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SRV'S ORDER BACKLOG GREW TO A RECORD LEVEL – SRV'S INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2011

Reporting period 1 January–30 September 2011 in brief:

- SRV's revenue was EUR 405.5 million (EUR 326.3 million in January–September 2010), change +24.3%
- Operating profit was EUR 0.9 million (EUR 6.6 million), change -86.3%
- Loss before taxes was EUR 1.6 million (profit of EUR 3.8 million)
- The order backlog at the close of the review period was EUR 862.3 million (EUR 604.4 million), change +42.6%
- New contracts EUR 615.4 million (EUR 439.9 million), change +39.9%
- The equity ratio was 30.9 per cent (35.1%)
- Earnings per share were EUR -0.07 (EUR 0.09)

SRV adjusts its outlook for the last quarter of 2011 regarding operational profitability. Revenue for the year 2011 is estimated to total EUR 650 million (EUR 484.4 in January-December 2010). Profitability of both domestic and international operations is estimated to improve during the second half of the year compared to the first half of 2011. Profit before taxes for the fourth quarter is estimated to exceed EUR 10 million and the profit for the whole year 2011 is expected to exceed the previous year's level (EUR 7.9 million).

Third quarter 1 July-30 September 2011 in brief:

- Revenue was EUR 136.3 million (EUR 115.2 million in July-September 2010)
- Operating profit was EUR 0.2 million (EUR 3.5 million)
- Loss before taxes was EUR 1.5 million (profit of EUR 3.8 million)
- Earnings per share were EUR -0.06 (profit of EUR 0.08)

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

The President and CEO Jukka Hienonen comments on SRV's result:

In the first four months of the year, we have witnessed swings of sentiment in the global economy, which have also been partly reflected in our industry. In the early part of the year, there were many encouraging signs of recovery from the recession. In the construction industry, housing construction was already buoyant and in business premises construction, too, a positive turn was perceptible.

News on the state of the euro area has become more volatile as autumn advances. Nevertheless, housing sales are on a fairly reasonable level and new start-up decisions are being made both in SRV and in other construction companies. Start-up criteria, however, have tightened to some extent.

SRV currently has a record number of housing units under construction. The 2,500 housing units under construction make SRV one of the top constructors in the Helsinki Metropolitan Area. Of this production, 85 per cent has been sold. Most of our developer contracting production will be completed in the final quarter. Due to the recognition practice based upon delivery, a positive impact on our result will also be evident at that time.

The Group's order backlog is at a record high. The order backlog is strong in domestic business premises and housing construction, but also in our international business operations. At the site of the Pearl Plaza shopping centre project in St. Petersburg, work advanced from the preparatory stage to construction in September after we received a building permit.

The Kalasatama Centre project in Helsinki was initiated in August when key contracts relating to the project were signed with the City of Helsinki. We will build in the area throughout this decade. There are also plans to build for the City of Helsinki a social services and health care station, business premises and a significant number of housing units. We will be able to adjust the pace of construction to the market situation at the time in question. We estimate that the project will generate for SRV a total of one billion euros in revenue during the entire construction period.

The European banking crisis has tightened up the availability of finance generally, but particularly in the field of real-estate development. To expand the financing potential of our Russian project development while simultaneously diversifying our financing risks, we are, in addition to other measures, cooperating with investment companies active in Russia. In September we founded, in collaboration with Finnish institutions, the company Russia Invest. The VTBC Fund, established earlier, has concluded an agreement on the purchase of its first site in Moscow.

We have raised our revenue significantly during the first nine months of the year. Unfortunately, volume growth has not been evident to the same degree in our profitability. SRV's project development expertise is strong both in Finland and in neighbouring countries. To improve our profitability structure, we will increase the proportion of developer contracting projects in our business operations. In Finland and Russia, we have a number of substantial development projects which have already been launched or will be initiated in the near future.

Markets and general review

The positive development with regard to SRV's revenue and order backlog continued in early 2011. SRV's order backlog increased by 42.6 per cent to EUR 862.3 million, which is an all-time high for the Group.

In Finland, the competition for new orders for business premises is fierce. SRV's volume of construction of business premises has remained at a good level. However, there is pressure to maintain profitability, as the order backlog consists mainly of contracting activity with a lower profit margin. In addition, construction costs have clearly gone up, particularly in business premises construction, but due to increase in market unstability the trend have already turned into decline. In order to improve profitability, SRV aims to shift the emphasis onto the company's own project development.

The market development in domestic housing construction has continued the positive progress. SRV has increased the production of both rental and owner-occupied housing. The total amount of SRV's housing production under construction grew to 2 504 residential units. 85 per cent of production under construction have been sold, 63 per cent of production are rental or right-of-occupancy units. The number of developer contracting housing projects currently under construction grew to 811 residential units. Based on premarketing, the decision on the start-up of 172 additional units has been made. In total, SRV sold 382 residential units to consumers and investors (in comparison to 361 units in January-September 2010). Developer contracting housing production is recognised upon delivery thus affecting more the last quarter of the year.

The financial and real-estate markets in Russia are recovering. SRV seeks to utilizes the market potential in Russia by developing developer contracting real estate projects. In order to strengthen financial reserves a stakeholders' agreement between SRV, Ilmarinen, Sponda, Etera and Onvest concerning an investment company Russia Invest was signed in September. In addition to continuing the development of its key projects, SRV seeks growth potential by focusing its efforts on the preparation of the first phase investment commitments of the VTB-Ashmore property fund. The fund has signed an agreement to purchase the first property in Moscow.

Amongst the key international projects, the implementation of the Pearl Plaza shopping centre project in St. Petersburg was confirmed in January, when the investment decision for the site and the EUR 100 million development contract with SRV were signed.

SRV's own project development operations enhance the company's potential to increase its operating volume. Projects require long-term development work and are carried out over the course of several years. SRV's projects are often so-called landmark projects – innovative new solutions for the needs of sustainable regional construction. Such projects include, for example, the Keilaniemi Towers housing project, the development project for the vicinity of the Niittykumpu metro station in Espoo, and, as the most recent addition, the Kalasatama development project in Helsinki.

Group key figures (EUR million)	**IFRS 1-9/ 2011**	IFRS 1-9/ 2010	change, MEUR	change, %	IFRS 7-9/ 2011	IFRS 7-9/ 2010	**IFRS 1-12/ 2010**
Revenue	**405.5**	326.3	79.2	24.3	136.3	115.2	**484.2**
Operating profit	**0.9**	6.6	-5.7	-86.3	0.2	3.5	**12.5**
Financial income and expenses, total	**-2.5**	-2.8	0.3		-1.7	0.3	**-4.5**
Profit before taxes	**-1.6**	3.8	-5.4	-141.1	-1.5	3.8	**7.9**
Order backlog	**862.3**	604.6	257.7	42.6			**594.5**
New agreements	**615.4**	439.9	175.6	39.9	304.6	112.6	**559.9**
Operating profit, %	**0.2**	2.0			0.2	3.0	**2.6**
Net profit, %	**-0.7**	0.9			-1.4	2.4	**1.1**
Equity ratio, %	**30.9**	35.1					**35.2**
Net interest bearing debt	**269.6**	229.7					**222.8**
Gearing, %	**167.4**	147.9					**141.7**
Return on investment, % 1)	**1.4**	3.2					**4.1**
Return on equity, % 1)	**-2.4**	2.3					**3.2**
Earnings per share, EUR	**-0.07**	0.09			-0.06	0.08	**0.19**
Equity per share, EUR	**4.44**	4.47					**4.56**

Weighted average number of shares outstanding	**34.9**	33.9	2.7	**33.9**

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

The Group revenue increased especially as the result of the favourable development in the volume of domestic housing construction. The decline in the operating profit was influenced by the weakened profitability of commercial construction brought on by a lower order backlog profit margin and higher construction costs, as well as losses generated by international business operations. Project development expenses also grew from the reference period. The Group's order backlog grew on account of the increased order backlog of international and domestic housing construction.

The Group's revenue for the third quarter grew thanks to the favourable development in the residential construction in Finland. Profitability of the business operations in Finland was influenced by the weakened profitability of commercial construction brought on by a lower order backlog profit margin.

