



Interim financial review
1.1.-30.9.2008



Growing uncertainty in the operating environment



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Finland

- Sharp decline in demand for housing; growth of commercial and office construction has peaked
- Stable outlook for infrastructure construction and technical building services
- Continuing growth of refurbishment contracting
- Diminished availability of financing a significant uncertainty factor for demand

Other countries

- Rock engineering brisk in Sweden; Sweden and Norway have increased their infrastructure construction appropriations
- Road construction projects continue in the Baltic states but the competitive situation is very challenging
- Construction demand slows in Russia; consumer lending more difficult



January-September 2008 in brief



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- Net sales grew, but profitability weakened
- Causes of weakened profitability
 - sharp decline in demand for housing
 - cancellation of already agreed commercial property deals
 - higher input costs in infrastructure construction
 - poor market situation in the Baltic states
- Improved results for technical building services and building products
- Profit warning from Lemminkäinen after the review period
- Arbitral tribunal: IKEA was not justified in terminating the construction contract for a St. Petersburg shopping centre in spring 2006



Timo Kohtamäki appointed Managing Director of Lemminkäinen



Timo Kohtamäki, Lic. Tech., b.1963, has been appointed to serve as the Managing Director of Lemminkäinen Corporation with effect from 1.1.2009. He is presently the head of Lemminkäinen group's infrastructure construction business sector and the Managing Director of Lemminkäinen Infra Oy.

Lemminkäinen's Deputy Managing Director Henrik Eklund, M.Sc.(Eng.), b. 1961, has been appointed to serve as the head of the Company's infrastructure construction business sector.



Outlook for 2008

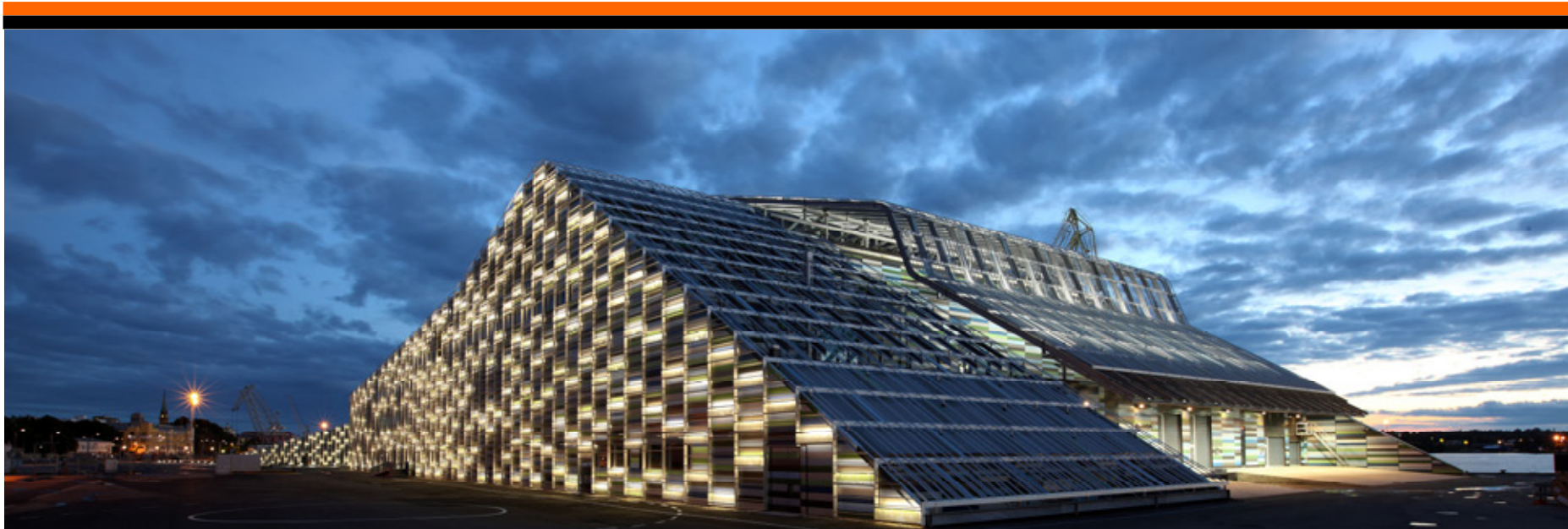


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Lemminkäinen estimates that the profit before taxes for 2008 will be lower than last year. The Company's net sales and balance sheet will grow.

The results of the building construction and infrastructure construction business sectors will be weaker than in 2007. The results of the technical building services and building products business sectors will remain unchanged or improve.



Consolidated income statement 1-9/2008: Net sales grew, profitability weakened



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<i>EUR million</i>	1-9/2008	1-9/2007	change, %	1-12/2007
Net sales	1 739.3	1 535.6	13.3	2 174.1
-of which international operations	485.2	411.1	18.0	581.6
Operating income and expenses	-1 627.2	-1 406.6	15.7	-2 013.6
Depreciation	27.7	26.1	6.1	34.2
Share of the results of affiliated companies	1.3	0.6	over 100	0.9
Operating profit	85.7	103.6	-17.3	127.2
<i>% of net sales</i>	<i>4.9</i>	<i>6.7</i>		<i>5.9</i>
Financial income and expenses	-17.6	-12.0	46.7	-16.0
Profit before taxes	68.0	91.5	-25.7	111.2
Income taxes	-17.2	-21.4	19.6	-30.6
Net profit	50.8	70.2	-27.6	80.6
Distribution of the result				
To shareholders of the parent company	46.5	65.2	-28.7	72.9
To minority interests	4.2	5.0	-16.0	7.6
Earnings per share, EUR	2.73	3.83	-28.7	4.29

