

SRV'S OPERATING PROFIT GREW - INTERIM REPORT 1 JANUARY -30 SEPTEMBER 2008

Reporting period 1 January – 30 September 2008 in brief:

- SRV's revenue grew by 4.9 per cent to EUR 415.5 million (EUR 395.9 million in January-September 2007)
- Operating profit grew by 79.0 per cent to EUR 32.2 million (EUR 18.0 million)
- Profit before taxes grew by 56.8 per cent to EUR 26.3 million (EUR 16.8 million)
- The order backlog at the close of the review period was EUR 455.2 million (EUR 546.3 million)
- The equity ratio was 45.9 per cent (60.9%)
- Earnings per share were EUR 0.49 (EUR 0.39)
- SRV revises its outlook regarding revenue and operating profit. Revenue in 2008 is expected to be somewhat lower than revenue in the previous year. Operating profit for the last quarter is expected to be positive and operating profit for the whole year to be clearly higher than in 2007.

Third quarter 1 July – 30 September 2008 in brief:

- Revenue amounted to EUR 126.7 million (EUR 134.6 million in July-September 2007)
- Operating profit was EUR 14.1 million (EUR 7.6 million)
- Profit before taxes was EUR 11.2 million (EUR 7.8 million)
- Earnings per share were EUR 0.21 (EUR 0.14)

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

"SRV posted positive development in revenue and operating profit. During the current year, we have bolstered the development of our Russian operations by acquiring two major new development projects, including land, in St Petersburg. The sale of the hotel in Ekaterinburg, which was concluded in July, raised SRV's operating profit substantially and also released equity for the development of Russian operations.

As the international financial crisis has spread, the outlook for the Finnish national economy has weakened. The crisis in the financial markets is slowing down growth in Russian economy. The outlook for the Baltic national economies remains grim.

Thanks to the SRV approach, we are able to react agilely to changes in the market, and to allocate resources to the pursuit of growth in Russia. Testimony to the competitiveness of SRV's approach in challenging projects can be found in its being awarded the contract to build the Helsinki Music Centre and the transfer of the Stockmann department store expansion project to SRV in October.

Demand for housing has slackened, the number of start-ups has declined and sales have turned down, weakening the forecast for the Housing business area both this year and next. However, long-term demand for housing construction will continue in growth centres, providing a solid foundation for SRV, even though its significance to SRV's is small.

The crisis in the financial market affects substantially companies with low equity ratio and low financing liquidity. SRV has high equity ratio, 45.9 per cent, which gives a good chance

to utilise SRV's innovative property development know-how in the years to come. SRV's financing position is good, since the amount of the Group's undrawn loan commitments amount to over EUR 150 million and the interest bearing net liabilities at the end of September amounted to EUR 126 million" says Eero Heliövaara, President and CEO of SRV.

Group key figures (EUR million)	IFRS 1-9/ 2008	IFRS 1-9/ 2007	change, MEUR	change, %	IFRS 7-9/ 2008	IFRS 7-9/ 2007	IFRS 1-12/ 2007
Revenue	415.5	395.9	19.6	4.9	126.7	134.6	561.4
Operating profit	32.2	18.0	14.2	79.0	14.1	7.6	15.1
Financial income and expenses, total	-5.9	-1.2	-4.7	388.1	-2.9	0.2	-3.5
Profit before taxes	26.3	16.8	9.5	56.8	11.2	7.8	11.5
Net profit for the period	18.0	12.8	5.3	41.2	7.6	6.1	7.6
Order backlog	455.2	546.3	-91.1	-16.7			528.7
Operating profit, %	7.7	4.5			11.1	5.7	2.7
Net profit, %	4.3	3.2			6.0	4.6	1.4
Equity ratio, %	45.9	60.9					55.4
Net interest bearing debt	126.1	19.8					43.2
Gearing, %	74.1	12.2					27.3
Return on investment, % ¹⁾	18.5	15.4					9.7
Return on equity, % ¹⁾	14.6	15.2					6.9
Earnings per share, EUR ²⁾	0.49	0.39		25.6	0.21	0.14	0.22
Equity per share, EUR ²⁾	4.61	4.33		6.4			4.22
Weighted average number of shares outstanding	36.6	31.3		16.9			32.7

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

2) Key figures per share have been adjusted to reflect the increase in the number of shares, which came into effect on 11 April 2007 (split), the rights issue on 11 June 2007 and the rights issue and cancellation of treasury shares in connection with the merger of SRV Henkilöstö Oy on 28 September 2007 and purchases of own shares.

In the review period, consolidated revenue grew by 4.9 per cent to EUR 415.5 million (EUR 395.9 million in January–September 2007). The share of revenue generated in Finland was 88 per cent (91%), whereas 12 per cent (9%) came from Russia and the Baltic countries. Revenue in the Business Premises business area grew to EUR 271.2 million (EUR 242.2 million). Revenue in the Housing business area declined to EUR 94.5 million (EUR 119.6 million). Revenue in the International business area grew to EUR 49.8 million (EUR 34.4 million).

The Group's operating profit for the review period was EUR 32.2 million (EUR 18.0 million in January-September 2007). Its operating profit margin was 7.7 per cent (4.5%). Operating profit in Business Premises grew to EUR 21.8 million (EUR 13.3 million). Operating profit in the International business area was EUR 11.9 million (operating loss of EUR 0.8 million). Operating profit in the Housing business area declined to EUR 1.9 million (EUR 7.8 million).

The Group's profit before taxes for the review period was EUR 26.3 million (EUR 16.8 million in January-September 2007). The profit for the review period was EUR 18.0 million (EUR 12.8 million). Earnings per share were EUR 0.49 (EUR 0.39). The increase in the

number of shares is due to the share issues and structural changes in 2007. Return on equity was 14.6 per cent (15.2%) and return on investment 18.5 per cent (15.4%).

The Group's revenue for the third quarter amounted to EUR 126.7 million (EUR 134.6 million in July-September 2007) and operating profit to EUR 14.1 million (EUR 7.6 million). Profit before taxes was EUR 11.2 million (EUR 7.8 million). Earnings per share were EUR 0.21 (EUR 0.14). The increase in the number of shares is due to the share issues and structural changes in 2007.

The order backlog was EUR 455.2 million on 30 September 2008 (EUR 546.3 million on 30 September 2007). At the end of 2007 the order backlog was EUR 528.7 million.

Key figures for the Segments

Revenue (EUR million)	IFRS 1-9/ 2008	IFRS 1-9/ 2007	change, MEUR	change, %	IFRS 7-9/ 2008	IFRS 7-9/ 2007	IFRS 1-12/ 2007
Business Premises	271.2	242.2	29.0	12.0	74.3	90.6	345.4
Housing	94.5	119.6	-25.0	-20.9	31.4	35.5	163.1
International	49.8	34.4	15.4	44.8	21.0	8.5	53.2
Other Operations	8.5	8.5	0.0	-0.2	2.7	2.5	11.2
Eliminations	-8.5	-8.7	0.2		-2.7	-2.6	-11.4
Group, total	415.5	395.9	19.6	4.9	126.7	134.6	561.4

Operating profit (EUR million)	IFRS 1-9/ 2008	IFRS 1-9/ 2007	change, MEUR	change, %	IFRS 7-9/ 2008	IFRS 7-9/ 2007	IFRS 1-12/ 2007
Business Premises	21.8	13.3	8.4	63.1	3.7	6.8	18.0
Housing	1.9	7.8	-6.0	-75.9	0.5	3.0	10.7
International	11.9	-0.8	12.8		10.8	-1.7	-10.2
Other Operations	-3.5	-2.0	-1.5		-1.0	-0.5	-3.1
Eliminations	0.1	-0.4	0.5		0.0	0.0	-0.4
Group, total	32.2	18.0	14.2	79.0	14.1	6.8	18.0

Operating profit (%)	IFRS 1-9/2008	IFRS 1-9/2007	IFRS 7-9/2008	IFRS 7-9/2007	IFRS 1-12/2007
Business Premises	8.0	5.5	4.9	7.5	5.2
Housing	2.0	6.6	1.7	8.5	6.5
International	24.0	-2.5	51.5	-19.9	-19.2
Group, total	7.7	4.5	11.1	5.7	2.7