Key figures for the Segments

Revenue (EUR million)	**IFRS 1-9/ 2011**	IFRS 1-9/ 2010	change, MEUR	change, %	IFRS 7-9/ 2011	IFRS 7-9/ 2010	**IFRS 1-12/ 2010**
Domestic operations	**383.4**	315.0	68.4	21.7	128.3	109.5	**462.3**
International operations	**21.4**	11.2	10.2	91.4	7.8	5.7	**21.7**
Other Operations	**9.4**	7.5	1.9	25.9	3.1	2.5	**10.3**
Eliminations	**-8.8**	-7.4	-1.4		-2.9	-2.5	**-10.2**
Group, total	**405.5**	326.3	79.2	24.3	136.3	115.2	**484.2**

Operating profit (EUR million)	**IFRS 1-9/ 2011**	IFRS 1-9/ 2010	change, MEUR	change, %	IFRS 7-9/ 2011	IFRS 7-9/ 2010	**IFRS 1-12/ 2010**
Domestic operations	**10.1**	18.0	-7.9	-44.0	2.4	5.8	**26.4**
International operations	**-5.7**	-7.3	1.6		-1.4	-1.2	**-8.0**
Other Operations	**-3.5**	-3.9	0.4		-0.8	-1.1	**-5.9**
Eliminations	**0.0**	-0.2	0.2		0.0	0.0	**0.0**
Group, total	**0.9**	6.6	-5.7	-86.3	0.2	3.5	**12.5**

Operating profit (%)	**IFRS 1-9/2011**	IFRS 1-9/2010	IFRS 7-9/2011	IFRS 7-9/2010	**IFRS 1-12/2010**
Domestic operations	**2.6**	5.7	1.9	5.3	**5.7**
International operations	**-26.6**	-65.2	-18.1	-21.0	**-37.1**
Group, total	**0.2**	2.0	0.2	3.0	**2.6**

Order backlog (EUR million)	**IFRS 30.9.11**	IFRS 30.9.10	change, MEUR	change %	**IFRS 31.12.10**
Domestic operations	**745.8**	581.2	164.6	28.3	**574.5**
International operations	**116.5**	23.4	93.1	397.6	**20.0**
Group, total	**862.3**	604.6	257.7	42.6	**594.5**
- sold order backlog	710	443	267	60.3	442

- unsold order backlog	153	162	-9	-5.7	153

Earnings trends of the Segments

Domestic operations (EUR million)	**IFRS 1-9/ 2011**	IFRS 1-9/ 2010	change, MEUR	change, %	IFRS 7-9/ 2011	IFRS 7-9/ 2010	**IFRS 1-12/ 2010**
Revenue	**383.4**	315.0	68.4	21.7	128.3	109.5	**462.3**
- business construction	**243.7**	254.3	-10.6	-4.2	82.0	94.2	**353.2**
- housing construction	**139.8**	60.9	78.9	129.5	46.3	15.3	**109.4**
Operating profit	**10.1**	18.0	-7.9	-44.0	2.4	5.8	**26.4**
Operating profit, %	**2.6**	5.7			1.9	5.3	**5.7**
Order backlog	**745.8**	581.2	164.6	28.3			**574.5**
- business construction	**371.5**	363.9	7.6	2.1			**271.6**
- housing construction	**374.2**	217.2	157.0	72.3			**302.9**

Domestic Operations comprises construction operations manged by SRV Construction Ltd and property development. Domestic operations has been divided into business premises including retail, office, logistics as well as earth and rock construction operations and housing construction.

Revenue in Domestic Operations was EUR 383.4 million (EUR 315.0 million) and its share of total revenue of the Group was 95 per cent (97%). Operating profit was EUR 10.1 million (EUR 18.0 million) generating an operating profit margin of 2.6 per cent (5.7%). The decrease in operating profit was attributable to the weakening of profitability level in business premises construction due to increased share of contract-based order backlog and an increased level of construction costs. The order backlog was EUR 745.8 million (EUR 581.2 million).

Revenue for the third quarter amounted to EUR 128.3 million (EUR 109.5 million) and operating profit was EUR 2.4 million (EUR 5.8 million). The decline in the operating profit was attributable to the weakening of profitability level in business premises construction.

During the current year total of 382 housing units has been sold (361 units in January-September 2010). During the third quarter 94 housing units were sold and an increase of caution in buyers behaviour were observed. 74 housing units were completed during the third quarter and an estimated 406 units will be completed in the last quarter of the year.

By applying the earlier percentage of completion method the difference in the revenue compared to the present application grew by EUR 36.4 million, which will be recognised when the housing units are handed over.

Business Premises construction

Revenue in the Business Premises business area was EUR 243.7 million (EUR 254.3 million). The order back log was EUR 371.5 million (EUR 363.9 million). Competition for new contracts remained tight and the profitability of business premises construction was weakened by new contract projects completed in 2011, whose construction cost level rose significantly during construction.

The Helsinki Music Centre was completed during the review period and was chosen by Rakennuslehti as the best construction site of 2010. Other projects completed during the review period included raising the height of the parking facilities at the Helsinki Fair Centre in Pasila for the Finnish Fair Corporation; changes to the Sähkötalo building in Kamppi, Helsinki; modifications to the European Chemicals Agency of the European Union in downtown Helsinki; the renovation of the Forum shopping centre in Jyväskylä for Citycon; and the STC Viinikkala logistics centre in Vantaa, close to Ring Road 3.

During the review period, contracts worth EUR 287.6 million were signed with external clients.

In March, SRV and Länsimetro Oy signed a contract for excavation work in Otaniemi related to the construction of the Western Metro. The contract includes the excavation of two 1.6 kilometre-long parallel metro tunnels and two vertical shafts as well as the construction of the station and signal boxes. The work in Otaniemi will be completed in September 2013.

SRV and Imarinen Mutual Pension Insurance Company have agreed on the construction of new premises for Finnair in the vicinity of Helsinki-Vantaa Airport. The construction of the premises will follow the principles of sustainable development and will provide an advanced working environment. The total floor area of the new building is around 70,000 square metres, of which offices account for 22,400 square metres.

SRV sold to a real-estate investment fund managed by Pohjola Property Management Ltd the Tahkotie 1 and 2 logistics projects, located in the area of Aviapolis, Vantaa. The total size of the projects, based on the SRV-developed Grand Cargo Center/Terminal concept, is around 13,000 square metres.

SRV will renovate and extend Vantaa City Hall. The children's Art House Pessi will be refurbished at the same time.

In Jyväskylä, contracts were signed for the new construction of the Hospital School and the building of the Mankola Coeducational School, the Mannila Day-Care Centre and the Cygnaeus Relief School. A contract was also signed for the extension of the Zeppelin Shopping Centre in Kempele. An agreement was reached with the Hospital District of Southwest Finland on the construction of equipment storage facilities for the Turku University Hospital. In addition, Kesko commissioned SRV to refurbish and extend the Citymarket in Imatra.

In August, the City of Helsinki and SRV signed contracts relating to the implementation of the Kalasatama Centre project. The Kalasatama Centre will consist of six residential towers as well as a hotel and office tower. The towers will have 20-33 floors and the highest of them will be 126 metres. Plans for the towers include 86,000 square metres of housing units for 2,000 residents as well as 14,000 square metres of office premises and a 10,000 square metre hotel. Next to the towers will be built a 55,000 square metre commercial centre and a social services and health care station of around 10,000 square metres, which the city will lease for 20 years. The objective is for the social services and health care station, the centre's public premises, the public utility structures and the first residential tower to be completed by 2015. The commercial centre is planned to be completed in 2016. The rest of the facilities will be built in stages, taking the market situation into consideration, by 2021.

As the project progresses, SRV will pay to the City of Helsinki a total of approximately EUR 115 million for the plots surrendered for the implementation of the centre and for permanent rights of use. The city, on the other hand, will pay to the company approximately EUR 45 million for the public parts of centre implemented for the city's ownership. In addition to the city's contribution, the plan is to base financing during construction on RS financing of housing units, bank lending and external investment.

The business development of the SRV-developed and -owned P-City underground parking facility, located at Kamppi, has continued positively. SRV's aim is to sell the parking facility during the current year.

Housing Construction

Revenue in Housing Construction was EUR 139.8 million (EUR 60.9 million). The order backlog grew by 72.3 per cent and was EUR 374.2 million (EUR 217.2 million). SRV has increased significantly its housing production and at the close of the review period SRV had a total of 2,504 residential units under construction (1,160). 85 per cent of the production under construction was implemented under building contracts or they were SRV's own production which had already been sold.

During the review period, housing construction contracts worth EUR 113.9 million were signed with external clients. A total of 785 apartments will be completed in these projects. Contracts were concluded with the construction company TA Asumisoikeus Oy for the construction of four sites and 272 right-of-occupancy units in Kerava, Espoo's Vanttila and Saunalahti. A contract was concluded with Alkuasunnot Oy for the construction of 118 rental apartments in Jätkäsaari, Helsinki. A contract for construction of 200 residential units to Tapiola district of Espoo was signed with Tapiola Group. Contract with VVO was signed for construction of two residential towers on top of SRV's current project Willa shopping centre in Hyvinkää. Contracts with YH-Länsi Oy were concluded in Pirkanmaa for two construction projects that include 42 residential units in Kangasala and 31 units in Ylöjärvi. In Joensuu, 17 right-of-occupancy units will be constructed for Avain Rakennuttajat and an apartment building of 26 residential units for Joensuun Kodit. In Southwest Finland 27 terraced-house apartments will be build for YH.

SRV started a total of 388 developer contracting housing projects during the review period, of which 61 were started during the third quarter. 60 apartments will be built to Helsingin Pelimanni in Kannelmäki, Helsinki and 40 apartments to Helsingin Lieska in Vallila, Helsinki. In Vantaa the construction of 30 apartments in Vantaan Kartanonkulma were started and in Espoo eighteen high-end single-family houses will be built for Espoon Kaisla in Saunalahti, Espoo.