Balance sheet 9/2008: Lemminkäinen's balance sheet grew



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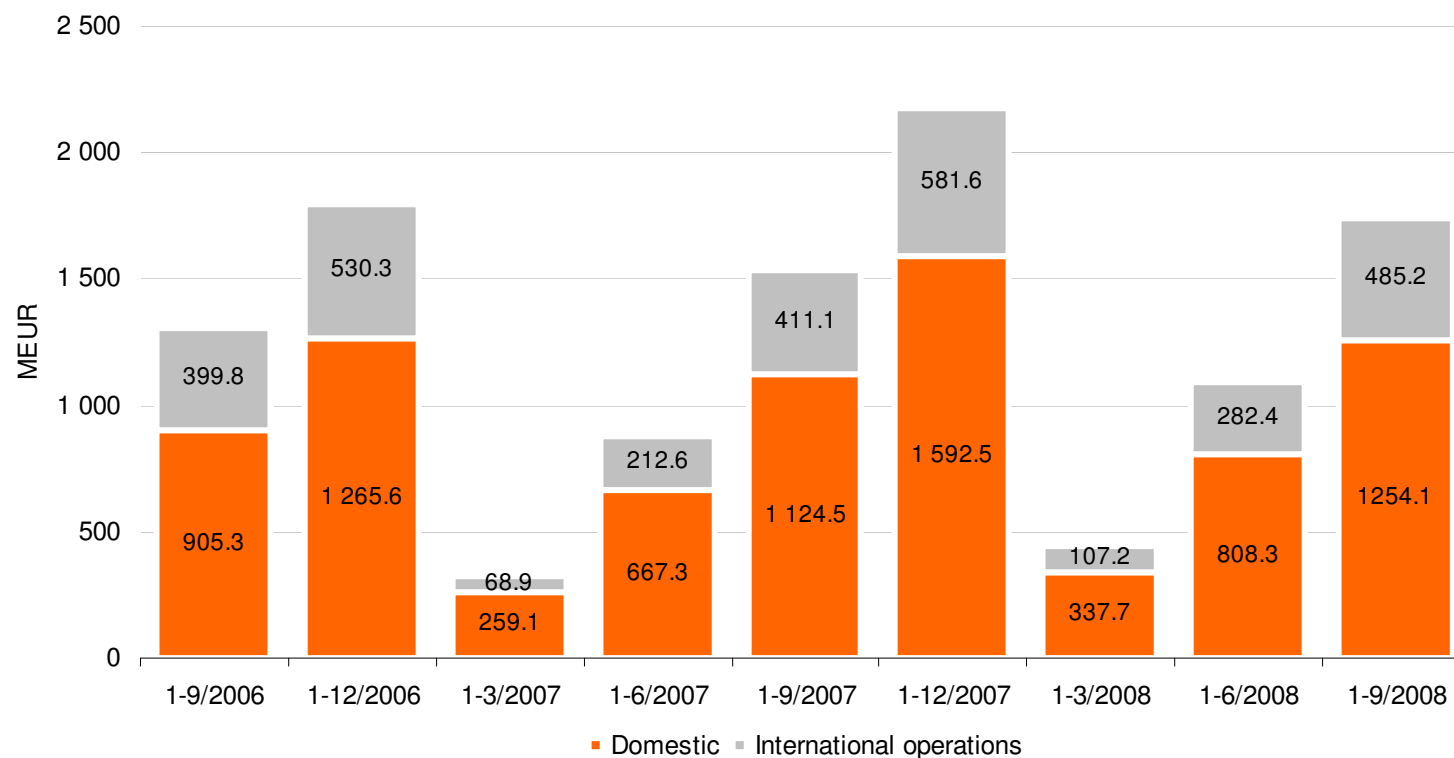
<i>EUR million</i>	9/2008	9/2007	change, %	12/2007
Assets				
Non-current assets	297.1	269.6	10.2	272.1
Inventories	488.3	307.1	59.0	330.9
Liquid assets	707.0	558.7	26.5	465.9
Assets, total	1 492.4	1 135.3	31.5	1 069.0
Shareholders' equity and liabilities				
Share capital	34.0	34.0	0.0	34.0
Other shareholders' equity	276.8	253.9	9.0	261.5
Minority interest	25.0	19.9	25.6	23.7
Provisions	8.0	8.3	-3.6	8.2
Non-current liabilities	137.1	190.5	-28.0	154.9
-of which deferred tax liability	16.1	17.2	-6.4	12.9
Current liabilities	1 011.5	628.7	60.9	586.8
Shareholders' equity and liabilities, total	1 492.4	1 135.3	31.5	1 069.0