Order backlog (EUR million)	IFRS 30.9.08	IFRS 30.9.07	change, MEUR	change, %	IFRS 31.12.07
Business Premises	228.8	360.2	-131.4	-36.5	302.8
Housing	186.3	128.2	58.1	45.3	174.6
International	40.2	57.9	-17.7	-30.6	51.3
Group, total	455.2	546.3	-91.1	-16.7	528.7

Earnings trends of the Segments

Business Premises (EUR million)	IFRS 1-9/ 2008	IFRS 1-9/ 2007	change, MEUR	change, %	IFRS 7-9/ 2008	IFRS 7-9/ 2007	IFRS 1-12/ 2007
Revenue	271.2	242.2	29.0	12.0	74.3	90.6	345.4
Operating profit	21.8	13.3	8.4	63.1	3.7	6.8	18.0
Order backlog	228.8	360.2	-131.4	-36.5			302.8

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

Revenue in the Business Premises business area grew by 12.0 per cent in the review period, amounting to EUR 271.2 million (EUR 242.2 million). Operating profit was EUR 21.8 million (EUR 13.3 million). The good profit margin of the order backlog in particular contributed to the positive development of operating profit. The order backlog was EUR 228.8 million (EUR 360.2 million).

Third-quarter revenue amounted to EUR 74.3 million (EUR 90.6 million) and operating profit to EUR 3.7 million (EUR 6.8 million). The market situation weakened substantially during the last quarter, reducing the number of new agreements. No developer contracting projects were completed or sold during the quarter.

Among the projects completed in the review period were the Tuupakka logistics centre in Vantaa, an office building implemented under the HTC concept and new headquarters for Neste Oil in the Keilaniemi district of Espoo, the first phase of the TRIO shopping centre in Lahti, the Biomedicum II project in Helsinki for the Hospital District of Helsinki and Uusimaa, a logistics centre for Itella in the Voutila district in Vantaa as well as numerous rock construction projects.

During the review period, the second phase of TRIO in Lahti and the preconstruction of L&T Kerca in Kerava were started up. Senate Properties chose SRV as its project management contractor in the construction and renovation of Svenska Social & Kommunal Högskolan of the University of Helsinki. Construction got under way on the Plantagen garden store and the retail centre of the northern wing in King's Gate in Porvoo, a car dealership for Autosalpa in Lahti and a logistics warehouse for Codel in Vantaa. Repair works on the second stage of the Metsätalo Building of the University of Helsinki were also started up in Helsinki.

SRV handed over the Flamingo recreational centre in Vantaa to the client, Varma Mutual Pension Insurance Company, in August, two months ahead of the original schedule.

SRV and Kiinteistösaakeyhtiö Helsingin Musiikkitalo signed a contract for the construction of the Helsinki Music Centre. Construction began in September. The main contract is valued at EUR 90.5 million. The total cost of the Helsinki Music Centre is estimated at EUR 140 million, and it is scheduled for completion at the end of April 2011.

In March 2008, the Keravanportti property was sold to the real-estate investment trust REFF I Ky, which is managed by Pohjola Kiinteistösijoitus Oy, a property investment company. SRV constructed two retail buildings in Keravanportti.

On 6 March 2008, the Helsinki Court of Appeal announced its decision on the dispute between SRV Business Premises Ltd and F-Secure Corporation. The dispute was about interior works done during the construction and whether they are covered by the original rental agreement. The Court of Appeal did not revise the decision of the Helsinki District Court, which stated that the construction work is not covered by the original rental agreement. According to the Court's decision, F-Secure must pay the additional work costs, and the costs of the trial plus interest. The financial impact pursuant to the decision on SRV's operating profit was about EUR 0.7 million and about EUR 1.2 million on profit before taxes. F-Secure has applied for permission to appeal against this decision.

Housing (EUR million)	IFRS 1-9/ 2008	IFRS 1-9/ 2007	change, MEUR	change, %	IFRS 7-9/ 2008	IFRS 7-9/ 2007	IFRS 1-12/ 2007
Revenue	94.5	119.6	-25.0	-20.9	31.4	35.5	163.1
Operating profit	1.9	7.8	-6.0	-75.9	0.5	3.0	10.7
Order backlog	186.3	128.2	58.1	45.3			174.6

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

Revenue in the Housing business area amounted to EUR 94.5 million (EUR 119.6 million) in the review period and operating profit was EUR 1.9 million (EUR 7.8 million). The decline in both revenue and operating profit was attributable to the slowdown in housing sales. The order backlog was EUR 186.3 million (EUR 128.2 million).

Third-quarter revenue amounted to EUR 31.4 million (EUR 35.5 million) and operating profit to EUR 0.5 million (EUR 3.0 million). The decline in both revenue and operating profit was attributable to the general situation in housing sales.

Besides housing production, resources were allocated to contracting and, during the review period contracts worth EUR 72.8 million were concluded with external clients. Of these, the most important in the Helsinki metropolitan area were a 58-unit apartment building for HOAS (Foundation for Student Housing in the Helsinki Region) in Viikki and the renovation of a 62-unit apartment building for KY Kiinteistö Oy in the Töölö district of Helsinki. The construction of a total of 76 residential units was started up in Tampere for AVO-Asunnot Oy and AVO-Asumisoikeus Oy. Other contracts that were concluded included the renovation of an ice stadium for the City of Jyväskylä, the construction of Tietotie upper secondary school for the City of Valkeakoski and the construction of a wind turbine production plant for The Switch in Lappeenranta.

During the review period, the construction of 110 (208) developer contracting housing units was started. SRV bought an area in the Saunalahti district of Espoo during the review period and will build more than 100 low-rise units there. The construction of the first stage, comprising 16 units, commenced in late summer.

A total of 128 (248) developer contracting housing units were sold during the review period. Sales focused on units that were completed or close to completion. Although sales of residences picked up during the second quarter, they weakened in the third quarter. At the end of the period, 251 (382) residential units were under construction. There were 140 (71) completed but unsold residential units. A total of 260 (389) developer contracting residential units were completed during the review period. Start-ups of new developer contracting housing projects have been decreased further due to the market situation.

Developer contracting housing production in Finland	1-9/2008	1-9/2007	change, units	7-9/2008	7-9/2007	1-12/2007
Start-ups	110	208	-98	49	31	363
Sold	128	248	-121	31	257	288
Completed	260	389	-129	251	382	519
Completed and unsold ¹⁾	140	71	69			80
Under construction ¹⁾	251	382	-131			415

1) at the end of the period

Major projects under construction included the Helsingin Oscar condominium, where 65 units will be completed, Vallikallion Helmi in Espoo (67 units) and Ulrikanhuippu in Vantaa (46 units), which will be realised jointly with Asuntosäätiö (Housing Foundation).

SRV continued its participation in the 24Living development project, which is being partly funded by TEKES (the Finnish Funding Agency for Technology and Innovation). Begun in 2006, the 3-year project is headed by the University of Art and Design in Helsinki, in cooperation with Finpro, the Massachusetts Institute of Technology (MIT) and TEKES, with a number of Finnish companies also participating.

International Operations (EUR million)	IFRS 1-9/2008	IFRS 1-9/2007	change, MEUR	change, %	IFRS 7-9/2008	IFRS 7-9/2007	IFRS 1-12/2007
Revenue	49.8	34.4	15.4	44.8	21.0	8.5	53.2
Operating profit	11.9	-0.8	12.8		10.8	-1.7	-10.2
Order backlog	40.2	57.9	-17.7	-30.6			51.3

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

International Operations posted revenue of EUR 49.8 million (EUR 34.4 million). Operating profit amounted to EUR 11.9 million (operating loss of EUR 0.8 million). Revenue of EUR 13.3 million and operating profit of EUR 12.9 million were recorded on the sale of the hotel in Ekaterinburg. The slowing down of activities in the Baltic countries burdened the operating profit. A loss reserve of EUR 1 million has been made on a project completed in Russia during the review period. The order backlog was EUR 40.2 million (EUR 57.9 million).