In the 2012 Housing Fair area in Vuores, Tampere, 41 terraced-house and multi-storey house apartments will be built in Vuoreksen Matti. In addition, in Hyhky, Tampere 37 terraced-house apartments will be built in Tampereen Emil. A total of 46 apartments will be built in two apartment houses in Ylöjärvi (Kultaniitty and Kultapuisto). In Pirkkala 14 apartments will be built in terrace house Kultasiipi. In Viikki district of Nokia construction of a new small block of flats of 21 units called Nokian Viikin Ingeborg was started alongside Walborg, which was completed in September.

A 29-unit apartment building will be constructed for Lahden Alfred in downtown Lahti, and 26 apartments will be built in downtown Kaarina. In addition, a 26-unit apartment building called Saarijärven Kimallus will be constructed in downtown Saarijärvi. On top of the projects initiated during the review period, SRV has decided to start the construction of 166 residential units in the Helsinki Metropolitan Area and 6 units in Kaarina in Southwest Finland.

In total, 382 (361) of the developer contract housing projects' apartments were sold to consumers during the review period. In addition 169 (116) apartments were sold to investors. At the end of the period, there were 811 (643) apartments under construction for consumers, with 383 (361) left unsold. There were 43 (90) completed and unsold apartments, of which 7 were rented out by the end of the period. In total, 182 (30) developer contract housing projects' apartments were completed during the period.

Based on the current schedules of completion, SRV estimates 588 developer contracting housing units to be completed during the entire year of 2011.

Housing production in Finland	**1-9/ 2011**	1-9/ 2010	change, units	7-9/ 2011	7-9/ 2010	**1-12/ 2010**
Developer contracting						
Start-ups	**388**	410	-22	61	110	**543**
Sold	**382**	361	21	92	164	**524**
Completed	**182**	30	152	74	14	**201**
Completed and unsold	**43**	90	-47			**137**
Under construction, total [1)]	**2 504**	1 160	1 344			**1 629**
- negotiation and construction contracts [1))]	**1 693**	517	1 176			**1 024**
- developer contracting [1)]	**811**	643	168			**605**
- of which sold [1)]	**428**	282	146			**321**
- of which unsold [1)]	**383**	361	22			**284**

1)at the end of the period

The structure of order backlog in housing construction showed a positive trend during the review period. The order backlog for construction contracts and negotiation contracts grew to EUR 164 million (EUR 32 million). The sold developer contracting order backlog under construction grew 59% to EUR 98 million. Under construction but unsold developer contracting order backlog was EUR 95 million (EUR 85 million). The completed but unsold order backlog declined by 55 per cent.

Order backlog, housing construction in Finland (EUR million)	**30.9.11**	30.9.10	change, MEUR	**30.12.10**
Negotiation and construction contracts	**164**	32	132	**115**
Under construction, sold developer contracting	**98**	61	36	**73**
Under construction, unsold developer contracting	**95**	85	10	**62**

Completed and unsold developer contracting	**18**	39	-22	**53**
Total	**374**	**217**	**157**	**303**

During the review period SRV and VVO concluded a contract, with which SRV bought approximately 18.000 floor square meters of permitted building volume in Suurpelto, Espoo and approximately 8000 floor square meter of permitted building volume in Myyrmäki, Vantaa. The contract also includes a sale of two privately financed apartment house companies totalling 52 apartments, which are under construction alongside shopping centre Willa in Hyvinkää.

SRV continued to participate in the Low2No project, which aims to develop and implement a solution for the construction of low-carbon or no-carbon sustainable urban environments in order to minimise energy consumption. In addition to SRV, other participants in this project, which is partly funded by the Finnish Funding Agency for Technology and Innovation Tekes, include the Finnish Innovation Fund Sitra and VVO Yhtymä Oyj, as well as an international design team put together on the basis of a sustainable construction-related competition organised in 2009. The City of Helsinki has allocated a whole block in Jätkäsaari to be built in accordance with the Low2No concept by Sitra, SRV, and VVO. The residential and commercial units within this block will be designed using innovative environmental, spatial, and service-based planning to be implemented as a multi-purpose environment that responds to changing work and living habits.

International Operations (EUR million)	**IFRS 1-9/ 2011**	IFRS 1-9/ 2010	change, MEUR	change, %	IFRS 7-9/ 2011	IFRS 7-9/ 2010	IFRS **1-12/ 2010**
Revenue	**21.4**	11.2	10.2	91.4	7.8	5.7	**21.7**
Operating profit	**-5.7**	-7.3	1.6		-1.4	-1.2	**-8.0**
Operating profit, %	**-26.6**	-65.2			-18.1	-21.0	**-37.1**
Order backlog	**116.5**	23.4	93.1	397.6			**20.0**

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

Revenue in the International Operations was EUR 21.4 million (EUR 11.2 million) and its share of total revenue of the Group was 5 per cent (3%). Operating loss was EUR 5.7 million (loss of EUR 7.3 million). Increased revenue and improved profitability were attributable to operations volume. The order backlog was EUR 116.5 million (EUR 23.1 million).

Revenue for the third quarter was EUR 7.8 million (EUR 5.7 million) and operating loss EUR 1.4 million (loss of EUR 1.2 million).

Russia

A stakeholders' agreement between SRV, Ilmarinen, Sponda, Etera and Onvest concerning an investment company Russia Invest was signed in September. The company will invest in real estate development projects in Moscow and St Petersburg. SRV will be in charge of project development and acts as a general contractor of project management in company approved development projects. Partners are committed to total investment of EUR 95.5 million in the company. For Ilmarinen, Sponda and SRV this accounts for EUR 26 million each, EUR 12.5 million for Etera and EUR 5 million for Onvest Group. Stakeholders' shares of the company are divided respectively. Equity will be committed only after investment targets have been identified and decisions have been made. Development projects will be funded in other respects by project-specific bank loans, meaning that the whole investment can equal up to EUR 300 million. Strategy of the investment company is to sell the completed properties after a three year period.

The OOO Pearl Plaza, jointly owned by SRV and the Shanghai Industrial Investment Company, made a decision in January concerning the first phase of the shopping centre project in St. Petersburg. The value of investment is approximately EUR 130 million and funding for the project mainly comes from China. SRV's ownership in this joint venture is 50 per cent. SRV will invest approximately EUR 20 million in the implementation of the first phase. At the same time, SRV signed a project management contract worth approximately EUR 100 million for the planning and construction of an 87 000 m^2 shopping centre. The shopping centre will be completed in spring 2013. The first letter of intent was signed with the Finnish Prisma supermarket operator SOK, who will lease 7 600 m^2 for a Prisma hypermarket. The preparations of the project have advanced as planned and the building permit was granted at the end of September.

SRV continued the development of the Septem City project in St. Petersburg, which comprises 8.5 hectares of land in the Ohta region. The plans for the area include constructing a shopping centre, office, and business premises, as well as premises for hotel, restaurant, and entertainment services. This project will be implemented in several phases and the first phase will be to construct a shopping centre. The shopping centre concept has received preliminary approval and the process of detaching the first phase as its own legal structure has been initiated. SRV has invested approximately EUR 56.4 million in the acquisition of land areas and properties. The estimated amount of SRV's further investment in land acquisition is about EUR 4.5 million. Currently SRV has an 87.5 per cent ownership in the project, but it will decrease to 77.5 per cent once all the ownership arrangements have been finalised in accordance with the cooperation contract.

During the review period, SRV had a particular focus on the analysis and clarification of the investment sites of VTBC-Ashmore Real Estate Partners I in Moscow. 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. The other investors involved in the fund are VTB Capital and Ashmore Group Plc ('Ashmore'), together with the funds they control, as well as 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 around EUR 200 million worth of project management contracts. Fund's first investment agreement was signed during the review period.

The offices of the Etmia II office and parking house project in the heart of Moscow have been fully leased. SRV's role in the project is to act as co-owner with a 50 per cent stake and was responsible for the construction as project management contractor.

The development of the Eurograd logistics area in St. Petersburg has been temporarily suspended due to local partner's financing difficulties. SRV has 49 per cent ownership in the Russian company that possesses a 24.9 hectare land area located north of St. Petersburg, in the immediate vicinity of the Ring Road. There are plans to build more than 100 000 square metres of logistics premises in several phases over the course of the next few years. The zoning of the area for logistics has been completed.

The financing of the Mytishi shopping centre project in the Moscow region has not advanced, and the implementation possibilities of alternative concepts are being studied. The majority owner of the project is the Finnish real-estate investment company Vicus, with a 75 per cent stake. SRV owns 25 per cent of the shopping centre project and its total investments amount to EUR 7.5 million.

The renovation of the old Aeroport hotel at Sheremetyevo airport in Moscow was continued directly after the completion of the first phace. In St. Petersburg, the renovation of 200 rooms in the Pulkovskaya Hotel were completed and during the review period new contract was signed to renovate the next 200 rooms. The renovation of the Pribaltiskaya Hotel's Aqua Park continued. All three hotels belong to the Wenaas Group. The projects are a continuation of cooperation already started in 2007.

