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SRV'S INTERIM REPORT, 1 JANUARY - 30 JUNE 2016

ORDER BACKLOG RISES TO EUR 2 BILLION - FULL-YEAR RESULT OUTLOOK UNCHANGED

January-June 2016 in brief:

- Revenue grew to EUR 362.4 (337.4) million. Growth in revenue was driven particularly by large business construction projects in Finland.
- Operating profit increased to EUR 4.1 (3.4) million, primarily due to improved margins in SRV's business construction in Finland. Operating profit in Russia weakened.
- The result before taxes was EUR -7.0 (2.6) million. The result was burdened by a EUR -6.6 million fair value revaluation of interest rate derivatives.
- Earnings per share were EUR -0.15 (0.01).
- The order backlog at period-end had risen to EUR 2,021.6 (1,258.8) million. The largest new projects announced in early 2016 included a new central hospital in Central Finland, the Ring Road I tunnel project and a contractor agreement for the expansion of the Tapiola city centre.
- Equity ratio was 36.9 (36.3) per cent. Gearing was 103.1 (111.4) per cent.

April-June 2016 in brief:

- Revenue grew to EUR 218.5 (164.5) million.
- Operating profit increased to EUR 4.1 (0.8) million.
- The result before taxes was EUR -1.5 (-0.7) million. The result was burdened by a EUR -2.3 million fair value revaluation of interest rate derivatives.
- Earnings per share were EUR -0.04 (-0.04).

Outlook

- The outlook for earnings in 2016 remains unchanged. Full-year revenue for 2016 is expected to grow and operating profit to improve compared with 2015 (revenue EUR 719 million and operating profit EUR 24.4 million).
- Due to the completion schedules of SRV's developer-contracted housing projects, a significant proportion of the company's operating profit will be made in the second half of the year.
- Financing expenses will rise compared with 2015 as a result of growth in interest-bearing debt.

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

CEO comment

"SRV's order backlog rose to over EUR 2 billion. Growth in the order backlog was driven particularly by business construction projects in Finland. Of these projects, I'll single out the construction of a new central hospital in Central Finland. This is the largest contract in SRV's history to which the company is not committing any of its own equity. The total value of several hospital projects that are currently in progress exceeds EUR 500 million.

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Our strategic objective is to improve profitability. In the growing market, we have focused on the implementation of development projects and prudently engaged in competitive contracting. In addition, on the housing side of our business, we have also stepped up our number of developer-contracted projects. Thanks to these steps, we have been able to increase our margins. The Russia's prolonged recession has had an impact on our operations. Therefore we are monitoring carefully Russia's economic situation. I'm optimistic about the trend in our operations and believe that our order backlog will remain robust. Furthermore, most of our developer-contracted housing projects will be completed during the latter half of the year." ***Juha Pekka Ojala, CEO***

Overall review

Group key figures (IFRS, EUR million)	1-6/ 2016	1-6/ 2015	change	change, %	4-6/ 2016	1-6/ 2015	1-12/ 2015
Revenue	**362.4**	337.4	24.9	7.4	**218.5**	164.5	719.1
Operating profit	**4.1**	3.4	0.7	22.1	**4.1**	0.8	24.4
Financial income and expenses, total	**-11.1**	-0.7	-10.4		**-5.6**	-1.5	-6.8
Profit before taxes	**-7.0**	2.6	-9.7		**-1.5**	-0.7	17.6
Order backlog	**2,021.6**	1,258.8	762.8	60.6			1,583.4
New agreements	**775.1**	716.7	58.4	8.1	**648.6**	227.6	1,393.5
Operating profit, %	**1.1**	1.0			**1.9**	0.5	3.4
Net profit, %	**-1.6**	0.6			**-0.5**	-0.5	1.9

January-June 1 Jan. - 30 Jun. 2016

In the January-June period of 2016, the Group's order backlog rose to EUR 2,021.6 (1,258.8) million (up 60.6%). The order backlog hit a new high in early 2016 thanks to new agreements, which totalled EUR 775.1 (716.7) million. The largest new projects announced in early 2016 included a new central hospital in Central Finland, the Ring Road I tunnel project, a contractor agreement for the expansion of the Tapiola city centre as well as the construction of a new campus building for Aalto University and retail premises in the Metro Centre, both in Otaniemi, Espoo. The order backlog saw growth particularly in operations in Finland, largely in the second quarter.

The Group's revenue rose to EUR 362.4 (337.4) million (up 7.4%), especially thanks to the growth in revenue from business construction in operations in Finland. The number of developer-contracted housing units recognised as income rose slightly in comparison to 2015, but the revenue from housing production for investors fell short of the first half of 2015.
Furthermore, the figures for the comparison year include excavation and other infrastructure work that was completed at the REDI site prior to the official start-up decision and which was recognised in revenue in accordance with the level of completion in January-March 2015.

The Group's operating profit increased to EUR 4.1 (3.4) million, primarily due to improved margins in business construction in Finland (up 20.6%), especially on the heels of growth in the share of operations accounted for by development projects. The lower earnings contribution of Russian associated companies had a negative impact on earnings. The earnings of Russian associated companies declined due to temporary rent discounts granted to tenants, greater depreciation of fixed assets and changes in the exchange rate of the rouble. SRV's fixed costs also saw a year-on-year increase in January-June 2016, but their relative share of revenue declined.

The Group's result before taxes was EUR -7.0 (2.6) million. The result was weakened by a EUR -6.6 million fair value revaluation of a 10-year interest rate hedge and higher interest expenses.

The Group's earnings per share were EUR -0.15 (0.01). Earnings per share were weakened not only by the lower result, but also by the cost of repaying the hybrid bond.

Operating profit and its relative level were also reduced by the elimination of a share equivalent to SRV's ownership from the profit margins of three shopping centre projects that are under construction (Okhta Mall, 4Daily and REDI), which will be recognised as income only when the investment is sold.

Quarterly variation in SRV's operating profit and operating profit margin is affected by several factors. SRV’s own projects are recognised as income upon delivery; the part of the order backlog that is continuously recognised as income based on the level of completion mainly consists of low-margin contracting; and the nature of the company's operations (project development).

The Group's equity ratio was 36.9 (42.5 12/2015) per cent. Gearing was 103.1 (83.3 12/2015) per cent. The changes in equity ratio and gearing were due to an increase in interest-bearing debt. Net debt amounted to EUR 291.2 (251.0) million and liquid assets to EUR 54.1 (30.3) million.

April-June, 1 Apr. - 30 Jun. 2016

The Group’s revenue grew to EUR 218.5 (164.5) million in April-June 2016. Revenue growth was driven particularly by ongoing large-scale business construction projects. **The Group’s operating profit** rose to EUR 4.1 (0.8) million thanks to higher revenue in operations in Finland and improved margins. Operating profit in Russia declined. **The Group’s profit before taxes** amounted to EUR -1.5 (-0.7) million. The result was weakened by a EUR -2.3 million fair value revaluation of a 10-year interest rate hedge and higher interest expenses.

Group key figures (IFRS, EUR million)	**1-6/ 2016**	1-6/ 2015	change	change, %	1-12/ 2015
Equity ratio, %	**36.9**	36.3			42.5
Net interest-bearing debt	**291.2**	251.0	40.2	16.0	230.8
Gearing, %	**103.1**	111.4			83.3
Return on investment, %	**1.9**	2.8			5.9
Return on equity, %	**-4.3**	1.8			5.6
Earnings per share, EUR *)	**-0.15**	0.01			0.25
Equity per share, EUR *)	**3.71**	4.51	-0.80	-17.7	3.90
Share price at end of period, EUR	**4.00**	3.71	0.29	7.8	3.10
Weighted average number of shares outstanding, millions *)	**59.3**	39.8			42.6

*) Comparative data is share issue adjusted.

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).

Revenue (EUR million)	**1-6/ 2016**	1-6/ 2015	change	change, %	**4-6/ 2016**	4-6/ 2015	1-12/ 2015
Operations in Finland	**331.9**	304.0	27.9	9.2	**200.4**	146.9	654.1
International Operations	**30.8**	33.4	-2.7	-7.9	**18.4**	17.6	65.1
Other Operations	**7.9**	7.2	0.7	10.0	**4.0**	3.4	14.4
Eliminations	**-8.3**	-7.2	-1.0		**-4.3**	-3.4	-14.6
Group, total	**362.4**	337.4	24.9	7.4	**218.5**	164.5	719.1

Operating profit (EUR million)	**1-6/ 2016**	1-6/ 2015	change	change, %	**4-6/ 2016**	4-6/ 2015	1-12/ 2015
Operations in Finland	**9.8**	5.7	4.1	71.9	**7.6**	2.4	28.9
International Operations	**-2.5**	0.7	-3.3		**-1.5**	0.1	-0.1
Other Operations	**-3.2**	-3.1	-0.1		**-2.0**	-1.6	-4.3
Eliminations	**0.0**	0.0	0.0		**0.0**	0.0	0.0
Group, total	**4.1**	3.4	0.7	22.1	**4.1**	0.8	24.4

