

SRV'S FINANCIAL STATEMENT RELEASE, JANUARY–DECEMBER 2015:**FULL-YEAR REVENUE GROWS, ORDER BACKLOG NEARLY DOUBLES – GOOD HOUSING SALES AND RESULT IN THE FOURTH QUARTER****January–December 2015 in brief:**

- SRV's revenue totalled EUR 719.1 million (EUR 684.4 million 1-12/2014). Construction of the REDI shopping centre and parking facility began, contributing to this growth in revenue.
- Operating profit remained at the same level as in the previous year: EUR 24.4 (24.9) million.
- The result before taxes was EUR 17.6 (18.5) million. This includes a EUR -3.3 million fair value revaluation of a ten-year interest rate hedge in July.
- Earnings per share were EUR 0.25 (EUR 0.30).
- At year-end, the order backlog stood at EUR 1,583.4 (860.4) million. The order backlog rose to a record high, primarily due to the start-up of REDI and several other large-scale projects.
- The equity ratio stood at 42.5 (43.0) per cent and gearing at 83.3 (91.6) per cent.
- The proposed dividend is EUR 0.10 (0.07).

October–December 2015 in brief:

- SRV's revenue was EUR 226.6 million (EUR 193.8 million Q4/2014). Revenue increased due to the recognition of developer-contracted housing production.
- The operating profit also improved due to the recognition of developer-contracted housing production, totalling EUR 17.0 (9.6) million.
- The result before taxes was EUR 14.9 (7.2) million.
- Earnings per share were EUR 0.27 (EUR 0.11).
- New orders worth EUR 286.9 (108) million were received.

Events after the end of the reporting period:

- Advance marketing for the first REDI residential tower, Majakka, got off to a flying start in January. About 200 of the tower's 283 apartments have already been reserved.
- The City of Tampere chose a group formed by SRV to continue implementation of the Tampere Central Deck and Arena project worth EUR 500 million. Negotiations with several interested investors are ongoing, and the final decision on implementation will most likely be made in summer 2016.
- SRV's Board of Directors approved the updated vision, three strategic objectives, and six strategic development projects stated in the company's strategy for 2016–2020
- SRV will implement the Aalto University's new campus building in Otaniemi, Espoo and commercial premises in the Metro Centre, the total value of the project EUR 101 million

Outlook for 2016:

- Full-year revenue for 2016 is expected to grow and operating profit to improve on 2015 (revenue EUR 719 million and operating profit EUR 24.4 million).

- Due to the completion schedules of SRV's developer contracting housing projects, a significant proportion of the company's operating profit will be made in the second half of the year.

This interim report has been prepared in accordance with IAS 34, and the disclosed information is unaudited.

President & CEO Juha Pekka Ojala

2015 can be summed up in a couple of words – renewal and growth. The year brought many significant achievements in the company's history. Finland's largest – and also SRV's largest – ever construction project, REDI, finally reached full speed in April. Construction is progressing as planned and the project has been very well received in general. The best example of this is advance marketing of the first residential tower, Majakka, started in January. Already about 200 of the tower's almost 300 apartments have been reserved.

Another historic achievement has been the status of our order backlog throughout the year. New records were broken every quarter, and by the end of the year our order backlog stood at a staggering value of just under EUR 1.6 billion. Although several projects were completed during the fourth quarter, our order backlog still grew by almost EUR 300 million. Some major new projects worth mentioning are HKScan's new production facility in Rauma and a residential block in the Tikkurila district of Vantaa. Although growth cannot be expected to continue at this rate in 2016, there are no signs of it slowing down either.

In 2015, SRV finally proved that it has taken a permanent position at the forefront of residential construction. SRV is currently one of the capital city area's largest residential constructors. At the turn of the year, SRV had almost 1,900 housing units under construction, which is over 200 units more than a year ago. At the same time, we have increasingly been switching our focus to developer-contracting projects (apartments directly targeted at the consumer market), which can be seen as improved profitability. Our housing sales also deserve a special mention. 76 per cent of the units under construction at the turn of the year have been sold. This means we will be able to recognise income from these units as soon as they are completed in 2016–2017.

While work continues at full throttle on our about 80 construction sites, numerous new projects are also under development. One of the projects under development at the end of the year was Bunkkeri, in which we are helping to give a brand-new lease of life to a warehouse building in the Jätkäsaari district of Helsinki. This new entity comprises a swimming hall and sports facilities, as well as apartments rising above them, offering amazing views. In early 2016, we also announced our involvement in the development of the Kivenlahti Metro Centre and the Keilaniemi Ring Road project, in which the Ring Road will be moved into a concrete tunnel and a green deck will be built above it. In Tampere, we will proceed with the unique EUR 500 million Tampere Central Deck and Arena project. We also have numerous other projects under development, especially along the Western Metro line and around other growth-centre traffic nodes.

In autumn 2015, we also started our strategy work. The final result contains a new vision, three strategic objectives and six strategic development programmes, and it is an excellent mark of our current management's and the entire organisation's ability to cooperate and achieve renewal. The

majority of our development programmes are already fully underway, and we will be closely monitoring their progress. Our main focal points during 2016 will be profitability and the customer experience, responsibility, and personnel development.

The situation in Russia faces a lot of uncertainty, but we have a firm belief in our strategy for Russia. The Okhta Mall in St Petersburg will open its doors in August and leasing is progressing according to schedule – 32 per cent of the premises have already been leased, and negotiations are ongoing for over 20 per cent of the premises. The Pearl Plaza shopping centre, which has already been open for several years, attracted over a million more visitors in 2015 than in 2014, and sales in roubles were also up by 25 per cent. It's obvious that we won't actively be seeking new projects in the current climate; but focus on the construction of existing projects and our strengths in shopping centre management.

At SRV, we are entering 2016 in a positive and motivated frame of mind. This can be seen in the results of our latest personnel survey, in which SRV was nominated as the 11th Most Inspiring Finnish Workplace in Corporate Spirit's classification, already in its first year of participation. Committed shareholders played a significant role last year, and will do so again this year. Late summer's share issue was a resounding success. One way in which we thank our shareholders for their commitment is stable dividend policy during the past years. By applying a combination of committed shareholders, skilled and motivated personnel, and our updated strategy to our many challenging – yet therefore even more rewarding – construction projects, we can expect 2016 to be a busy, interesting and, above all, successful year. A big thank you to everyone for 2015!

SRV GROUP PLC INTERIM REPORT, 1 JANUARY–31 DECEMBER 2015

Group key figures (IFRS, EUR million)	1-12/ 2015	1-12/ 2014	change, EUR million	change, %	10-12/ 2015	10-12/ 2014
Revenue	719.1	684.4	34.6	5.1	226.6	193.8
Operating profit	24.4	24.9	-0.5	-1.9	17.0	9.6
Financial income and expenses, total	-6.8	-6.4	-0.5		-2.1	-2.4
Profit before taxes	17.6	18.5	-0.9	-5.1	14.9	7.2
Order backlog	1,583.4	860.4	723.0	84.0		
New agreements	1,393.5	700.3	693.2	99.0	286.9	108.0
Operating profit, %	3.4	3.6			7.5	5.0
Net profit, %	1.9	2.2			5.4	2.7
Equity ratio, %	42.5	43.0				
Net interest-bearing debt	230.8	206.1	24.7	12.0		
Gearing, %	83.3	91.6				
Return on investment, %	5.9	5.4				
Return on equity, %	5.6	6.9				
Earnings per share, eur *)	0.25	0.30	-0.05	-16.3	0.27	0.11
Equity per share, eur *)	3.90	4.51	-0.61	-13.5		
Share price at end of period, eur	3.10	2.83	0.27	9.5		
Weighted average number of shares outstanding, millions *)	42.6	39.8		7.2		

*) Comparative data is share issue adjusted.

Overall review

January–December 2015

At the end of December, the Group's order backlog stood at EUR 1,583.4 (860.4) million thanks to new contractor agreements, the major ones being the REDI project and the Health and Wellbeing Centre in the Kalasatama district of Helsinki, Niittykumpu Metro Centre, the renovation of Helsinki City Theatre, the expansion of Tampere University Hospital, and HKScan's production facility investment. 80 per cent of the order backlog has been sold, a total of EUR 1,261 million. The value of the Group's new contracts rose to EUR 1,393.5 (700.3) million.

The Group's revenue increased to EUR 719.1 (684.4) million. The start-up of the REDI shopping centre and parking facility project in particular contributed to this rise in revenue, as quarrying and other infrastructure work completed before the contractor agreement was signed was recognised as revenue in accordance with the level of completion. A fall in revenue from housing production weakened the company's total revenue. The comparison figures for revenue in 2014 contain the sale of the Derby Business Park in the Perkkää district of Espoo.

The Group's operating profit totalled EUR 24.4 (24.9) million, generating an operating margin of 3.4 (3.6) per cent. Developer-contracted housing projects completed in late 2015 and the increased profitability of projects had a favourable impact on SRV's operating profit, while a rise in the percentage of low-margin business contracting had a negative impact. Numerous large-scale projects started up in 2015, such as the REDI project in Kalasatama and the Niittykumpu Metro Centre, and the rise in the fixed costs incurred by their construction reduced SRV's operating profit. The comparison figures for operating profit in 2014 contain rental income from the Derby Business Park, which was sold during the third quarter.

Operating profit and its relative level is reduced by the elimination of a share equivalent to SRV's ownership from the profit margins of three shopping centre projects (Okhta Mall, Daily and REDI), which will be recognised as income only when the investment is sold.

Several factors contribute to the quarterly variation in SRV's operating profit and operating profit margin: SRV's own projects are recognised as income upon delivery; the part of the order backlog that is continuously recognised as income mainly consists of low-margin contracting; and the nature of the company's operations (project development).

Net financial expenses were EUR -6.8 (-6.4) million. Net financial expenses were improved by a fall in general interest rates, growth in interest income, exchange rate differences resulting from changes in the value of the rouble, and the recognition of EUR 1.4 million in credit loss provisions. In addition to an increase in net debt, net financial expenses were weakened by a EUR -3.3 million fair value revaluation of a ten-year interest rate hedge in July.

The Group's profit before taxes was EUR 17.6 (18.5) million. Net profit for the reporting period was EUR 14.0 (15.4) million. Income taxes totalled EUR -3.6 (-3.2) million. Earnings per share were EUR 0.25 (EUR 0.30). In spite of SRV's record-breaking order backlog and considerable investments made in the REDI project, the Group's equity ratio remained almost unchanged at 42.5 (43.0) per cent thanks to positive cash flow and a share issue during the reporting period.

October–December 2015

Fourth-quarter revenue totalled EUR 226.6 (193.8) million, generating an operating profit of EUR 17.0 (9.6) million. The completion of 225 developer-contracted housing units during the quarter, and the subsequent recognition of income from sold units in the income statement, had a particularly favourable impact on SRV's operating profit. The improved profitability of several construction projects also contributed favourably to operating profit. However, a rise in the percentage of lower-margin business contracting and fixed costs incurred by several large-scale projects had a negative impact. The Group's result before taxes was EUR 14.9 (7.2) million, including a EUR -0.5 million fair value revaluation of a ten-year interest rate hedge in July.