In the city of Vyborg, seven apartments in the Papula residential area were sold during the review period. A total of 22 housing units out of 38 from the first building have been sold, and from the second building, which was started during the review period, two units have been sold.

Baltic countries

Business volumes in the Baltic countries were low. In Estonia, 2 (7) residential units were sold during the period. There were 15 (24) completed but unsold units at the end of the period.

In Latvia, the construction of the international school was completed for International School of Latvia.

Other Operations (EUR million)	**IFRS 1-9/ 2011**	IFRS 1-9/ 2010	change, MEUR	change, %	IFRS 7-9/ 2011	IFRS 7-9/ 2010	**IFRS 1-12/ 2010**
Revenue	**9.4**	7.5	1.9	25.9	3.1	2.5	**10.3**
Operating profit	**-3.5**	-3.9	0.4		-0.8	-1.1	**-5.9**

Other operations comprise mainly the businesses of SRV Group Plc and SRV Kalusto Oy (equipment).

Revenue of Other Operations during the review period was EUR 9.4 million (EUR 7.5 million) and operating loss was EUR 3.5 million (a loss of EUR 3.9 million). The positive trend in revenue was attributable to higher operation volumes. The operating profit for the third quarter was affected by the increase of development expenses of long-term projects to EUR 3.4 million (EUR 2.5 million). Revenue for the third quarter was EUR 3.1 million (EUR 2.5 million) and operating loss EUR 0.8 million (a loss of EUR 1.1 million).

Group project development

SRV's project development remained active through the review period.

The City of Helsinki and SRV signed the contracts relating to the implementation of Kalasatama centre project on 16 August 2011. The impact of the project to SRV's revenue during the next ten years is estimated to total close to EUR one billion accumulating towards the end of the decade.

The local plan changes related to SRV's residential tower plans in Espoo's Keilaniemi area were under review by the Espoo City Planning Committee in April. The plans for the site include some 72 000 m^2 for apartments and 9 000 m^2 for commercial premises.

SRV is developing a regional development project in connection with the future Niittykumpu metro station in cooperation with the Mutual Pension Insurance Company Varma and Sato Corporation. The City of Espoo granted a planning reservation for the project in June 2010. The plans for the area mainly comprise housing construction as well as a shopping centre. The overall size of the area to be developed is approximately 140 000 m^2. This includes some 80 000 m^2 of city land covered by the planning reservation, of which SRV's share is one third. As part of the development project, SRV has purchased the Niittytori shopping centre. The local plan for the area will include the right to build approximately 15 000 m^2 of housing.

SRV has started the construction of an office building complex at Derby Business Park located in Perkkaa, Espoo. The site includes three office buildings (20 000 m^2) that will house, among others, the Siemens headquarters for Finnish operations and the headquarters of SRV. As part of the project, the former Siemens headquarters building, purchased through a joint venture by SRV, Sato Corporation, and the Mutual Pension Insurance Company Varma, will be re-developed into a building suitable for housing construction. The local plan changes for the area are pending. The target for residential floor area is 110,000-120,000 m^2. The plan proposal is expected to be handled by the City Planning Committee in the autumn of 2011.

Financing and financial position

Net operational cash flow was EUR -54.3 million negative (EUR -35.5 million in January-September 2010). The weakening of the cash flow during the review period was attributed to the increase of inventories. The Group's inventories were EUR 389.0 million (EUR 314.8 million), the share of land areas and plot-owning companies being EUR 199.2 million (EUR 174.4 million). The Group's invested capital amounted to EUR 444.2 million (EUR 390.3 million).

At the end of the review period, the Group's financing reserves totalled EUR 138 million, of which the Group's cash assets amounted to EUR 11.6 million, the amount of open-ended account limits and committed undrawn financing reserves and commitments amounted to EUR 112.9 million and withdrawable housing company credits related to RS projects amounting to EUR 14.7 million. The Group's net interest-bearing liabilities were EUR 269.6 million (EUR 229.7 million) on 30 September 2011. Net financing expenses totalled EUR 2.5 million (EUR 2.8 million).

Investments in SRV's developer contracting RS housing projects in Finland including completed, unsold projects, total EUR 111.0 million. SRV estimates that the completion of these projects requires EUR 70.7 million. Undrawn housing corporate loans and receivables related to RS projects total EUR 92.9 million. Investments in the business premises projects on a developer contracting basis total EUR 37.1 million. Investments in the completed international projects total EUR 41.4 million, of which unsold residential projects in Estonia amount to EUR 1.0 million, and EUR 1.9 million in Vyborg. EUR 38.5 million is invested in the Etmia office project.

Equity ratio was 30.9 per cent (35.1%). The change in the equity ratio and net liabilities was affected by the increase in inventories and the EUR 2.5 million derivative agreement signed by SRV with Nordea Bank Ab for 552,833 SRV Group Plc's shares which are considered equal to treasury shares held by the company. The Group's shareholders' equity totalled EUR 161.1 million (EUR 155.3 million on 30 September 2010). The return on investment was 1.4 per cent (3.2%) and the return on equity was 2.4 per cent negative (2.3% positive).

Investments

The Group's investments totalled EUR 3.7 million (EUR 2.1 million) and were mainly related to the acquisition of machinery and equipment.

Unbuilt land areas, land acquisition commitments and land development agreement

Land reserve 30.9.2011	Business construction	Housing construction	International Operations	Total
Unbuilt land areas and land acquisition commitments				
Building rights*, m^2	**312 000**	**362 000**	**851 000**	**1 525 000**
Land development agreements				
Building rights*, m^2	**663 000**	**333 000**	**152 000**	**1 148 000**

* 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

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 segments are Domestic Operations, International Operations, and Other Operations. Domestic Operations comprises construction management operations of SRV Construction Ltd and property development. Domestic operations has been divided into business premises including retail, office, logistics as well as earth and rock construction operations and housing construction. 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 Group structure

As of 1 January 2011, SRV merged Business Premises and Housing and Regional business areas in Finland. SRV Construction Ltd is responsible for domestic operations. SRV Asunnot Oy, representing housing business, was merged to SRV Construction Ltd as of 31 March 2011. On 31 May 2011, SRV acquired all shares of Maanrakennus Oy Laatutyö. The annual revenue of Laatutyö is 5 to 7 million Euros. The acquisition is part of SRV's strategy to increase infrastructure construction. In July, SRV acquired 100% ownership of its Estonian subsidiary SRV Kinnisvara AS.

Changes in the Group management

Taneli Hassinen started as Group's Director, Communications and Marketing and member of the Corporate Executive Team at SRV Group Plc as of 15 March 2011. Antero Nuutinen was appointed Director of Housing in Finland and member of Corporate Executive Team as of 22 September 2011. Previous Director of Housing in Finland, Juha-Veikko Nikulainen, left the company on 22 September 2011.

Personnel

SRV had an average payroll of 864 (787) employees, of whom 624 (568) were white-collar. The parent company had an average staff of 45 (47) white-collar employees. At the close of the review period, the Group had 914 (793) employees, of whom 44 (45) were employed by the parent company. 168 (135) employees work in subsidiaries abroad. SRV had a total of 51 (23) trainees working in summer jobs and in work training as well as students working on their thesis or diploma in the Group's operations in Finland.

Personnel by business area	**30.9.2011**	30.9.2010	Share of Group personnel, 30.9.2011, %
Domestic operations	**654**	562	71.5
International operations	**178**	152	19.5
Other Operations	**82**	80	9.0
Group, total	**914**	**794**	100.0

The Board of Directors of SRV Group Plc decided on 17 February 2011 on a new long-term share-based incentive plan for the SRV Group key personnel. The Plan is directed to approximately 70 employees. The Plan is valid for the years 2011–2016, and the potential reward from the Plan is based on the increase in SRV Group Plc's share price. The Plan is carried out as share bonus rights. Their value is based on the price development of SRV's shares. The maximum total amount of bonus rights granted is 2,000,000.

According to the incentive plan terms half of the value increase calculated from the price development of SRV's share is given to the key employees in SRV's shares and half is paid in cash for taxes arising from the bonus. There is a restriction concerning the transfer of shares and a restriction period.

Theoretical market value of the plan was EUR 2.3 million on 16 February 2011. The theoretical market value is calculated by the Black & Scholes model used for pricing options with the following criteria: share price EUR 7.43, reference share price EUR 6.81, risk-free interest rate 2.5% and volatility 33 per cent. Based on the plan, approximately 1,7 million bonus rights have been granted.

Outlook for construction

The recovery of the world economy has continued, but it is unstable. The expected growth of the Finnish economy is 4 per cent in 2011.

The start-ups of building construction are predicted to increase around 4% this year. The total number of building permits went down in early 2011. Construction cost index is in clear upswing. Employment in construction will somewhat improve this year.