Operating profit, (%)	**1-6/ 2016**	1-6/ 2015	**4-6/ 2016**	4-6/ 2015	1-12/ 2015
Operations in Finland	**3.0**	1.9	**3.8**	1.6	4.4
International Operations	**-8.2**	2.2	**-8.0**	0.5	-0.2
Group, total	**1.1**	1.0	**1.9**	0.5	3.4

Order backlog (EUR million)	6/2016	6/2015	change	change, %	12/2015
Operations in Finland	**1,972.6**	1,159.3	813.3	70.2	1,506.2
International Operations	**49.0**	99.5	-50.5	-50.7	77.1
Group, total	**2,021.6**	1,258.8	762.8	60.6	1,583.4
- sold order backlog	1,720	1,074	647	60.2	1,261
- unsold order backlog	301	185	116	62.8	322

Operations in Finland

Operations in Finland (EUR million)	1-6/ 2016	1-6/ 2015	change	change, %	4-6/ 2016	4-6/ 2015	1-12/ 2015
Revenue	**331.9**	304.0	27.9	9.2	**200.4**	146.9	654.1
- business construction	**250.7**	208.5	42.1	20.2	**143.8**	94.5	434.0
- housing construction	**81.3**	95.5	-14.2	-14.9	**56.6**	52.4	220.1
Operating profit	**9.8**	5.7	4.1	71.9	**7.6**	2.4	28.9
Operating profit, %	**3.0**	1.9			**3.8**	1.6	4.4
Order backlog	**1,972.6**	1,159.3	813.3	70.2			1,506.2
- business construction	**1,426.6**	806.9	619.6	76.8			952.3
- housing construction	**546.0**	352.4	193.7	55.0			554.0

Business environment of Operations in Finland

Although the Finnish economy remains challenging, the statistics for the first half of the year show clear signs of positive development in the construction industry. It is expected that growth in construction will significantly outpace the rest of the economy this year, but it is forecast to decline again substantially in 2017.

The general engine of growth comprises urbanisation and the population shift. As a result, there is a greater need for both housing and business construction in growth centres, which are the strategic focuses of SRV’s operations. According to VTT's forecast, urbanisation will continue, as Finland’s urbanisation ratio is lagging clearly behind other industrialised countries, such as Sweden. On the basis of VTT’s report, about 620,000 people in Finland might move into urban areas by 2040. (Source: VTT, Demand for new dwelling production in Finland 2015 – 2040, 01/2016.)

Financial uncertainty has increased slightly in Europe after the UK held its Brexit referendum on 23 June 2016. As many key issues concerning the withdrawal of the UK from the EU remain unresolved, at this moment it is difficult to more accurately predict its impacts on the Finnish economy and construction.

Housing construction in Finland

In most forecasts, the need for housing in growth centres is substantially higher than the current level of construction. It is expected that there will be more housing start-ups in 2016 than in the previous year. Growth in housing production is strongly focused on small market-financed units in blocks of flats. Demand for housing is bolstered not only by urbanisation and population growth but also by factors such as the trend in consumer incomes and employment, as well as strong investor demand. (Source: Spring 2016 business cycle review by the Confederation of Finnish Construction Industries RT and Forecon.)

January-June 2016

Revenue from housing construction in Finland amounted to EUR 81.3 (95.5) million in the first half of the year. In January-June, 83 (22) developer-contracted housing units were completed and 84 (79) were recognised as income. SRV currently has a total of 2,082 (1,628) housing units under construction. 1,005 (750) developer-contracted housing units are currently being built, mainly in growth centres.

The order backlog for housing construction in Finland rose to EUR 546.0 (352.4) million, the increase being particularly due to the REDI site. Although some of the REDI residential towers will be completed later, the foundations of all the towers will be built in one go, by the end of 2018. The construction of the foundations increased the order backlog in the first half of 2016.

SRV's strategic objective is to improve its long-term profitability. The company will achieve its objectives by selecting its future projects even more carefully – that is, by limiting its participation in tenders for low-margin contracts and stepping up the share accounted for by developer-contracted projects. In January-June there were a moderate number of requests for tenders for housing contracts, but the company has been selective in participating in them.

For investors, SRV currently has 278 housing units under construction. In March 2016, SRV entered into a highly significant framework agreement that will impact future revenue with Ilmarinen Mutual Pension Insurance Company. This framework agreement on investor sales of a total of 500 housing units includes the construction of about 430 units in Jätkäsaari (Helsinki), Espoo, Vantaa and Kerava. On the basis of deals concluded at the end of 2015, the agreement also includes 41 apartments that have already been completed in Helsinki and Vantaa. The total value of the agreement is about EUR 100 million. The units are expected to be recognised as income during the next two to three years. Negotiations on other investor sales are ongoing for many housing projects.

In Finland, sales of housing are good in the growth centres. Housing sales to consumers were more brisk in the first part of the year than in the first half of 2015. A total of 193 units were sold.

April-June 2016

Revenue from housing construction in Finland in April-June amounted to EUR 56.6 (52.4) million. Revenue grew especially thanks to the increase in development projects. In April-June, 53 (22) developer-contracted housing units were completed and 58 (48) were recognised as income.

Housing production in Finland, (units)	**1-6/ 2016**	1-6/ 2015	change, no.	**4-6/ 2016**	4-6/ 2015	1-12/ 2015
Housing sales, total	**244**	310	-66	**151**	236	873
- sales, developer contracting	**193**	310	-117	**100**	236	646
- sales, negotiation contracts [2]	**51**	0	51	**51**	0	227
Developer contracting						
- start-ups	**203**	442	-239	**148**	376	802
- completed	**83**	22	61	**53**	22	247
- recognised as income	**84**	79	5	**58**	48	323
- completed and unsold [1]	**106**	126	-20			107
Under construction, total [1]	**2,082**	1,628	454			1,849
- construction contracts [1]	**799**	498	301			487
- negotiation contracts [1] [2]	**278**	380	-102			477
- developer contracting [1]	**1,005**	750	255			885
- of which sold [1]	**543**	342	201			434
- of which unsold [1]	**462**	408	54			451

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

In line with its strategy, SRV focuses on housing production in major growth centres and especially in locations close to good transport connections. SRV is currently one of the largest builders of housing in the Greater Helsinki Area. The company has a total of more than 2,000 housing units under construction, most of them in the Greater Helsinki Area.

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.

Order backlog, housing construction in Finland (EUR million)	**1-6/ 2016**	1-6/ 2015	change	1-12/ 2015
Negotiation and construction contracts	**107**	88	19	132
Under construction, sold developer contracting	**150**	86	64	114
Under construction, unsold developer contracting	**251**	131	120	269
Completed and unsold developer contracting	**37**	47	-10	39
Total	**546**	352	194	554

REDI impacted housing construction order backlog

REDI, the largest construction project in SRV's history, consists of six residential towers, a hotel tower and an office tower, a shopping centre and a parking facility for 2,000 vehicles.

The site is proceeding according to plan. Pre-marketing of the first REDI residential tower, Majakka, got off to a flying start in January. At the end of June, 214 of the residential tower's 283 apartments had been reserved and a total of 20 name reservations had been made. The actual sales stage of the apartments will begin in October after RS-readiness has been reached.

The construction of Majakka will start, according to current estimates, during the fourth quarter of 2016. The completion date of the Majakka apartments will become clear once construction has begun. According to current estimates, it is expected that the occupants will be able to move into the first REDI apartments in late 2018/early 2019.

The REDI apartments will be recognised as revenue as each residential tower is completed and the apartments are sold. The apartments of the first tower, Majakka, will be entered into the order backlog during Q4/2016 when the final construction decision has been made and sales begin.

Largest developer-contracted housing projects under construction in Finland

Project name, location	SRV, contract value, EUR million	Level of completion, %	Completion (estimate)	Units	Sold*	For sale*
Niittyhuippu, Espoo	57	29	Q4/2017	200	130	70
Taitaja, Espoo	27	67	Q4/2016	85	44	41
Carina, Vantaa	22	72	Q4/2016	83	37	46
Kvartto, Helsinki	31	59	Q4/2016	66	40	26
Satamarannan Masto, Oulu	23	17	Q3/2017	100	6	94
Försti, Helsinki	23	40	Q2/2017	52	22	30

*Situation on 30 June 2016.

Largest ongoing housing projects in Finland, housing contracting

Project name, location	SRV, contract value, EUR million	Level of completion, %	Completion (estimate)
Wood City, Helsinki, ATT	*	6	Q1/2018
Vantaan Celica, LähiTapiola	*	28	Q2/2017
Vantaan Verso, Elo	*	42	Q1/2017
Espoon Niittytori, SATO	*	35	Q2/2017
Suurpellon Puistokatu	*	4	Q1/2018
Total	**84**		

* Situation on 30 June 2016.
* The value of individual contracts is not published.

SRV is currently building developer-contracted housing projects, development projects and contracted projects. A developer-contracted 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 housing 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. Construction contracts are construction projects started by other parties, which are implemented by SRV; such projects are recognised as revenue on the basis of the percentage of completion or as set out in the agreement.

Business construction

Business construction is expected to pick up in 2016, especially in the Greater Helsinki Area. Hospital construction, in particular, has remained brisk. On the other hand, the rate of growth in renovation construction is estimated to slow down slightly, and infrastructure construction is flat due to a scarcity of investments. (Source: Spring 2016 business cycle review by the Confederation of Finnish Construction Industries RT.)