Key figures for the Segments

Revenue EUR million	1-12/ 2015	1-12/ 2014	change,		10-12/ 2015	10-12/ 2014
			EUR million	change, %		
Operations in Finland	654.1	627.9	26.2	4.2	212.8	176.0
International Operations	65.1	56.9	8.2	14.4	13.8	17.8
Other Operations	14.4	19.5	-5.1	-26.0	3.7	4.2
Eliminations	-14.6	-19.9	5.3		-3.7	-4.1
Group, total	719.1	684.4	34.6	5.1	226.6	193.8

Operating profit EUR million	1-12/ 2015	1-12/ 2014	change,		10-12/ 2015	10-12/ 2014
			EUR million	change, %		
Operations in Finland	28.9	30.0	-1.2	-3.9	18.3	10.2
International Operations	-0.1	1.1	-1.2	-110.3	-0.6	1.8
Other Operations	-4.3	-6.2	1.9		-0.7	-2.4
Eliminations	0.0	0.0	0.0		0.0	0.0
Group, total	24.4	24.9	-0.5	-1.9	17.0	9.6

Operating profit, (%)	1-12/ 2015	1-12/ 2014	10-12/ 2015	10-12/ 2014
Operations in Finland	4.4	4.8	8.6	5.8
International Operations	-0.2	1.9	-4.0	10.1
Group, total	3.4	3.6	7.5	5.0

Order backlog EUR million	12/ 2015	12/ 2014	change,	
			EUR million	change, %
Operations in Finland	1,506.2	723.2	783.0	108.3
International Operations	77.1	137.2	-60.0	-43.8
Group, total	1,583.4	860.4	723.0	84.0
- sold order backlog	1261	729	533	73.1
- unsold order backlog	322	132	190	144.7

Earnings trends for the Segments

SRV's business segments are Operations in Finland, International Operations, and Other Operations. Operations in Finland are divided into property development, housing construction, and business construction (which comprises retail, office, specialised, logistics, earthworks, and rock construction operations). International Operations comprises SRV's business activities in Russia and Estonia.

The business segment Other Operations primarily consists of the parent company, SRV Group Plc's group operations, property and project development operations in Finland, and equipment service for Finnish construction sites (SRV Kalusto Oy's operations).

Operations in Finland

Operations in Finland EUR million	1-12/ 2015	1-12/ 2014	change, EUR million	change, %	10-12/ 2015	10-12/ 2014
Revenue	654.1	627.9	26.2	4.2	212.8	176.0
- business construction	434.0	395.5	38.5	9.7	119.8	99.1
- housing construction	220.1	232.5	-12.4	-5.3	92.9	76.9
Operating profit	28.9	30.0	-1.2	-3.9	18.3	10.2
Operating profit, %	4.4	4.8			8.6	5.8
Order backlog	1,506.2	723.2	783.0	108.3		
- business construction	952.3	450.1	502.2	111.6		
- housing construction	554.0	273.1	280.9	102.8		

Revenue for Operations in Finland for the January–December period totalled EUR 654.1 (627.9) million and accounted for 91 (92) per cent of the Group's revenue. Factors contributing to this growth in revenue were an increase in both the order backlog for and revenue from contracting and, in particular, the launch of construction work on the REDI shopping centre and parking facility. Quarrying and other infrastructure work completed before the REDI contractor agreement was signed was also recognised as revenue in accordance with the level of completion. SRV eliminates its own 40 per cent holding from the margin recognised as revenue. This share is recognised only when the investment is sold.

The operating profit for Operations in Finland totalled EUR 28.9 (30.0) million and accounted for 4.4 (4.8) per cent of the Group's operating profit. Developer-contracted housing completed in late 2015 and increased profitability of projects had a favourable impact on the operating profit, while a rise in the percentage of low-margin business contracting had a negative effect. Numerous large-scale projects started up in 2015, such as the REDI project in Kalasatama and the Niittykumpu Metro Centre, and the rise in fixed costs incurred by their construction reduced operating profit.

The order backlog rose to EUR 1,506.2 (723.2) million. Several major new projects were launched in the January–December period, such as the REDI project and the Health and Wellbeing Centre in the Kalasatama district of Helsinki, the Niittykumpu Metro Centre in Espoo, and the expansion of

Tampere University Hospital. The order backlog also increased by EUR 74.5 million in the October–December period. One of the major new projects was HKScan's production facility investment. The construction of 1,516 new housing units began in 2015. SRV had more than about 70 sites at the end of 2015.

Fourth-quarter revenue totalled EUR 212.8 (176.0) million with an operating profit of EUR 18.3 million (EUR 10.2 million). This increase in both revenue and operating profit stemmed from the completion of 225 (63) developed-contracted housing units in the fourth quarter, when revenue for sold units was recognised in the income statement.

Business construction

Revenue from business construction for the January–December totalled EUR 434.0 (395.5) million. The order backlog stood at EUR 952.3 (450.1) million. Even though SRV's order backlog grew, competition for new contracts remained fierce.

Several projects were completed in the capital city area during the year: the Opinmäki campus in the Suurpelto district of Espoo, an extension to the emergency room at Jorvi Hospital in Espoo, and a logistics centre for Stockmann in Tuusula. HUSLAB laboratory and office premises for the Hospital District of Helsinki and Uusimaa (HUS) in Meilahti were completed in August almost two months ahead of schedule.

Other projects were also completed elsewhere in Finland: the Kampusareena at the Tampere University of Technology, the Liipola Multifunctional Centre in Lahti, a medical and a shopping centre on Kamppurienkatu in Oulu for Ilmarinen, and an assisted-living facility for ET-hoivakiinteistöt in Turku.

SRV's Western Metro Koivusaari project was voted Construction Site of the Year 2015 in a competition held by the journal Rakennuslehti. Work on this project will continue during the first half of 2016. The jury praised SRV's management of this contractually and technically demanding site, as well as its innovative time-saving technical solutions.

New contractor agreements worth EUR 894 million were signed during the year. The most significant of these was a EUR 390 million contractor agreement with the project consortium developing the REDI shopping centre and parking facility. A leasing agreement with Q-Park regarding the parking facility was signed in December. SRV is also building a Health and Wellbeing Centre next door to REDI as a development project, and in August this centre was sold to a property investment fund administered by the German company Deka Immobilien. The centre consists of approximately 18,000 square meters of rentable space, and is scheduled for completion in late 2017.

SRV and SATO's joint Metro Centre project in the Niittykumpu district of Espoo is progressing, and is scheduled for completion sometime in the first half of 2017. SRV will be responsible for planning and constructing the shopping centre, and for leasing out its 5,400 square metres of available space. The centre was sold to investors in 2015 and about 90 per cent of its premises have already been leased. Two residential towers are also being constructed as part of the Metro Centre. SRV will build a 24-storey tower, Espoo's tallest building, as a developer-contracted property and one 12-storey tower for SATO. In addition, housing units for Varma and Sato as well as one for SRV will be built on the other side of the street. The site will comprise a total of about 400 apartments.

In July, SRV signed a project management contractor agreement valued at EUR 171 million. This agreement covers the construction of new buildings and a parking facility at Tampere University Hospital. The buildings will be completed in stages in the period 2017–2019.

One smaller-scale business construction project worth mentioning is the contractor agreement signed with Real Estate Department of the city of Helsinki for new and expanded premises on Teollisuuskatu 23 for the City of Helsinki Education Department and Helsinki Vocational College. SRV is also the project management contractor for the renovations of both Helsinki City Theatre and Helsinki Women's Hospital. The company is also building a new visitor centre for Fazer in Vantaa. In Oulu, SRV has been constructing Villa Sulka, a care home for MVH-hoivakiinteistöt, and temporary premises for equipment maintenance for the Northern Ostrobothnia Hospital District. In December, SRV signed a contractor agreement with HKScan to build a production facility specialising in poultry products in Rauma.

In August, SRV announced that the company will be involved in the Hanhikivi-1 nuclear power plant construction project as both an investor and project manager. SRV has made a financing commitment to Fennovoima's main owner Voimaosakeyhtiö SF. This investment is equivalent to a 1.8 per cent stake in the project. SRV will have the same rights and obligations as Voimaosakeyhtiö SF's other shareholders. SRV has also signed a cooperation agreement for the Fennovoima project with Rusatom Overseas and the main contractor Titan-2. SRV will be the construction project manager, and the exact nature of the company's responsibilities will be confirmed at a later date. The project will be entered into the order backlog when the final project management agreements have been signed. All parties actively engaged in negotiations throughout the autumn, and these negotiations are still ongoing.

Housing construction

A developer-contracted housing project is a project that is developed by SRV and which has not been sold when construction begins. SRV bears the risks involved in both the sale and construction of such projects, which are recognised as revenue when they have been completed and sold. A residential development project is a project that is developed by SRV, but which is sold to an investor before construction begins. SRV bears the construction risks in such projects, which are recognised as revenue according to the percentage of completion.

Revenue from housing construction totalled EUR 220.1 (232.5) million. The order backlog stood at EUR 554.0 (273.1) million. Operating profit contracted, as fewer housing projects were recognised as revenue according to the percentage of completion in 2015 than in 2014. However, the order backlog saw year-on-year growth.

The larger-scale housing projects completed in 2015 were 114 units built in January–May for LocalTapiola and Ice Capital in the Pähkinärinne district of Vantaa and 176 units in the Nihtisilta district of Espoo. SRV also completed two projects for SATO: 113 units in the Suurpelto district of Espoo and 77 units in the Töölö district of Helsinki. Other completed projects in Helsinki included 39 units for Auratum on Unioninkatu and a 93-unit wooden apartment building for the Helsinki Housing Production Department (ATT) in Pukinmäki. 76 units were completed for LocalTapiola in the Sarfvik district of Kirkkonummi, and 54 units in the Seppälä district of Jyväskylä. 39 units were completed in Joensuu for Opiskelija-Asunnot.

New contractor agreements worth EUR 134 million were signed with cooperation partners during the January–December period. SRV will build 156 housing units in the Niittykumpu district of Espoo and 46 units in the Etu-Töölö district of Helsinki for SATO. 62 units will also be built in Niittykumpu for Varma. SRV is building 42 units for the Lojo Petter Foundation in Lohja, 83 units in Tampere for YH, and 37 units in the Atala district of Tampere for Tampereen vuokratalosäätiö. In December, SRV signed agreements with LocalTapiola and Elo for the construction of 190 housing units in the Tikkurila district of Vantaa, and with the Helsinki Housing Production Department (ATT) for the construction of 98 units in Wood City, a quarter of wooden buildings in the Jätkäsaari district of Helsinki.