Strong consumer confidence and interest rates that are low for now have kept demand at a decent level in the housing market. Start-ups this year equal the long term annual housing needs, i.e. around 34,000 housing units. On a longer perspective, the need for residential construction is sustained for instance by migration to growth centres and smaller households. However, the growth in demand is estimated to slow down. Moreover, prevailing economic situation and employment rate as well as higher interest rates create uncertainties in the housing sales.

Weak employment trends, increased interest rates, or disruptions in the global economy caused by crises may have negative short-term effects on the housing market. In the longer term, trends such as migration to population growth centres and the smaller size of households will increase the need for housing construction.

Commercial and office real-estate markets remained low and the vacancy rates of office spaces are particularly high. This year slightly more commercial and office buildings will be started than last year, but the number is estimated to go down slightly again next year.

Call for renovation continues to be good this year. The growth of the building stock, its ageing and the modernization of technical standards will maintain the volume of renovation works in years to come. The weakening of the outlook for civil engineering construction will even out next year when the ongoing infrastructure projects start to affect.

The economy in the Baltic countries is estimated to strengthen this year. The accelerated inflation may jeopardise the development of domestic demand in Estonia and Lithuania, in particular. Activity in the construction sector and real-estate market remains at a low level.

The Russian economy has turned into a slow growth. GNP is estimated to grow around 5.5% in 2011 as private consumption accelerates the recovery. The changes in oil price estimates is predicted to increase the governments income by nearly 20% more than budgeted. Inflation has gobbled up the growth of real wages. Investment activity is expected to revive in the real-estate market in 2011.

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. This may change, among other things, the development of SRV's order backlog volume and operational profitability as well as prolong the time that SRV's equity is tied to projects. 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 unstable and the global governmental financial crisis creates uncertainty to economic development. Demand for property investments has remained weak. Interest rates are still low, but pressures to raise rates exist. Compared to pre-recession times, the availability of credit from banks is lower and loan margins are clearly higher. Property values face pressures and the number of property transactions and, in particular, new large-scale project start-ups, remains low due to difficulties in securing financing.

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. Delivery schedule of developer contracting projects can affect essentially on the development of revenue and profit for the financial year and the quarters. 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, but the unstable economy weakens the outlook of housing sales. Rise in interest rates and weakening in consumer confidence create a significant risk relating to housing demand.

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. Construction sector has implemented an invert value added tax policy. As new procedure it requires reinforced accuracy from administration. 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 have risen considerably, but as the construction activity decline the trend is changing.

SRV is involved in some arbitration and legal proceedings. SRV's management believes that the cases or their outcome do not have a significant impact on SRV's financial result. SRV has initiated arbitration proceedings against real estate company Espoontori. The dispute relates to renovation of Espoontori shopping center. Real estate company Espoontori is owned by Citycon Oyj. Financial value of the dispute is about EUR 4,6 million (VAT included).

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. SRV measures its land reserves at cost of acquisition according to IFRS standard. If the cost of acquisition, added with construction costs, is lower than the fair value of the property, the value of the property will be reduced. In accordance with its strategy, SRV has focused on developer contracting projects and has increased its land acquisition in Finland and Russia, in particular. Availability of property financing affects the progress and start-up decisions of development projects. SRV's goal is to carry out large development projects in co-operation with real estate investors with project funding. The decline in availability of investor and project funding may increase SRV's own share of project funding and lower the Groups equity ratio, reduce Groups liquidity and availability of other funding.

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 Financial Statements 2010. Currency risks are divided into transaction risks and translation risks. Transaction risks are related to currency-denominated business and financing cash flows. The accounting effects of translation risks are shown in the translation differences of equity in the consolidated figures in investments made in foreign currency.

Liquidity risks may have an effect on the Group's earnings and cash flow if the Group is unable to ensure sufficient financing for its operations. SRV maintains adequate liquidity by means of efficient management of cash flows and solutions linked to it, such as binding lines of credit that are valid until further notice. The company has a long-term liquidity arrangement (EUR 100 million), which mature partly in December 2012 and partly 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 has been disclosed in the 2010 Annual Report and Notes to the Financial Statements.

Corporate governance and resolutions of general meetings

The Annual General Meeting of SRV Group Plc was held on 15 March 2011. The AGM adopted the financial statements 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. The dividend was paid on 25 March 2011. Mr Ilpo Kokkila was elected chairman of the Board of Directors and Mr Arto Hiltunen, Mr Olli-Pekka Kallasvuo, Mr Timo Kokkila, 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.

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 at 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. Based on these authorisations, the shares can be acquired in single or multiple parts.

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 15 March 2011, the Board of Directors elected Olli-Pekka Kallasvuo vice chairman of the Board, Matti Mustaniemi chairman of the Audit Committee, Olli-Pekka Kallasvuo 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 5,900 shareholders on 30 June 2011.

The company received the following flagging notification during the review period.

Bank AB (publ) announced that as a result of the transaction on 15 March 2011 its holding of SRV Group Plc's shares and voting rights fell below 1/20 and Nordea Pankki Suomi Oyj's holding of SRV Group Plc's shares and voting rights exceeded 1/20.

According to Nordea Bank AB's (publ) notification the portion of ownership of shares and voting rights of Nordea Group in SRV Group Plc has fallen below 1/20 as a result of the transactions on 11 April 2011. Nordea Pankki Suomi Oyj sold all 1,909,483 SRV Group Plc's shares it had owned to Nordea Bank AB (publ) on 11 April 2011. On 11 April 2011, Nordea Bank AB (publ) sold 1,356,650 SRV Group Plc's shares as a part of the total return swap described in the flagging notification of 5 January 2011 to SRV Group Plc.

SRV Group Plc's ownership of the company's own shares exceeded momentarily 1/20 on 11 April 2011. On 11 April 2011, SRV realized part of a derivatives contract concluded between the company and Nordea Bank AB (publ.) on 5 January 2010 in respect of 1,356,650 company shares for EUR 4.45 per share. In deviation from shareholders' pre-emptive rights, SRV implemented a directed share issue in which 1,500,000 million shares were offered for subscription at a price of EUR 6.60 per share. The share issue was subscribed immediately. The arrangement increased SRV's equity capital by EUR 9.9 million. After the share issue, SRV's holding of its own shares fell below 1/20.

The share closing price at OMX Helsinki at the end of the review period was EUR 4.48 (EUR 6.63 on 31 December 2010, change -32,4%). The highest share price in the review period was EUR 7.43 and the lowest was EUR 3.83. The change in the all-share index of the Helsinki Stock Exchange (OMX Helsinki) during the same period was -31.2 per cent and the OMX Industrial and Services index -35.0 per cent.

At the end of the review period, SRV and Nordea had derivative contract (total return swap) for 552,833 SRV's shares on a price of EUR 4.45 per share (totalling EUR 2.5 million). These shares are considered equal to treasury shares held by the company. As the contract matures, the shares will be sold to SRV Group Plc or an entity named by SRV. The market capitalisation of the shares was EUR 2.5 million at the end of the review period.

At the end of the review period, SRV Group Plc held 1,261,779 its own shares, taking the derivative contract into consideration (3.4 per cent of the total number of the company's shares and voting rights). On 1 October 2011 the Group held 1,261,779 shares (3.4 per cent of the total number of the shares and voting rights).

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. Realisation of the sales of developer contracting projects has a substantial effect on the development of profitability.

Events after the end of the review period

SRV and Stora Enso Oyj submitted a proposal on 3 October 2011 to the Real Estate Board of the City of Helsinki that a site in the Jätkäsaari district of Helsinki be reserved for unique wooden construction project. Site of Planed Wood City includes office, hotel and commercial buildings. The first buildings are expected to be completed in 2013. The reservation of SRV and Stora Enso totals approximately 27.000 square meters of floor and the buildings are planned to be constructed with Stora Enso's new Urban MultiStorey™ wood construction concept.

SRV sold logistics center GCC Ilvesvuori to Pohjola Insurance Ltd on 26.10.2011. The building will be completed by fall 2012. Center is based on a Grand Cargo Center concept, developed by SRV, and has a floor area of approximately 7300 square meters.

Previous outlook for 2011

17 February 2011

Revenue and profit before taxes in 2011 are expected to exceed the previous year's level.

3 August 2011

SRV adjusts its outlook for the whole year 2011 regarding revenue and operational profitability. The allocation and development of revenue and profitability is due to the fact that the completion of developer contracting residential production and building up of the international order backlog accumulate towards the latter part of the year.

Revenue is estimated to total EUR 650 million (EUR 484.4 in January-December 2010) and the profitability of both domestic and international operations is estimated to improve during the second half of the year compared to the first half of 2011. The outlook for the whole year is maintained and profit before taxes is expected to exceed the previous year's level.

Outlook for 2011

The allocation and development of revenue and profitability is dependant on completion of developer contracting residential production, which accumulates towards the latter part of the year, development of construction margins, and the realisation of planned sales.

