit for the period			0.1	1.5	0.7	1.5	2.9
Items recognised directly in equity:							
Exchange differences on translating foreign operations			0.0	0.0	0.0	0.0	0.0
Available for sale financial assets			0.0	0.0	0.0	0.0	0.0
Net gain (loss) on cash flow hedges			0.0	0.0	0.0	0.0	0.0
Deferred tax			0.0	0.0	0.0	0.0	0.0
Income (loss) recognised directly in equity net of tax			0.0	0.0	0.0	0.0	0.0
Total comprehensive income for the period			0.1	1.5	0.7	1.5	2.9
Profit for the period attributable to:							
Equity holders of the parent company			0.4	1.4	0.7	1.5	2.9
Minority interest			-0.3	0.1	0.0	0.0	0.0

Consolidated balance sheet (EUR million)	IFRS 30.6.10	IFRS 30.6.09	change, %	IFRS 31.12.09
ASSETS				
Non-current assets				
Property, plant and equipment	15.1	17.5	-13.5	16.3
Goodwill	1.7	1.7	0.0	1.7
Other intangible assets	0.4	0.5	-13.2	0.5
Other financial assets	4.9	4.3	13.5	4.8
Receivables	16.8	7.4	125.7	16.2
Deferred tax assets	4.2	2.0	107.3	2.3
Non-current assets, total	43.1	33.4	29.0	41.7
Current assets				
Inventories	316.7	304.2	4.1	292.2
Trade and other receivables	77.3	71.6	8.0	76.9
Current tax receivables	1.4	5.6	-74.7	1.9
Cash and cash equivalents	15.9	6.7	137.1	5.2
Current assets, total	411.4	388.1	6.0	376.2
ASSETS, TOTAL	454.5	421.6	7.8	418.0

Consolidated balance sheet (EUR million)	IFRS 30.6.10	IFRS 30.6.09	change, %	IFRS 31.12.09
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent company				
Share capital	3.1	3.1	0.0	3.1
Invested free equity fund	87.3	87.3	0.0	87.3
Translation differences	-0.1	-0.1	47.4	-0.1
Fair value reserve	-0.1	-0.1	0.0	-0.1
Retained earnings	58.5	69.5	-15.8	69.9
Equity attributable to equity holders of the parent company, total	148.7	159.8	-6.9	160.1
Minority interest	3.5	0.4	692.0	3.8
Equity, total	152.2	160.2	-5.0	163.9
Non-current liabilities				
Deferred tax liabilities	1.3	0.2	528.4	0.5
Provisions	4.6	4.9	-6.0	4.8
Interest-bearing liabilities	70.1	84.1	-16.7	96.9
Other liabilities	1.0	0.4	145.0	0.8
Non-current liabilities, total	76.9	89.5	-14.1	102.9
Current liabilities				
Trade and other payables	57.3	56.2	1.9	56.4
Current tax payables	1.7	2.4	-30.4	2.6
Provisions	3.9	3.7	4.7	3.8
Interest-bearing liabilities	162.6	109.5	48.5	88.2
Current liabilities, total	225.4	171.8	31.2	151.1
Liabilities, total	302.3	261.4	15.7	254.1
EQUITY AND LIABILITIES	454.5	421.6	7.8	418.0