Construction of the Airut eco-quarter in the Jätkäsaari district of Helsinki began in early 2015 with the car park and four residential buildings. The project comprises 70 apartments which equals to approximately 22,000 square metres of floor area, including a rental apartment building for VVO and SRV's four market-financed apartment buildings, of which two will be built in accordance with HITAS terms. The design of the eco-quarter is based on a multi-purpose concept that offers residents a wide range of services. The project focuses on energy monitoring and reporting on apartments' energy consumption, enabling residents to optimise their energy use and uphold the principles of sustainable development in their daily lives.

During 2015, SRV launched the construction of 802 (330) developer-contracted housing units within the scope of the RS system. 200 of these units will be located in Niittyhuippu, which is going up in the Niittykumpu district and will be the tallest residential building in Espoo. 85 units will be built in Taitaja in Northern Tapiola, Espoo; 33 units in Sandra in Tali, Helsinki; 66 units in Kvaritto in Lauttasaari, Helsinki; 83 units in Carina in Tikkurila, Vantaa; and 54 units in Neulanen in Rajakylä, Vantaa. SRV also launched the sale and construction of 143 units in Helsinki's Airut quarter. 91 of these units will be HITAS homes. Outside the capital area, SRV began the sale and construction of 60 units on Lapintie in Tampere, 42 units in downtown Kaarina, and 36 units in downtown Joensuu. The projects begun in January–December are scheduled for completion in late 2016 or during 2017.

During 2015, SRV also signed contractor agreements for the construction of the foundations of REDI's eight towers with their respective housing companies. The foundations will be built above the REDI shopping centre roof height at the same time as the shopping centre and parking facility. The value of these contractor agreements totalled EUR 117.6 million. This sum is included in the housing construction order backlog, as the towers will mainly be in residential use once they are completed in 2018–2023.

SRV has also greenlit the construction of 245 more developer-contracted housing units in addition to contracts that have already been signed. 100 of these will be located in the Toppilansalmi district, in what will be the tallest residential building in Oulu. The 16-storey Satamarannan Masto tower will be over 50 metres high. Construction began in late 2015, after the building permit was granted, and is scheduled for completion in spring 2017. The remaining 145 apartments will be built in Jyväskylä and Vantaa.

Consumer sales of developer-contracted housing units increased compared to 2014. A total of 646 units were sold in 2015 compared to 288 in 2014. 247 (249) new developer-contracted housing units were completed in the January–December period. However, when it came to residential development projects, which are recognised as revenue in accordance with the level of completion, sales to investors fell from 468 in 2014 to 227 in 2015.

At the end of December, SRV had a total of 1,849 (1,625) units under construction, 76 per cent of which (1,398 units) had been sold. Also under construction were 885 (330) developed-contracted housing units (that is, units on sale to consumers), of which 451 (219) were unsold. The number of completed yet unsold units halved compared to the previous year, standing at 107 (183).

Based on current schedules, SRV estimates that a total of 503 developer-contracted housing units in the RS system will be completed during 2016. The majority of these units are currently scheduled for completion in the second half of the year.

Housing production in Finland (units)	1-12/ 2015	1-12/ 2014	change, units	10-12/ 2015	10-12/ 2014
Housing sales, total	873	756	117	397	206
- sales, developer contracting	646	288	358	207	122
- sales, negotiation contracts ²⁾	227	468	-241	190	84
Developer contracting					
- start-ups	802	330	472	116	197
- completed	247	249	-2	225	63
- completed and unsold ¹⁾	107	183	-76		
Under construction, total ¹⁾	1,849	1,625	224		
- construction contracts ¹⁾	487	625	-138		
- negotiation contracts ^{1) 2)}	477	670	-193		
- developer contracting ¹⁾	885	330	555		
- of which sold ¹⁾	434	111	323		
- of which unsold ¹⁾	451	219	232		

1) at period-end 2) investor sales under negotiated contracts

The order backlog for housing construction stood at EUR 554 (273) million. The order backlog for contracts and negotiated contracts totalled EUR 132 (122) million, and accounted for 24 (45) per cent of the total order backlog. EUR 246 (150) million of the housing construction order backlog was sold. The completed yet unsold order backlog was EUR 39 (65) million.

Order backlog, housing construction in Finland EUR million	1-12/ 2015	1-12/ 2014	change, EUR million
Negotiation and construction contracts	132	122	10
Under construction, sold developer contracting	114	28	86
Under construction, unsold developer contracting	269	59	211
Completed and unsold developer contracting	39	65	-25
Total	554	273	281

REDI project

REDI, SRV's development project in the Kalasatama district of Helsinki, is progressing according to plan. Excavation work for the shopping centre and parking facility is already in its final stages, and foundation and structural work has also begun according to plan. A Health and Wellbeing Centre is

also being built in conjunction with REDI, and the excavation work has now been completed. The majority of the foundation work that was begun in July has also been finished, and structural work is now underway.

Other infrastructure construction related to the REDI project has also been launched. In addition to the shopping centre and parking facility, SRV plans to build six residential towers on top of the shopping centre plus office and hotel towers. The residential towers will contain a total of 1,200 housing units, most of which will be targeted at the consumer market. Construction of the first two residential towers is expected to begin during this year, when the construction phase of the shopping centre makes it technically possible. The first tower is scheduled for completion by the end of 2018 and the second tower in 2019, depending on demand. The final decision on construction of the first residential tower, Majakka, will be made latest by the end of October this year, as soon as the detailed information required for the Articles of Association and RS financing are ready.

The REDI project was confirmed in March 2015, when a EUR 225 million project credit agreement for the construction of the shopping centre and parking facility was signed between the project companies implementing the REDI shopping centre project and the bank syndicate. SRV has also granted unsecured project credit of EUR 15 million for construction.

The capital investments of the consortium developing the shopping centre and parking facility are divided as follows: SRV 40 per cent, Ilmarinen Mutual Pension Insurance Company 30 per cent, LocalTapiola 15 per cent, and OP-Pohjola Group and a fund managed by this Group 15 per cent. SRV has a 40 per cent holding in the associated companies behind the shopping centre and parking facility, and consolidates them using the equity method.

On December 15, the REDI consortium and the City of Helsinki signed agreements covering the shopping centre's plots, specified areas of plots and rights of use, joint plot ownership, and land use agreements for the parking facility's underground areas. The agreements are worth nearly EUR 40 million.

The total value of the shopping centre and parking facility investment is EUR 480 million, of which EUR 240 million will be financed using the owners' capital investments. The remainder will be covered by project credit. The shopping centre, which has approximately 64,000 square metres of leasable space, and its almost 2,000-car parking facility are scheduled to open in autumn 2018. A leasing agreement with Q-Park regarding the parking facility was signed in December. Preliminary or final contracts have been made for about 32 per cent of the shopping centre's leasable premises. SRV is responsible for designing, constructing, and leasing out the site.

As a whole, the REDI project is currently scheduled for completion during 2023, depending on the market situation. Revenue from the construction of the shopping centre, parking facility and towers is expected to total over EUR 1 billion in 2015–2023.

Development of Operations

SRV maintained a strong focus on the development of data models. Modelling supports successful design, progress in construction projects, and cooperation between parties. In technical building

systems, SRV has primarily been focusing on energy-efficient solutions, and energy consumption is already being monitored at several sites.

SRV has invested in the fight against the grey economy by further developing the SRV Network Register, which contains information about contractors, access control systems, checks on tax numbers, and tax authority reports.

International Operations

International Operations EUR million	1-12/ 2015	1-12/ 2014	change, EUR million	change, %	10-12/ 2015	10- 12/2014
Revenue	65.1	56.9	8.2	14.4	13.8	17.8
Share of profits of associated companies	0.2	1.0	-0.8	-81.4	-0.6	0.8
Operating profit	-0.1	1.1	-1.2	-110.3	-0.6	1.8
Operating profit, %	-0.2	1.9			-4.0	10.1
Order backlog	77.1	137.2	-60.0	-43.8		

International Operations comprises SRV's construction and property development business in Russia and Estonia. SRV is also seeking to expand its shopping centre management operations in Russia.

Revenue from International Operations totalled EUR 65.1 (56.9) million and accounted for 9 (8) per cent of the Group's revenue. The construction of the Okhta Mall and Daily shopping centres generated the majority of this revenue. Operating profit totalled EUR -0.1 (1.1) million. This slight fall in operating profit mainly stemmed from the weaker results of associated companies and joint ventures, and the depreciation of completed units.

Operating profit and its relative level is reduced by the elimination of a share equivalent to SRV's ownership from the profit margins of two shopping centre projects (Okhta Mall and Daily), which will be recognised as income only when the investment is sold.

New orders to the value of EUR 2.3 (48.9) million were received in the January–December period. The order backlog stood at EUR 77.1 (137.2) million. Fourth-quarter revenue totalled EUR 13.8 (17.8) million with an operating profit of EUR -0.6 (1.8) million.

Russia

Projects under construction

The construction of the Okhta Mall in immediate proximity to St Petersburg downtown is progressing according to plan and will be opened to the public in August. The shopping centre will have about 78,000 square metres of leasable commercial premises in a total area of 144,000 square metres. It will feature two underground parking levels, a hypermarket, and four

aboveground levels. In addition to the hypermarket, the shopping centre will contain a cinema, food court, gym, adventure park for children, and a variety of specialty stores.

Leasing is ongoing. Final lease agreements have been signed for about 32 per cent of the premises, and about 33 per cent have been reserved (as at 31 January 2016). After signing agreements with major and other anchor tenants, negotiations over smaller gallery spaces will be started with full force this spring. The target for stabilised annual rental income from the shopping centre is around over EUR 30 million, and the total investment is currently budgeted at around EUR 205 million.

For several years, SRV has been developing Okhta City, a large-scale project in the Okhta district of St Petersburg that covers a total area of 8.5 hectares. A 400,000-square metre package is planned for the area, including a shopping centre, housing, office and business premises, and hotel, restaurant and entertainment services. The project will be implemented in several phases. Phase I of the project commenced when Russia Invest, an investment company owned by SRV, Ilmarinen, Sponda, Etera and Onvest, reached a decision to invest in the Okhta Mall shopping centre project. Russia Invest owns a 55 per cent holding in the shopping centre and SRV 45 per cent. In addition to its direct ownership, SRV owns a further 27 per cent share in the project through its holding in Russia Invest. SRV retains a 100 per cent holding in the other phases of the Okhta City project.

Construction of the Okhta Mall began in August 2013. In line with the project management contractor agreements (valued at about EUR 140 million), SRV is responsible for designing, constructing, developing, and leasing out the site. Sberbank is externally funding the project with a project loan of EUR 90 million. Most of the owner financing has already been committed to the project. On the basis of the current budget's financing plan, SRV expects to invest about a further EUR 9 million in the project.

Due to uncertainty in the Russian economy, it is unlikely that Russia Invest, in which SRV is a partner, will make any investments in new projects in the near future. SRV owns a 27 per cent stake in Russia Invest.