Revenue for the year 2011 is estimated to total EUR 650 million (EUR 484.4 in January-December 2010). Profitability of both domestic and international operations is estimated to improve during the second half of the year compared to the first half of 2011. Profit before taxes for the fourth quarter is estimated to exceed EUR 10 million and the profit for the whole year 2011 is expected to exceed the previous year's level (EUR 7.9 million).

Espoo 1 November 2011

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 1-9/ 2011	IFRS 1-9/ 2010	IFRS 7-9/ 2011	IFRS 7-9/ 2010	**IFRS 1-12/ 2010**
Revenue	EUR million	405.5	326.3	136.3	115.2	484.2
Operating profit	EUR million	0.9	6.6	0.2	3.5	12.5
Operating profit, % of revenue	%	0.2	2.0	0.2	3.0	2.6
Profit before taxes	EUR million	-1.6	3.8	-1.5	3.8	7.9
Profit before taxes, % of revenue	%	-0.4	1.2	-1.1	3.3	1.6
Net profit attributable to equity holders of the parent company	EUR million	-2.4	3.1	-1.9	2.7	6.4
Return on equity [1)]	%	-2.4	2.3			3.2
Return on investment [1)]	%	1.4	3.2			4.1
Invested capital	EUR million	442.2	390.3			387.1
Equity ratio	%	30.9	35.1			35.2
Net interest-bearing debt	EUR million	269.6	229.7			222.8
Gearing ratio	%	167.4	147.9			141.7
Order backlog	EUR million	862.3	604.6			594.5
New agreements		615.4	439.9			559.9
Personnel on average		864	788			794
Property, plant and equipment investments	EUR million	-3.7	-2.1	-5.6	-3.0	2.3
Property, plant and equipment investments, % of revenue	%	-0.9	-0.6	-4.1	-2.6	0.5
Earnings per share, share issue adjusted	EUR	-0.07	0.09	-0.06	0.08	0.19
Equity per share, share issue adjusted	EUR	4.44	4.47	-	-	4.56
Dividend per share, share issue adjusted	EUR	0.12	0.12	-	-	0.12
Dividend payout ratio	%	-171.4	133.3	-	-	63.2
Dividend yield	%	2.7	2.0	-	-	1.8
Price per earnings ratio		-64.0	68.2	-	-	34.9
Share price development				-	-	
Share price at the end of the period	EUR	4.48	6.14	-	-	6.63
Average share price	EUR	6.16	6.33	-	-	6.42
Lowest share price	EUR	3.83	5.50	-	-	5.50
Highest share price	EUR	7.43	7.14	-	-	7.14
Market capitalisation at the end of the period	EUR million	159.1	208.3	-	-	224.8
Trading volume	1,000	8 281	10 360	-	-	12 114
Trading volume	%	23.8	30.5	-	-	35.7
Weighted average number of shares outstanding	1,000	34 860	33 928	-	-	33 923
Number of shares outstanding at the end of the period	1,000	35 507	33 918	-	-	33 901

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

Calculation of key figures:

Gearing ratio, %

$$= 100 \times \frac{\text{Net interest-bearing debt}}{\text{Total equity}}$$

Return on equity, %

$$= 100 \times \frac{\text{Profit before taxes - income taxes}}{\text{Total equity, average}}$$

Return on investment, %

$$= 100 \times \frac{\text{Profit before taxes + interest and other financial expenses}}{\text{Invested capital, average}}$$

Equity ratio, %

$$= 100 \times \frac{\text{Total equity}}{\text{Total assets - advances received}}$$

Invested capital = Total assets - non-interest bearing debt - deferred tax liabilities – provisions

Net interest bearing debt = Interest bearing debt - cash and cash equivalents

Earnings per share, share issue adjusted

$$= \frac{\text{Net profit for the period attributable to equity holders of the parent company}}{\text{Weighted average number of shares outstanding}}$$

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. - 30.6.2011: 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)
5) Events after the reporting period

1. Group financials 1.1. - 30.9.2011

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 2010. The figures in the tables have been rounded which should be noted when counting the total sums.

SRV's reporting segments comprise Domestic Operations, 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.

As of 1 January 2011, SRV will provide a consolidated financial statement regarding its subsidiaries and joint ventures, compiled using the equity method. The comparative figures have been calculated accordingly. The Group’s consolidated income statement includes earnings per share from the joint venture. Correspondingly, the balance sheet includes the Group’s share of the joint venture’s capital, including the goodwill incurred by the acquisition of subsidiaries. If the Group's share of joint venture losses exceeds the book value, the losses in excess of the book value will be eliminated in the consolidated financial statement, unless the Group has committed to meet joint venture liabilities. Unrealised gains between the Group and the joint venture have been eliminated in accordance with the Group’s ownership share.

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.

The following standards, amendments and interpretations shall be applied as from the accounting period beginning on 1 January 2011 or thereafter. Based on current information, these standards, amendments and interpretations have no impact on Group’s financial position. To some extent, they have impact on the presentation of of consolidated financial statements.

- IFRS 9 Financial instruments, part 1. Since EU has not approved the new standard, it cannot be applied for the time being. According to IFRS 9, the new standard would be effective for annual periods beginning on or after 1 January 2013. The amendments shall be applied retroactively. Early adoption is permitted.

- Annual improvements 2010 (effective on 1 January 2011). The Group will apply this amendment as of 1 January 2011.

Consolidated income statement (EUR million)	**IFRS 1-9/ 2011**	IFRS 1-9/ 2010	change, MEUR	change, %	IFRS 7-9/ 2011	IFRS 7-9/ 2010	**IFRS 1-12/ 2010**
Revenue	**405.5**	**326.3**	**79.2**	24.3	**136.3**	**115.2**	**484.2**
Other operating income	3.5	2.2	1.3	58.4	1.3	0.7	3.2
Change in inventories of finished goods and work in progress	49.5	24.5	25.0	101.9	24.3	5.7	28.2
Use of materials and services	-404.0	-297.1	-106.9	36.0	-145.4	-101.5	-435.8
Employee benefit expenses	-39.4	-35.6	-3.8	10.8	-11.5	-10.8	-49.6
Share of results of associated companies	-0.4	-1.4	1.0		-0.3	-1.4	-0.4
Depreciation and impairments	-2.5	-2.6	0.0	-0.9	-0.9	-0.9	-3.5
Other operating expenses	-11.2	-9.8	-1.4	14.8	-3.6	-3.6	-13.8
Operating profit	**0.9**	**6.6**	**-5.7**	-86.3	**0.2**	**3.5**	**12.5**
Financial income	4.1	2.7	1.4	50.9	1.7	1.9	3.1
Financial expenses	-6.6	-5.5	-1.1	20.1	-3.4	-1.6	-7.6
Financial income and expenses, total	-2.5	-2.8	0.3	-10.4	-1.7	0.3	-4.5
Profit before taxes	**-1.6**	**3.8**	**-5.4**	-141.1	**-1.5**	**3.8**	**7.9**
Income taxes	-1.3	-1.0	-0.3	26.4	-0.3	-1.1	-2.8
Net profit for the period	**-2.9**	**2.8**	**-5.6**	-203.4	**-1.9**	**2.7**	5.2
Attributable to							
Equity holders of the parent company	-2.4	3.1			-1.9	2.7	6.4
Minority interest	-0.5	-0.3			0.0	0.0	-1.2
Earnings per share calculated on the profit attributable to equity holders of the parent company (undiluted and diluted)	-0.07	0.09			-0.06	0.08	0.19

Statement of comprehensive income (EUR million)	**IFRS 1-9/ 2011**	IFRS 1-9/ 2010	IFRS 7-9/ 2011	IFRS 7-9/ 2010	IFRS 1-12/ 2010
Net profit for the period	**-2.9**	**2.8**	**-1.9**	**2.7**	**5.2**
Items recognised directly in equity:					
Exchange differences on translating foreign operations	0.1	0.0	0.1	0.0	0.0
Available for sale financial assets	0.0	0.0	0.0	0.0	0.1
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	**0.1**	**0.0**	**0.1**	**0.0**	**0.0**
Total comprehensive income for the period	**-2.8**	**2.8**	**-1.8**	**2.7**	**5.2**
Profit for the period attributable to:					
Equity holders of the parent company	-2.3	3.1	-1.8	2.7	6.4
Minority interest	-0.5	-0.3	0.0	0.0	-1.2

Consolidated balance sheet (EUR million)	**IFRS 30.9.11**	IFRS 30.9.10	change, %	**IFRS 31.12.10**
ASSETS				
Non-current assets				
Property, plant and equipment	15.4	14.7	5.0	14.0
Goodwill	1.7	1.7	0.0	1.7
Other intangible assets	0.4	0.4	7.9	0.4
Other financial assets	6.1	5.3	14.8	5.2
Receivables	15.9	18.0	-11.7	22.8
Deferred tax assets	8.2	4.4	87.6	5.1
Non-current assets, total	**47.7**	**44.4**	7.4	**49.2**
Current assets				
Inventories	389.0	314.8	23.6	324.1
Trade and other receivables	126.1	96.6	30.6	96.0
Current tax receivables	2.9	1.5	92.7	1.5
Cash and cash equivalents	11.6	5.4	115.0	7.1
Current assets, total	**529.6**	**418.3**	26.6	**428.8**
ASSETS, TOTAL	**577.3**	**462.7**	24.8	**478.0**