Net sales in 1-9/2008: Net sales rose in Finland and abroad



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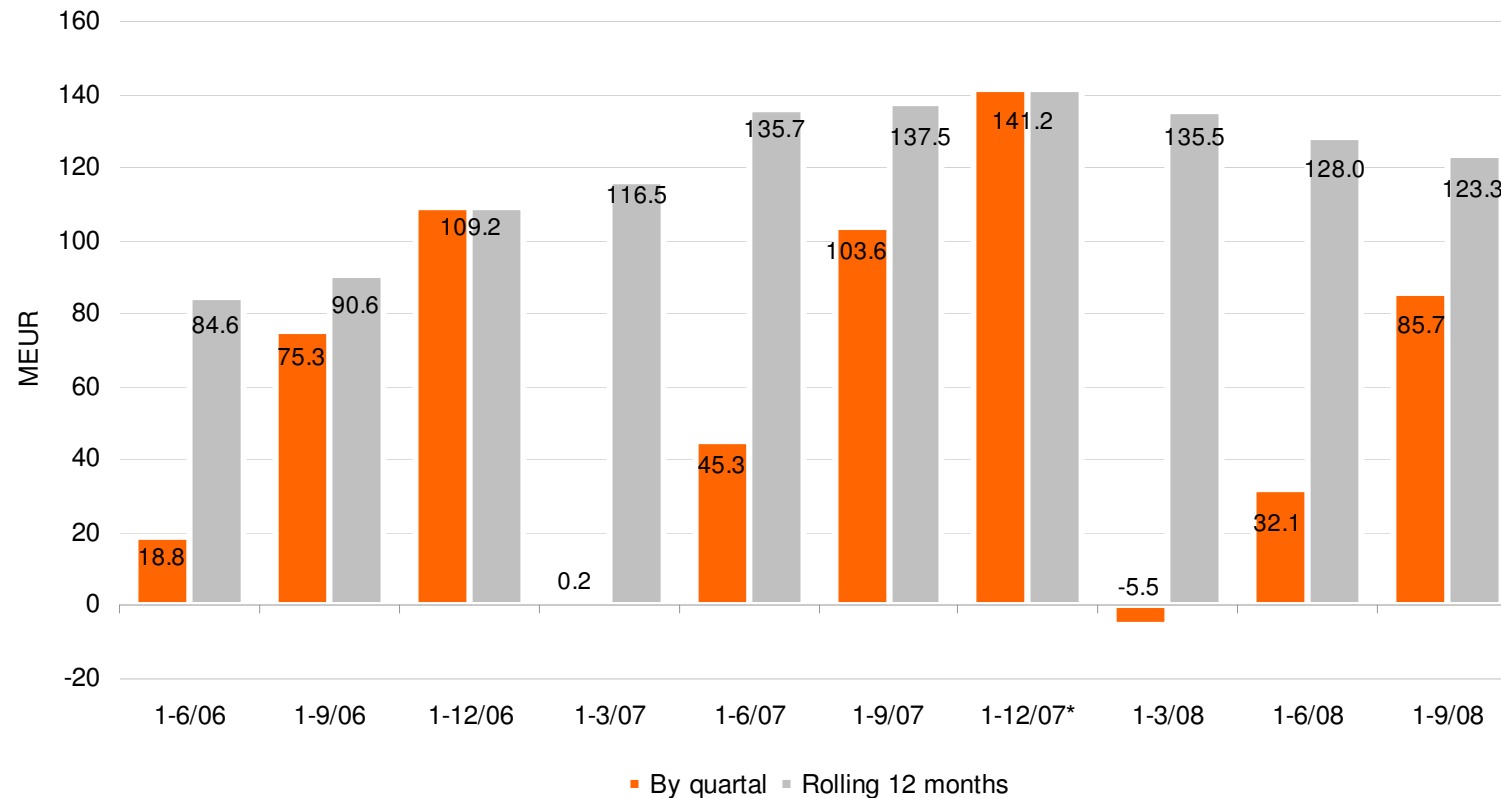


Operating profit, quarterly and rolling 12-month average



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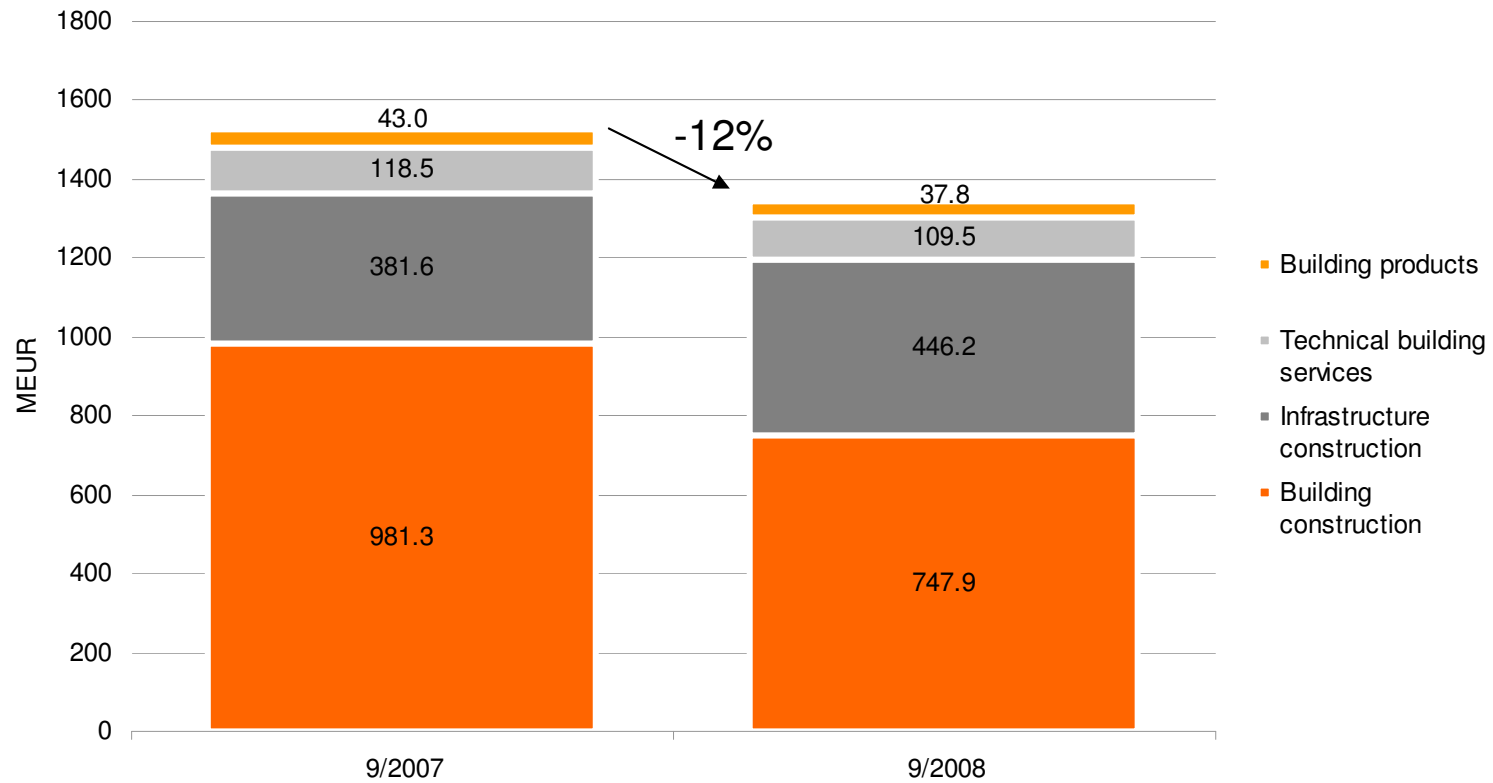
* excluding the EUR 14 million infringement fine