SRV is developing the Daily shopping centre project in the Moscow region. Construction was launched in August 2014 and the shopping centre is scheduled for completion in autumn 2016. The shopping centre has leasable space of about 26,000 square metres, and final lease agreements have been signed for about 29 per cent. Lease negotiations are ongoing and, in addition to the final contracts, preliminary lease agreements have been signed for over 24 per cent of premises. The target for annual rental income is about EUR 10 million and total investment in the project amounts to approximately EUR 61 million.

SRV has a 20 per cent holding in the Daily shopping centre project, and its total investment already placed in the project is about EUR 12 million. In addition to capital from the owners, the investment is also being financed with a project loan granted by Sberbank. The weakening of the rouble reduced the project's investment budget, and the value of SRV's project management contracts has therefore also decreased to about EUR 30 million. SRV is responsible for designing, constructing, marketing, and leasing out the site.

In July 2015, SRV signed a five-year management agreement for the Mega shopping centre in Kaliningrad, Russia. The shopping centre has a total floor area of more than 100,000 square metres, and includes offices in addition to retail space.

Completed leasable projects

Both visitor numbers and sales figures have been continually rising at St Petersburg's Pearl Plaza shopping centre. Pearl Plaza has been open for a couple of years and all of its premises have been leased. The centre attracted over 7.5 million visitors in 2015, which is 1.1 million more than the previous year. The shopping centre's sales (in monetary terms) also grew by over 25 per cent in 2015.

Pearl Plaza's popularity is also evident in the numerous awards and recognitions it received in 2015, such as Best Medium-sized Shopping Centre 2015 given at the REX exhibition in Moscow, Russia. In June, Pearl Plaza also received an honourable mention in the 2015 Golden Brick Award, which is one of the most highly esteemed awards in the Russian real estate industry. The target for annual rental income from the shopping centre is about EUR 18 million.

SRV is responsible for managing the Pearl Plaza shopping centre, which is jointly owned by SRV and Shanghai Industrial Investment Company. The total investment amounts to approximately EUR 140 million. SRV's ownership of the joint venture is 50 per cent, and the company has invested roughly EUR 24 million in the project. Bank financing for the project was reorganised in November 2015 when the Pearl Plaza company signed a EUR 95 million loan agreement with the Bank of China. In line with the project management contractor agreements, SRV is responsible for designing, constructing, developing, and leasing out the site.

The commercial concept design of Phase II of the Pearl Plaza shopping centre has now been completed. Preliminary lease reservations have been made for over 50 per cent of the Phase II premises. A final decision on the investment is expected when the market stabilises and traffic arrangements have been made to control weekend congestion. According to the preliminary plan, construction of Phase II could begin during 2017. No final decision on its construction has yet been made.

About 83 per cent of the office premises in the Etmia II office project in downtown Moscow have been leased. SRV estimates that, if fully leased, the premises will generate about EUR 4 million in annual rental income. SRV is a co-owner in the project with a 50 per cent stake, and was responsible for its construction as the project management contractor. SRV's investment in the project amounts to about EUR 3 million. The company estimates that, in the current market, it is unlikely that the project will be sold to investors during 2016.

SRV has invested EUR 6.3 million in a property fund that acquired an office and logistics property in Moscow in autumn 2011. This property is fully leased out.

No apartments in the Papula residential project in Vyborg were sold during the January–December period (5 in 2014). At year-end, there were two (2) completed yet unsold units. Construction of the next two buildings, comprising a total of 110 housing units, will continue.

Estonia

Of the 48 developer-contracted housing units completed in Tartu in 2014, 27 were sold during the January–December period. There are 7 unsold units and no units under construction.

Other operations

Other operations, EUR million	1-12/ 2015	1-12/ 2014	change, EUR million	change, %	10-12/ 2015	10-12/ 2014
Revenue	14.4	19.5	-5.1	-26.0	3.7	4.2
Operating profit	-4.3	-6.2	1.9		-0.7	-2.4

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

The revenue from Other Operations totalled EUR 14.4 (19.5) million with an operating profit of EUR -4.3 (-6.2) million. A fall in operating volumes impacted on revenue. During the reporting period, development costs expensed for SRV's projects totalled EUR 1.9 (2.2) million.

Group project development

SRV, Mutual Pension Insurance Company Ilmarinen and SATO Corporation progressed and the city plan came into effect. Demolition work began in December and construction is scheduled to begin during 2016. The project will comprise a total of almost 2,000 housing units, including residential building rights for approximately 100,000 square metres of floor area, of which SRV owns almost 27,000.

The city plan for SRV and Stora Enso's Wood City, a project showcasing industrial wood construction in the Jätkäsaari district of Helsinki, came into effect in July 2014 and a building permit for the quarter's office building was issued in August 2015. The quarter will comprise office, hotel and commercial buildings covering about 20,000 square metres of floor area. The Helsinki Housing Production Department (ATT) will also build two residential buildings, containing a total of 98 units, in the quarter. SRV signed a contractor agreement for housing construction with ATT in December 2015. Negotiations with tenants and investors for the office building are ongoing, and construction will begin when investor and lease agreements so permit.

SRV's Keilaniemi development project of residential towers in Espoo covers approximately 72,000 square metres of floor area, consisting of 1,150 housing units in total of four residential towers. The area's city plan has come into force and progress now hinges on tunnelling and traffic arrangements for Ring Road I. No final decision on construction of the towers has yet been made. SRV has had a reservation for the plots since 2008, and negotiations with other parties for sale of the residential tower plots are still ongoing. Any decisions on plot transactions will most probably be made during the first half of 2016. The target for the project as a whole is to start municipal engineering during 2016 and launch construction of the first tower in 2018.

SRV is developing the Lapinmäentie 1 property in the Munkkivuori district of Helsinki in cooperation with its owner. The city plan is currently being amended with regard to this property, and a draft city plan for the area went on display in spring 2015. The project is being developed on the basis of the winning entry of an architecture competition. In accordance with the principles for changing the city plan approved by the Helsinki City Planning Committee in January 2015, the site will be allocated new residential building rights for approximately 46,000 square metres of floor

area, which is about 736 housing units. Around 22,000 square metres of existing floor area will be renovated. The proposed city plan was approved by the Helsinki City Planning Committee in December and is expected to come into force sometime in 2016.

SRV is involved in a project to develop Kerava city centre. The current plan is to build five apartment blocks and a retail centre along a pedestrian street. Both the project and planning agreements were signed in October, and construction is scheduled to start in autumn 2016. The various buildings will be completed in stages over the period 2018–2022. Tenant and investor negotiations for the commercial centre are ongoing. Kesko Food is the centre's main tenant.

In Vantaa, SRV is also involved in developing a corporate campus of the future concept in Vantaankoski in cooperation with Sanoma and the City of Vantaa. A brand-new kind of open idea and concept competition is seeking concept ideas for the forthcoming corporate campus in Vantaankoski. The winner(s) will be announced in spring 2016. The area is located along the Ring Rail Line, at the intersection of Ring Road III and the Tampere motorway. It currently provides about 3,600 jobs, and this figure is expected to increase in the future.

In December, SRV submitted a proposal to the City of Helsinki for the renovation of Bunkkeri, a warehouse building in the Jätkäsaari district of Helsinki. The goal is to build a new, 13-storey landmark that combines versatile sports facilities, a swimming pool, and over 300 homes. The proposal was a follow-up to the City of Helsinki's public tender in the spring. The City was seeking a buyer for Bunkkeri in order to provide the area's schoolchildren, residents and sports clubs with sports facilities and a swimming pool. The City is committed to leasing the sports facilities from the developer for over 20 years. The Bunkkeri project is now progressing towards the next and final phase of the tender process. It has been discussed in early 2016 by the Helsinki Sports Committee and Real Estate Committee, and discussions will continue later early 2016 by the City Planning Committee. Construction is scheduled to begin in summer 2017.

Financing and financial position

Net cash flow from operating activities totalled EUR 49.7 (47.0) million and the net cash flow from investing activities was EUR -118.5 (-33.7) million. Increased customer payments for housing construction and, in particular, cash flow from contract invoicing of the REDI project had a positive impact on net cash flow from operating activities. Net cash flow from investing activities was affected by investments in the project companies for both REDI and the Okhta Mall in Russia. The Group's inventories stood at EUR 336.6 (312.8) million, of which land areas and plot-owning companies accounted for EUR 187.5 (162.1) million. The Group's invested capital totalled EUR 543.0 (449.8) million.

SRV financed investments and loan repayments with cash flow from operations, by drawing down new loans and short-term commercial papers, and with a share issue in late summer. At the end of the reporting period, the Group's financing reserves totalled EUR 175.3 million with the Group's cash assets amounting to EUR 35 million, and open-ended account limits and committed undrawn financing reserves and loans to EUR 140.3 million. SRV's financing agreements contain standard covenants. The company's financial covenants are its equity ratio and liquidity. In the case of developer contracting projects, the equity ratio is also reported to financiers as a ratio based on

percentage of completion. Liquidity refers to the Group's immediately available cash and cash equivalents, committed credit lines, undrawn loans with a maturity of over 12 months, and the undrawn portion of its syndicated liquidity limit. SRV's equity ratio based on percentage of completion stood at 44.2 per cent on 31 December 2015.

Investments in SRV's developer-contracted housing and business construction projects in Finland, both under construction and completed, total about EUR 137.6 million. SRV estimates that the completion of these projects requires another EUR 227.0 million. Undrawn housing corporation loans and receivables for housing construction projects plus undrawn business construction financing totals EUR 147.3 million. Completed international projects include a housing project in Vyborg, valued at EUR 0.2 million. Capital committed to completed projects involving associated companies includes EUR 24.2 million tied up in the Pearl Plaza shopping centre and EUR 2.8 million in the Etmia office project.

SRV's investment commitments totalled EUR 47.6 (9.6) million. This increase in investment commitments stemmed from SRV's decision to invest in Fennovoima's Hanhikivi-1 project. Annual investments in the Fennovoima project will be made towards the end of each year until 2024.

At the beginning of the third quarter, SRV made two ten-year interest rate swaps. The swaps have a total nominal value of EUR 100 million and seek to partially hedge against a rise in interest rates on non-current interest-bearing liabilities. The financial expenses for the reporting period contain a EUR -3.3 million fair value revaluation of the interest rate hedges.

A subscription right issue in the third quarter improved the company's net cash flow from financing activities. The share issue generated net income of EUR 48.6 million and noticeably strengthened the Group's equity ratio.

The equity ratio stood at 42.5 (43.0) per cent and gearing at 83.3 (91.6) per cent. The Group's shareholders' equity totalled EUR 277.2 (225.2) million and its net interest-bearing liabilities EUR 230.8 (206.1) million. At the end of the reporting period, the Group's cash and cash equivalents amounted to EUR 35.0 (18.4) million. The return on investment was 5.9 (5.4) per cent and the return on equity 5.6 (6.9) per cent.

Unbuilt land areas, land acquisition commitments and land development agreements

Land reserve 31.12.2015	Business construction	Housing construction	International Operations	Total
Unbuilt land areas and land acquisition commitments				
Building rights*, m ²	175,000	389,138	704,264	1,268,402
Land development agreements				
Building rights*, m ²	144,000	226,000	0	370,000

¹⁾ * 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 2015, the REDI project led to a decrease 5.5 per cent in the area of unbuilt land and land acquisition commitments, and an increase of 6.2 per cent in the area covered by land development agreements due to new development reservations in Espoo and Helsinki.