Consolidated balance sheet (EUR million)	**IFRS 30.9.11**	IFRS 30.9.10	change, %	**IFRS 31.12.10**
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	92.1	87.3	5.5	87.8
Translation differences	0.0	-0.1	-72.8	-0.1
Fair value reserve	0.0	-0.1	-100.0	0.0
Retained earnings	62.4	61.4	1.8	63.8
Equity attributable to equity holders of the parent company, total	**157.6**	**151.6**	4.0	**154.5**
Minority interest	**3.5**	**3.7**	-5.1	**2.7**
Equity, total	**161.1**	**155.3**	3.8	**157.2**
Non-current liabilities				
Deferred tax liabilities	3.0	0.7	345.5	0.7
Provisions	4.2	4.2	-1.1	4.2
Interest-bearing liabilities	95.8	70.5	35.9	78.8
Other liabilities	5.9	0.9	540.0	0.4
Non-current liabilities, total	**108.8**	**76.3**	42.6	**84.1**
Current liabilities				
Trade and other payables	117.9	60.1	96.2	78.6
Current tax payables	1.8	3.0	-40.9	3.4
Provisions	2.5	3.5	-30.5	3.5
Interest-bearing liabilities	185.4	164.6	12.7	151.1
Current liabilities, total	**307.5**	**231.2**	33.0	**236.7**
Liabilities, total	**416.2**	**307.4**	35.4	**320.8**
EQUITY AND LIABILITIES	**577.3**	**462.7**	24.8	**478.0**

Consolidated cash flow statement (EUR million)	IFRS 1-9/2011	IFRS 1-9/2010	IFRS 1-12/2010
Cash flows from operating activities			
Net profit for the period	**-2.9**	**2.8**	**5.2**
Adjustments:			
Depreciation and impairments	2.5	2.6	3.5
Non-cash transactions	0.1	8.9	0.7
Financial income and expenses	2.5	2.8	4.5
Capital gains on sales of tangible and intangible assets	0.0	0.0	0.0
Income taxes	1.3	1.0	2.8
Adjustments, total	**6.4**	**15.3**	**11.5**
Changes in working capital:			
Change in loan receivables	-0.7	2.4	-2.7
Change in trade and other receivables	-20.8	-11.5	-9.7
Change in inventories	-64.8	-34.0	-43.8
Change in trade and other payables	37.4	-5.7	21.7
Changes in working capital, total	**-49.0**	**-48.7**	**-34.4**
Interest paid	-7.4	-5.3	-7.7
Interest received	3.8	2.6	1.7
Dividends received	0.0	0.1	0.1
Income taxes paid	-5.2	-2.2	-4.2
Net cash flow from operating activities	**-54.3**	**-35.5**	**-27.8**
Cash flow from investing activities			
Acquisition of subsidiaries, net of cash	-0.8	-0.3	-0.3
Property, plant and equipment	-2.1	-1.3	-1.5
Intangible assets	-0.1	0.0	-0.1
Other financial assets	-0.8	-0.4	-0.4
Sale of property, plant and equipment and intangible assets	0.0	0.2	0.2
Sale of financial assets	0.2	0.0	0.0
Net cash used in investing activities	**-3.6**	**-1.9**	**-2.2**
Cash flows from financing activities			
Proceeds from loans	29.8	0.0	6.0
Repayments of loans	-10.1	-4.5	-6.1
Change in loan receivables	0.0	0.0	0.0
Change in housing corporation loans	16.2	8.0	-2.2
Change in credit limits	20.4	38.1	38.2
Purchase of treasury shares	10.2	0.0	0.0
Dividends paid	-4.1	-4.1	-4.1
Net cash from financing activities	**62.3**	**37.5**	**31.9**
Net change in cash and cash equivalents	**4.4**	**0.2**	**1.9**
Cash and cash equivalents at the beginning of period	7.1	5.2	5.2
Cash and cash equivalents at the end of period	**11.6**	**5.4**	**7.1**

Statement of changes in Group equity 1.1. - 30.9.2011

IFRS (EUR million)	Share capital	Invested free equity fund	Trans-lation differ-ences	Fair value reserve	Retai-ned earnings	Total	Minority interest	Total equity
	Equity attributable to the equity holders of the parent company							
Equity on 1.1.2011	**3.1**	**87.8**	**-0.1**	**0.0**	**63.8**	**154.5**	**2.7**	**157.2**
Total income and expenses for the financial year	**0.0**		**0.1**	**0.0**	**-2.4**	**-2.3**		
Dividends paid					-4.1	**-4.1**		
Share based incentive plan		0.3			0.3	**0.6**		
Purchase of treasury shares					0.0	**0.0**		
Sale of treasury shares		4.1			6.2	**10.2**		
Other changes					-1.4	**-1.4**		
Equity on 30.9.2011	**3.1**	**92.1**	**0.0**	**0.0**	**62.4**	**157.6**	3.5	**161.1**

Statement of changes in Group equity 1.1. - 30.9.2010

IFRS (EUR million)	Share capital	Invested free equity fund	Trans-lation differ-ences	Fair value reserve	Retai-ned earnings	Total	Minority interest	Total equity
	Equity attributable to the equity holders of the parent company							
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**	**3.1**	**3.1**		
Dividends paid					-4.1	**-4.1**		
Share based incentive plan					1.2	**1.2**		
Purchase of treasury shares					-8.5	**-8.5**		
Other changes					-0.3	**-0.3**		
Equity on 30.9.2010	**3.1**	**87.3**	**-0.1**	**-0.1**	**61.4**	**151.6**	3.7	**155.3**

Statement of changes in Group equity 1.1. - 31.12.2010

IFRS (EUR million)	Equity attributable to the equity holders of the parent company							
	Share capital	Invested free equity fund	Trans-lation differ-ences	Fair value reserve	Retai-ned earnings	Total	Minority interest	Total equity
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**	**0.1**	**6.4**	**6.4**		
Dividends paid					-4.1	**-4.1**		
Share based incentive plan					0.3	**0.3**		
Purchase of treasury shares					-8.5	**-8.5**		
Other changes		0.4			-0.3	**0.2**		
Equity on 31.12.2010	**3.1**	**87.8**	**-0.1**	**0.0**	**63.8**	**154.5**	2.7	**157.2**

Commitments and contingent liabilities EUR million	**IFRS 30.9.11**	IFRS 30.9.10	change, %	**IFRS 31.12.10**
Collateral given for own liabilities				
Real estate mortgages given	**277.3**	111.1	149.5	**129.0**
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	**21.2**	21.9	-3.0	**21.8**
Plots purchase commitments	**129.8**	22.3	482.0	**16.6**

1) Real estate mortgages include the total amount of mortgages given as collateral for developer contracting housing production against the housing corporation loans of uncompleted and unsold completed projects.

Fair and nominal values of derivative instruments	**IFRS 9/2011**		IFRS 9/2010		**IFRS 12/2010**	
(EUR million)	Fair Values		Fair Values		Fair Values	
	Positive	Negative	Positive		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**	**1.4**	**0.0**	**1.7**	**0.0**	**1.3**

Nominal values of derivative instruments	**IFRS 9/2011**	IFRS 9/2010	**IFRS 12/2010**
Foreign exchange forward contracts	**0.0**	**0.0**	**0.0**
Interest rate swaps	**50.0**	**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 7-9/11**	**IFRS 4-6/11**	IFRS 1-3/11	IFRS 10-12/10	IFRS 7-9/10	IFRS 4-6/10	IFRS 1-3/10
Revenue	**136.3**	136.6	132.6	157.9	115.2	117.3	93.8
Operating profit	**0.2**	-0.3	1.0	5.9	3.5	1.5	1.6
Financial income and expenses, total	**-1.7**	-1.4	0.7	-1.8	0.3	-1.6	-1.4
Profit before taxes	**-1.5**	-1.7	1.7	4.1	3.8	-0.1	0.2
Order backlog 1)	**862.3**	673.5	702.2	594.5	604.6	604.4	530.0
New agreements	**615.4**	310.9	220.2	120.1	112.6	186.7	140.6
Earnings per share, eur	**-0.07**	-0.01	0.05	0.10	0.08	0.02	-0.01
Equity per share, eur 1)	**4.44**	4.51	4.49	4.56	4.47	4.38	4.36
Share price, eur 1)	**4.48**	6.00	6.75	6.63	6.14	6.16	6.41
Equity ratio, % 1)	**30.9**	31.7	33.2	35.2	35.1	35.1	37.0
Net interest bearing debt 1)	**269.6**	263.5	246.4	222.8	229.7	217.2	199.8
Gearing, % 1)	**167.4**	**162.2**	159.1	141.7	147.9	142.7	132.3