January-June 2016

SRV's revenue from business construction amounted to EUR 250.7 (208.5) million. The order backlog grew to a record-breaking EUR 1,426.6 (806.9) million thanks to many new agreements signed in January-June.

The order backlog was increased particularly by hospital projects, alliance contracts and infrastructure construction. SRV further bolstered its position as an implementer of large-scale spearhead projects in June when the Council of Central Finland Health Care District approved a project management contract with SRV valued at about EUR 290 million for the new central hospital in Central Finland. It is the largest contract in SRV's history that does not include the company's own equity.

Shopping centre development projects also increased SRV's revenue in January-June. SRV is currently building the Niittykumpu and REDI shopping centres. Also contributing to revenue are large-scale hospital projects that are currently under construction, such as three new buildings for Tampere University Hospital, the New Children's Hospital in Helsinki, the basic renovation of the Women's Hospital and the health and wellbeing centre in Kalasatama, Helsinki. Revenue was also increased by many renovation projects, such as the basic renovation of an administrative building for the University of Helsinki and the renovation of the Helsinki City Theatre.

April-June 2016

SRV's revenue from business construction amounted to EUR 143.8 (94.5) million. SRV's infrastructure construction saw strong growth in April-June. In June, SRV was selected to implement the Ring Road I construction project in Keilaniemi, Espoo. In this project, Ring Road I traffic will be diverted into an underground tunnel, and a park will be built above it. The volume of infrastructure work is also increased by the excavation of the underground car park and parking facility under the REDI shopping centre.

SRV is also continuing to play a strong role in the expansion of the Tapiola city centre. In June, SRV was selected as the project management contractor for LocalTapiola Real Estate Asset Management's Ainoa and

Kirjokansi project in Tapiola, Espoo. This project involves the comprehensive renovation of Tapiola city centre and will run until 2020. The value of this contract agreement for SRV is more than EUR 100 million.

REDI

The REDI shopping centre is SRV's development project. In addition to SRV, the investor group includes Ilmarinen, OP-Pohjola Group and LocalTapiola. The REDI shopping centre will be completed in 2018. Negotiations with tenants are currently ongoing. The REDI shopping centre will have a total of 58,351 m2 of commercial space. Leasing of the shopping centre is progressing as planned. At the end of June, about 45 per cent of the premises had been leased out with binding agreements and letters of intent. The large commercial premises designated for daily consumer goods stores in the shopping centre have been leased to K supermarket and Lidl.

Largest ongoing business construction projects

Project, location	SRV total contract value, EUR million	Project type	Level of completion, %	Completion (estimate)
DEVELOPMENT PROJECTS				
REDI, shopping centre and parking facility, Hki	390	Retail, parking	34	Q3/2018
TeHyKe, Kalasatama, Hki	*	Public services	31	Q4/2017
Niittykumpu shopping centre, Espoo	*	Retail	48	Q1/2017
BUSINESS PREMISES				
Central hospital of Central Finland	290	Public	0	Q3/2018
TAYS front yard, Tampere	170	Public	9	Q3/2018
Tapiola city centre, Ainoa	110	Retail	47	Q1/2017
Tapiola city centre, phase 2	100 +	Retail	0	Q1/2020
Aalto University, Espoo	76	Public	3	Q2/2018
Keilaniemi tunnel and earthworks	49	Public	14	Q4/2018
HK Scan chicken processing plant, Rauma	38	Industry	15	Q2/2017
Helsinki City Theatre renovation	38	Public	35	Q1/2017

Kaitaa metro station excavation	32	Public	6	Q2/2018
Lappeenranta University renovation	31	Public	2	Q4/2018
Court and police building, Joensuu	30	Public	46	Q3/2017
Renovation of an administrative building for the University of Helsinki	*	Public	10	Q3/2017
HDC Teliasonera	*	Industry	0	Q1/2018
New Children's Hospital	*	Public	43	Q4/2017-Q2/2018

*The value of individual contracts is not published.

International Operations

January-June 2016

International Operations comprises SRV's construction and property development business in Russia and Estonia. SRV has also expanded its shopping centre management operations in Russia.

Revenue from International Operations in January-June decreased to EUR 30.8 (33.4) million and accounted for 8 (10) per cent of the Group's revenue. Operating profit was EUR -2.5 (0.7) million. The order backlog declined to EUR 49.0 (99.5) million.

The bulk of the revenue was generated by the construction of the Okhta Mall and 4Daily shopping centres in Russia. Operating profit was slightly in the red due to the weaker results posted by associated companies. The results of the associated companies were impacted by temporary rent discounts granted to tenants, depreciation of fixed assets and foreign exchange losses.

No new agreements were signed during the review period. The order backlog declined because no new projects have been started up; rather, in line with its strategy, the company focused in the first half of the year on finishing up work on two soon-to-be-completed shopping centres as well as management operations at completed projects.

April-June 2016

The revenue of International Operations in April-June rose to EUR 18.4 (17.6) million. Operating profit was EUR -1.5 (0.1) million.

International Operations (EUR million)	**1-6/ 2016**	1-6/ 2015	change	change, %	**4-6/ 2016**	4-6/ 2015	1-12/ 2015
Revenue	**30.8**	33.4	-2.7	-7.9	**18.4**	17.6	65.1
Share of profits of associated companies	**-1.9**	1.4			**-1.0**	0.5	0.2
Operating profit	**-2.5**	0.7			**-1.5**	0.1	-0.1
Operating profit, %	**-8.2**	2.2			**-8.0**	0.5	-0.2
Order backlog	**49.0**	99.5	-50.5	-50.7			77.1

Russia

Business environment

Forecasts for the Russian economy have improved since the beginning of 2016 thanks to, for instance, the trend in the price of oil and the recovery of local production. According to estimates at the end of spring, the GDP of Russia is expected to see a smaller decline in 2016 than in the previous year, or about 0.5-2 per cent, and small growth is forecast for 2017. However, it is unclear how the UK's EU referendum will impact on development.

Domestic demand in Russia is expected to decrease this year, as inflation impacts on the purchasing power of consumers and leads to a contraction in government budgetary expenditure, for instance. On the other hand, middle-class consumption is domestically focused, because foreign travel has decreased and domestic travel has increased. The leading domestic travel destinations for Russians are St Petersburg and Moscow, where SRV is building shopping centres.

Projects under construction

SRV is currently building two major shopping centres in Russia: Okhta Mall in St Petersburg and 4Daily in Moscow. Both projects are on track and will be completed on schedule in autumn 2016.

SRV is an investor in both of these shopping centre projects through its associated companies. In addition, the company is responsible for concept planning, serves as the head contractor, and attends to both leasing the premises and the marketing of these malls. Once the projects are completed, SRV will manage their day-to-day operations. SRV intends to divest its holding once the target for rental income is reached, which is usually three to four years after opening. If the current economic situation is prolonged, it may take longer to reach the target for rental income.

The Okhta Mall shopping centre, approaching completion in St Petersburg, is currently being finalised. Okhta Mall was granted an operating licence by the Russian authorities on 11 July 2016. The opening ceremony will be held on 27 August.

Leasing of premises in Okhta Mall is proceeding well, considering the current market situation in Russia. At the end of June, 46 per cent of the premises in the shopping centre had been leased, and 13 per cent had been reserved. In addition, negotiations for 20 per cent of the commercial premises in the shopping centre are ongoing, during which companies are being assigned specific premises in the centre. This is typical of the Russian shopping centre market, as the majority of tenants only sign an agreement once the mall has opened its doors.

Okhta Mall has been developed to be a new kind of shopping centre that is not only a place to shop, but also provides opportunities to spend time and have fun experiences. The largest tenant in the Okhta Mall is the Lenta daily consumer goods chain. Other tenants include the KARO cinema chain and the Joki Joya family park. The shopping centre also has a branch of the Mayakovsky central library.

At the 4Daily shopping centre, which is approaching completion in Moscow, binding lease agreements had been signed for 53 per cent of the premises at the end of June. Letters of intent had been signed for 2 per cent of the premises. In addition, detailed negotiations are under way for 10 per cent of the commercial premises.

SRV's subsidiary in Russia is building apartment blocks in the city district of Papula in the northern part of Vyborg. Of the apartments in the buildings already completed, only two (2) remain unsold. The construction of the next two buildings, consisting of 110 apartments, is under way. In January-June 2016, 52 of the 110 apartments had already been sold or reserved. Sales of apartments in Papula have progressed faster than planned.

The largest projects under construction

Name	Holding, %	Total investment EUR million	Level of completion (%)	Completion (estimate)	Floor area (m2)	Occupancy rate, %
Okhta Mall, St Petersburg	SRV 45 Russia Invest 55 *	205	99	Granted operating licence on 11 Jul., opening on 27 Aug.	78,000	Binding lease agreements 46 Letters of intent and reservations 33 Total 79
4Daily, Moscow	Vicus 26.26 SRV 18.68 Blagosostoyanie 55.06	61	63	Q3/2016	52,000	Binding lease agreements 53 Letters of intent and reservations 12 Total 65

*Russia Invest's shareholders are Finnish institutional investors. Ilmarinen, Sponda and SRV each own 27 per cent holdings in Russia Invest, Etera owns 13 per cent and Onvest six per cent.