Order book 9/2008: Down in Finland, up abroad



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Total EUR 1,524.3 million
(abroad EUR 365.0 million)

Total EUR 1,341.4 million
(abroad EUR 378.5 million)

Financials



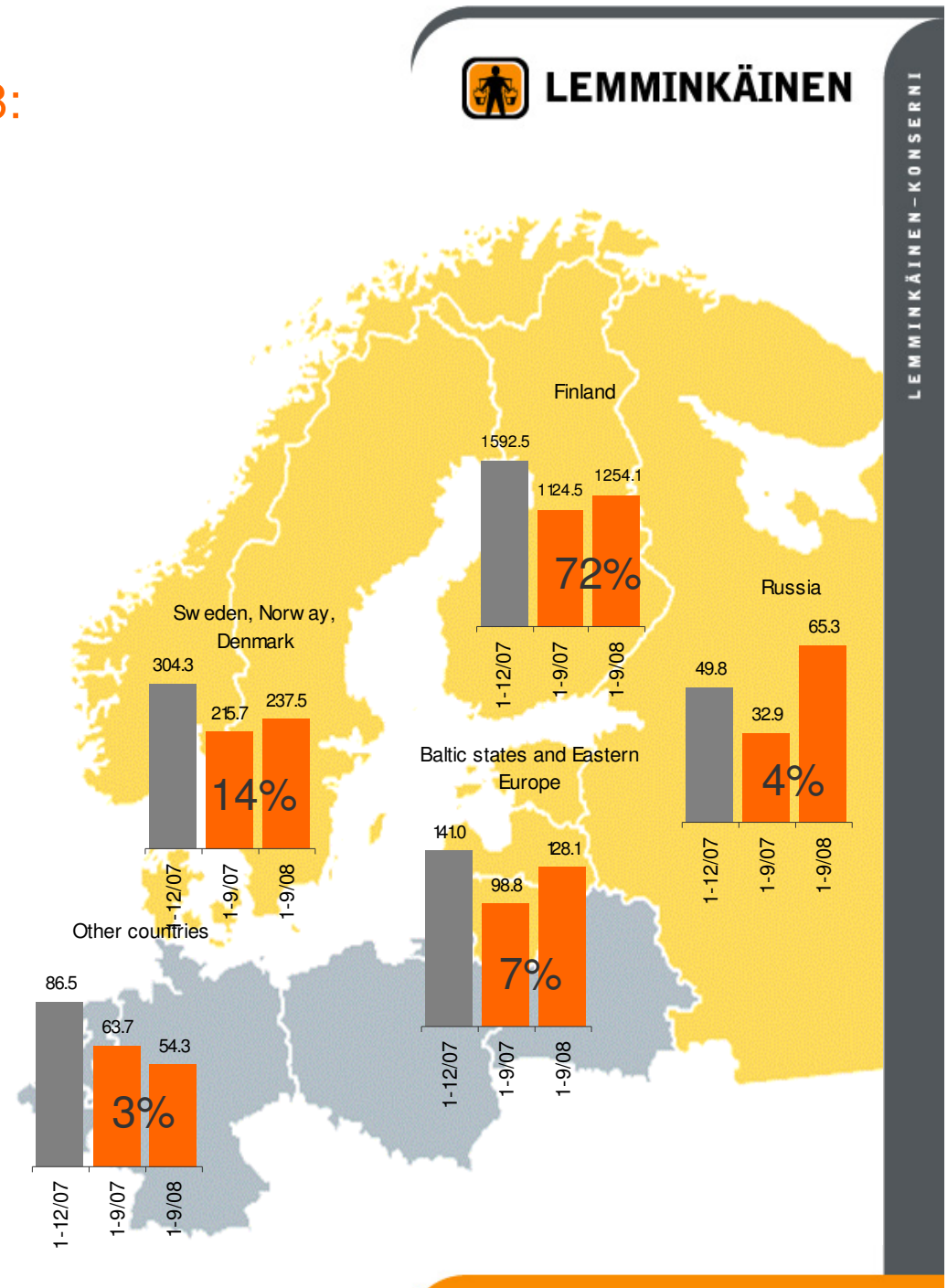
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	1-9/2008	1-9/2007	change, %	1-12/2007
Earnings per share, EUR	2.73	3.83	-28.7	4.29
Equity per share, EUR	18.26	16.92	7.9	17.36
Equity ratio, %	24.4	29.5		32.7
Gearing, %	161.8	113.7		87.2
Operating profit %	4.9	6.7		5.9
Return on equity, %	15.5	24.4		27.5
Return on investment, %	11.0	16.1		20.7
Gross investments, EUR million	49.2	45.6	7.9	61.4
Interest bearing net debt, EUR million	543.4	350.1	55.2	278.5

International operations in 1-9/2008: Net sales doubled in Russia

International operations accounted for
28% or EUR 485.2 million
of Q1-Q3 net sales.
(1-9/2007: 27 % / EUR 411.1 million).