Revenue (EUR million)	**IFRS 7-9/11**	**IFRS 4-6/11**	IFRS 1-3/11	IFRS 10-12/10	IFRS 7-9/10	IFRS 4-6/10	IFRS 1-3/10
Domestic operations	**128.3**	131.2	123.9	147.3	109.5	112.5	93.0
- business construction	**82.0**	86.4	75.3	98.9	94.2	91.1	68.9
- housing construction	**46.3**	44.8	48.8	48.5	15.3	21.5	24.1
International operations	**7.8**	5.3	8.4	10.5	5.7	4.7	0.7
Other Operations	**3.1**	3.1	3.3	2.8	2.5	2.5	2.5
Eliminations	**-2.9**	-2.9	-3.0	-2.7	-2.5	-2.5	-2.5
Group, total	**136.3**	**136.6**	**132.6**	**157.9**	**115.2**	**117.3**	**93.8**

Operating profit (EUR million)	**IFRS 7-9/11**	**IFRS 4-6/11**	IFRS 1-3/11	IFRS 10-12/10	IFRS 7-9/10	IFRS 4-6/10	IFRS 1-3/10
Domestic operations	**2.4**	3.3	4.4	8.4	5.8	5.4	6.7
International operations	**-1.4**	-1.9	-2.4	-0.7	-1.2	-2.2	-3.9
Other Operations	**-0.8**	-1.7	-1.0	-2.0	-1.1	-1.6	-1.2
Eliminations	**0.0**	0.0	0.0	0.2	0.0	-0.1	-0.1
Group, total	**0.2**	**-0.3**	**1.0**	**5.9**	**3.5**	**1.5**	**1.6**

Operating profit (%)	**IFRS 7-9/11**	**IFRS 4-6/11**	IFRS 1-3/11	IFRS 10-12/10	IFRS 7-9/10	IFRS 4-6/10	IFRS 1-3/10
Domestic operations	**1.9**	2.5	3.5	5.7	5.3	4.8	7.2
International operations	**-18.1**	-36.2	-28.4	-7.1	-21.0	-46.9	-517.7
Group, total	**0.2**	**-0.2**	**0.8**	**3.7**	**3.0**	**1.3**	**1.7**

Order backlog (EUR million)	**IFRS 30.9.11**	**IFRS 30.6.11**	IFRS 31.3.11	IFRS 31.12.10	IFRS 30.9.10	IFRS 30.6.10	IFRS 31.3.10
Domestic operations	**745.8**	564.8	589.8	574.5	581.2	578.6	506.1
- business construction	**371.5**	233.3	277.7	271.6	363.9	388.5	365.9
- housing construction	**374.2**	331.5	312.0	302.9	217.2	190.1	140.2
International operations	**116.5**	108.7	112.4	20.0	23.4	25.7	24.0
Group, total	**862.3**	**673.5**	**702.2**	**594.5**	**604.6**	**604.4**	**530.0**
- sold order backlog	**710**	530	569	442	443	426	389
- unsold order backlog	**153**	143	133	153	162	178	141

Order backlog, housing construction in Finland

(EUR million)	**30.9.11**	30.6.11	31.3.11	31.12.10	30.9.10	30.6.10	31.3.10
Negotiation and construction contracts under construction	**164**	124	131	115	32	22	26
Developer contracting under construction, sold	**98**	94	78	73	61	29	11
Developer contracting under construction, unsold	**95**	92	71	62	85	94	51
Developer contracting completed and unsold	**18**	21	32	53	39	45	51
Housing construction, total	**374**	**332**	**312**	**303**	**217**	**190**	**140**

Invested capital (EUR million)	**IFRS 30.9.11**	IFRS 30.6.11	IFRS 31.3.11	IFRS 31.12.10	IFRS 30.9.10	IFRS 30.6.10	IFRS 31.3.10
Domestic operations	**233.3**	248.0	215.6	179.7	206.9	203.5	177.8
International operations	**194.0**	194.0	182.7	185.4	175.3	177.2	173.6
Other and eliminations	**14.9**	4.4	12.3	22.0	8.2	4.2	6.0
Group, total	**442.2**	**446.5**	**410.6**	**387.1**	**390.3**	**384.9**	**357.5**

Residential production in Finland (units)	**7-9/11**	4-6/11	1-3/11	10-12/10	7-9/10	4-6/10	1-3/10
Developer contracting							
Start-ups	**61**	205	122	133	110	300	0
Sold	**92**	143	147	163	164	102	95
Completed 1)	**74**	41	67	171	14	0	16
Completed and unsold 1)	**43**	53	86	137	90	105	138
Under construction 1)	**2 504**	2 243	1 956	1 629	1 183	1 064	996
- negotiation and construction contracts 1)	**1 693**	1 419	1 296	1 024	540	517	749
- developer contracting 1)	**811**	824	660	605	643	547	247
- of which sold 1)	**428**	420	350	321	282	147	78
- of which unsold 1)	**383**	404	310	284	361	400	169

1) at the end of the period

3. Segment information

Assets (EUR million)	IFRS 30.9.11	IFRS 30.9.10	change, MEUR	change, %	IFRS 31.12.10
Domestic operations	**350.5**	268.3	82.2	30.6	**273.6**
International operations	**201.9**	179.1	22.8	12.7	**189.7**
Other Operations	**278.7**	219.5	59.2	27.0	**230.0**
Eliminations	**-253.8**	-204.2	-49.5		**-215.4**
Group, total	**577.3**	462.7	114.6	24.8	**478.0**

Liabilities (EUR million)	IFRS 30.9.11	IFRS 30.9.10	change, MEUR	change, %	IFRS 31.12.10
Domestic operations	**301.6**	219.3	82.3	37.5	**217.2**
International operations	**216.6**	186.7	29.9	16.0	**196.3**
Other Operations	**134.9**	110.9	24.0	21.7	**109.1**
Eliminations	**-236.9**	-209.5	-27.4		**-202.0**
Group, total	**416.2**	307.4	108.8	35.4	**320.8**

Invested capital (EUR million)	IFRS 30.9.11	IFRS 30.9.10	change, MEUR	change, %	IFRS 31.12.10
Domestic operations	**233.3**	206.9	26.5	12.8	**179.7**
International operations	**194.0**	175.3	18.7	10.7	**185.4**
Other and eliminations	**14.9**	8.2	6.7	82.6	**22.0**
Group, total	**442.2**	390.3	51.9	13.3	**387.1**

Return on investment, %	IFRS 1-9/11	IFRS 1-9/10	IFRS 1-12/10
Domestic operations 1)	**7.3**	13.3	**15.3**
International operations 1)	**-2.6**	-4.3	**-3.2**
Group, total 1)	**1.4**	**3.2**	**4.1**

Inventories (MEUR)	IFRS 30.9.11	IFRS 30.9.10	change, MEUR	IFRS 31.12.10
Land areas and plot-owning companies	**199.2**	**174.4**	**24.8**	**181.3**
Domestic operations	107.4	86.5	21.0	90.7
International operations	91.5	87.7	3.8	90.3
Work in progress	**110.8**	**53.9**	**57.0**	**46.8**
Domestic operations	107.5	52.3	55.2	46.0
International operations	3.3	1.6	1.7	0.9
Shares in completed housing corporations and real estate companies	**43.5**	**67.0**	**-23.5**	**75.2**
Domestic operations	40.6	60.2	-19.6	68.3
International operations	3.0	6.8	-3.9	6.9
Other inventories	**35.5**	**19.5**	**16.0**	**20.8**
Domestic operations	11.4	10.8	0.5	11.3
International operations	24.1	9.7	14.4	10.6
Inventories, total	**389.0**	**314.8**	**74.2**	**324.1**
Domestic operations	266.9	209.8	57.1	216.3
International operations	121.9	105.8	16.1	108.7

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

4. Acquired businesses

On 31 May 2011, SRV acquired all shares of Maanrakennus Oy Laatutyö

Business combinations and disposals (EUR million)	**Fair value recongnised on acquisition**
Consideration	
Cash	**1.7**
Conditional acquisition price	**0.5**
Total consideration transferred	**2.2**
Acquisition related costs (recognised as expenses)	**0.0**
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalentst	**0.9**
Property, plant and equipment	**3.1**
Intangible rights	**0.0**
Non-interest bearing debt	**1.8**
Total identifiable net assets	**2.2**
Goodwill	**-**
Total	**2.2**

5. Events after the end of the review period

SRV and Stora Enso Oyj submitted a proposal on 3 October 2011 to the Real Estate Board of the City of Helsinki that a site in the Jätkäsaari district of Helsinki be reserved for unique wooden construction project. Site of Planed Wood City includes office, hotel and commercial buildings. The first buildings are expected to be completed in 2013. The reservation of SRV and Stora Enso totals approximately 27.000 square meters of floor and the buildings are planned to be constructed with Stora Enso's new Urban MultiStorey™ wood construction concept.

SRV sold logistics center GCC Ilvesvuori to Pohjola Insurance Ltd on 26.10.2011. The building will be completed by fall 2012. Center is based on a Grand Cargo Center concept, developed by SRV, and has a floor area of approximately 7300 quare meters.