The sale of the hotel boosted revenue and operating profit in the third quarter. Outlays on Russian projects and the slowdown in Baltic operations reduced the operating profit.

Russia

The renovation works of the Pulkovskaya and Pribaltiskaya hotels operated by the Rezidor Group in St Petersburg were completed in April. In June, SRV signed contracts valued at around EUR 15 million for further renovation works at the hotels. Ahlström's glass fibre plant was completed in March.

The construction of the Etmia II office and parking facility in the heart of Moscow continued. Tenant acquisition commenced during the period. It is estimated that this project will be completed by the end of 2008. SRV's role in the project is to act as the project management contractor and as co-owner with a 50 per cent stake. SRV's objective is to sell the project to investors after completion.

Construction of the Papula residential area in the city of Vyborg continued. In the first phase, 38 units are to be built, and are slated for completion by the end of 2008. All of the first-phase units have been sold. The sale of 30 units, valued at EUR 4.6 million, will be recognised after the buyer has finalised the financing.

The development of the Eurograd logistics area in St Petersburg continued during the review period. On 11 February 2008, SRV acquired a 32 per cent share in the Russian enterprise OOO "Olgino-4", which owns a plot of 24.9 hectares located north of St Petersburg, in the close vicinity of the Ring Road. SRV raised its ownership in the enterprise to 49 per cent during the review period and will acquire the majority stockholding by the end of 2008. Over 100,000 square metres of logistics facilities are planned for the site, in several stages during the next few years. The zoning of the area for logistics was completed in August and site planning has begun.

In the review period, SRV continued the design, preparations for the construction and the search for tenants of the Mytichi shopping centre project developed by SRV, to be realised in the Moscow area. The ensemble will have about 120,000 square metres of floor area. The majority owner of the project is the Finnish real estate investment company Vicus with a 75 per cent stake. Due to the global financial crisis, the project will be split into two phases, to facilitate external financing. The scope of construction works during the first phase will be about 52,000 m², including an underground car park and commercial premises. The final investment decision will be made in the first half of 2009. In July, SRV signed a project management contract, valued at EUR 107 million, with the project company for the planning and construction of the project. The contract agreement will be amended in line with the new scope of the project. The project will not be included in the order backlog until the final investment decision is made. Preparations for construction

have started in accordance with the project management contract. Negotiations with the anchor tenants are underway. The aim is to finalise the negotiations by the end of the year. SRV owns 25 per cent of the project and has invested around EUR 5.6 million in it.

SRV concluded a contract with the International Banking Institute (IBI), St Petersburg, and a local partner concerning the development of an 8.5 hectare land area in St Petersburg. SRV is developing zoning for the area. The plans include the construction of office and retail space, as well as hotel, restaurant and entertainment premises. Moreover, facilities will be built for the IBI university. SRV has made agreements with three international architecture firms to develop the overall concept of the project on the basis of a pre-study carried out by the British firm Locum Consulting. The aim is to conclude the development of the overall concept at the beginning of 2009, which would enable starting up the construction of the first phase in early 2010. SRV has established a development company named OOO IBI Invest to implement the project, and acquired a land area for said company. SRV had invested about EUR 50 million in land and properties as of 30 September 2008. Further investment in the project by SRV is estimated at EUR 10-15 million. It is further estimated that SRV's ownership will total 77.5 per cent of the project when IBI Invest has acquired all the land areas included in the cooperation contract. SRV's partner and future minority shareholder in the joint venture is Mr. Boris Kholmyansky through the companies that he owns. Mr. Kholmyansky is the main owner and chairman of the board of the St Petersburg-based company NPO Znamia Truda.

During the period, SRV continued negotiations with a Russian banking partner with a view to developing property fund cooperation, which would focus on developing commercial and business premises projects and financing construction in Russia. The investors would be SRV together with a group of international investors as well as a local partner, who would also administer the fund. Should the plan be carried out, SRV intends to make a fund investment of around EUR 20 million.

In July, SRV signed a contract for the sale of shares in ZAO Nordrus Hotel with Wenaas Hotel Russia A/S, which belongs to the Norwegian Wenaas Group. ZAO Nordrus Hotel owns the 160-room Park Inn hotel in Ekaterinburg, Russia. The selling price of the shares was EUR 22.5 million. The transaction was completed on 24 September 2008, when the Russian competition authorities had given their consent.

Baltic countries

A partnership project with Facio Ehitus continued in Tartu, Estonia. SRV owns a plot for 7 high-rise apartment buildings. The construction of one of these buildings (42 units) was begun in the summer of 2007. The project will be completed in October. No start-ups of new developer contracting projects are planned in the present market situation. Three (16) residential units were sold during the period and, all in all, 44 (48) were up for sale at the end of the period, 4 (6) of which were in already-completed projects. The sale of the logistics centre leased to Oriola KD in Estonia was completed in January 2008. Revenue of EUR 5 million was recorded on the sale. The construction of a vehicle dealership for Inchcape Motors continued, and design work for the Mercantile logistics centre was completed. The construction start-up was put on hold.

The HRX logistics centre was handed over to the client in Latvia in March 2008.

Other Operations (EUR million)	IFRS 1-9/ 2008	IFRS 1-9/ 2007	change, MEUR	change, %	IFRS 7-9/ 2008	IFRS 7-9/ 2007	IFRS 1-12/ 2007
Revenue	8.4	8.5	0.0	-0.3	2.7	2.5	11.2
Operating profit	-3.5	-2.0	-1.5		-1.0	-0.5	-3.1

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

The operating loss of Other Operations during the review period was EUR 3.5 million (loss of EUR 2.0 million).

Financing and financial position

The Group's financing position and equity ratio remained good. The Group's equity amounted to EUR 170.2 million (EUR 162.3 million) and the group's inventories were EUR 259.0 million (EUR 173.7 million), the share of land areas and plot-owning companies being EUR 119.2 million (EUR 60.6 million). The Group's interest-bearing liabilities were EUR 136.4 million on 30 September 2008 (EUR 45 million). Net financial expenses totalled EUR 5.9 million (EUR 1.2 million). The Group's cash assets at the end of the review period amounted to EUR 8.5 million (EUR 25.1 million). Cash assets in the reference period were increased through the share issue in June 2007.

The return on investment was 18.5 per cent (15.4%) and the return on equity 14.6 per cent (15.2%). The equity ratio was 45.9 per cent (60.9%).

Investments

The Group's investments totalled EUR 22.8 million (EUR 3.1 million), of which EUR 18.2 million were investments related to buildings in the IBI project.

Unbuilt land areas, land acquisition commitments and land development agreements

Land reserve 30.9.2008	Business Operations	Housing	International Operations	Total
Unbuilt land areas and land acquisition commitments				
Building rights*, m ²	153,000	231,000	759,000	1,143,000
Capital invested incl. commitments, EUR million	30	56	82	168
Land development agreements				
Building rights*, m ²	434,000	200,000	100,000	734,000

* Building rights also include the estimated building rights/construction volume of unzoned land reserves and land areas covered by agreements in projects that are wholly or partly owned by SRV

In January, SRV signed a preliminary property purchase agreement for the old Government Building designed by Alvar Aalto, and the adjacent plot, on which a new building of 12,000 square metres of floor area is being developed. The listed Government Building will partly be returned to its original use. During the review period SRV bought 14,700 square metres of floor area in residential building rights in the Saunalahdenranta district of Espoo. Single-family, terraced and semidetached houses will be built in the area. In the Aviapolis business district in the Viinikkala logistics area in Vantaa, SRV bought a 4.5 hectare piece of land, where it plans to build logistics facilities measuring around 26,000 square metres of floor area.

In June, SRV concluded a preliminary property purchase agreement for the roughly 4.5 hectare land area in the Vantaankoski district of Vantaa. The land area borders the 6.3 hectare property SRV purchased earlier in the area.