Completed projects

Both visitor numbers and total sales figures have been continuously rising at the Pearl Plaza shopping and entertainment centre, which was opened in St Petersburg in August 2013. In January-June 2016, the number of visitors was more than 3.8 million, a year-on-year increase of 6.4 per cent. In addition, the shopping centre's rouble-denominated sales grew by 19 per cent compared with the corresponding period of the previous year.

Rental income from Pearl Plaza and other projects is retained by the project company. This income is used to cover the project company's financial expenses, loan repayments and fixed costs of operation. Although the occupancy rate of Pearl Plaza has remained high, rental income was lowered by temporary rent discounts granted to the tenants. The weak exchange rate of the rouble in the first part of the year also impacted on the result of the associated company, as part of the Pearl Plaza lease agreements are tied to the rate of the rouble.

SRV owns 50 per cent of the Etmia II office project in downtown Moscow. On the end of June 2016, 80 per cent of the premises in the project had been leased.

Completed projects

Name	Holding, %	Opened	Floor area (m^2)	Occupancy rate, %
Pearl Plaza, St Petersburg	SRV 50 Shanghai Industrial Investment 50	August 2013	Gross floor area 96,000 m2 Leasable area 48,000 m2	Binding lease agreements 97 Letters of intent and reservations 2

Outlook for operations in Russia

In Russia, SRV is focusing on completing its current construction projects and the management operation of completed locations. The shopping centre market still has massive potential, as the weak exchange rate of the rouble means that middle class consumption is focused on Russia. Furthermore, in Western Europe, there are twice as many shopping centres per 1,000 inhabitants than in Russia.

SRV intends to sell its holdings once the target for rental income is achieved. The Russian economy is in a challenging state, but the financing of these projects has been arranged with long-term loan agreements, and SRV can patiently wait for the market situation to improve. It is unlikely that the shopping centres or the ETMIA II office project will be sold to investors in 2016.

The Russian recession has lasted longer than expected, which has led to the continuation of temporary rent discounts for shopping centre tenants. For this reason, it may take longer than planned to reach the target for rental income. Furthermore, leases in the shopping centre market are increasingly rouble-based, due to which SRV is even more exposed to exchange rate fluctuations.

Group project development

In accordance with its strategy, SRV focuses on improving profitability. Profitability is improved above all by development projects, which generally yield a better margin than contracting, for instance. SRV's development projects target growth centres and, in the Greater Helsinki Area, particularly locations close to rail transport.

REDI

As the REDI project proceeds, a total of eight towers will be erected in Kalasatama. Six of these will be residential towers. In May, specific-share land deals were signed for six residential tower building plots of the REDI project, which is being implemented by SRV at Kalasatama, Helsinki.

The parties to the deal are SRV and the companies it has appointed, namely Suomen Osatontti Ky, Suomen Asunnot and Tontit I Ky, LähilTapiola Tontit I Ky and Kiinteistöosakeyhtiö Kalasatama Hauki (wholly-owned by Etera Mutual Pension Insurance Company) as well as the City of Helsinki as the second party. The land deals are based on the implementation of the REDI project and a decision made in May by the City of Helsinki’s Real Estate Committee to sell the residential tower plots to the companies specified by SRV. Land deals for the two remaining tower building plots will be finalised later.

Rail transport

The implementation schedule of the Western Metro has been revised. According to an estimate by Länsimetro Oy, test transport for passengers can begin in January 2017 at the latest. The schedule will be updated in October 2016. Even though the schedule has fallen behind due to factors beyond SRV's control, areas next to the metro line are currently being designed and built. In January 2016, the Trade and Competitiveness Division of the Espoo City Board reserved an area for SRV and VVO Group Plc to design the Kivenlahti Metro Centre. This area is located between Länsiväylä and Kivenlahdentie, and will form a key part of the future Kivenlahti Metro Centre. The plans for the area comprise about 1,200 housing units and about 56,000 m2 in commercial, office and service premises and a bus terminal and park-and-ride spaces. Construction will begin once zoning has been completed (current estimate: 2017-2018), and the Metro Centre is expected to be completed in the early 2020s.

Raide-Jokeri is a rapid tramline designed to link Itäkeskus in Helsinki and Keilaniemi in Espoo. Numerous housing units can be built next to the rapid tramline. For instance, SRV is planning to build housing in the vicinity of the future Perkkaa station together with SATO and Ilmarinen. A total of almost 2,000 housing units will be built on the plot, and it is intended that construction will begin in 2016. SRV also has a planning reservation for the Säterintorni plot, where the company plans to build housing and an office building.

Bunkkeri in Jätkäsaari

SRV is playing a strong role in revitalising the Jätkäsaari area of Helsinki. Bunkkeri, the 13-storey landmark in Jätkäsaari, will feature a wide range of fitness facilities, a swimming hall and about 300 housing units.

In May, the City Council selected SRV as the developer and new owner of Bunkkeri. The total value of the real estate transaction is approximately EUR 23 million. The town plan modification required to implement Bunkkeri was approved at a meeting of the City Council in June.

It is intended that Bunkkeri construction work will begin in 2017. The fitness facilities will be leased to the City of Helsinki and handed over in May 2019. The first housing units in Bunkkeri will also be completed at that time.

Tampere Central Deck and Arena

In February 2016, a consortium formed by SRV was selected to further develop the Central Deck and Arena project of the City of Tampere. This project is valued at a total of EUR 500 million and comprises an indoor arena, office, commercial and hotel premises as well as housing units. In the ongoing development phase, financing and key lease agreements will be negotiated for the final investment decision. The final implementation decision will most likely be made in late 2016. The Tampere City Board approved the implementation agreement of the Central Deck and Arena project on 16 May 2016. The City of Tampere and SRV signed the implementation agreement in June. This agreement also involves a plot reservation agreement under which SRV's consortium can buy plots in the new Ranta-Tampella area, where construction can begin once the Rantaväylä tunnel has been completed. A complaint on the implementation agreement has been lodged in the administrative court.

Keilaniemi tower buildings

SRV is forging ahead with preparing its residential tower project in Keilaniemi, Espoo. Four towers and a parking facility are planned for Keilaniemi. The area’s town plan has come into force and progress hinges on tunnelling and traffic arrangements for Ring Road I. On 9 June 2016, SRV was chosen to implement the Ring Road I construction project. In this project, Ring Road I traffic will be diverted into an underground tunnel, and a park will be built above it.

The contract is part of the Ring Road I Keilaniemi project, in which a cohesive, attractive town will be built from the areas of Otaniemi, Keilaniemi and Tapiola in Espoo. As part of the overall plan, Espoo City Board’s Trade and Competitiveness Division decided to sell two residential plots in Keilaniemi to SRV. Preliminary contracts on the sale of these plots were signed in May. A complaint on the City of Espoo's sale decision has been lodged in the administrative court. SRV has not as yet made the final decision on the construction of the towers. If realised, the Keilaniemi Towers would be the tallest residential buildings in Finland, with the tallest soaring to a height of almost 145 metres.

Land reserve 30 June 2016	Business construction	Housing construction	International Operations	Total
Unbuilt land areas and land acquisition commitments				
Building rights[1]), m^2	**170,417**	**313,023**	**702,550**	**1,185,990**
Land development agreements				
Building rights[1]), m^2	**114,370**	**184,047**	**0**	**298,417**

Financing and financial position

IFRS, EUR million	30.6.2016	30.6.2015	Change %	31.12.2015
Equity ratio, %	36.9	36.3	1.5	42.5
Gearing, %	103.1	111.4	-7.4	83.3
Shareholders' equity	282.5	225.4	25.3	277.2
Invested capital	627.7	506.8	23.9	543.0
Interest-bearing debt	345.3	281.4	22.7	265.8
- of which short-term	100.5	115.5	-12.9	102.6
- of which long-term	244.8	165.9	47.5	163.2
Cash and cash equivalents	54.1	30.3		35.0
Unused binding liquidity limits and account limit agreements	**122.0**	122.2	-0.2	122.1
Unused project loans that can be drawn immediately	**62.3**	14.7	323.8	18.2

At the end of the reporting period, the Group's financing reserves totalled EUR 238.4 million with the Group's cash and cash equivalents amounting to EUR 54.1 million, and open-ended account limits and committed undrawn financing reserves and loans to EUR 184.3 million.

SRV's financing agreements contain standard covenants. The financial covenants are equity ratio (also based on percentage of completion), liquidity and the interest coverage ratio. Interest coverage ratio is the ratio of the Group's operating margin (EBITDA) to its net financial expenses. The interest cover ratio is tested only if and when new loan financing is withdrawn; the covenant does not prevent the refinancing of existing sources of financing.

SRV Group carried out two significant financial transactions in the first quarter with a view to strengthening its equity ratio and financing growth in the years ahead. In March, SRV Group Plc made a tender offer for its outstanding hybrid bond issued in 2012. As a result of this tender offer, SRV bought back EUR 28.3 million of the hybrid bond from investors. The company is entitled to redeem the remaining EUR 16.7 million of the hybrid bond in December 2016. In connection with the bond buyback, the company issued a new EUR 45 million hybrid bond. The coupon rate of the new hybrid bond is fixed at 8.750 per cent per annum. The first redemption date of the new hybrid bond is 22 March 2020. On 23 March, SRV Group Plc issued a bond of EUR 100 million. The bond carries a fixed annual interest of 6.875 per cent. The company can first redeem the bond three years after its date of issue. The bond matures on 23 March 2021.