Consolidated cash flow statement (EUR million)	IFRS 1-6/2010	IFRS 1-6/2009	IFRS 1-12/2009
Cash flows from operating activities			
Net profit for the period	0.1	1.5	2.9
Adjustments:			
Depreciation and impairments	1.7	1.8	3.7
Non-cash transactions	9.2	-1.0	2.7
Financial income and expenses	3.0	2.5	4.2
Capital gains on sales of tangible and intangible assets	0.0	0.0	0.0
Income taxes	0.0	1.8	3.6
Adjustments, total	13.9	5.1	14.1
Changes in working capital:			
Change in loan receivables	5.3	0.0	-13.5
Change in trade and other receivables	-6.2	14.4	17.7
Change in inventories	-24.0	-3.6	10.0
Change in trade and other payables	-8.9	-12.0	-12.3
Changes in working capital, total	-33.8	-1.2	1.9
Interest paid	-2.8	-6.4	-12.7
Interest received	0.5	1.1	5.7
Dividends received	0.0	0.0	0.0
Income taxes paid	-1.6	-8.0	-5.9
Net cash flow from operating activities	-23.8	-8.0	6.1
Cash flow from investing activities			
Acquisition of subsidiaries, net of cash	-0.1	-2.0	-2.3
Property, plant and equipment	-0.9	-0.2	-0.8
Intangible assets	0.0	0.0	-0.1
Other financial assets	0.0	-0.1	-0.5
Sale of property, plant and equipment and intangible assets	0.1	0.0	0.0
Sale of financial assets	0.0	0.0	0.0
Net cash used in investing activities	-0.8	-2.3	-3.7
Cash flows from financing activities			
Proceeds from share issue	0.0	0.0	0.0
Proceeds from loans	0.3	14.1	19.6
Repayments of loans	-1.6	-17.2	-22.2
Change in loan receivables	0.0	0.0	0.0
Change in housing corporation loans	7.1	1.8	-9.2
Change in credit limits	33.7	20.1	17.5
Purchase of treasury shares	0.0	-0.7	-1.8
Dividends paid	-4.1	-4.4	-4.4
Net cash from financing activities	35.4	13.6	-0.6
Net change in cash and cash equivalents	10.7	3.4	1.8
Cash and cash equivalents at the beginning of period	5.2	3.4	3.4
Cash and cash equivalents at the end of period	15.9	6.7	5.2

Inventories (EUR million)	IFRS 30.6.10	IFRS 30.6.09	change, %	IFRS 31.12.09
Raw materials and consumables	0.0	0.0	-90.3	0.0
Work in progress	36.3	94.9	-61.7	35.1
Land areas and plot-owning companies	174.0	149.2	16.6	153.0
Shares in completed housing corporations and real estate companies	87.4	41.8	109.1	86.5
Advance payments	4.6	4.0	13.9	3.6
Other inventories	14.4	14.3	0.6	14.0
Inventories, total	316.7	304.2	4.1	292.2

Statement of changes in Group equity 1.1. - 30.6.2010

IFRS (EUR million)	Equity attributable to the equity holders of the parent company						Minority interest	Total equity
	Share capital	Invested free equity fund	Trans- lation differ- ences	Fair value reserve	Retai- ned earnings	Total		
Equity on 1.1.2010	3.1	87.3	-0.1	-0.1	69.9	160.1	3.8	163.9
Total income and expenses for the financial year	0.0	0.0	0.0	0.0	0.4	0.4		
Dividends paid					-4.1	-4.1		
Share based incentive plan					1.1	1.1		
Purchase of treasury shares					-8.5	-8.5		
Other changes					-0.3	-0.3		
Equity on 30.6.2010	3.1	87.3	-0.1	-0.1	58.5	148.7	3.5	152.2

Statement of changes in Group equity 1.1. - 30.6.2009

IFRS (EUR million)	Equity attributable to the equity holders of the parent company						Minority interest	Total equity
	Share capital	Invested free equity fund	Trans- lation differ- ences	Fair value reserve	Retai- ned earnings	Total		
Equity on 1.1.2009	3.1	87.3	-0.1	-0.1	73.4	163.6	2.2	165.9
Total income and expenses for the financial year	0.0	0.0	0.0	0.0	1.4	1.4		
Dividends paid					-4.3	-4.3		
Share based incentive plan					0.0	0.0		
Purchase of treasury shares					-0.7	-0.7		
Other changes					-0.2	-0.2		
Equity on 30.6.2009	3.1	87.3	-0.1	-0.1	69.5	159.8	0.4	160.2