Personnel

SRV's payroll increased in 2015, and during the January–December period the company had an average of 1,008 (937) employees, of whom 785 (722) were salaried employees. A significant proportion of this growth was a result of the resources required for the current phases of construction projects in Russia. Construction launches for numerous large-scale projects, such as REDI, have contributed to growth in Operations in Finland. The parent company had an average staff of 60 (59) salaried employees. At the end of December, the Group had 1,046 (958) employees, of whom 56 (58) were employed by the parent company. SRV's Operations in Finland employed a total of 31 (45) trainees (students on work placements and students working on a thesis or diploma).

In the autumn, the SRV STEP Academy continued to run supervisor and expert training that focused on coaching. SRV has defined an operational and management culture that is based on its values, supports its corporate culture, and enables the realisation of its business strategy. The implementation and communications phase was completed in 2015. Work will continue in 2016 as part of strategic development programmes. The 'Kunnon Rakentajat' social media campaign, which promoted wellbeing at work, ended in the autumn. New campaigns were launched during 2016.

In February 2016, SRV achieved the 11th place in Corporate Spirit's Most Inspiring Finnish Workplaces survey conducted in 2015.

Personnel by segment	Percentage of Group personnel		
	31.12.2015	31.12.2014	31.12.2015, %
Operations in Finland	721	655	69
International Operations	235	212	22
Other operations	90	91	9
Group, total	1,046	958	100

Detailed information about remuneration and incentive schemes for management can be found in the 2015 Notes to the Financial Statements, 2015 Annual Report, and the Salary and Remuneration Report of 31 December 2015.

Outlook for construction

The outlook for the global economy is slightly optimistic. The Chinese economy is still growing, and the US is leading an upswing in Western economies. Europe is recovering at a slower pace. 2015 forecasts for economic growth in Finland are close to zero, but growth is predicted to get off the ground this year. An upswing is also expected in the total volume of construction. The rise in building costs continues to be moderate.

According to a recent VTT (Technical Research Centre of Finland) report, urbanisation and immigration will increase demand for housing in Finnish growth centres by up to 29,000 new homes per annum over the coming years. In the Helsinki region, this means 50 per cent more homes over the next 25 years in comparison to the city's current housing stock.

Although a slight rise has been seen in the low number of housing construction start-ups, they are not expected to increase this year. Rental apartments are being built and smaller apartments are selling in growth centres, but sales are more subdued in other areas. Demand for housing is still being affected by major uncertainty factors.

A slight year-on-year decrease is forecast for business construction start-ups in 2016 after the launch of large-scale projects last year. A prolonged period of weak economic growth has kept the number of empty offices high, and the need for additional retail space has remained low. Start-ups in industrial, warehouse and public-sector service construction are expected to remain at around the same level as last year.

Steady annual growth of about 2.0–2.5 per cent is expected in renovation construction. Infrastructure construction is still being weakened by the decline in new construction work and the contraction in investments in highway construction and maintenance.

The Ukrainian crisis combined with the low price of oil and the weak rouble have led to difficulties in the Russian economy. The future is extremely uncertain. Russia's total economic growth for 2016 is forecast at around zero, but the situation could significantly worsen if the price of oil remains low or even continues to fall. The situation in Russia also brings significant uncertainty factors to Estonia's economy, although slight growth is predicted this year.

Risks, risk management and corporate governance

The general business cycle and significant changes in the construction sector's and its customers' operational environments have effects on the construction, property and financial markets and SRV's business. Negative effects may, for example, include alteration in the volume of SRV's order backlog and the profitability of its operations. It may also hinder the availability of financing and lead to an increased amount of capital being tied up in projects. The economic growth is forecasted to start in Finland this year, but development contains significant factors of uncertainty that may negatively affect the demand for housing units and business premises. Especially REDI is a significant project in relation to the size of the Company, and may contain risks related to, for example, the execution of the project, its financing, or risks related to the availability of financing for SRV.

SRV constructs, owns and operates shopping centres also in Russia. The country's economic growth is estimated to be close to zero level this year, but the economy is particularly uncertain due to the tense relationship between Russia and Western countries, as well as the strong changes in oil prices and rouble's exchange rate. Risks connected to the weak economic situation in Russia and the changes in rouble's exchange rate are related to, for example, to the performance of the financing sector, demand for foreign goods and services, as well as value of premises that may affect SRV's business and finance.

Development and execution of construction projects may include project management risks that are related to, for example, the commercialisation of projects, acquisition of financiers, investors, tenants and land, sales of real estates and housing units, authority processes, planning and engineering, project guidance and monitoring, subcontracting and purchases, human resources, product's quality, schedule and costs, additional and modification work, as well as different contract types and contracts. Project management risks are eliminated by continuous development of personnel expertise, accurate pre-planning of operations and a using the quality management system developed for SRV.

The Group's risk management is carried out in line with risk management and control system of operations in accordance with the 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 Corporate Governance Statement is issued as a separate report as part of the Annual Report and on the company's website. More detailed information about risks and risk management is also available in the Notes to the Financial Statements, the Annual Report and on the company's website.

Corporate governance and resolutions of general meetings

Juha Pekka Ojala, B.Sc. (Eng.), took over as President & CEO of SRV Group Plc on 1 January 2015. Ojala transferred from his position as CEO of SRV Construction Ltd.

On 13 January 2015, SRV Group Plc's Board of Directors appointed Juha Toimela, M.Sc. (Tech.), MBA, as CEO of SRV Construction Ltd and Vice President responsible for SRV's Business Operations

in Finland. At the same time, Antero Nuutinen, B.Sc. (Eng.), was appointed Deputy CEO of SRV Construction Ltd, responsible for Housing and Regional Offices. Both Toimela and Nuutinen are members of SRV Group's Corporate Executive Team.

The Annual General Meeting (AGM) of SRV Group Plc was held on 25 March 2015. The AGM adopted the Financial Statements for the period 1 January–31 December 2014 and granted release from liability to the members of the Board of Directors and the President & CEO. As proposed by the Board of Directors, a dividend of EUR 0.12 per share was declared. The dividend was paid on 7 April 2015. Mr Ilpo Kokkila was elected chairman of the Board of Directors and Ms Minna Alitalo, Mr Arto Hiltunen, Mr Olli-Pekka Kallasvuo, Mr Timo Kokkila, and Mr Risto Kyhälä were elected to seats on the Board. The authorised firm of public accountants PricewaterhouseCoopers Oy was elected as the company's auditor for the next term of office, which ends at the conclusion of the 2016 Annual General Meeting. Samuli Perälä, Authorised Public Accountant, is the principal auditor.

The AGM 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 of the company's own shares 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. On the basis of this authorisation, the Board may acquire a maximum of 3,676,846 shares in public trading arranged by Nasdaq OMX Helsinki Oy at a market price valid at the moment of acquisition, as well as a maximum of 200,000 shares issued on the basis of incentive schemes to individuals employed by SRV Group without consideration, or for no more than the price at which an individual within the sphere of an incentive scheme is obliged to convey a share, such that the maximum number of acquired shares nevertheless remains at 3,676,846. The aforementioned authorisations include the right to acquire shares other than in proportion to the holdings of shareholders. Shares acquired on the basis of this authorisation may be acquired in one or several instalments. The company's own shares can be acquired for use, for example, as payment in corporate acquisitions, when the company acquires assets relating to its business, as part of the company's incentive programmes, or to be otherwise conveyed, held or cancelled. The authorisations as described above shall be in force for 18 months from the decision of the general meeting and cancel the authorisation granted by the Annual General Meeting to the Board of Directors on 26 March 2014. The Board of Directors shall decide on other terms relating to the acquisition. The company acquired a total of 3,810 treasury shares in 2015. The acquisition of these treasury shares was based on the terms and conditions of the share-based incentive scheme targeted at key personnel.

The Board of Directors of SRV Group Plc held its organisation meeting on 25 March 2015. Olli-Pekka Kallasvuo was selected as Vice Chairman of the Board of SRV Group Plc. Minna Alitalo was elected as Chair of the Audit Committee, and Olli-Pekka Kallasvuo and Timo Kokkila as members. Ilpo Kokkila was elected as Chairman of the Nomination and Remuneration Committee, and Arto Hiltunen and Risto Kyhälä as members.

On 23 April 2015, SRV Group Plc's Board of Directors appointed Päivi Kauhanen as SVP, Communications and a member of the Corporate Executive Team. Taneli Hassinen, SVP, Communications, left the Group on 31 July 2015.

On 22 June 2015, SRV Group Plc held an Extraordinary General Meeting that authorised the Board of Directors to decide on the issue of new shares or treasury shares such that, based on the

authorisation, the Board of Directors may decide on the issue of new shares or treasury shares in one or more lots in total up to a maximum of 27,000,000 shares. The authorisation may be used to safeguard the company's financing needs and strengthen its balance sheet structure. Based on the authorisation, the Board of Directors shall decide on all other terms and conditions of the share issue. The issuance of shares may also be carried out in a directed share issue in derogation of the pre-emptive subscription right of shareholders. The authorisation shall be valid until 31 March 2016 and it shall not supersede the authorisation granted to the Board of Directors by the Annual General Meeting held on 15 March 2011, which is valid until 15 March 2016 and under which a maximum total of 3,676,846 SRV shares can be issued. On the basis of this latter authorisation, the company has given 5,000 treasury shares to the Group's key personnel through the share-based incentive scheme.

On the basis of the aforementioned authorisation, the Board of Directors decided, on 18 August 2015, to issue a maximum of 23,731,107 new SRV Group Plc shares. Subscription rights to the new shares have been offered to all shareholders listed in the share register on the record date of 20 August 2015. Shareholders have been able to use their subscription right to receive two (2) new shares for every three shares owned at the subscription price of EUR 2.11 per share. The subscription price has been entered into the invested free equity fund in its entirety. The subscription period ended on 8 September 2015 and the Board of Directors approved the share subscription on 14 September 2015. The new shares grant their holders the right to any potential dividends and other distribution of funds, and to all other shareholders' rights, as of their registration date in the Trade Register, 14 September 2015.

On 17 December 2015, SRV Group Plc's Board of Directors decided to make changes to the share-based incentive scheme as a result of the September 2015 share issue. The changes are designed to ensure that the value of any benefits received through the share-based incentive scheme remains unchanged.

After the end of the reporting period, on 22 January 2016, SRV Group Plc confirmed the permanent appointment of Ilkka Pitkänen, M.Sc. (Econ.), as CFO and a member of the Group's Corporate Executive Team. Pitkänen has been acting CFO since 1 December 2014, when former CFO and Executive Vice President Hannu Linnoinen went on sick leave. Hannu Linnoinen will continue at SRV until 31 July 2016 in a separately arranged executive position.