At the end of the second quarter, interest-bearing liabilities amounted to EUR 345.3 (281.4) million. Net interest-bearing debt saw year-on-year growth of EUR 40.2 million. Housing corporation loans account for EUR 55.8 (58.8) million of the interest-bearing debt. The Group's financial position was affected not only by financial transactions but also by net cash flow from operating activities and investments. Net cash flow was EUR -63.6 (70.1) million and net cash flow from investing activities was EUR -6.7 (-110.7) million. Net cash flow from operating activities was negatively impacted especially by the increase in incomplete housing construction in Finland. Net cash flow from investing activities was positively affected by the repayment to SRV Group of a loan granted to a joint venture.

Net financial expenses since the beginning of 2016 amounted to EUR 11.1 (0.7) million. Financial expenses rose due to an increase in interest expenses and particularly the EUR -6.6 million fair value revaluation of 10-year interest rate derivatives, and the comparison period included a EUR 1.4 million release of credit loss provisions. When the 10-year interest level rises from its current level, a positive change in fair value is recognised in the income statement, and vice versa. EUR 0.5 (0.9) million in interest expenses have been capitalised in accordance with IAS 23 since the beginning of the year.

SRV’s investment commitments totalled EUR 56.9 (18.0) million and were earmarked for Fennovoima’s Hanhikivi-1 project and the REDI project in Kalasatama.

Personnel

SRV’s payroll increased during the review period, and at the end of June the company had 1,138 (1,043) employees, of whom 834 (763) on average were salaried employees. A major part of this growth is due to progress in the implementation of numerous large-scale projects in Finland, such as REDI, and a rise in the number of employees with fixed-term contracts.

At the end of the review period, the parent company had 60 (62) salaried employees, and SRV’s Operations in Finland had 107 (77) summer employees, trainees and students working on a thesis or diploma.

The recruitment process and shared rules of the game were overhauled in the spring. The aim is to ensure the realisation of the strategy, find the best experts and bolster the company's image as an employer. SRV has developed innovative recruitment methods. One good example is the launch of the SRV Rekryvarikko ("Recruitment Pit") at the Jyväskylä Neste Rally at the end of July.

General orientation practices have been revised and their efficiency stepped up. Both SRV's own employees and on-site subcontractors complete e-orientation that relies heavily on online resources. A "Summer at SRV" Facebook group was set up for summer trainees with a view to promoting the sharing of new concepts and ideas as well as fostering a sense of community among the trainees.

Personnel by segment	30.6.2016	30.6.2015	Percentage of Group personnel 30.6.2016, %
Operations in Finland	**832**	726	73
International Operations	**212**	220	19
Other Operations	**94**	97	8
Group, total	**1,138**	1,043	100

Risks, risk management and corporate governance

SRV has published a separate Corporate Governance Statement in its 2015 Annual Report and on the company's website. Detailed information about the company's business risks and risk management has been provided in the 2015 Notes to the Financial Statements and Annual Report, and on the company's website.

The most significant risks currently concern the REDI project, the Russian economy and the rouble exchange rate, and the general financial impacts of the outcome of the UK's EU referendum.

REDI is a major project in relation to the size of the company and therefore may involve risks associated with its implementation and financing.

The Russian recession has lasted longer than expected, which has led to the continuation of temporary rent discounts for shopping centre tenants. For this reason, it may take longer than planned to reach the target for rental income. Furthermore, leases in the shopping centre market are increasingly rouble-based, due to which SRV is even more exposed to exchange rate fluctuations.

It is currently difficult to assess the overall impacts of the UK's EU referendum on the markets and construction, as it is not clear how the situation will develop.

The bond SRV issued in March 2016 improved the company’s equity.

Corporate governance and the decisions of the Annual General Meeting

SRV Group Plc’s Annual General Meeting was held on Tuesday, 22 March 2016. The meeting adopted the 2015 financial statements and discharged the Board of Directors and the President and CEO from liability for the financial period 1 January–31 December 2015.

A dividend of EUR 0.10 per share was confirmed. The dividend was paid on 4 April 2016.

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 2017 Annual General Meeting. PricewaterhouseCoopers Oy has notified that **Samuli Perälä**, Authorised Public Accountant, will serve as the responsible auditor.

Authorisations to decide on a share issue and an issue of special rights

The Annual General Meeting authorised the Board of Directors to decide on the issue of new shares or the reissue of treasury shares and/or the issue of special rights entitling to shares as referred to in Chapter 10 Section 1 of the Companies Act either for or without consideration.

Based on the authorisation, the Board of Directors may decide on the issue of shares such that the number of shares issued, including shares issued on the basis of special rights, is in total a maximum of 6,049,957.

The authorisation entitles the Board of Directors to decide on all the terms and conditions of a share issue and special rights entitling to shares, including the right to derogate from the pre-emptive subscription right of shareholders, if there is a weighty financial reason for the company to do so. A directed share issue may be executed without consideration only if there is an especially weighty financial reason for the company to do so, taking the interests of all shareholders into account.

The authorisation may be used, for example, when issuing new shares or conveying shares as consideration in corporate acquisitions, when the company acquires assets relating to its business and for implementing incentive schemes.

The authorisation shall be valid for five years from the decision of the Annual General Meeting.

Authorisation to decide on the acquisition of the company's own shares

The Annual General Meeting authorised the Board of Directors to decide on the acquisition of the company's own shares, using the company's unrestricted equity. This share acquisition will reduce the company's distributable equity. The Board of Directors was authorised to acquire shares in the company, such that the number of shares acquired on the basis of this authorisation when combined with the treasury shares owned by the company and its subsidiaries does not at any given time exceed a total of 6,049,957 shares (10% of all shares in the company).

A maximum of 6,049,957 of the shares to be acquired on the grounds of this authorisation may be acquired in public trading arranged by Nasdaq Helsinki Oy at the market price at the moment of acquisition as well as a maximum of 500,000 shares given on the basis of incentive schemes to individuals employed by SRV Group without consideration or for no more than the price that an individual within the sphere of an incentive scheme is obliged to convey a share. Shares may be acquired otherwise than in proportion to the holdings of the shareholders.

The company's own shares can be acquired for use e.g. 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 described above shall be in force for 18 months from the decision of the Annual General Meeting and they cancel the authorisation granted by the Annual General Meeting to the Board of Directors on 25 March 2015.

The Board of Directors shall decide on all other terms relating to the acquisition of shares.

Organisation of SRV Group Plc's Board of Directors

SRV Group Plc's Board of Directors held its assembly meeting on 22 March 2016. **Olli-Pekka Kallasvuo** was elected as Vice Chairman of the Board of Directors. **Minna Alitalo** was elected as Chairman and **Olli-Pekka Kallasvuo** and **Timo Kokkila** as members of the Audit Committee. **Ilpo Kokkila** was elected as Chairman and **Arto Hiltunen** and **Risto Kyhälä** as members of the HR and Nomination Committee (former Nomination and Remuneration Committee).

Changes in the Corporate Executive Team

SRV Group's SVP and General Counsel **Katri Innanen** resigned from her position on 27 April 2016. **Johanna Metsä-Tokila**, LL.M., was appointed as SRV Group's SVP, General Counsel and as a member of the Corporate Executive Team as of 1 June 2016.

SRV revised its insider guidelines and duration of the closed window

On 15 June 2016, by a decision of the Board of Directors, SRV amended its insider guidelines, on the basis of which the duration of the closed window was extended to at least 30 calendar days. The new insider guidelines came into force on 3 July 2016.

The amendment of the insider guidelines was based on the European Union's Market Abuse Regulation (MAR) as well as regulations and instructions issued by the European Securities and Markets Authority (ESMA) and other parties on the basis of MAR, which came into force on 3 July 2016.

SRV applies the closed window principle before the publication of its results. SRV does not make statements on the company's financial performance, market situation or outlook, and does not meet with capital market representatives prior to the publication of its financial statement release or interim reports.

In the future, SRV's closed window will always start at least 30 calendar days before the publication of an interim report or financial statement release, excluding the publication of the result for the second quarter of 2016, in which case the closed window only began on 3 July 2016, when the legal amendment came into force. The closed window also applies to the date of publication.

Shares and shareholders

SRV Group Plc's share capital is EUR 3.1 million. 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 6,930 shareholders on 30 June 2016.

The closing price at OMX Helsinki on 30 June 2016 was EUR 4.00 (EUR 3.10 on 31 December 2015, change +29%). The highest share price during the reporting period was EUR 4.08 and the lowest EUR 2.60. At the end of June, SRV's equity per share, excluding the hybrid bond, was EUR 3.71. On 30 June 2016, SRV had a market capitalisation of EUR 237 million, excluding the Group's treasury shares. 3.0 million shares were traded during the period with a trade volume of EUR 10.3 million.