On 14 January 2008, Espoo City Board accepted SRV's planning reservation application for housing towers above Karhusaarentie road. The plan includes four 27–28 storey buildings and an underground car park on four levels. According to initial plans, the area includes about 50,000 square metres of residential building volume, and the total number of apartments would be around 370. The project would be connected with the implementation of the Keilaniemi metro station. Plans include a deck that would span over Karhusaarentie road, connecting the residential site to Tapiola and thereby adding to its supply of high-quality housing.

New names for SRV's subsidiaries as part of renewed brand

As part of SRV's renewed brand the company renamed its subsidiaries. The name of SRV Viitokset, which specialises in business premises, was changed to SRV Business Premises Ltd as of 1 March 2008. The name of SRV Westerlund, which operates in residential construction, was changed to SRV Housing Ltd. The renewed brand will bring the Group's business areas more clearly under one SRV brand.

Changes in Group structure

SRV Group Plc acquired 100 per cent ownership of SRV Keski-Suomi Oy in April 2008 and Rkl Erkki Huhdanpää Oy in June 2008. In order to strengthen the business structure and operations, SRV started the procedure to merge SRV Kaakkois-Suomi Oy, SRV Keski-Suomi Oy, SRV Lounais-Suomi Oy and Rkl Erkki Huhdanpää Oy into SRV Housing Ltd at the end of June 2008. The merging regional companies will continue their operations under the brands SRV Kaakkois-Suomi, SRV Keski-Suomi, SRV Lounais-Suomi and SRV Pirkanmaa.

Changes in Group management

Executive Vice President Veli-Matti Kullas, who is in charge of SRV's operations in Russia, was nominated member of SRV's Corporate Executive Team on 12 February 2008. Katri Innanen, LL.M, was appointed Chief Legal Counsel and member of the Corporate Executive Team of SRV Group, when the current Chief Legal Counsel, Marja Sarnela retires. Mrs Innanen started in her new position on 29 September 2008. Valtteri Palin, M.Sc. (Econ.), was appointed Senior Vice President, Financial Administration, and member of the Corporate Executive Team of SRV Group Plc as from 1 August 2008 when his predecessor and Corporate Executive Team Member Anu Hämäläinen left the company.

SRV reorganised its international operations on 15 September 2008. The Executive Vice President in charge of Russian operations, Veli-Matti Kullas, now reports directly to President and CEO Eero Heliövaara and the Baltic country managers to the Executive Vice President in charge of Business Premises, Juha Pekka Ojala. In connection with the organisational rearrangements, Ari Beilinson, Executive Vice President in charge of the SRV International business area and member of the Corporate Executive Team, left the company.

Personnel

SRV had an average payroll of 865 (763) employees, of whom 613 (534) were white-collar. The parent company had an average staff of 66 (62) white-collar employees. At the close of the review period, the Group had 904 (761) employees, of whom 69 (64) were employed by the parent company. An average of 14.6 per cent (8.8%) of the employees work at subsidiaries and representative offices abroad.

SRV is developing its cooperation with universities and colleges as part of its effort to cover staffing needs for recruitment and the holiday seasons. At the end of the review period, SRV had a total of 35 (32) trainees working in the Group's operations in Finland (in summer jobs and in work training as well as students working on their thesis or diploma).

Personnel by business area	30.9.2008	30.9.2007	Share of Group personnel, 30.9.2008, %
Business Premises	297	279	32.9
Housing	296	281	32.7
International	212	111	23.5
Other Operations	99	90	11.0
Group, total	904	761	100.0

On 11 February 2008, the Board of Directors of SRV Group Plc approved a new share-based incentive plan for the Group's key personnel. The Plan includes three earning periods – the calendar years 2008, 2009 and 2010. The potential reward from the Plan for earning period 2008 will be based on the Group's profit before taxes. The potential reward from earning period 2008 will be paid in 2009, partly as shares in the company and partly as cash. The proportion to be paid in cash will cover taxes and tax-related costs arising from the reward. The shares may not be transferred during the two-year restriction period. If a key person's employment or service ends during said restriction period, he/she must return the shares rewarded under the Plan to the company without compensation. Approximately 60 people are covered by the Plan during earning period 2008. The rewards to be paid for earning period 2008 correspond to the approximate value of a total maximum of 450,000 SRV Group Plc shares (also including the proportion to be paid in cash).

Outlook for construction

The growth of the global economy will continue to slacken due to the uncertainty prevailing in the international financial markets. Uncertainties concerning the length and impacts of the financial crisis are hampering the assessment of the construction market outlook. Finland's economy will decelerate, with growth expected to settle at around 2 per cent during the present year. The business cycles of the real estate market and construction have weakened significantly.

The housing market has taken a sharp turn for the worse due to high interest rates and slower economic growth. The number of unsold residences has grown. The number of residential start-ups has decreased. In 2009, the construction of commercial premises and offices is expected to decline. Warehouse construction volumes depend on decisions to implement projects to improve logistics. The total number of building permits has decreased across the board from the record level of 2007, with the exception of public buildings. Construction costs have risen at a significantly faster rate than the general trend in costs since 2003. However, the availability of subcontracting and materials has continued to develop favourably after the construction business cycle dipped.

Economic growth in the Baltic countries has deteriorated quickly. Estonia in particular is sliding towards recession. The housing market has clearly cooled down and private consumption is on the wane due to rapid inflation. The short-term outlook for the Baltic economies is highly challenging.

The Russian economy grew by 8.1 per cent in 2007 and almost similar growth pace is forecast for the present year. Construction has continued to surge, but the financial crisis is significantly hindering project implementation. However, demand is strong in both residential and commercial construction. Inflation has continued to pick up on the heels of rapid economic growth.

Risks, risk management and corporate governance

General economic trends and changes in customers' operating environments have an immediate effect on the construction and property markets. A change in the general interest level has a direct impact on both SRV's actual cash flow from operating activities and financing costs. General economic situation has weakened and interest level has gone up. The international financial crisis complicates property markets. Property values face pressures and the number of property transactions in decreased due to difficulties in getting financing. The financial crisis adds SRV's risk to be forced to tie up capital in projects longer than intended.

SRV's revenue is generated by construction projects, and the company's result depends on the profitability of individual projects as well as their progress. The recognition date of the developer contracting projects also depends on the percentage of sold premises in projects. Housing sales have slowed down in Finland and in Estonia, in particular.

Construction is subject to significant cost risks relating to subcontracting and deliveries, and their control underlines the need for long-term planning. SRV's contracting model requires skilled and competent personnel. Warranty and liability obligations related to construction

can span up to ten years. At the moment the rise of construction costs is slowing down in Finland, but due to inflation the costs are rising heavily in Russia.

Besides land acquisition risks, property projects face, among other things, risks relating to outcome of zoning, financing, commercialisation of projects, geographical location and type of project. In accordance with its strategy, SRV focuses on developer contracting projects and has increased its land acquisition in Finland and in Russia, in particular. The crisis in the international financial market has substantially weakened the availability of financing in property projects for property development and investments. It has also put project start-ups on hold.

The financial risks related to the SRV Group's business are interest rate, foreign exchange, liquidity and counterparty risks, which have been presented in the Notes to the 2007 Financial Statements.

The Group's risk management is carried out in line with the Group's operations system and control is exercised in accordance with the Group strategy approved by the Board of Directors of the Group's parent company. SRV also makes every effort to cover operational risks by means of insurance and contractual terms. A more detailed account of SRV's risks, risk management and corporate governance policies has been disclosed in the 2007 Annual Report and Financial Statements.

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

Corporate governance and resolutions of general meetings

The Annual General Meeting was held on 14 April 2008. The AGM adopted the financial statements for 2007 and granted release from liability to the members of the Board of Directors and the president and CEO. A dividend of EUR 0.12 per share was declared.