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 60,499,575. The company has one class of shares. SRV had a total of 6,556 shareholders on 31 December 2015.

The closing price at OMX Helsinki at the end of December was EUR 3.10 (EUR 2.83 on 31 December 2014). The highest share price during the reporting period was EUR 3.42 and the lowest EUR 2.36. At period-end, SRV's equity per share, excluding the hybrid bond, was EUR 3.90 (EUR 4.51). The comparison figures pre-date the share issue. In 2015, the all-share index of the Helsinki Stock Exchange (OMX Helsinki) was up 9.8 per cent, and the OMX Construction and Materials index up 18.2 per cent.

At the end of December, SRV had a market capitalisation of EUR 183.9 million, excluding the Group's treasury shares. 11.5 million shares were traded during the period with a trade volume of EUR 36.6 million. At the end of December, SRV Group Plc held 1,174,117 treasury shares (1.9 per cent of the total number of shares and combined number of votes). In 2015, SRV Group Plc acquired 3,810 (6,000) treasury shares and divested 5,000 treasury shares.

A total of 27,182,182 SRV Group Plc shares were subscribed for during the share issue that ended in September, representing 114.5 per cent of the 23,731,107 shares offered during the share issue. A total of 23,292,610 shares were subscribed for on the basis of subscription rights, representing 98.2 per cent of all the shares on offer. A total of 3,889,572 shares were subscribed for without subscription rights during the secondary offering, representing 16.4 per cent of all the shares on offer. The subscription price was EUR 2.11 per share, and SRV collected about EUR 48.5 million from the share issue. The number of SRV shares rose to 60,499,575 as a result of the issue.

SRV's strategy 2016–2020 and financial objectives

At a meeting held on 17 February 2016, SRV's Board of Directors approved SRV's strategic financial objectives and updated vision and three strategic objectives, as well as six strategic development programmes for the period of 2016–2020 that will ensure the achievement of SRV's vision by 2020. SRV's updated vision: SRV creates the best customer experience as a constructor of urban town centres. This vision will be achieved when three strategic objectives have been realised: The best profitability in our industry, The best customer experience in our industry, and The most attractive employer in our industry. In addition to implementing the strategy, SRV's strategic efforts in 2016 will focus on improving profitability, creating a superior customer experience, and developing reporting and sustainability operating model.

The strategic financial objectives for 2016–2020 are:

- During the strategy period, faster growth than the industry will be pursued through large-scale projects
- The operating profit margin will rise to more than 8 per cent by the end of the strategy period
- Return on equity will be at least 15 per cent by the end of the strategy period
- In International Operations, return on investment will rise to at least 15 per cent by the end of the strategy period
- The equity ratio will remain above 35 per cent
- The goal is to distribute a stable dividend of 30–50 per cent of the annual result, taking into account the capital needs of business operations

The achievement of the set strategic objectives is based on weak but steady economic growth in Finland, and a slight recovery and stabilisation in Russia's economy. In addition, substantial growth in SRV's developer-contracted projects is required.

The above mentioned financial objectives equal those set in August 2015 for the period of 2015–2019.

Events after the end of the reporting period

The Keilaniemi project in Espoo progressed in January 2016 when SRV was chosen as the contractor for the Keilaniemi Ring Road I project. The project started up in January, and SRV Infra Ltd is implementing its street and road construction work as head contractor in cooperation with the City of Espoo, the Finnish Transport Agency, and the Uusimaa Centre for Economic Development, Transport and the Environment (ELY Centre). During the project, Ring Road I will be moved into an underground concrete tunnel and a green deck will be built above it. The tunnel will enable the construction of the new towers planned for the area.

Majakka is the first residential tower in Finland's largest urban construction site, the REDI project in the Kalasatama district of Helsinki. Advance marketing for Majakka was launched in January and exceeded expectations. About 200 of the tower's 283 apartments are reserved at the moment. At a height of 132 metres, Majakka will be Finland's tallest residential building when completed in late 2018. Its apartments will be located above the shopping centre on floors 6–35, guaranteeing magnificent views across Kalasatama from every storey. Majakka offers apartments for a variety of needs and different life stages. The apartments vary in size from 33 square metres two-room apartments to the 142.5 square metres luxury apartments on the top floor. There are three different equipment and décor options available, and residents can also choose from three different color palettes.

SRV was chosen to further develop the Tampere Central Deck and Arena project of Tampere City. The project comprising an indoor arena and office, commercial and hotel premises as well as housing units is worth EUR 500 million. Negotiations with several interested investors are ongoing, and the final decision on implementation will most likely be made in summer 2016. The construction work is scheduled to begin in spring 2017, and to be completed in stages during 2020-2023.

SRV will participate in developing the focal point of Aalto University's campus by building in Otaniemi a new campus building as well as commercial premises in the Metro Centre. School of Arts, Design and Architecture will move into the building, designed by Verstas Arkkitehdit Oy, after it is completed in stages, in April-June 2018. The total value of the project, to be launched in February, is approximately EUR 101 million.

Another project worth mentioning from after the end of the reporting period is the new Kivenlahti Metro Centre in Espoo and its surrounding residential blocks. The Trade and Competitiveness Division of the Espoo City Board has reserved an area for SRV and VVO to design the Kivenlahti Metro Centre. The Metro Centre will be built around the entrance to the new metro station, and will include office and commercial premises and an extensive area of housing. According to the plan, a total of about 1,200 housing units will be built in the area, covering approximately 76,000 square metres, plus approximately 56,000 square metres of office, commercial and services premises, and a bus terminal and park-and-ride spaces. The first phase will include construction of the new Metro Centre, the bus terminal and the park-and-ride spaces at the same time as the Western Metro line itself. Construction will be launched once the Kivenlahti city plan has been finalised, most likely in 2017–2018, and the Metro Centre should be completed in the early 2020s.

Outlook for 2016

In addition to general economic trends, SRV's revenue and result will be affected by several factors in 2016, such as: SRV's own projects are recognised as income upon delivery; the part of the order backlog that is continuously recognised as income mainly consists of low-margin contracting; trends in the order backlog's profit margins; the sales volume of developer-contracted housing and the completion schedules of the properties; and the launch of new contracts and development projects. SRV's largest project is the REDI project in the Kalasatama district of Helsinki, which was launched in April. Based on current schedules, SRV estimates that a total of 503 developer-contracted residential units will be completed during 2016.

The Group's full-year revenue for 2016 is expected to grow and operating profit to improve on 2015 (revenue EUR 719 million and operating profit EUR 24.4 million). Due to the completion schedules of SRV's developer contracting housing projects, a significant proportion of the company's operating profit will be made in the second half of the year. The financing costs will increase due to additional financing needed for increasing order backlog.

Proposal for the distribution of profits

The parent company's distributable funds on 31 December 2015 are EUR 181,253,044.13
of which net profit for the financial year is EUR 3,172,825.44

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

A dividend of EUR 0.10 per share be paid to shareholders, or EUR 6,049,957.50
The amount to be transferred to shareholders' equity is EUR 175,203,086.63

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

Espoo, 17 February 2016

Board of Directors

All forward-looking statements in this review are based on 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

EUR million	1-12/ 2015	1-12/ 2014	10-12/ 2015	10-12/ 2014
Revenue	719.1	684.4	226.6	193.8
Operation profit	24.4	24.9	17.0	9.6
Operation profit, % revenue	3.4	3.6	7.5	5.0
Profit before taxes	17.6	18.5	14.9	7.2
Profit before taxes, % of revenue	2.4	2.7	6.6	3.7
Net profit attributable to equity holders of the parent company	14.0	15.2	12.3	5.3
Return on equity, %	5.6	6.9		
Return on investment, %	5.9	5.4		
Invested capital	543.0	449.8		
Equity ratio %	42.5	43.0		
Net interest-bearing debt	230.8	206.1		
Gearing ratio, %	83.3	91.6		
Order backlog	1,583.4	860.4		
New agreements	1,393.5	700.3	286.9	108.0
Personnel on average	1,008	937		
Earnings per share ¹⁾	0.25	0.30	0.27	0.11
Earnings per share (diluted) ¹⁾	0.25	0.30	0.27	0.11
Equity per share ¹⁾	4.66	5.64		
Equity per share (without hybrid bond), euros ¹⁾	3.90	4.51		
Dividend per share, euros ¹⁾	0.10	0.07		
Dividend payout ratio, % ¹⁾	40.2	23.5		
Dividend yield, % ¹⁾	3.2	2.6		
Price per earnings ratio ¹⁾	12.5	9.5		
Share price development:				
Share price at the end of the period, eur	3.10	2.83		
Average share price	2.94	3.81		
Lowest share price	2.36	2.75		
Highest share price	3.42	4.38		
Market capitalisation at the end of the period	183.9	112.7		
Trading volume, 1 000 units	11,463	3,613		
Trading volume, % ¹⁾	26.9	9.1		
Weighted average number of shares outstanding during the period, 1 000 units ¹⁾	42,616	39,771		
Weighted average number of shares outstanding during the period (diluted) 1 000 units ¹⁾	42,648	39,799		
Number of shares outstanding at the end of the period, 1 000 units ¹⁾	59,325	39,810		

¹⁾ Comparative data is share issue adjusted.

Calculation of key figures

Gearing ratio, %	=	100 x $\frac{\text{Net interest-bearing debt}}{\text{Total equity}}$
Return on equity, %	=	100 x $\frac{\text{Total comprehensive income for the period}}{\text{Total equity, average}}$
Return on investment, %	=	100 x $\frac{\text{Result before taxes + interest and other financial expenses (without exchange rate gains and losses)}}{\text{Invested capital, average}}$
Equity ratio, %	=	100 x $\frac{\text{Total equity}}{\text{Total assets – advances received}}$
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 attributable to equity holders of the parent company *)	=	$\frac{\text{Result for the period – non-controlling interest – hybrid bond interest}}{\text{Average number of shares}}$
Earnings per share attributable to equity holders of the parent company (diluted) *)	=	$\frac{\text{Result for the period – non-controlling interest – hybrid bond interest}}{\text{Average number of shares (diluted)}}$
Equity per share *)	=	$\frac{\text{Shareholders' equity attributable to equity holders of the parent company}}{\text{Average number of shares at end of period}}$
Equity per share (without hybrid bond) *)	=	$\frac{\text{Shareholders' equity attributable to equity holders of the parent company – hybrid bond}}{\text{Average number of shares at end of period}}$
Price per earnings ratio (P/E-ratio) *)	=	$\frac{\text{Share price at end of period}}{\text{Earnings per share}}$
Dividend payout ratio, % *)	=	100 x $\frac{\text{Dividend per share}}{\text{Earnings per share}}$
Dividend yield, % *)	=	100 x $\frac{\text{Dividend per share}}{\text{Share price at end of period}}$
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 their percentage of the weighted average number of shares outstanding

*) Comparative data is share issue adjusted.