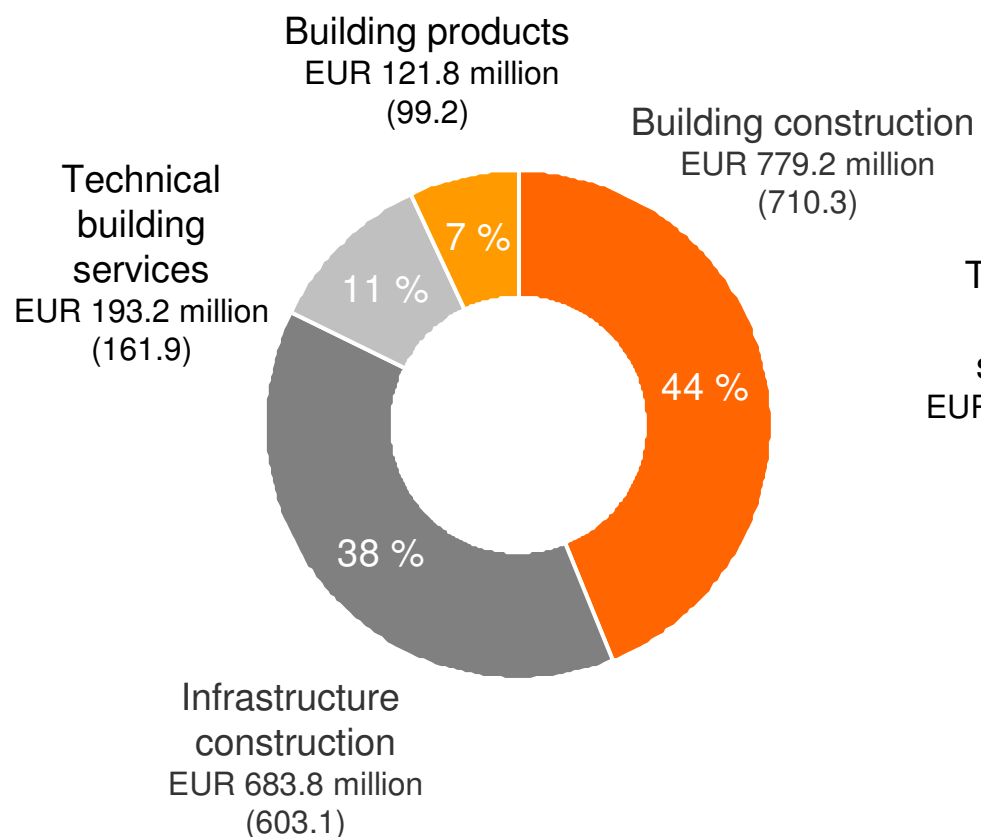
Building construction still Lemminkäinen's biggest business sector



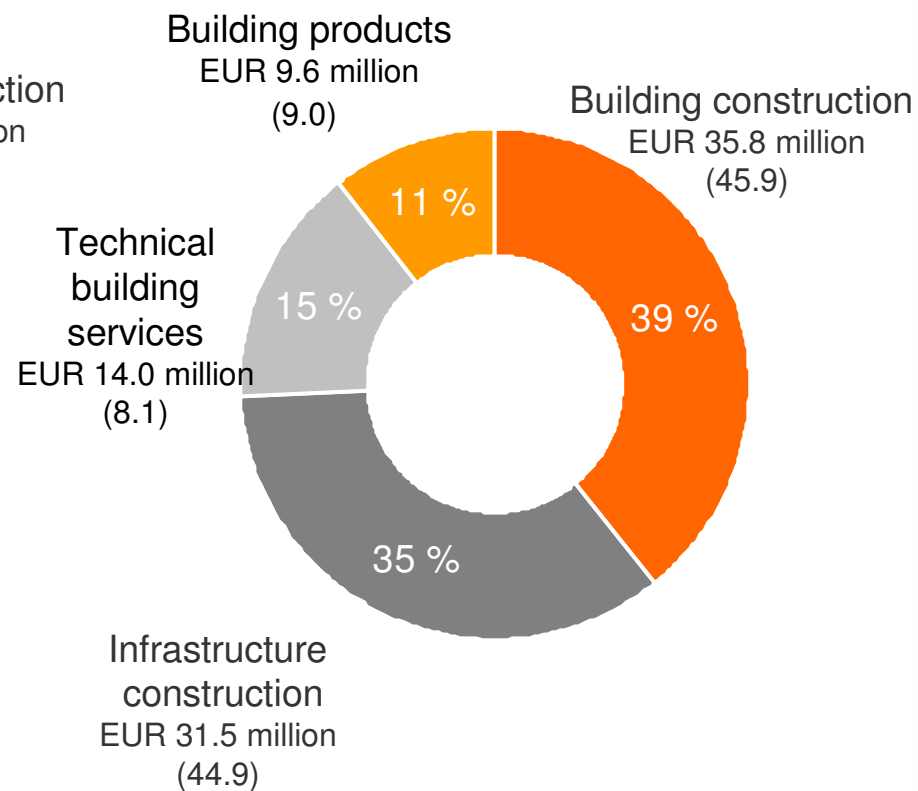
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Net sales 1-9/2008 (1-9/2007)



Operating profit 1-9/2008 (1-9/2007)



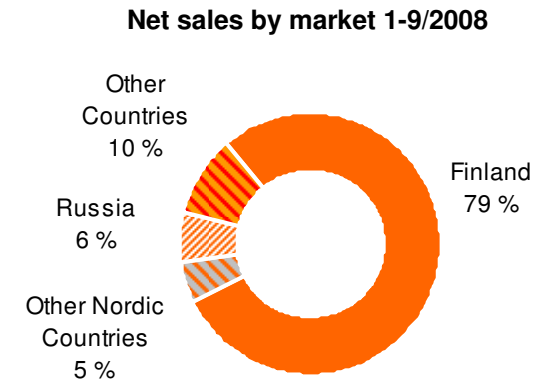
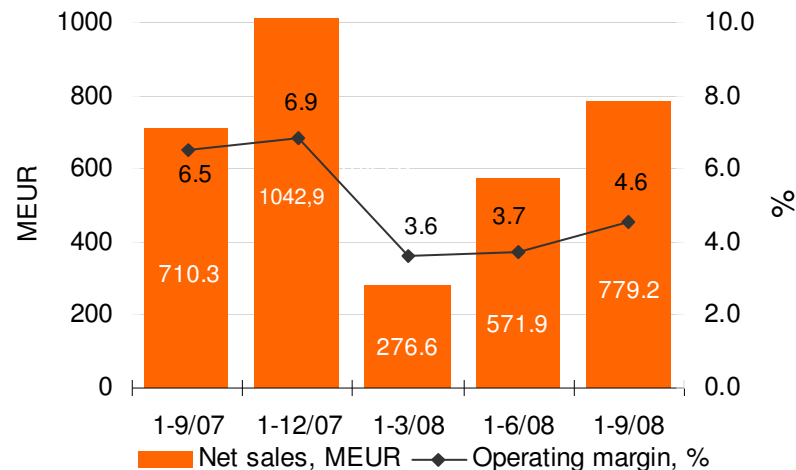
Building construction