Mr Ilpo Kokkila was elected chairman of the Board of Directors and Mr Jukka Hienonen, Mr Lasse Kurkilahti, Mr Matti Mustaniemi and Mr Markku Sarkamies were elected to seats on the Board. In its organisational meeting on 14 April 2008 the Board of Directors elected Lasse Kurkilahti vice chairman of the Board. Matti Mustaniemi was elected chairman and Markku Sarkamies member of the Audit Committee. Ilpo Kokkila was elected chairman and Jukka Hienonen and Lasse Kurkilahti members of the Nomination and Remuneration Committee.

Mr Jarmo Lohi, Authorised Public Accountant, was elected as the company's auditor, and the firm of public accountants Ernst & Young Oy was elected deputy auditor, with Mr Mikko Ryttilahti, Authorised Public Accountant, acting as principal auditor.

The Annual General Meeting authorised the Board of Directors to resolve on the acquisition of the company's own shares (treasury shares). The authorisation is in force for 18 months from the decision of the Meeting. A maximum of 3,676,846 own shares, or a lower amount that, in addition to the shares already owned by the company and its subsidiaries, is less than 10 per cent of all shares, may be acquired on the basis of the authorization. The Annual General Meeting authorised the Board of Directors to resolve on the transfer of treasury shares against payment or without consideration. The authorisation is in force for 18 months from the decision of the Meeting.

Shares and shareholders

SRV Group Plc's share capital is EUR 3,062,520. The share has no nominal value and the number of shares outstanding is 36,768,468. The company has one class of shares. SRV's shares were admitted to public trading on the OMX Nordic Exchange Helsinki Pre List on 12 June 2007 and on the Main List on 15 June 2007. SRV had a total of 5,924 shareholders at 30 September 2008. SRV did not receive any flagging notifications during the reporting period.

The closing rate at the end of the review period was EUR 4.19 (5.02 on 31 December 2007). The highest share price in the review period was EUR 6.60 and the lowest was EUR 3.90. The change in the all-share index of the Helsinki Stock Exchange (OMX Helsinki) during the same period was 40.2 per cent negative and the OMX Industrial and Services index 40.5 per cent negative.

At the end of the review period, the company had a market capitalisation of EUR 152.4 million, excluding the Group's own shares. About 12.3 million shares were traded on the Helsinki Stock Exchange in the review period and the trade volume was EUR 64.5 million.

At the end of the review period, SRV Group Plc's subsidiary SRV Kalusto Oy had 150,241 of SRV Group Plc's shares. The shares were acquired in accordance with the conditions of the merger plan of SRV Group Plc and SRV Henkilöstö Oy. On 30 May 2008, SRV Group Plc's Board of Directors decided to use the authorisation to acquire the company's own shares. Share acquisition started on 9 June 2008. On 30 September 2008, SRV Group Plc and SRV Kalusto Oy had a total of 407 200 of SRV Group Plc's shares, representing 1.1 per cent of the total number of the company's shares and combined number of votes. On 29 October 2008, the Group had a total of 448,500 shares (1.3 per cent of the total number of the company's shares and combined number of votes).

Financial targets

In the medium term SRV aims to achieve annual average growth of approximately 15 per cent in Group revenue and annual average growth of 30 percent in revenue in International Operations. SRV aims to increase the level of operating profit and, in the medium to long term, to achieve an operating margin of 8 per cent. Also, the company aims to maintain an equity ratio of 30 per cent.

Events after the end of the reporting period

In October, Stockmann and SRV agreed that the project management and implementation of the extension and alteration works of Stockmann's Helsinki department store will be transferred to SRV. The agreement covers both the works now in progress and the completion of the entire extension project. SRV's share of the project is estimated at EUR 70-80 million, which will be specified more exactly during the last part of the year, when the parties have agreed on the scope of the renovation and reconstruction works in the old property and when the subcontractual amount to be invoiced through SRV has been specified.

Due to the market situation, SRV Housing Ltd will start actions aiming at adjusting the number of employees to the reduced housing construction volume.

Prior outlooks for 2008

12 February 2008

Revenue in 2008 is expected to increase on the previous year. Operating profit in 2008 is anticipated to exceed operating profit in 2007 by a substantial margin.

19 August 2008

Due to uncertainties concerning housing sales, revenue in 2008 is expected to remain on the 2007 level. The Group's operating profit is anticipated to outperform 2007 by a substantial margin, and operating profit in the latter half of 2008 is expected to surpass the first half.

Outlook for 2008

International financial crisis has complicated the financing of property investments and weakened the economic outlook. Start-up decisions and housing sales, in particular, face uncertainties.

SRV revises its outlook regarding revenue and operating profit. Revenue in 2008 is expected to be somewhat lower than revenue in the previous year. Operating profit for the last quarter is expected to be positive and operating profit for the whole year to be clearly higher than in 2007.

Espoo 30 October, 2008

Board of Directors

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

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Key figures:

		IFRS 1-9/ 2008	IFRS 1-9/ 2007	IFRS 7-9/ 2008	IFRS 7-9/ 2007	IFRS 1-12/ 2007
Revenue	EUR million	415.5	395.9	126.7	134.6	561.4
Operating profit	EUR million	32.2	18.0	14.1	7.6	15.1
Operating profit, % of revenue	%	7.7	4.5	11.1	5.7	2.7
Profit before taxes	EUR million	26.3	16.8	11.2	7.8	11.5
Profit before taxes, % of revenue	%	6.3	4.2	8.8	5.8	2.1
Net profit attributable to equity holders of the parent company	EUR million	17.9	12.3	7.8	5.6	7.2
Return on equity ¹	%	14.6	15.2			6.9
Return on investment ¹	%	18.5	15.4			9.7
Invested capital	EUR million	306.6	207.3			222.9
Equity ratio	%	45.9	60.9			55.4
Net interest-bearing debt	EUR million	126.1	19.8			43.2
Gearing ratio	%	74.1	12.2			27.3
Order backlog	EUR million	455.2	546.3			528.7
Personnel on average		865	763			761
Property, plant and equipment investments	EUR million	22.8	3.1	1.2	1.0	5.4
Property, plant and equipment investments, % of revenue	%	5.5	0.8	0.9	0.7	1.0
Earnings per share, share issue adjusted ²	EUR	0.49	0.39	0.21	0.14	0.22
Equity per share, share issue adjusted ²	EUR	4.61	4.33	-	-	4.22
Dividend per share, share issue adjusted	EUR	-	-	-	-	0.12
Dividend payout ratio	%	-	-	-	-	54.6
Dividend yield	%	-	-	-	-	2.4
Price per earnings ratio		-	-	-	-	22.8
Share price development						
Share price at the end of the period	EUR	4.19	8.10	-	-	5.02
Average share price	EUR	4.30	8.19	-	-	8.40
Lowest share price	EUR	3.90	7.92	-	-	4.72
Highest share price	EUR	6.60	8.51	-	-	10.79
Market capitalisation at the end of the period	EUR million	152.4	297.8	-	-	184.6
Trading volume	1,000	12 284	15 129	-	-	22 514
Trading volume	%	33.6	48.3	-	-	68.8
Weighted average number of shares outstanding	1,000	36 613	31 333			32 703
Number of shares outstanding at the end of the period	1,000	36 361	36 768			36 768

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

2) Key figures per share have been adjusted to reflect the increase in the number of shares, which came into effect on 11 April 2007 (split), the rights issue on 11 June 2007 and the rights issue and cancellation of treasury shares in connection with the merger of SRV Henkilöstö Oy on 28 September 2007 and purchases of own shares

Calculation of key figures:

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

SRV Group Plc Interim Report 1 January - 30 September 2008: TABLES

Appendixes

- 1) Condensed consolidated financial statements: income statement, balance sheet, statement of changes in equity, cash flow statement, commitments and contingent liabilities, derivative contracts liabilities
- 2) Quarterly development
- 3) Segment information
- 4) Adoption of new standards as well as changes and interpretations in 2009
- 5) Outlook after the reporting period

1. Group financials 1 January – 30 September 2008

IFRS standards and operating segments

SRV Group (SRV) adopted International Financial Reporting Standards (IFRS) on 1 January 2006. In preparing interim condensed consolidated financial statement information, SRV has applied the same accounting principles as in its year-end financial statements for 2007. The figures in the tables have been rounded which should be noted when counting the total sums. The interim condensed consolidated financial statement information has been prepared in accordance with the accounting policies set out in the IAS 34 standard and the information disclosed is unaudited.