At the end of June, SRV Group Plc held 1,162,841 treasury shares (1.9 per cent of the total number of shares and combined number of votes). In January-June 2016, SRV Group Plc divested 11,276 treasury shares.

Financial objectives

SRV’s strategy and all of its operations are guided by the strategic financial objectives confirmed in February 2016:

- 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.

Outlook for 2016

In addition to general economic trends, SRV’s revenue and result in 2016 will be affected by several factors, such as: the recognition as income upon delivery of SRV’s own projects; the part of the order backlog that is continuously recognised as income consisting mainly 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 own-development projects. The largest of the projects is the REDI project in the Kalasatama district of Helsinki. Based on current schedules, SRV estimates that a total of 503 developer-contracted housing units will be completed during 2016.

The outlook for earnings in 2016 remains unchanged. Full-year revenue for 2016 is expected to grow and operating profit to improve compared with 2015 (revenue EUR 719 million and operating profit EUR 24.4 million). Due to the completion schedules of SRV's developer-contracted housing projects, a significant proportion of the company's operating profit will be made in the second half of the year. Due to growth of interest-bearing debt, financing expenses will increase compared with 2015.

Espoo, 20 July 2016

Board of Directors
All forwarding-looking statements in this report are based on management’s current expectations and beliefs about future events, and actual results may differ significantly from the expectations and beliefs such statements contain.

For further information, please contact:
Juha Pekka Ojala, President & CEO, tel. +358 201 455 213, jp.ojala@srv.fi
Ilkka Pitkänen, CFO, tel. +358 40 667 0906, ilkka.pitkanen@srv.fi
Tiina Niemi, Communications Manager, Financial Communications and IR, tel. +358 40 5027549, tiina.niemi@srv.fi

Key figures

EUR million	1-6/ 2016	1-6/ 2015	4-6/ 2016	4-6/ 2015	1-12/ 2015
Revenue	362.4	337.4	218.5	164.5	719.1
Operation profit	4.1	3.4	4.1	0.8	24.4
Operation profit, % revenue	1.1	1.0	1.9	0.5	3.4
Profit before taxes	-7.0	2.6	-1.5	-0.7	17.6
Profit before taxes, % of revenue	-1.9	0.8	-0.7	-0.4	2.4
Net profit attributable to equity holders of the parent company	-5.8	2.0	-1.2	-0.8	14.0
Return on equity, % [1), 2)]	-4.3	1.8			5.6
Return on investment, % [1), 2)]	1.9	2.8			5.9
Invested capital	627.7	506.8			543.0
Equity ratio %	36.9	36.3			42.5
Net interest-bearing debt	291.2	251.0			230.8
Gearing ratio, %	103.1	111.4			83.3
Order backlog	2 021.6	1 258.8			1 583.4
New agreements	775.1	716.7	648.6	227.6	1 393.5
Personnel on average	1 068	977			1 008
Earnings per share [1)]	-0.15	0.01	-0.04	-0.04	0.25
Earnings per share (diluted)[1)]	-0.15	0.01	-0.04	-0.04	0.25
Equity per share [1)]	4.75	5.64			4.66
Equity per share (without hybrid bond), euros [1)]	3.71	4.51			3.90
Dividend per share, euros [1)]	0.10	0.12			0.10
Dividend payout ratio, % [1)]	neg.	1 617.9			40.2
Dividend yield, % [1)]	2.5	3.2			3.2
Price per earnings ratio [1)]	neg.	500.2			12.5
Share price development:					
Share price at the end of the period, eur	4.00	3.71			3.10
Average share price	3.41	3.57			2.94
Lowest share price	2.60	2.85			2.36
Highest share price	4.08	3.98			3.42
Market capitalisation at the end of the period	237.3	147.7			183.9
Trading volume, 1 000 units	3 008	4 516			11 463
Trading volume, % [1)]	5.1	11.3			26.9
Weighted average number of shares outstanding during the period, 1 000 units [1)]	59 334	39 809			42 616
Weighted average number of shares outstanding during the period (diluted) 1 000 units [1)]	59 365	39 837			42 648
Number of shares outstanding at the end of the period,1 000 units [1)]	59 337	39 814			59 325

[1)] Comparative data is share issue adjusted.

[2)] In calculation of the key ration, only the profit for the period has been annualized.

Calculation of key figures

Gearing ratio, %	=	100 x	Net interest-bearing debt / Total equity
Return on equity, %	=	100 x	Total comprehensive income for the period / Total equity, average
Return on investment, %	=	100 x	Result before taxes + interest and other financial expenses (without exchange rate gains and losses) / Invested capital, average
Equity ratio, %	=	100 x	Total equity / Total assets – advances received
Invested capital	=		Total assets – non-interest bearing debt – deferred tax liabilities – provisions
Net interest-bearing debt	=		Interest bearing debt – cash and cash equivalents
Earnings per share attributable to equity holders of the parent company *)	=		Result for the period – non-controlling interest – hybrid bond interest / Average number of shares
Earnings per share attributable to equity holders of the parent company (diluted) *)	=		Result for the period – non-controlling interest – hybrid bond interest / Average number of shares (diluted)
Equity per share *)	=		Shareholders' equity attributable to equity holders of the parent company / Average number of shares at end of period
Equity per share (without hybrid bond) *)	=		Shareholders' equity attributable to equity holders of the parent company – hybrid bond / Average number of shares at end of period
Price per earnings ratio (P/E-ratio) *)	=		Share price at end of period / Earnings per share
Dividend payout ratio, % *)	=	100 x	Dividend per share / Earnings per share
Dividend yield, % *)	=	100 x	Dividend per share / Share price at end of period
Average share price	=		Number of shares traded in euros during the period / Number of shares traded during the period
Market capitalisation at the end of the period *)	=		Number of shares outstanding at the end of the period x share price at the end of the period
Trading volume *)	=		Number of shares traded during the period and 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	4-6/ 2016	1-3/ 2016	10-12/ 2015	7-9/ 2015	4-6/ 2015	1-3/ 2015
Revenue	218.5	143.8	226.6	155.1	164.5	172.9
Operation profit	4.1	0.0	17.0	4.1	0.8	2.5
Financial income and expenses, total	-5.6	-5.6	-2.1	-4.0	-1.5	0.8
Profit before taxes	-1.5	-5.5	14.9	0.1	-0.7	3.3
Order backlog 1)	2 021.6	1 572.1	1 583.4	1 517.5	1 258.8	1 179.8
New agreements	648.6	126.5	286.9	389.9	227.6	489.1
Earnings per share, eur 2)	-0.04	-0.11	0.27	-0.03	-0.04	0.05
Equity per share, eur 1)2)	3.71	3.71	3.90	3.80	4.51	4.53
Share closing price, eur 1)	4.00	3.53	3.10	2.53	3.71	3.39
Equity ratio, % 1)	36.9	36.7	42.5	41.6	36.3	39.8
Net interest-bearing debt 1)	291.2	247.2	230.8	248.3	251.0	228.5
Gearing, % 1)	103.1	87.5	83.3	91.5	111.4	101.0

1) at the end of the period
2) Comparative data is share issue adjusted

Revenue EUR million	4-6/ 2016	1-3/ 2016	10-12/ 2015	7-9/ 2015	4-6/ 2015	1-3/ 2015
Operations in Finland	200.4	131.5	212.8	137.3	146.9	157.1
- business construction	143.8	106.9	119.8	105.6	94.5	114.0
- housing construction	56.6	24.6	92.9	31.7	52.4	43.1
International Operations	18.4	12.4	13.8	17.9	17.6	15.9
Other operations	4.0	4.0	3.7	3.5	3.4	3.8
Eliminations	-4.3	-4.0	-3.7	-3.6	-3.4	-3.8
Group, total	218.5	143.8	226.6	155.1	164.5	172.9

Operating profit EUR million	4-6/ 2016	1-3/ 2016	10-12/ 2015	7-9/ 2015	4-6/ 2015	1-3/ 2015
Operations in Finland	7.6	2.2	18.3	4.9	2.4	3.3
International Operations	-1.5	-1.1	-0.6	-0.3	0.1	0.7
Other operations	-2.0	-1.1	-0.7	-0.5	-1.6	-1.5
Eliminations	0.0	0.0	0.0	0.0	0.0	0.0
Group, total	4.1	0.0	17.0	4.1	0.8	2.5

Operating profit (%)	4-6/ 2016	1-3/ 2016	10-12/ 2015	7-9/ 2015	4-6/ 2015	1-3/ 2015
Operations in Finland	3.8	1.7	8.6	3.5	1.6	2.1
International operations	-8.0	-8.6	-4.0	-1.7	0.5	4.1
Group, total	1.9	0.0	7.5	2.6	0.5	1.5

Order backlog EUR million	30.6.16	31.3.16	31.12.15	30.9.15	30.6.15	31.3.15
Operations in Finland	1 972.6	1 511.7	1 506.2	1 431.7	1 159.3	1 062.9
- business construction	1 426.6	972.9	952.3	1 023.6	806.9	801.1
- housing construction	546.0	538.9	554.0	408.1	352.4	261.8
International operations	49.0	60.3	77.1	85.7	99.5	116.9
Group, total	2 021.6	1 572.1	1 583.4	1 517.5	1 258.8	1 179.8
- sold order backlog	1 720	1 269	1 261	1 295	1 074	1 037
- unsold order backlog	301	303	322	222	185	142