Group and Segment information by quarter

SRV Group EUR million	10-12/2015	7-9/2015	4-6/2015	1-3/2015	10-12/2014	7-9/2014	4-6/2014	1-3/2014
Revenue	226.6	155.1	164.5	172.9	193.8	209.0	143.1	138.5
Operation profit	17.0	4.1	0.8	2.5	9.6	6.0	4.9	4.4
Financial income and expenses, total	-2.1	-4.0	-1.5	0.8	-2.4	-0.2	-1.5	-2.3
Profit before taxes	14.9	0.1	-0.7	3.3	7.2	5.7	3.4	2.2
Order backlog ¹⁾	1,583.4	1,517.5	1,258.8	1,179.8	860.4	944.1	1,047.0	880.2
New agreements	286.9	389.9	227.6	489.1	108.0	90.3	317.3	184.7
Earnings per share, eur ²⁾	0.27	-0.03	-0.04	0.05	0.11	0.13	0.05	0.01
Equity per share, eur ¹⁾²⁾	3.90	3.80	4.51	4.53	4.51	4.59	4.45	4.36
Share closing price, eur ¹⁾	3.10	2.53	3.71	3.39	2.83	3.67	4.13	3.76
Equity ratio, % ¹⁾	42.5	41.6	36.3	39.8	43.0	38.9	38.4	39.0
Net interest-bearing debt ¹⁾	230.8	248.3	251.0	228.5	206.1	255.1	252.7	225.3
Gearing, % ¹⁾	83.3	91.5	111.4	101.0	91.6	111.6	113.4	103.0

1) at the end of the period

2) Comparative data is share issue adjusted.

Revenue EUR million	10-12/2015	7-9/2015	4-6/2015	1-3/2015	10-12/2014	7-9/2014	4-6/2014	1-3/2014
Operations in Finland	212.8	137.3	146.9	157.1	176.0	196.5	131.0	124.4
- business construction	119.8	105.6	94.5	114.0	99.1	144.9	82.5	69.0
- housing construction	92.9	31.7	52.4	43.1	76.9	51.7	48.5	55.4
International Operations	13.8	17.9	17.6	15.9	17.8	12.6	12.4	14.2
Other operations	3.7	3.5	3.4	3.8	4.2	5.0	5.4	4.9
Eliminations	-3.7	-3.6	-3.4	-3.8	-4.1	-5.1	-5.7	-4.9
Group, total	226.6	155.1	164.5	172.9	193.8	209.0	143.1	138.5

Operating profit EUR million	10-12/2015	7-9/2015	4-6/2015	1-3/2015	10-12/2014	7-9/2014	4-6/2014	1-3/2014
Operations in Finland	18.3	4.9	2.4	3.3	10.2	6.2	7.0	6.6
International Operations	-0.6	-0.3	0.1	0.7	1.8	0.2	-0.4	-0.6
Other operations	-0.7	-0.5	-1.6	-1.5	-2.4	-0.4	-1.8	-1.6
Eliminations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Group, total	17.0	4.1	0.8	2.5	9.6	6.0	4.9	4.4

Operating profit (%)	10-12/2015	7-9/2015	4-6/2015	1-3/2015	10-12/2014	7-9/2014	4-6/2014	1-3/2014
Operations in Finland	8.6	3.5	1.6	2.1	5.8	3.1	5.4	5.3
International operations	-4.0	-1.7	0.5	4.1	10.1	1.6	-2.9	-4.0
Group, total	7.5	2.6	0.5	1.5	5.0	2.9	3.4	3.2

Order backlog EUR million	31.12.15	30.9.15	30.6.15	31.3.15	31.12.14	30.9.14	30.6.14	31.3.14
Operations in Finland	1,506.2	1,431.7	1,159.3	1,062.9	723.2	777.8	920.0	721.5
- business construction	952.3	1 023.6	806.9	801.1	450.1	505.6	633.1	477.2
- housing construction	554.0	408.1	352.4	261.8	273.1	272.3	286.9	244.2
International operations	77.1	85.7	99.5	116.9	137.2	166.2	126.9	158.8
Group, total	1,583.4	1,517.5	1,258.8	1,179.8	860.4	944.1	1,047.0	880.2
- sold order backlog	1,261	1,295	1,074	1,037	729	817	873	698
- unsold order backlog	322	222	185	142	132	127	174	182

Order backlog, housing construction in Finland

EUR million	31.12.15	30.9.15	30.6.15	31.3.15	31.12.14	30.9.14	30.6.14	31.3.14
Negotiation and construction contracts	132	83	88	88	122	146	179	130
Under construction, sold	114	117	86	39	28	16	14	13
Under construction, unsold	269	166	131	79	59	41	26	27
Completed and unsold	39	42	47	56	65	69	68	74
Housing construction, total	554	408	352	262	273	272	287	244

Invested capital EUR million	31.12.15	30.9.15	30.6.15	31.3.15	31.12.14	30.9.14	30.6.14	31.3.14
Operations in Finland	315.4	326.3	290.8	273.3	277.2	298.9	303.1	275.3
International operations	216.7	214.6	217.7	211.3	203.0	208.5	192.8	181.7
Other operations and eliminations	10.9	6.8	-1.7	-15.5	-30.5	-2.2	-3.6	10.7
Group, total	543.0	547.7	506.8	469.1	449.8	505.1	492.3	467.7

Housing production in Finland

(units)	10-12/2015	7-9/2015	4-6/2015	1-3/2015	10-12/2014	7-9/2014	4-6/2014	1-3/2014
Housing sales, total	397	166	236	74	206	102	288	160
- sales, developer contracting	207	129	236	74	122	65	29	72
- sales, negotiation contracts ²⁾	190	37	0	0	84	37	259	88
Developer contracting								
- start-ups	116	244	376	66	197	111	0	22
- completed	225	0	22	0	63	86	0	100
- completed and unsold	107	110	126	152	183	194	173	198
Under construction, total ¹⁾	1,849	1,855	1,628	1,356	1,625	1,612	1,638	1,185
- construction contracts ¹⁾	487	498	498	492	625	649	649	455
- negotiation contracts ^{1) 2)}	477	363	380	468	670	767	818	559
- developer contracting ¹⁾	885	994	750	396	330	196	171	171
- of which sold ¹⁾	434	455	342	154	111	63	63	59
- of which unsold ¹⁾	451	539	408	242	219	133	108	112

1) at the end of the period 2) investor sales, under negotiation contracts

SRV GROUP PLC INTERIM REPORT, 1 JANUARY–31 DECEMBER 2015: TABLES

- 1) Accounting principles
- 2) Consolidated income statement and consolidated statement of comprehensive income
- 3) Consolidated balance sheet
- 4) Consolidated cash flow statement
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1) Interim Report 1 January – 31 December 2015

This interim report has been prepared in accordance with the IAS standard 34, Interim Financial Reporting. In preparing this interim report, SRV has applied the same accounting principles as in its year-end financial statements for 2014. However, as of 1 January 2015, the Group began to apply the new or revised IFRS standards and IFRIC interpretations published by IASB, specified in the accounting principles of SRV's year-end financial statements for 2014.

The preparation of an interim report in accordance with IFRS requires Group management to make estimates and assumptions that affect both the values of assets and liabilities on the balance sheet date, and income and expenditure for the financial period. Judgements also have to be made in applying the accounting principles. As these estimates and assumptions are based on current perceptions of the situation on the balance sheet date, they involve risks and uncertainties. Actual results may therefore differ from the estimates and assumptions. The key accounting estimates and judgement-based solutions are presented in greater detail in the accounting principles of the consolidated financial statements for 2014.

The information disclosed in this interim report is unaudited. The figures in this interim report have been rounded up to millions of euros, so the sum total of individual figures may deviate from the sum total presented.

2) Consolidated income statement and statement of comprehensive income

Consolidated income statement EUR million	1-12/ 2015	1-12/ 2014	change, EUR million	change ,%	10-12/ 2015	10-12/ 2014
Revenue	719.1	684.4	34.6	5.1	226.6	193.8
Other operating income	1.8	4.9	-3.1	-63.0	0.5	0.5
Change in inventories of finished goods and work in progress	24.7	-54.6	79.2		-9.7	-8.7
Use of materials and services	-639.1	-533.2	-105.9	19.9	-178.1	-155.8
Employee benefit expenses	-64.6	-63.2	-1.5	2.3	-15.8	-17.0
Share of results of associated companies	-0.1	1.0	-1.1		-0.8	0.8
Depreciation and impairments	-3.5	-2.0	-1.4	69.7	-1.4	-0.2
Other operating expenses	-13.8	-12.5	-1.4	11.1	-4.3	-3.8
Operating profit	24.4	24.9	-0.5	-1.9	17.0	9.6
Financial income	5.0	2.8	2.2	76.5	0.6	0.6
Financial expenses	-11.8	-9.2	-2.6	28.4	-2.7	-3.0

Financial income and expenses, total	-6.8	-6.4	-0.5	7.3	-2.1	-2.4
Profit before taxes	17.6	18.5	-0.9	-5.1	14.9	7.2
Income taxes	-3.6	-3.2	-0.5	14.4	-2.5	-1.9
Net profit for the period	14.0	15.4	-1.4	-9.1	12.3	5.3
Attributable to						
Equity holders of the parent company	14.0	15.2			12.3	5.3
Non-controlling interests	0.0	0.2			0.0	0.0
Earnings per share attributable to equity holders of the parent company						
	0.25	0.30			0.27	0.11
Earnings per share attributable to equity holders of the parent company (diluted)						
	0.25	0.30			0.27	0.11

Statement of comprehensive income	1-12/	1-12/	10-12/	10-12/
EUR million	2015	2014	2015	2014
Net profit for the period	14.0	15.4	12.3	5.3
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Financial assets available for sale	-0.5	-1.2	0.0	-1.2
Income tax relating to components of other comprehensive income	0.1	0.2	0.0	0.2
Gains and losses arising from translating the financial statements of a foreign operation	-1.6	-5.3	-1.1	-4.6
Share of other comprehensive income of associated companies and joint ventures	-0.3	0.0	-0.3	0.0
Other comprehensive income for the period, net of tax	-2.3	-6.2	-1.4	-5.5
Total comprehensive income for the period	11.6	9.1	10.9	-0.2
Attributable to				
Equity holders of the parent company	11.6	9.0	10.9	-0.2
Non-controlling interests	0.0	0.2	0.0	0.0