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

Consolidated income statement

(EUR million)	IFRS 1-9/ 2008	IFRS 1-9/ 2007	change, MEUR	change, %	IFRS 7-9/ 2008	IFRS 7-9/ 2007	IFRS 1-12/ 2007
Revenue	415.5	395.9	19.6	4.9	126.7	134.6	561.4
Other operating income	1.0	0.7	0.3	37.8	0.4	0.1	1.1
Change in inventories of finished goods and work in progress	24.9	6.0	18.9	312.8	11.2	-4.8	18.3
Use of materials and services	-361.9	-343.8	-18.1	5.3	-109.4	-110.8	-509.7
Employee benefit expenses	-34.2	-30.1	-4.1	13.7	-10.4	-8.3	-41.6
Depreciation and impairments	-2.1	-1.4	-0.7	51.3	-0.7	-0.5	-1.9
Other operating expenses	-11.1	-9.5	-1.6	16.9	-3.7	-2.7	-12.6
Operating profit	32.2	18.0	14.2	79.0	14.1	7.6	15.1
Financial income	3.3	1.3	2.0	158.5	0.4	0.5	2.6
Financial expenses	-9.2	-2.5	-6.7	269.5	-3.3	-0.4	-6.1
Financial income and expenses, total	-5.9	-1.2	-4.7	388.1	-2.9	0.2	-3.5
Profit before taxes	26.3	16.8	9.5	56.8	11.2	7.8	11.5
Income taxes	-8.3	-4.0	-4.3	106.6	-3.6	-1.6	-3.9
Net profit for the period	18.0	12.8	5.3	41.2	7.6	6.1	7.6
Attributable to							
Equity holders of the parent company	17.9	12.3			7.8	5.6	7.2
Minority interest	0.1	0.5			-0.2	0.6	0.5
Earnings per share calculated on the profit attributable to equity holders of the parent company (undiluted and diluted) 1)	0.49	0.39		25.6	0.21	0.14	0.22

- 1) Key figures per share have been adjusted to reflect the increase in the number of shares, which came into effect on 11 April 2007 (split), new issue of shares on 11 June 2007 and the new issue of shares and the cancellation of treasury shares in connection with the merger of SRV Henkilöstö Oy on 29 September 2007 and purchases of own shares

Consolidated balance sheet (EUR million)	IFRS 30.9.08	IFRS 30.9.07	change %	IFRS 31.12.07
ASSETS				
Non-current assets				
Property, plant and equipment	25.9	6.8	281.9	8.0
Goodwill	1.7	0.7	138.9	0.7
Other intangible assets	0.6	0.7	-15.9	0.6
Other financial assets	4.4	2.9	52.8	2.9
Receivables	5.8	6.0	-3.3	2.7
Deferred tax assets	1.5	0.7	117.1	1.1
Non-current assets, total	40.0	17.8	124.3	16.1
Current assets				
Inventories	259.0	173.7	49.1	196.4
Trade and other receivables	87.3	94.2	-7.3	94.2
Current tax receivables	4.4	2.2	98.1	3.4
Cash and cash equivalents	8.5	25.1	-66.2	21.4
Current assets, total	359.3	295.3	21.7	315.4
ASSETS, TOTAL	399.3	313.1	27.5	331.6

Consolidated balance sheet (EUR million)	IFRS 30.9.08	IFRS 30.9.07	change %	IFRS 31.12.07
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent company				
Share capital	3.1	3.1	0.0	3.1
Invested free equity fund	87.3	83.1	5.1	87.3
Translation differences	0.0	0.0	-93.0	0.0
Fair value reserve	0.0	0.0	-100.0	0.0
Retained earnings	77.1	73.0	5.6	64.7
Equity attributable to equity holders of the parent company, total	167.5	159.1	5.3	155.1
Minority interest	2.7	3.2	-16.8	3.2
Equity, total	170.2	162.3	4.8	158.3
Non-current liabilities				
Deferred tax liabilities	0.2	0.8	-77.6	0.1
Provisions	5.4	5.5	-0.8	5.9
Interest-bearing liabilities	55.9	32.6	71.4	37.7
Other liabilities				0.4
Non-current liabilities, total	61.5	38.9	58.3	44.1
Current liabilities				
Trade and other payables	78.2	95.0	-17.7	96.9
Current tax payables	4.9	1.1	338.8	1.6
Provisions	4.0	3.4	16.3	4.1
Interest-bearing liabilities	80.5	12.3	553.2	26.5
Current liabilities, total	167.5	111.9	49.7	129.1
Liabilities, total	229.1	150.8	52.0	173.2
EQUITY AND LIABILITIES	399.3	313.1	27.5	331.6

Consolidated cash flow statement (EUR million)	IFRS 1-9/2008	IFRS 1-9/2007	IFRS 1-12/2007
Cash flows from operating activities			
Net profit for the period	18.0	12.8	7.6
Adjustments:			
Depreciation and impairments	2.1	1.4	1.9
Non-cash transactions	-0.6	-0.5	1.5
Financial income and expenses	5.9	1.2	3.5
Capital gains on sales of tangible and intangible assets	0.0	-0.1	-0.1
Income taxes	8.3	4.0	3.9
Adjustments, total	15.6	6.0	10.6
Changes in working capital:			
Change in loan receivables	-8.5	-4.0	-2.7
Change in trade and other receivables	10.9	-25.0	-23.0
Change in inventories	-62.6	-39.7	-62.8
Change in trade and other payables	-21.2	15.1	16.4
Changes in working capital, total	-81.4	-53.5	-72.1
Interest paid	-7.8	-3.9	-6.3
Interest received	6.2	2.0	2.8
Dividends received	0.0	0.0	0.0
Income taxes paid	-6.4	-4.7	-6.3
	-8.0	-6.6	-9.8
Net cash flow from operating activities	-55.8	-41.4	-63.7
Cash flow from investing activities			
Acquisition of subsidiaries, net of cash	-1.3	0.0	0.0
Property, plant and equipment	-19.7	-2.1	-4.2
Intangible assets	-0.3	-0.1	-0.1
Other financial assets	-1.5	-0.9	-1.0
Sale of property, plant and equipment and intangible assets	0.1	0.7	0.7
Sale of financial assets	0.0	0.3	0.3
Net cash used in investing activities	-22.7	-2.1	-4.3
Cash flows from financing activities			
Proceeds from share issue	0.0	112.4	113.4
Proceeds from loans	42.0	16.3	19.1
Repayments of loans	-9.5	-13.2	-13.5
Change in loan receivables	0.0	0.2	0.2
Change in housing corporation loans	22.5	-24.7	-21.8
Change in credit limits	16.3	-13.5	0.9
Purchase of treasury shares	-1.4	-20.7	-20.7
Payments of financial leasing debts	0.0	0.0	0.0
Dividends paid	-4.4	-3.1	-3.1
Net cash from financing activities	65.6	53.8	74.5
Net change in cash and cash equivalents	-12.9	10.2	6.5
Cash and cash equivalents at the beginning of period	21.4	14.9	14.9
Cash and cash equivalents at the end of period	8.5	25.1	21.4

Statement of changes in Group equity 1.1. - 30.9.2008

IFRS (EUR million)	Equity attributable to the equity holders of the parent company							Minority interest	Total equity
	Share capital	Share premiu m reserve	Invested free equity fund	Trans- lation differ- ences	Fair value reserve	Retai- ned earnin gs	Total		
Equity on 1.1.2008	3.1	0.0	87.3	0.0	0.0	64.7	155.1	3.2	158.3
Translation differences				0.0			0.0		
Net gains on available- for-sale financial assets					0.0		0.0		
Other changes			0.0			0.0	0.0		
Net income recognised directly in equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Net profit for the period						17.9	17.9		
Total income and expenses for the period	0.0	0.0	0.0	0.0	0.0	17.9	17.9		
Dividends paid						-4.4	-4.4		
Purchase of treasury shares						-1.1	-1.1		
Equity on 30.9.2008	3.1	0.0	87.3	0.0	0.0	77.1	167.5	2.7	170.2