Order backlog, housing construction in Finland EUR million	30.6.16	31.3.16	31.12.15	30.9.15	30.6.15	31.3.15
Negotiation and construction contracts	107	115	132	83	88	88
Under construction, sold	150	134	114	117	86	39
Under construction, unsold	251	249	269	166	131	79
Completed and unsold	37	40	39	42	47	56
Housing construction, total	546	539	554	408	352	262

Invested capital EUR million	30.6.16	31.3.16	31.12.15	30.9.15	30.6.15	31.3.15
Operations in Finland	357.0	324.6	315.4	326.3	290.8	273.3
International operations	224.7	217.4	216.7	214.6	217.7	211.3
Other operations and	46.0	110.7	10.9	6.8	-1.7	-15.5
Group, total	627.7	652.7	543.0	547.7	506.8	469.1

Housing production in Finland (units)	4-6/ 2016	1-3/ 2016	10-12/ 2015	7-9/ 2015	4-6/ 2015	1-3/ 2015
Housing sales, total	151	93	397	166	236	74
- sales, developer contracting	100	93	207	129	236	74
- sales, negotiation contracts 2)	51	0	190	37	0	0
Developer contracting						
- start-ups	148	55	116	244	376	66
- completed	53	30	225	0	22	0
-recognized in revenue	58	26	228	16	48	31
- completed and unsold	106	111	107	110	126	152
Under construction, total 1)	2 082	1 830	1 849	1 855	1 628	1 356
- construction contracts 1)	799	693	487	498	498	492
- negotiation contracts 1) 2)	278	227	477	363	380	468
- developer contracting 1)	1 005	910	885	994	750	396
- of which sold 1)	543	502	434	455	342	154
- of which unsold 1)	462	408	451	539	408	242

1) at the end of the period

2) investor sales, under negotiation contracts

SRV GROUP PLC INTERIM REPORT, 1 JANUARY–30 JUNE 2016: TABLES

1) Accounting principles
2) Consolidated income statement and consolidated statement of comprehensive income
3) Consolidated balance sheet
4) Consolidated cash flow statement
5) Consolidated statement of changes in shareholder's equity
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1) Interim Report 1 January – 30 June 2016

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 2015. However, as of 1 January 2016, 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 2015.

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 2015.

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.

Alternative performance measures used in financial reporting
SRV has adopted the Guidelines on Alternative Performance Measures issued by the European Securities and Market Authority (ESMA). In addition to IFRS indicators, the company discloses certain other widely used performance measures that can for the most part be derived from the income statement and balance sheet. The formulas for these performance measures are provided above. In the company’s view, these measures clarify the result of operations and financial position based on the income statement and balance sheet.

2) Consolidated income statement and statement of comprehensive income

Consolidated income statement EUR million	1-6/ 2016	1-6/ 2015	change MEUR	change %	4-6/ 2016	4-6/ 2015	1-12/ 2015
Revenue	362.4	337.4	24.9	7.4	218.5	164.5	719.1
Other operating income	1.5	0.4	1.0	235.1	1.3	0.3	1.8
Change in inventories of finished goods and work in progress	39.5	-2.0	41.4		13.8	8.6	24.7
Use of materials and services	-349.3	-291.9	-57.4	19.7	-203.5	-150.7	-639.1
Employee benefit expenses	-36.9	-34.0	-3.0	8.7	-19.3	-18.5	-64.6
Share of results of associated companies	-2.5	1.5	-4.0		-1.2	0.6	-0.1
Depreciation and impairments	-1.9	-1.4	-0.5		-1.1	-0.7	-3.5
Other operating expenses	-8.5	-6.8	-1.7	24.8	-4.4	-3.4	-13.8
Operating profit	4.1	3.4	0.7	22.1	4.1	0.8	24.4
Financial income	1.5	3.2	-1.7	-53.3	0.7	0.4	5.0
Financial expenses	-12.6	-3.9	-8.7	222.1	-6.3	-1.9	-11.8
Financial income and expenses, total	-11.1	-0.7	-10.4		-5.6	-1.5	-6.8
Profit before taxes	-7.0	2.6	-9.7		-1.5	-0.7	17.6
Income taxes	1.1	-0.6	1.7		0.2	-0.1	-3.6
Net profit for the period	-6.0	2.0	-8.0		-1.2	-0.8	14.0
Attributable to							
Equity holders of the parent company	-5.8	2.0			-1.2	-0.8	14.0
Non-Controlling interests	-0.1	0.0			0.0	0.0	0.0
Earnings per share attributable to equity holders of the parent company	-0.15	0.01			-0.04	-0.04	0.25
Earnings per share attributable to equity holders of the parent company (diluted)	-0.15	0.01			-0.04	-0.04	0.25

Statement of comprehensive income EUR million	1-6/ 2016	1-6/ 2015	4-6/ 2016	4-6/ 2015	1-12/ 2015
Net profit for the period	-6.0	2.0	-1.2	-0.8	14.0
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Financial assets available for sale	-0.2	-0.5	-0.2	-0.5	-0.5
Income tax relaed to components of other comprehensive income	0.0	0.1	0.0	0.1	0.1
Gains and losses arising from translating the financial statements of a foreign operation	2.0	1.5	0.9	0.0	-1.6
Share of other comprehensive income of associated companies and joint ventures	-0.1	0.5	0.1	0.0	-0.3
Other comprehensive income for the period, net of tax	1.7	1.6	0.8	-0.5	-2.3
Total comprehensive income for the period	-4.2	3.6	-0.4	-1.2	11.6
Attributable to					
Equity holders of the parent company	-4.1	3.6	-0.3	-1.3	11.6
Non-Controlling interests	-0.1	0.0	0.0	0.0	0.0

3) Consolidated balance sheet

Consolidated balance sheet EUR million	30.6.16	30.6.15	change %	31.12.15
ASSETS				
Non-current assets				
Property, plant and equipment	12.7	10.8	17.0	10.7
Goodwill	1.7	1.7	0.0	1.7
Other intangible assets	1.8	0.8	137.9	1.9
Shares in associated companies and joint ventures	205.1	206.7	-0.8	206.6
Other financial assets	12.2	8.7	39.6	11.7
Receivables	2.7	0.8	244.3	0.7
Loan receivables from associated companies and joint ventures	35.6	30.5	16.8	31.2
Deferred tax assets	9.4	6.6	43.8	7.3
Non-current assets, total	281.3	266.6	5.5	271.9
Current assets				
Inventories	379.7	316.6	19.9	336.6
Trade and other receivables	172.9	103.4	67.2	111.9
Loan receivables from associated companies and joint ventures	1.1	1.1	0.0	5.6
Current tax receivables (based on profit for the review period)	5.2	1.1	366.5	1.6
Cash and cash equivalents	54.1	30.3	78.3	35.0
Current assets, total	613.0	452.5	35.5	490.8
ASSETS, TOTAL	894.3	719.2	24.4	762.6

Consolidated balance sheet EUR million	30.6.16	30.6.15	change,%	31.12.15
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent company				
Share capital	3.1	3.1	0.0	3.1
Invested free equity fund	141.5	92.6	52.8	141.2
Translation differences	-5.3	-3.3	62.1	-7.2
Fair value reserve	-1.5	-1.4	11.8	-1.4
Hybrid bond	61.7	45.0	37.1	45.0
Retained earnings	82.4	88.5	-7.0	95.7
Equity attributable to equity holders of the parent company, total	281.8	224.6	25.5	276.4
Non-controlling interests	0.7	0.8	-16.9	0.8
Total equity	282.5	225.4	25.3	277.2
Non-current liabilities				
Deferred tax liabilities	2.1	1.6	28.5	2.3
Provisions	7.5	6.2	20.1	6.3
Interest-bearing liabilities	244.8	165.9	47.5	163.2
Other liabilities	10.1	3.2	220.3	4.0
Non-current liabilities, total	264.4	176.9	49.5	175.8
Current liabilities				
Trade and other payables	239.3	194.2	23.2	201.4
Current tax payables (based on profit for the review period)	3.0	3.3	-9.6	0.8
Provisions	4.7	3.9	20.2	4.8
Interest-bearing liabilities	100.5	115.5	-12.9	102.6
Current liabilities, total	347.5	316.9	9.7	309.6
Liabilities, total	611.9	493.8	23.9	485.4
EQUITY AND LIABILITIES, total	894.3	719.2	24.4	762.6