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- The business sector's net sales rose 10 %, operating profit fell 22 %
 - demand for housing fell sharply in Finland
 - already agreed commercial property deals were cancelled
- Good demand for refurbishment contracting
- Demand for housing in Russia declined, difficult for consumers to obtain financing
- IKEA was not justified in terminating the contract for a St. Petersburg shopping centre in spring 2006
- Order book at the end of the review period EUR 747.9 million (9/2007: 981.3)



Year 2007 figures are pro forma

Lemminkäinen's private-sector housing production



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FINLAND	1-9/2008	1-9/2007	1-12/2007
Housing starts	504	770	852
Housing units sold	534	716	883
Unsold completed units	443	210	283
Completed	735	644	1 488
Under construction at 30.9.2008	882	1 583	1 123
OTHER COUNTRIES	1-9/2008	1-9/2007	1-12/2007
Housing starts	559		91
Housing units sold	93		-
Unsold completed units	-		-
Completed	-		-
Under construction at 30.9.2008	650		91

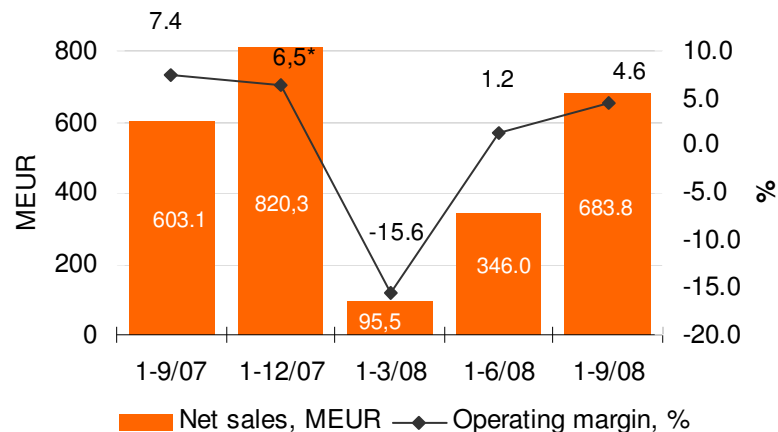
Infrastructure construction

- Net sales rose 13 %, operating profit fell 30 %
 - higher input costs
 - poor market situation in the Baltic states
- Order book sufficient up to the onset of winter
- Significant rise in the price of cement, Company considering its own cement imports
- Increased infrastructure construction appropriations in Sweden and Norway
- Order book at the end of the review period EUR 446.2 million (9/2007: 381.6)

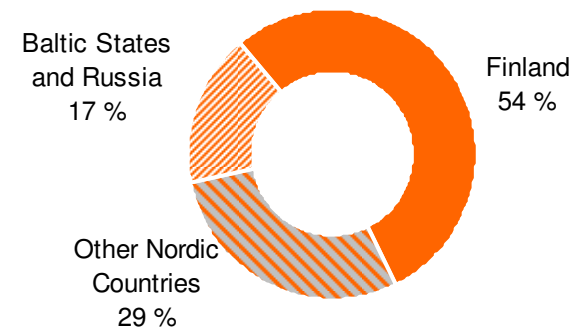


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Net sales by market 1-9/2008



* excluding the EUR 14 million infringement fine

Year 2007 figures are pro forma

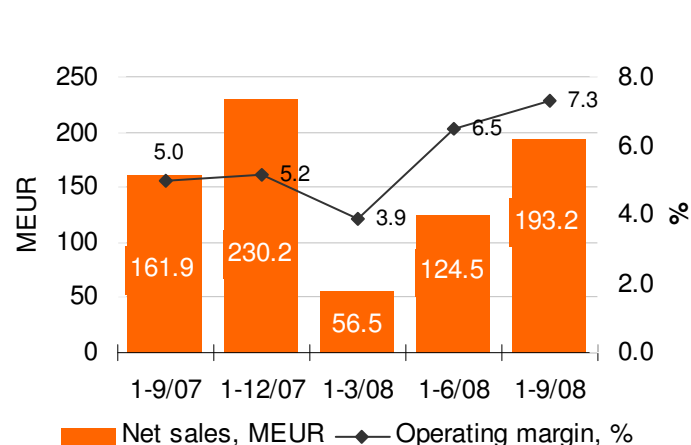
Technical building services



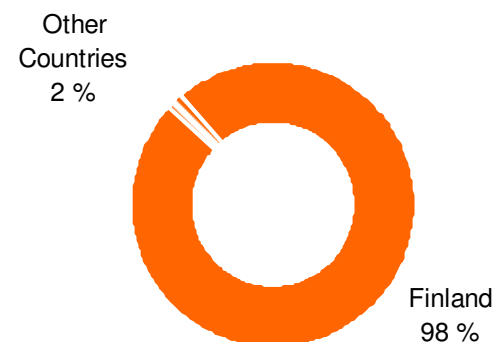
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- Net sales rose 19%, operating profit rose 73%
- Demand for services remained good in all business areas
- Demand growth peaked at the end of the period; marked reduction in the size and number of contracts
- Order book at the end of the review period EUR 109.5 million (9/2007: 118.5)