Statement of changes in Group equity 1.1. - 30.9.2007

IFRS (EUR million)	Equity attributable to the equity holders of the parent company							Minority interest	Total equity
	Share capital	Share premiu m reserve	Invested free equity fund	Trans- lation differ- ences	Fair value reserve	Retai- ned earnin gs	Total		
Equity on 1.1.2007	1.3	1.8	0.0	0.0	0.1	54.7	57.9	4.2	62.2
Translation differences				0.0			0.0		
Net gains on available- for-sale financial assets					-0.1		-0.1		
Other changes	1.8	-1.8				0.1	0.1		
Net income recognised directly in equity	1.8	-1.8	0.0	0.0	-0.1	0.1	-0.1		
Net profit for the period						12.3	12.3		
Total income and expenses for the period	0.0	0.0	0.0	0.0	0.0	12.3	12.3		
Dividends paid						-3.1	-3.1		
Transfer from share premium reserve to share capital	1.8	-1.8					0.0		
Share issue and employee offering			112.4			0.4	112.8		
Share issue and employee offering deductions							0.0		
Purchase and cancellation of treasury shares			-29.3			8.6	-20.7		
Equity 30.9.2007	4.8	-1.8	83.1	0.0	0.0	73.0	159.1	3.2	162.3

Statement of changes in Group equity 1.1. - 31.12.2007

IFRS (EUR million)	Equity attributable to the equity holders of the parent company							Minority interest	Total equity
	Share capital	Share premiu m reserve	Invested free equity fund	Trans- lation differ- ences	Fair value reserve	Retai- ned earnin gs	Total		
Equity on 1.1.2007	1.3	1.8	0.0	0.0	0.1	54.7	57.9	4.2	62.2
Translation differences				0.0			0.0		
Net gains on available- for-sale financial assets					-0.1		-0.1		
Other changes						0.1	0.1		
Net income recognised directly in equity	0.0	0.0	0.0	0.0	-0.1	0.1	0.0		
Net profit for the period						7.2	7.2		
Total income and expenses for the period	0.0	0.0	0.0	0.0	0.0	7.2	7.2		
Dividends paid						-3.1	-3.1		
Transfer from share premium reserve to share capital	1.8	-1.8					0.0		
Share issue and employee offering			116.6			0.4	117.0		
Share issue and employee offering deductions						-3.2	-3.2		
Purchase and cancellation of treasury shares			-29.3			8.6	-20.7		
Equity 31.12.2007	3.1	0.0	87.3	0.0	0.0	64.7	155.1	3.2	158.3

Inventories (EUR million)	IFRS 30.9.08	IFRS 30.9.07	change, %	IFRS 31.12.07
Raw materials and consumables	0.0	0.0	-83.1	0.0
Work in progress	94.6	73.6	28.6	86.7
Land areas and plot-owning companies	119.2	60.6	96.7	64.3
Shares in completed housing corporations and real estate companies	30.2	25.6	17.9	30.3
Advance payments	6.6	6.1	9.0	6.5
Other inventories	8.4	7.8	7.4	8.7
Inventories, total	259.0	173.7	49.1	196.4
Commitments and contingent liabilities EUR million	IFRS 30.9.08	IFRS 30.9.07	change, %	IFRS 31.12.07
Collateral given for own liabilities				
Real estate mortgages given	99.3	58.9	68.7	69.9
Pledges given	0.0	6.0	-100.0	5.2
Other commitments				
Guarantees given for liabilities on uncompleted projects	0.4	71.0	-99.4	71.4
Investment commitments given	2.3	6.4	-63.4	4.7

Fair and nominal values of derivative instruments (EUR million)	IFRS 30.9.08		IFRS 30.9.07		IFRS 31.12.07	
	Fair Values		Fair Values		Fair Values	
	Positive	Negative	Positive		Positive	Negative
Hedge accounting not applied						
Foreign exchange forward contracts	0.0	0.4	0.4	0.0	0.0	0.0
Interest rate swaps	0.0	0.0	0.0	0.0	0.0	0.0
Nominal values of derivative instruments						
	IFRS 30.9.08		IFRS 30.9.07		IFRS 31.12.07	
Foreign exchange forward contracts		8.4		8.8		8.5
Interest rate swaps		14.8		0.0		0.0

The fair values of derivative instruments are based on market prices at the end of the reporting period. Open foreign exchange forward contracts are hedging the financing cash flow.

2. Group and Segment information by quarter

SRV Group (EUR million)	IFRS 7-9/08	IFRS 4-6/08	IFRS 1-3/08	IFRS 10-12/07	IFRS 7-9/07	IFRS 4-6/07	IFRS 1-3/07
Revenue	126.7	142.4	146.4	165.5	134.6	140.0	121.4
Operating profit	14.1	9.2	8.9	-2.9	7.6	6.8	3.6
Financial income and expenses, total	-2.9	-2.4	-0.6	-2.3	0.2	-0.8	-0.6
Profit before taxes	11.2	6.8	8.3	-5.2	7.8	6.0	3.0
Order backlog ¹⁾	455.2	521.1	451.3	528.7	546.3	517.4	507.0
Earnings per share, eur	0.21	0.12	0.16	-0.17	0.14	0.18	0.07
Equity per share, eur ¹⁾	4.56	4.40	4.38	4.22	4.33	4.46	2.29
Share price, eur ¹⁾	4.19	5.28	5.55	5.02	8.10	10.10	-
Equity ratio, % ¹⁾	45.9	44.9	52.1	55.4	60.9	59.4	33.2
Net interest bearing debt ¹⁾	126.1	122.4	76.1	43.2	19.8	-10.4	52.5
Gearing, % ¹⁾	74.1	74.8	46.3	27.3	12.2	-5.8	82.9

Revenue (EUR million)	IFRS 7-9/08	IFRS 4-6/08	IFRS 1-3/08	IFRS 10-12/07	IFRS 7-9/07	IFRS 4-6/07	IFRS 1-3/07
Business Premises	74.3	92.2	104.8	103.2	90.6	82.2	69.4
Housing	31.4	37.1	26.0	43.5	35.5	43.9	40.1
International	21.0	13.1	15.7	18.8	8.5	14.0	11.9
Other Operations	2.7	2.8	2.9	2.7	2.5	4.0	1.9
Eliminations	-2.7	-2.9	-2.9	-2.7	-2.6	-4.2	-1.9
Group, total	126.7	142.4	146.4	165.5	134.6	140.0	121.4

Operating profit (EUR million)	IFRS 7-9/08	IFRS 4-6/08	IFRS 1-3/08	IFRS 10-12/07	IFRS 7-9/07	IFRS 4-6/07	IFRS 1-3/07
Business Premises	3.7	9.9	8.2	4.7	6.8	3.6	2.9
Housing	0.5	0.9	0.4	2.8	3.0	2.9	2.0
International	10.8	-0.1	1.2	-9.4	-1.7	1.8	-0.9
Other Operations	-1.0	-1.6	-0.9	-1.1	-0.5	-1.1	-0.4
Eliminations	0.0	0.0	0.0	0.0	0.0	-0.4	0.0
Group, total	14.1	9.2	8.9	-2.9	7.6	6.8	3.6

Operating profit (%)	IFRS 7-9/08	IFRS 4-6/08	IFRS 1-3/08	IFRS 10-12/07	IFRS 7-9/07	IFRS 4-6/07	IFRS 1-3/07
Business Premises	4.9	10.8	7.8	4.5	7.5	4.4	4.2
Housing	1.7	2.5	1.6	6.5	8.5	6.5	4.9
International	51.5	-0.9	7.9	-49.9	-19.9	12.7	-7.8
Group, total	11.1	6.4	6.1	-1.8	5.7	4.8	2.9