Statement of changes in Group equity 1.1. - 31.12.2009

IFRS (EUR million)	Equity attributable to the equity holders of the parent company						Minority interest	Total equity
	Share capital	Invested free equity fund	Trans- lation differ- ences	Fair value reserve	Retai- ned earnings	Total		
Equity on 1.1.2009	3.1	87.3	-0.1	-0.1	73.4	163.6	2.2	165.9
Total income and expenses for the financial year	0.0	0.0	0.0	0.0	2.9	2.9		
Dividends paid					-4.3	-4.3		
Share based incentive plan					0.0	0.0		
Purchase of treasury shares					-1.8	-1.8		
Other changes					-0.2	-0.2		
Equity on 31.12.2009	3.1	87.3	-0.1	-0.1	69.9	160.2	3.8	163.9

Commitments and contingent liabilities EUR million	IFRS 30.6.10	IFRS 30.6.09	change, %	IFRS 31.12.09
Collateral given for own liabilities				
Real estate mortgages given	125.4	118.3	6.0	106.0
Pledges given	0.0	0.0		0.0
Other commitments				
Guarantees given for liabilities on uncompleted projects	0.0	0.0		0.0
Investment commitments given	22.2	22.3	-0.2	22.1
Plots purchase commitments	24.0	41.6	-42.4	19.5

Fair and nominal values of derivative instruments (EUR million)	IFRS 30.6.10		IFRS 30.9.2009		IFRS 31.12.09	
	Fair Values Positive	Negative	Fair Values Positive	Negative	Fair Values Positive	Negative
Hedge accounting not applied						
Foreign exchange forward contracts	0.0	0.0	0.0	0.0	0.0	0.0
Interest rate swaps	0.0	1.9	0.1	0.1	0.0	0.7
Nominal values of derivative instruments						
		<u>IFRS</u> 30.6.10		<u>IFRS</u> 30.6.09		<u>IFRS</u> 31.12.09
Foreign exchange forward contracts		0.0		0.0		0.0
Interest rate swaps		63.4		63.4		63.4

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 4-6/10	IFRS 1-3/10	IFRS 10-12/09	IFRS 7-9/09	IFRS 4-6/09	IFRS 1-3/09
Revenue	117.3	95.0	120.1	87.3	96.0	87.0
Operating profit	1.5	1.6	2.7	2.3	3.9	1.8
Financial income and expenses, total	-1.6	-1.4	-0.5	-1.2	-1.0	-1.5
Profit before taxes	-0.1	0.2	2.2	1.1	2.9	0.3
Order backlog ¹⁾	604.4	530.0	481.6	465.8	461.1	458.5
New agreements	186.7	140.6	120.4	86.2	98.2	91.3
Earnings per share, eur	0.02	-0.01	0.03	0.01	0.04	0.00
Equity per share, eur ¹⁾	4.38	4.36	4.48	4.45	4.44	4.40
Share price, eur ¹⁾	6.16	6.41	5.89	5.64	4.18	3.00
Equity ratio, % ¹⁾	35.1	37.0	41.3	40.9	40.1	40.5
Net interest bearing debt ¹⁾	216.7	199.8	179.9	189.8	186.8	172.6
Gearing, % ¹⁾	142.3	132.3	109.8	116.3	116.6	107.1

Revenue (EUR million)	IFRS 4-6/10	IFRS 1-3/10	IFRS 10-12/09	IFRS 7-9/09	IFRS 4-6/09	IFRS 1-3/09
Business Premises	76.8	54.7	66.9	40.2	46.1	54.8
Housing	35.8	38.3	49.9	39.7	42.4	26.6
International	4.8	2.0	3.4	7.4	7.6	5.6
Other Operations	2.5	2.5	2.3	2.1	2.1	2.2
Eliminations	-2.6	-2.5	-2.3	-2.1	-2.1	-2.2
Group, total	117.3	95.0	120.1	87.3	96.0	87.0

Operating profit (EUR million)	IFRS 4-6/10	IFRS 1-3/10	IFRS 10-12/09	IFRS 7-9/09	IFRS 4-6/09	IFRS 1-3/09
Business Premises	4.7	4.3	4.3	3.1	4.6	5.9
Housing	0.7	2.4	1.9	1.3	2.3	-0.1
International	-2.2	-3.9	-2.0	-1.3	-1.9	-2.5
Other Operations	-1.6	-1.2	-1.4	-0.7	-1.0	-1.6
Eliminations	-0.1	-0.1	-0.2	-0.1	0.0	0.0
Group, total	1.5	1.6	2.7	2.3	3.9	1.8