Net sales by market 1-9/2008



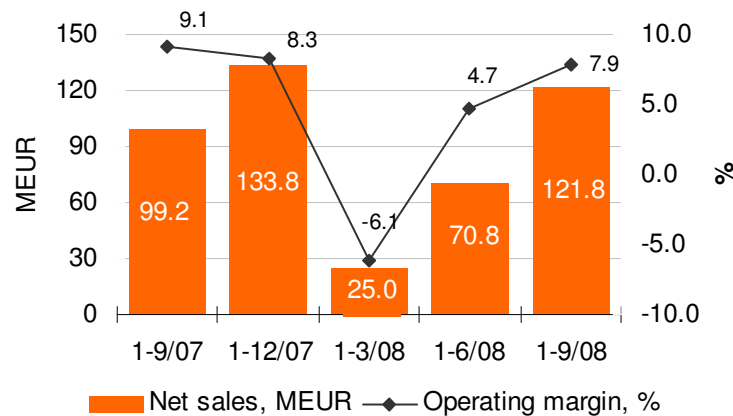
Building products



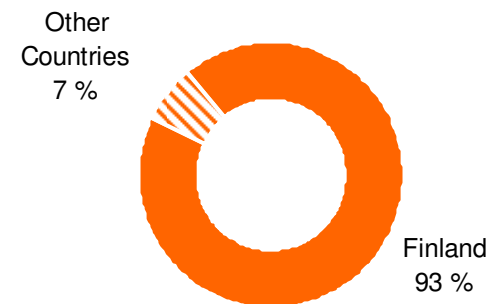
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- Net sales rose 23%, operating profit rose 7%
- Demand for urban environment and sports construction has remained good
- Less demand for pre-cast concrete staircase and wall units and roofing materials
- Order book at the end of the period EUR 37.8 million (9/2007: 43.0)



Net sales by market 1-9/2008

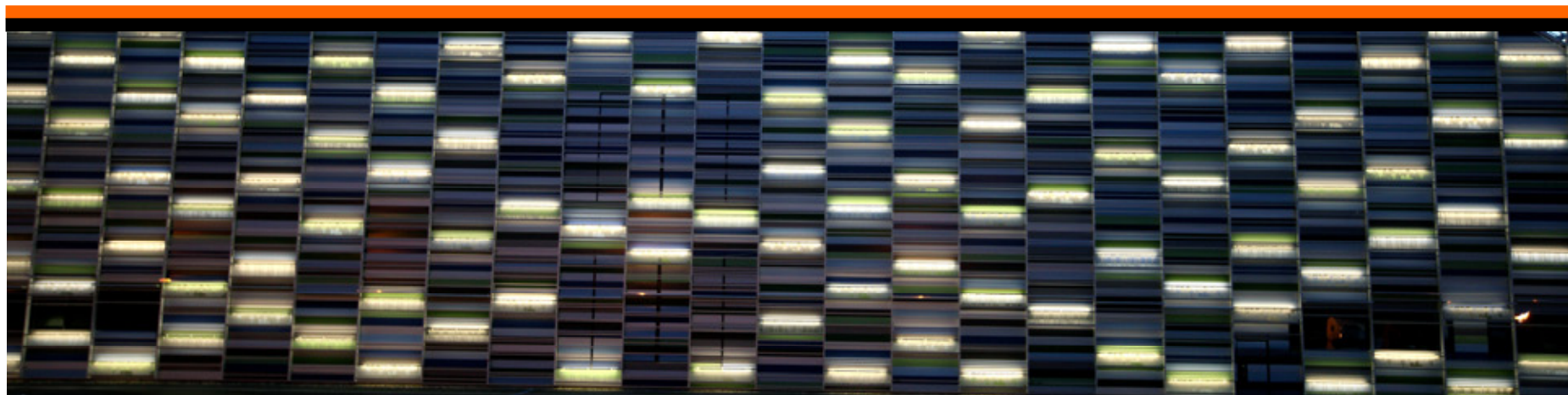




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Lemminkäinen's share

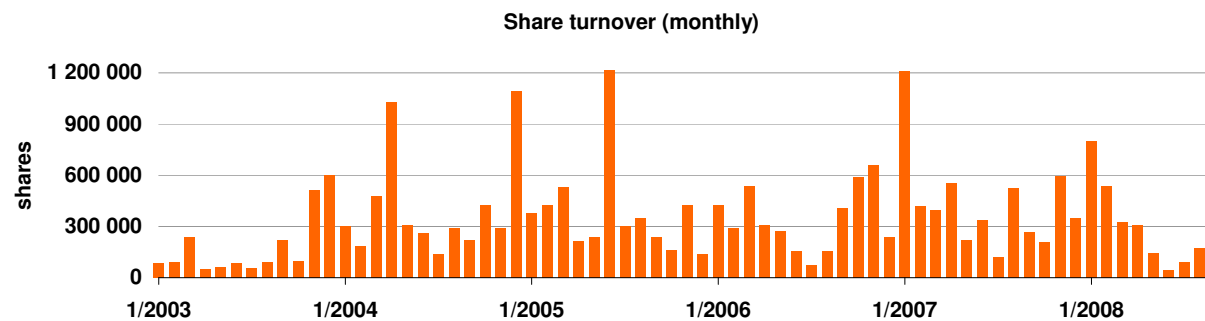
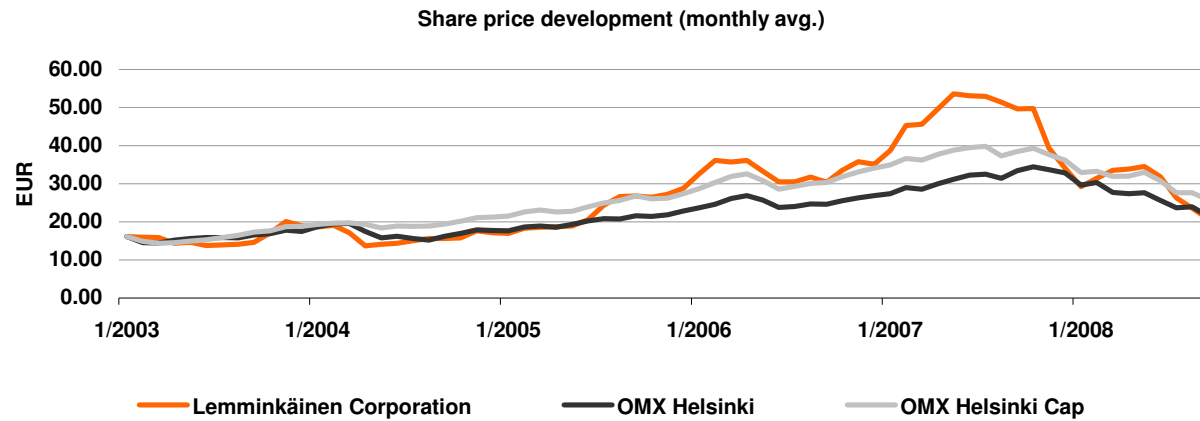