Order backlog (EUR million)	IFRS 30.9.08	IFRS 30.6.08	IFRS 31.3.08	IFRS 31.12.07	IFRS 30.9.07	IFRS 30.6.07	IFRS 31.3.07
Business Premises	228.8	291.1	235.2	302.8	360.2	323.4	326.0
Housing	186.3	186.8	182.4	174.6	128.2	129.7	143.0
International	40.2	43.2	33.7	51.3	57.9	64.4	38.0
Group, total	455.2	521.1	451.3	528.7	546.3	517.4	507.0

Invested capital (EUR million)	IFRS 30.9.08	IFRS 30.6.08	IFRS 31.3.08	IFRS 31.12.07	IFRS 30.9.07	IFRS 30.6.07	IFRS 31.3.07
Business Premises	63.5	51.2	43.7	33.4	44.4	60.7	40.1
Housing	115.9	105.3	97.0	81.5	72.2	60.6	39.5
International	143.9	145.1	115.1	101.3	65.3	58.6	29.9
Other and eliminations	-16.6	-5.4	4.0	6.7	25.3	58.5	23.0
Group, total	306.6	296.2	259.8	222.9	207.3	238.3	132.6

Residential production in Finland (units)	IFRS 7-9/08	IFRS 4-6/08	IFRS 1-3/08	IFRS 10-12/07	IFRS 7-9/07	IFRS 4-6/07	IFRS 1-3/07
Start-ups	49	53	8	155	31	77	100
Completed	31	104	125	130	257	51	81
Under construction ¹⁾	251	247	298	415	382	593	613
Completed and unsold ¹⁾	140	128	105	80	71	30	18
Sold	32	63	33	40	62	83	103

1) at the end of the period

3. Segment information

Assets (EUR million)	IFRS 30.9.08	IFRS 30.9.07	change, MEUR	change, %	IFRS 31.12.08
Business Premises	114.7	112.7	2.1	1.8	117.2
Housing	138.4	93.9	44.5	47.5	113.4
International	156.0	83.2	72.8	87.5	114.3
Other Operations	168.4	116.7	51.7	44.3	162.0
Eliminations	-178.3	-93.3	-84.9		-175.4
Group, total	399.3	313.1	86.2	27.5	331.6

Liabilities (EUR million)	IFRS 30.9.08	IFRS 30.9.07	change, MEUR	change, %	IFRS 31.12.08
Business Premises	78.7	87.0	-8.3	-9.6	83.9
Housing	125.7	76.9	48.8	63.5	93.8
International	139.8	74.7	65.1	87.1	104.9
Other Operations	65.1	7.4	57.8	785.6	31.5
Eliminations	-180.3	-95.2	-85.1		-140.9
Group, total	229.1	150.8	78.3	52.0	173.2

Invested capital (EUR million)	IFRS 30.9.08	IFRS 30.9.07	change, MEUR	change, %	IFRS 31.12.08
Business Premises	63.5	44.4	19.0	42.9	33.4
Housing	115.9	72.2	43.7	60.5	81.5
International	143.9	65.3	78.6	120.2	101.3
Other operations and eliminations	-16.6	25.3	-42.0		6.7
Group, total	306.6	207.3	99.3	47.9	222.9

Inventories (MEUR)	IFRS 30.9.08	IFRS 30.9.07	change, MEUR		IFRS 31.12.07
Land areas and plot-owning companies	119.2	60.6	58.6		64.3
Business Premises		22.6	16.1	6.5	16.4
Housing		35.3	26.5	8.8	26.5
International		61.4	18.0	43.3	20.8
Work in progress	94.6	73.6	21.0		86.7
Business Premises		28.7	26.0	2.7	27.6
Housing		46.3	30.6	15.7	41.9
International		19.6	17.0	2.6	17.2
Shares in completed housing corporations and real estate companies	30.2	25.6	4.6		30.3
Business Premises		0.0	0.4	-0.4	0.0
Housing		30.1	15.6	14.4	20.8
International		0.0	9.6	-9.6	9.5
Other inventories	20.0	13.9	6.1		15.2
Business Premises		5.2	5.0	0.2	5.0
Housing		6.6	7.3	-0.7	4.8
International		9.3	2.3	6.9	6.1
Inventories, total	259.0	173.7	85.3		196.4
Business Premises		51.4	47.4	4.0	49.1
Housing		118.3	80.1	38.2	93.9
International		90.2	46.9	43.3	53.6

Business Premises (EUR million)	IFRS 1-9/2008	IFRS 1-9/2007	change, MEUR	change, %	IFRS 2007
Revenue	271.2	242.2	29.0	12.0	345.4
Operating profit	21.8	13.3	8.4	63.1	18.0
Segment's assets					
Non-current assets	0.9	0.5	0.5	103.8	1.0
Current assets	113.8	112.2	1.6	1.4	116.2
Total assets	114.7	112.7	2.1	1.8	117.2
Segment's liabilities					
Non-current liabilities	1.0	1.4	-0.4	-26.1	1.2
Current liabilities	77.6	85.6	-8.0	-9.3	82.7
Total liabilities	78.7	87.0	-8.3	-9.6	83.9
Invested capital at end of period	63.5	44.4	19.0	42.9	33.4
Return on investment, % ¹⁾	64.2	45.0			52.4
Order backlog at end of period	228.8	360.2	-131.4	-36.5	302.8

Housing (EUR million)	IFRS 1-9/2008	IFRS 1-9/2007	change, MEUR	change, %	IFRS 2007
Revenue	94.5	119.6	-25.0	-20.9	163.1
Operating profit	1.9	7.8	-6.0	-75.9	10.7
Segment's assets					
Non-current assets	2.1	1.2	0.8	66.3	2.6
Current assets	136.3	92.6	43.7	47.2	110.9
Total assets	138.4	93.9	44.5	47.5	113.4
Segment's liabilities					
Non-current liabilities	50.1	24.7	25.4	102.6	28.1
Current liabilities	75.6	52.2	23.5	45.0	65.7
Total liabilities	125.7	76.9	48.8	63.5	93.8
Invested capital at end of period	115.9	72.2	43.7	60.5	81.5
Return on investment, % ¹⁾	2.6	17.6			16.7
Order backlog at end of period	186.3	128.2	58.1	45.3	174.6
International Operations					
(EUR million)	IFRS 1-9/2008	IFRS 1-9/2007	change, MEUR	change, %	IFRS 2007
Revenue	49.8	34.4	15.4	44.8	53.2
Operating profit	11.9	-0.8	12.8		-10.2
Segment's assets					
Non-current assets	23.6	6.3	17.3	274.6	2.4
Current assets	132.5	76.9	55.5	72.2	111.8
Total assets	156.0	83.2	72.8	87.5	114.3
Segment's liabilities					
Non-current liabilities	10.7	12.0	-1.2	-10.2	14.8
Current liabilities	129.1	62.8	66.3	105.7	90.1
Total liabilities	139.8	74.7	65.1	87.1	104.9
Invested capital at end of period	143.9	65.3	78.6	120.2	101.3
Return on investment, % ¹⁾	16.9	1.1			-11.3
Order backlog at end of period	40.2	57.9	-17.7	-30.6	51.3

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

4) Adoption of new standards, changes and interpretations in 2009

In July, IFRIC published a new interpretation guide concerning the income recognition procedures for developer contracting projects (IFRIC 15: Agreements for the Construction of Real Estate). The coming into effect of the standard requires the approval of the European Commission. SRV will adopt the approved interpretation guide as from 1 January 2009 and will analyse the effects of the application of the interpretation guide on the financial data reported by the Group.

5) Events after the end of the reporting period

In October, Stockmann and SRV agreed that the project management and implementation of the extension and alteration works of Stockmann's Helsinki department store will be transferred to SRV. The agreement covers both the works now in progress and the completion of the entire extension project. SRV's share of the project is estimated at EUR 70-80 million, which will be specified more exactly during the last part of the year, when the parties have agreed on the scope of the renovation and reconstruction works in the old property and when the subcontractual amount to be invoiced through SRV has been specified.

Due to the market situation, SRV Housing Ltd will start actions aiming at adjusting the number of employees to the reduced housing construction volume.