Operating profit (%)	IFRS 4-6/10	IFRS 1-3/10	IFRS 10-12/09	IFRS 7-9/09	IFRS 4-6/09	IFRS 1-3/09
Business Premises	6.1	7.9	6.5	7.7	10.0	10.8
Housing	2.1	6.3	3.8	3.4	5.3	-0.4
International	-46.6	-197.5	-58.4	-17.6	-25.6	-44.4
Group, total	1.3	1.6	2.2	2.6	4.1	2.1

Order backlog (EUR million)	IFRS 30.6.10	IFRS 31.3.10	IFRS 31.12.09	IFRS 30.9.09	IFRS 30.6.09	IFRS 31.3.09
Business Premises	358.2	331.7	255.3	252.0	224.3	252.8
Housing	220.5	174.3	201.7	187.5	206.1	174.3
International	25.7	24.0	24.6	26.3	30.7	31.5
Group, total	604.4	530.0	481.6	465.8	461.1	458.5
- sold order backlog	426	389	317	325	306	291
- unsold order backlog	178	141	165	141	155	168

Invested capital (EUR million)	IFRS 30.6.10	IFRS 31.3.10	IFRS 31.12.09	IFRS 30.9.09	IFRS 30.6.09	IFRS 31.3.09
Business Premises	75.8	56.2	42.0	61.0	77.0	69.2
Housing	127.7	121.6	122.9	124.1	137.0	136.7
International	177.2	173.6	176.3	165.6	152.0	150.5
Other and eliminations	4.2	6.0	7.7	6.2	-12.2	-14.0
Group, total	384.9	357.5	349.0	356.9	353.8	342.3

Residential production in Finland (units)	4-6/10	1-3/10	10-12/09	7-9/09	4-6/09	1-3/09
Start-ups	300	0	247	0	0	4
Sold	102	95	86	43	51	27
Completed ¹⁾	0	16	64	37	93	58
Completed and unsold ¹⁾	105	138	171	161	185	156
Under construction ¹⁾	547	247	263	80	118	211
- of which unsold ¹⁾	400	169	231	79	100	180

1) at the end of the period

3. Segment information

Assets (EUR million)	IFRS 30.6.10	IFRS 30.6.09	change, MEUR	change, %	IFRS 31.12.09
Business Premises	110.1	90.2	19.9	22.1	88.7
Housing	151.8	162.4	-10.6	-6.5	151.5
International	180.6	158.7	21.9	13.8	182.5
Other Operations	225.1	194.1	31.0	16.0	214.5
Eliminations	-213.1	-183.8	-29.2		-219.3
Group, total	454.5	421.6	32.9	7.8	418.0

Liabilities (EUR million)	IFRS 30.6.10	IFRS 30.6.09	change, MEUR	change, %	IFRS 31.12.09
Business Premises	85.2	46.6	38.6	82.8	55.5
Housing	131.7	146.6	-14.9	-10.2	133.2
International	187.3	164.5	22.9	13.9	181.7
Other Operations	115.5	90.6	24.9	27.5	79.2
Eliminations	-217.5	-187.0	-30.6		-195.6
Group, total	302.3	261.4	40.9	15.7	254.1

Invested capital (EUR million)	IFRS 30.6.10	IFRS 30.6.09	change, MEUR	change, %	IFRS 31.12.09
Business Premises	75.8	77.0	-1.2	-1.5	42.0
Housing	127.7	137.0	-9.3	-6.8	122.9
International	177.2	152.0	25.1	16.5	176.3
Other and eliminations	4.2	-12.2	16.5		7.7
Group, total	384.9	353.8	31.1	8.8	349.0