Share price trend and monthly turnover



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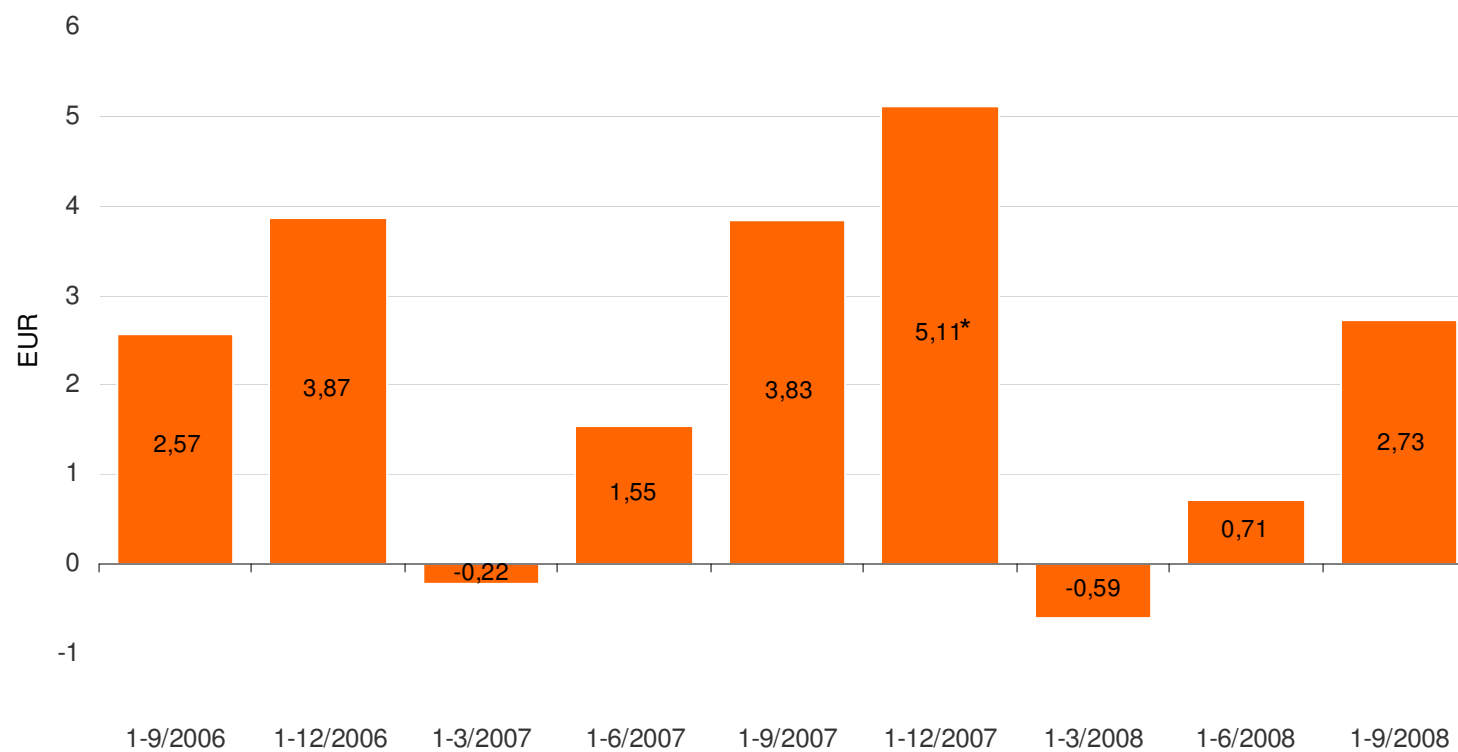


Group earnings per share were EUR 2.73



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* excluding the EUR 14 million infringement fine

The Company had 4,300 shareholders at the end of the review period



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30.9.2008:	shares	%
1 Pentti Heikki estate	3 813 956	22.41
2 Pentti Erkki Juhani estate	3 673 956	21.58
3 Pentti Olavi	3 673 953	21.58
4 Varma Mutual Pension Insurance Company	508 000	2.98
5 Odin Finland	209 316	1.23
6 Tukinvest Oy	201 600	1.18
7 Swedbank	170 000	1.00
8 Etera Mutual Pension Insurance Company	155 600	0.91
9 Aktia Capital Mutual Fund	132 384	0.78
10 Ilmarinen Mutual Pension Insurance Company	120 000	0.71
11 Laakkonen Mikko Kalervo	97 350	0.57
12 Aktia Secura Mutual Fund	56 600	0.33
13 Sorvari Jaakko Olavi	46 089	0.27
14 Jääsalo Matti	43 000	0.25
15 <u>Esr Eq Pikkujättiläiset</u>	<u>41 000</u>	<u>0.24</u>
Nominee registered	1 524 247	8.95
Others	2 554 199	15.01
Total	17 021 250	100.00

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