4) Consolidated cash flow statement EUR million	1-6/ 2016	1-6/ 2015	1-12/ 2015
Cash flows from operating activities			
Net profit for the period	-6.0	2.0	14.0
Adjustments:			
Depreciation and impairments	1.9	1.4	3.5
Non-cash transactions	-5.0	1.9	1.9
Financial income and expenses	11.1	0.7	6.8
Income taxes	-1.1	0.6	3.6
Adjustments, total	7.0	4.7	15.8
Changes in working capital:			
Change in trade and other receivables	-57.1	-15.4	-29.3
Change in inventories	-44.5	-3.8	-24.6
Change in trade and other payables	42.7	85.6	95.1
Changes in working capital, total	-58.9	66.4	41.2
Interest paid and financing costs	-4.2	-2.8	-14.7
Interest received	0.1	0.0	0.0
Income taxes paid	-1.7	-0.2	-5.3
Net cash flow from operating activities	-63.6	70.1	51.0
Cash flow from investing activities			
Purchase of property, plant and equipment	-3.7	-0.8	-2.4
Purchase of intangible assets	-0.1	-0.1	-1.6
Purchase of other financial assets	-0.8	-104.7	-110.1
Sale of property, plant and equipment and intangible assets	0.0	0.0	0.0
Change in loan receivable from associated companies and and joint ventures	-2.1	-5.1	-5.7
Net cash used in investing activities	-6.7	-110.7	-119.8
Cash flow from financing activities			
Proceeds from loans	100.0	25.4	29.6
Repayment of loans	-1.3	-52.1	-58.2
Hybrid bond issue	45.0	-	-
Hybrid bond repayment	-28.3	-	-
Hybrid bond costs	-1.6	-	-
Change in housing corporation loans	-3.1	13.0	13.1
Net change in short-term loans	-15.4	70.5	56.6
Net proceeds from share issue	0.0	-	48.6
Purchase and sale of treasury shares	0.0	-	0.0
Dividends paid	-6.0	-4.3	-4.3
Net cash flow from financing activities	89.3	52.4	85.5
Net change in cash and cash equivalents	19.0	11.9	16.6
Cash and cash equivalents at the beginning of period	35.0	18.4	18.4
Effect of exchange rate changes in cash and cash equivalents	0.1	0.0	0.0
Cash and cash equivalents at the end of period	54.1	30.3	35.0

The company has adjusted the presentation of the change of loan receivables and the comparison period's data have been adjusted accordingly.

5) Statement of changes in Group equity, EUR million

	Equity attributable to the equity holders of the parent company								
	Share Capital	Invested Free Equity Fund	Hybrid Bond	Trans-lation diffe rences	Fair value reserve	Reitained earnings	Total	Non-cont-rolling interests	Total equity
1 January- 30 june 2016 (EUR million)									
Equity 1 January 2016	3.1	141.2	45.0	-7.2	-1.4	95.7	276.4	0.8	277.2
Comprehensive income for the review period	0.0	0.0	0.0	1.9	-0.2	-5.8	-4.1	-0.1	-4.2
Dividends paid	0.0	0.0	0.0	0.0	0.0	-6.0	-6.0	0.0	-6.0
Share-based incentive plan	0.0	0.0	0.0	0.0	0.0	0.3	0.3	0.0	0.3
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share issue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Costs related to share issue, tax	0.0	0.3	0.0	0.0	0.0	0.0	0.3	0.0	0.3
Hybrid bond	0.0	0.0	16.7	0.0	0.0	-1.8	14.9	0.0	14.9
Other changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity on 30 June 2016	3.1	141.5	61.7	-5.3	-1.5	82.4	281.8	0.7	282.5
1 January- 30 june 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	2.0	-0.4	2.0	3.6	0.0	3.6
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	0.9	0.9	0.0	0.9
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Costs related to share issue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Hybrid Bond	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity on 30 June 2015	3.1	92.6	45.0	-3.3	-1.4	88.5	224.6	0.8	225.4
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.

6) Commitments and contingent liablilities

Collateral given for own liabilities (EUR million)	30.6.16	30.6.15	change %	31.12.15
Real estate mortgages given [1)]	88.1	93.2	-5.5	90.4
Other commitments				
Investment commitments given	56.9	18.0	216.1	47.6
Plots purchase commitments	44.3	173.3	-74.4	116.1
Contingent liabilities (hypo plots)	52.8	7.5	605.2	6.4

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 (EUR million)	6/2016 Fair value		6/2015 Fair value		12/2015 Fair value	
	Posit.	Negat.	Posit.	Negat.	Posit.	Negat.
Hedge accounting not applied						
Interest rate swaps	0.0	9.9	0.0	0.0	0.0	3.3

	6/2016	6/2015	12/2015
Nominal values of derivative instruments			
Interest rate swaps	100.0	0.0	100.0

7) Group and Segment Information

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

Group and Segment information

Revenue EUR million	1-6/ 2016	1-6/ 2015	change, MEUR	change %	4-6/ 2016	4-6/ 2015	1-12/ 2015
Operations in Finland	331.9	304.0	27.9	9.2	200.4	146.9	654.1
International operations	30.8	33.4	-2.7	-7.9	18.4	17.6	65.1
Other operations	7.9	7.2	0.7	10.0	4.0	3.4	14.4
Eliminations	-8.3	-7.2	-1.0		-4.3	-3.4	-14.6
Group, total	362.4	337.4	24.9	7.4	218.5	164.5	719.1

Operation profit EUR million	1-6/ 2016	1-6/ 2015	change, MEUR	change %	4-6/ 2016	4-6/ 2015	1-12/ 2015
Operations in Finland	9.8	5.7	4.1	71.9	7.6	2.4	28.9
International operations	-2.5	0.7	-3.3		-1.5	0.1	-0.1
Other operations	-3.2	-3.1	-0.1		-2.0	-1.6	-4.3
Eliminations	0.0	0.0	0.0		0.0	0.0	0.0
Group, total	4.1	3.4	0.7	22.1	4.1	0.8	24.4

Operating profit, %	1-6/ 2016	1-6/ 2015
Operations in Finland	3.0	1.9
International Operations	-8.2	2.2
Group, total	1.1	1.0

Assets EUR million	30.6.2016	30.6.2015	change MEUR	change, %	31.12.2015
Operations in Finland	579.9	470.3	109.6	23.3	503.5
International operations	253.9	244.8	9.1	3.7	245.8
Other Operations	498.6	390.9	107.7	27.6	424.1
Eliminations and other adjustments	-438.1	-386.8	-51.3		-410.7
Group, total	894.3	719.2	175.2	24.4	762.6

Liabilities EUR million	30.6.2016	30.6.2015	change MEUR	change, %	31.12.2015
Operations in Finland	424.1	328.2	95.9	29.2	353.9
International operations	183.5	170.7	12.9	7.5	174.5
Other Operations	272.3	211.7	60.6	28.6	197.9
Eliminations and other adjustments	-268.1	-216.8	-51.2		-240.8
Group, total	611.9	493.8	118.1	23.9	485.4

Invested capital EUR million	30.6.2016	30.6.2015	change MEUR	change, %	31.12.2015
Operations in Finland	357.0	290.8	66.2	22.8	315.4
International operations	224.7	217.7	7.0	3.2	216.7
Other Operations	46.0	-1.7	47.7		10.9
Group, total	627.7	506.8	121.0	23.9	543.0

Return on investment %	30.6.2016	30.6.2015	change MEUR	change, %	31.12.2015
Operations in Finland	6.0	4.0	2.0	50.3	9.8
International operations	-1.2	3.7	-4.9	-131.5	2.1
Group, total	1.9	2.8	-0.8	-30.3	5.9

8) Inventories EUR million	30.6.2016	30.6.2015	change MEUR	31.12.2015
Land areas and plot-owning companies	176.9	175.2	1.7	187.5
Operations in Finland	105.2	105.1	0.1	116.7
International operations	71.7	70.1	1.6	70.8
Work in progress	159.8	85.1	74.7	101.8
Operations in Finland	155.7	85.1	70.6	99.4
International operations	4.0	0.0	4.0	2.4
Shares in completed housing corporations and real estate companies	35.3	45.1	-9.7	38.1
Operations in Finland	35.0	43.6	-8.6	37.6
International operations	0.3	1.5	-1.2	0.5
Other inventories	7.7	11.1	-3.4	9.1
Operations in Finland	7.0	7.5	-0.5	6.9
International operations	0.7	3.6	-2.9	2.2
Inventories, total	379.7	316.6	63.1	336.6
Operations in Finland	303.0	241.3	61.6	260.6
International operations	76.8	75.2	1.5	76.0

9) Related party transactions

EUR million	Salaries and compensation	Sale of goods and services	Purchase of goods and services	Interest income	Receivables	Liabilities
30.6.16						
Management and the Board of Directors	1.8	0.0	0.0	0.0	0.0	0.0
Joint ventures	0.0	44.2	0.0	0.1	3.5	0.0
Associated companies	0.0	30.8	0.0	0.9	56.0	2.9
Other related parties	0.0	0.0	0.0	0.0	0.0	0.0
Total	1.8	75.0	0.0	0.9	59.6	2.9

	Salaries and compensation	Sale of goods and services	Purchase of goods and services	Interest income	Receivables	Liabilities
30.6.15						
Management and the Board of Directors	1.6	0.0	0.0	0.0	0.0	0.0
Joint ventures	0.0	2.1	0.0	0.1	2.9	0.0
Associated companies	0.0	29.2	0.0	2.3	36.7	4.9
Other related parties	0.0	0.0	0.0	0.0	-1.4	0.0
Total	1.6	31.2	0.0	2.4	38.2	4.9

	Salaries and compensation	Sale of goods and services	Purchase of goods and services	Interest income	Receivables	Liabilities
31.12.15						
Management and the Board of	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