3) Consolidated balance sheet

Consolidated balance sheet EUR million	31.12.15	31.12.14	change, %
ASSETS			
Non-current assets			
Property, plant and equipment	10.7	11.3	-5.7
Goodwill	1.7	1.7	0.0
Other intangible assets	1.9	0.7	154.3
Shares in associated companies and joint ventures	206.6	100.0	106.7
Other financial assets	11.7	9.2	26.9
Receivables	0.7	0.9	-29.3
Loan receivables from associated companies and joint ventures	31.2	30.0	4.3
Deferred tax assets	7.3	7.0	4.9
Non-current assets, total	271.9	160.8	69.0
Current assets			
Inventories	336.6	312.8	7.6
Trade and other receivables	111.9	82.6	35.6
Loan receivables from associated companies and joint ventures	5.6	1.1	
Current tax receivables (based on profit for the review period)	1.6	0.3	
Cash and cash equivalents	35.0	18.4	89.9
Current assets, total	490.8	415.2	18.2
ASSETS, TOTAL	762.6	576.1	32.4
<hr/>			
Consolidated balance sheet EUR million	31.12.15	31.12.14	change, %
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company			
Share capital	3.1	3.1	0.0
Invested free equity fund	141.2	92.3	53.0
Translation differences	-7.2	-5.3	36.0
Fair value reserve	-1.4	-0.9	45.0
Hybrid bond	45.0	45.0	0.0
Retained earnings	95.7	90.3	6.0
Equity attributable to equity holders of the parent company, total	276.4	224.4	23.2
Non-controlling interests	0.8	0.8	0.1

Total equity	277.2	225.2	23.1
Non-current liabilities			
Deferred tax liabilities	2.3	1.5	51.4
Provisions	6.3	6.5	-3.5
Interest-bearing liabilities	163.2	147.0	11.0
Other liabilities	4.0	0.0	
Non-current liabilities, total	175.8	155.1	13.3
Current liabilities			
Trade and other payables	201.4	111.5	80.6
Current tax payables (based on profit for the review period)	0.8	2.7	-69.7
Provisions	4.8	4.0	20.3
Interest-bearing liabilities	102.6	77.6	32.3
Current liabilities, total	309.6	195.8	58.1
Liabilities, total	485.4	350.9	38.3
EQUITY AND LIABILITIES, total	762.6	576.1	32.4

4) Consolidated cash flow statement

Consolidated cash flow statement EUR million	1-12/2015	1-12/2014
Cash flows from operating activities		
Net profit for the period	14.0	15.4
Adjustments:		
Depreciation and impairments	3.5	2.0
Non-cash transactions	1.6	1.2
Financial income and expenses	6.8	6.4
Income taxes	3.6	3.2
Adjustments, total	15.5	12.8
Changes in working capital:		
Change in loan receivables	-1.0	-0.8
Change in trade and other receivables	-29.3	-8.3
Change in inventories	-24.6	50.8
Change in trade and other payables	95.1	-7.1
Changes in working capital, total	40.2	34.7
Interest paid and financing costs	-14.7	-14.7
Interest received	0.0	0.2
Income taxes paid	-5.3	-1.5
Net cash flow from operating activities	49.7	47.0
Cash flow from investing activities		
Purchase of property, plant and equipment	-2.4	-2.5
Purchase of intangible assets	-1.6	-0.1
Purchase of other financial assets	-110.1	-31.1
Sale of property, plant and equipment and intangible assets	0.0	0.1
Change in loan receivable from associated companies and joint ventures	-4.5	0
Net cash used in investing activities	-118.5	-33.7
Cash flow from financing activities		
Proceeds from loans	29.6	10.7
Repayments of loans	-58.2	-10.2
Change in housing corporation loans	13.1	-15.8
Net change in short-term loans	56.6	-65.4
Net proceeds from share issue	48.6	-
Purchase and sale of treasury shares	0.0	0.2
Dividends paid	-4.3	-4.3
Net cash flow from financing activities	85.5	-84.8
Net change in cash and cash equivalents	16.6	-71.5
Cash and cash equivalents at the beginning of period	18.4	90.0
Effect of exchange rate changes in cash and cash equivalents	0.0	0.0
Cash and cash equivalents at the end of period	35.0	18.4

5) Statement of changes in Group equity

	Equity attributable to the equity holders of the parent company						Total	Non-controlling interests	Total equity
	Share capital	Invested free equity fund	Hybrid bond	Translation differences	Fair value reserve	Retained earnings			
Statement of changes in Group equity 1 January – 31 December 2015 EUR million									
Equity 1 January 2015	3.1	92.3	45.0	-5.3	-0.9	90.3	224.4	0.8	225.2
Comprehensive income for the review period	0.0	0.0	0.0	-1.9	-0.4	14.0	11.6	0.0	11.6
Dividends paid	0.0	0.0	0.0	0.0	0.0	-4.3	-4.3	0.0	-4.3
Share-based incentive plan	0.0	0.0	0.0	0.0	0.0	-0.5	-0.5	0.0	-0.5
Purchase of treasury shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sale of treasury shares ¹⁾	0.0	0.4	0.0	0.0	0.0	-0.4	0.0	0.0	0.0
Share issue	0.0	50.1	0.0	0.0	0.0	0.0	50.1	0.0	50.1
Costs related to share issue	0.0	-1.5	0.0	0.0	0.0	0.0	-1.5	0.0	-1.5
Hybrid bond	0.0	0.0	0.0	0.0	0.0	-3.4	-3.4	0.0	-3.4
Other changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity on 31 December 2015	3.1	141.2	45.0	-7.2	-1.4	95.7	276.4	0.8	277.2

¹⁾ Sale of treasury shares includes a transfer between an invested free equity fund and retained earnings.

Statement of changes in Group equity 1 January - 31 December 2014 EUR million									
Equity 1 January 2014	3.1	92.2	45.0	0.0	0.0	81.3	221.6	0.6	222.2
Comprehensive income for the review period	0.0	0.0	0.0	-5.3	-0.9	15.2	9.0	0.2	9.1
Dividends paid	0.0	0.0	0.0	0.0	0.0	-4.3	-4.3	0.0	-4.3
Share-based incentive plan	0.0	0.0	0.0	0.0	0.0	1.3	1.3	0.0	1.3
Purchase of treasury shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sale of treasury shares	0.0	0.1	0.0	0.0	0.0	0.2	0.2	0.0	0.2
Hybrid bond	0.0	0.0	0.0	0.0	0.0	-3.4	-3.4	0.0	-3.4
Other changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity on 31 December 2014	3.1	92.3	45.0	-5.3	-0.9	90.3	224.4	0.8	225.2

Commitments and contingent liabilities EUR million	31.12.15	31.12.14	change, %
Collateral given for own liabilities			
Real estate mortgages given ¹⁾	90.4	79.2	14.1
Pledges given	0.0	0.0	
Other commitments			
Guarantees given for liabilities on uncompleted projects	0.0	0.0	
Investment commitments given	47.6	9.6	393.8
Plots purchase commitments	116.1	185.8	-37.5

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	12/2015		12/2014	
	Fair Values		Fair Values	
EUR million	Posit.	Negat.	Posit.	Negat.
Hedge accounting not applied				
Interest rate swaps	0.0	3.3	0.0	0.0
Nominal values of derivative instruments				
	12/2015		12/2014	
Interest rate swaps	100.0		0.0	

The fair values of derivative instruments are based on market prices at the end of the reporting period.

7) Group and Segment information

SRV Group's segments are Operations in Finland, International operations and Other operations.

Revenue			change,	change,		
EUR million	31.12.15	31.12.14	EUR million	%	10-12/15	10-12/14
Operations in Finland	654.1	627.9	26.2	4.2	212.8	176.0
International operations	65.1	56.9	8.2	14.4	13.8	17.8
Other operations	14.4	19.5	-5.1	-26.0	3.7	4.2
Eliminations	-14.6	-19.9	5.3		-3.7	-4.1
Group, total	719.1	684.4	34.6	5.1	226.6	193.8
Operation profit						
EUR million	31.12.15	31.12.14	EUR million	%	10-12/15	10-12/14
Operations in Finland	28.9	30.0	-1.2	-3.9	18.3	10.2
International operations	-0.1	1.1	-1.2		-0.6	1.8
Other operations	-4.3	-6.2	1.9		-0.7	-2.4
Eliminations	0.0	0.0	0.0		0.0	0.0
Group, total	24.4	24.9	-0.5	-1.9	17.0	9.6
Operation profit, %						
	1-12/15	1-12/14				
Operations in Finland	4.4	4.8				
International Operations	-0.2	1.9				
Group, total	3.4	3.6				

Assets			change,	change,
EUR million	31.12.15	31.12.14	EUR million	%
Operations in Finland	503.5	380.0	123.5	32.5
International operations	245.8	226.2	19.6	8.7
Other Operations	424.1	352.7	71.4	20.3
Eliminations and other adjustments	-410.7	-382.8	-28.0	
Group, total	762.6	576.1	186.5	32.4

Liabilities			change,	change,
EUR million	31.12.15	31.12.14	EUR million	%
Operations in Finland	353.9	240.7	113.2	47.0
International operations	174.5	155.7	18.8	12.1
Other Operations	197.9	167.0	30.9	18.5
Eliminations and other adjustments	-240.8	-212.4	-28.3	
Group, total	485.4	350.9	134.5	38.3

Invested capital			change,	change,
EUR million	31.12.15	31.12.14	EUR million	%
Operations in Finland	315.4	277.2	38.2	13.8
International operations	216.7	203.0	13.7	6.7
Other operations and eliminations	10.9	-30.5	41.4	
Group, total	543.0	449.8	93.3	20.7

Return on investment %	1-12/15	1-12/14
Operations in Finland	9.8	10.8
International operations	2.1	1.3
Group, total	5.9	5.4

8) Inventories			change,
EUR million	31.12.15	31.12.14	EUR million
Land areas and plot-owning companies	187.5	162.1	25.3
Operations in Finland	116.7	96.0	20.6
International operations	70.8	66.1	4.7
Work in progress	101.8	79.4	22.5
Operations in Finland	99.4	77.1	22.3
International operations	2.4	2.3	0.1
Shares in completed housing corporations and real estate companies	38.1	61.0	-22.9
Operations in Finland	37.6	58.2	-20.6
International operations	0.5	2.8	-2.3
Other inventories	9.1	10.3	-1.1
Operations in Finland	6.9	6.0	0.9
International operations	2.2	4.3	-2.1
Inventories, total	336.6	312.8	23.8
Operations in Finland	260.6	237.3	23.3
International operations	76.0	75.4	0.5

9) Related party transactions

EUR million	Salaries and compensation	Sale of goods and services	Purchase of goods and services	Interest income	Receivables ¹⁾	Liabilities
31.12.2015						
Management and the Board of Directors	3.0	0.0	5.3	0.0	0.0	0.0
Joint ventures	0.0	113.9	0.0	0.1	6.4	0.0
Associated companies	0.0	49.8	0.2	3.2	36.3	5.1
Other related parties	0.0	0.0	0.0	0.0	0.0	0.0
Total	3.0	163.7	5.5	3.4	42.7	5.1
31.12.2014						
Management and the Board of Directors	3.7	0.0	0.0	0.0	0.0	0.0
Joint ventures	0.0	0.8	0.0	0.2	2.3	0.0
Associated companies	0.0	40.2	0.1	2.1	34.1	0.0
Other related parties	0.0	0.0	0.0	0.0	0.0	0.0
Total	3.7	40.9	0.1	2.3	36.4	0.0

¹⁾ The company has adjusted the presentation of loan receivables granted to associated companies and joint ventures in insider events. The figures for the comparison period have been adjusted accordingly.