Inventories (MEUR)	IFRS 30.6.10	IFRS 30.6.09	change, MEUR	IFRS 31.12.09
Land areas and plot-owning companies	174.0	149.2	24.8	153.0
Business Premises	34.4	25.0	9.3	27.8
Housing	55.0	45.5	9.5	41.4
International	84.4	78.4	6.0	83.6
Work in progress	36.3	94.9	-58.6	35.1
Business Premises	0.0	32.9	-32.9	0.0
Housing	34.8	45.2	-10.4	21.2
International	1.5	16.8	-15.3	14.0
Shares in completed housing corporations and real estate companies	87.4	41.8	45.6	86.5
Business Premises	25.7	0.0	25.7	25.5
Housing	39.6	39.1	0.4	55.5
International	22.2	2.6	19.6	5.5
Other inventories	19.0	18.4	0.6	17.6
Business Premises	5.1	5.1	0.0	5.1
Housing	5.1	5.1	0.0	3.7
International	9.9	9.3	0.6	9.9
Inventories, total	316.7	304.2	12.5	292.2
Business Premises	65.1	63.0	2.1	58.4
Housing	134.5	134.9	-0.4	121.7
International	117.9	107.0	10.9	112.9

Business Premises (EUR million)	IFRS 1-6/2010	IFRS 1-6/2009	change, MEUR	change, %	IFRS 2009
Revenue	131.5	100.9	30.5	30.2	208.0
Operating profit	9.0	10.6	-1.6	-14.9	18.0
Segment's assets					
Non-current assets	0.8	0.9	-0.1	-7.8	0.9
Current assets	109.3	89.3	20.0	22.3	87.8
Total assets	110.1	90.2	19.9	22.1	88.7
Segment's liabilities					
Non-current liabilities	1.1	11.3	-10.2	-90.6	11.0
Current liabilities	84.2	35.4	48.8	137.9	44.5
Total liabilities	85.2	46.6	38.6	82.8	55.5
Invested capital at end of period	75.8	77.0	-1.2	-1.5	42.0
Return on investment. % ¹⁾	31.8	30.5			35.2
Order backlog at end of period	358.2	224.3	133.8	59.7	255.3

Housing (EUR million)	IFRS 1-6/2010	IFRS 1-6/2009	change, MEUR	change, %	IFRS 2009
Revenue	74.1	69.0	5.2	7.5	158.6
Operating profit	3.2	2.2	1.0	45.6	5.4
Segment's assets					
Non-current assets	0.9	1.7	-0.8	-45.9	1.4
Current assets	150.9	160.7	-9.8	-6.1	150.1
Total assets	151.8	162.4	-10.6	-6.5	151.5
Segment's liabilities					
Non-current liabilities	61.2	61.0	0.2	0.3	68.2
Current liabilities	70.5	85.6	-15.1	-17.6	65.0
Total liabilities	131.7	146.6	-14.9	-10.2	133.2
Invested capital at end of period	127.7	137.0	-9.3	-6.8	122.9
Return on investment, % ¹⁾	5.0	3.1			4.2
Order backlog at end of period	220.5	206.1	14.4	7.0	201.7
International Operations (EUR million)	IFRS 1-6/2010	IFRS 1-6/2009	change, MEUR	change, %	IFRS 2009
Revenue	6.7	13.2	-6.5	-48.9	24.0
Operating profit	-6.1	-4.4	-1.7		-7.7
Segment's assets					
Non-current assets	25.1	16.5	8.7	52.5	25.1
Current assets	155.5	142.3	13.2	9.3	157.4
Total assets	180.6	158.7	21.9	13.8	182.5
Segment's liabilities					
Non-current liabilities	9.2	14.1	-4.9	-34.7	18.4
Current liabilities	178.1	150.4	27.7	18.5	163.4
Total liabilities	187.3	164.5	22.9	13.9	181.7
Invested capital at end of period	176.3	152.0	24.3	16.0	176.3
Return on investment, % ¹⁾	-6.6	-4.8			-1.4
Order backlog at end of period	25.7	30.7	-5.0	-16.2	24.6

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