

## **LEMMINKÄINEN'S INTERIM FINANCIAL REVIEW 1.1. – 30.6.2009: Profitability trend in the second quarter met expectations**

### **Summary for January-June 2009 (comparative figures 1-6/2008):**

- Net sales fell 19 % to EUR 881.6 million (1,090.8)
- Operations abroad accounted for 25 % or EUR 223.3 million (282.4) of net sales.
- The operating profit was EUR 21.5 million (32.1). The operating margin (operating profit / net sales) was 2.4 % (2.9)
- The profit before taxes was EUR 2.4 million (19.4)
- Earnings per share were EUR -0.08 (0.71)
- Cash flow from operating activities was EUR -70.6 million (-174.6)
- The equity ratio was 26.3 % (23.9) and gearing 138.9 % (171.5)
- The order book at the end of the review period was down by a third at EUR 1,156.0 million (1,696.7)
- International business accounted for 31 % or EUR 352.9 million (456.4) of the order book

### **Summary for April-June 2009 (comparative figures 4-6/2008):**

- Net sales were EUR 544.6 million (645.9)
- The operating profit was EUR 30.1 million (37.6) and the operating margin (operating profit / net sales) was 5.5 % (5.8)
- The profit before taxes was EUR 20.9 million (31.0)
- Earnings per share were EUR 0.80 (1.30)
- Cash flow from operating activities were EUR 14.8 million (-112.3)

### **April-June 2009 by business sector:**

In the building construction sector, housing sales totalled 171 units (Q1/09: 123) in Finland and 28 units (Q1/09: 22) in Russia. New starts were made on mainly rental housing projects in different parts of Finland. In commercial construction Lemminkäinen agreed several new building projects.

In the infrastructure construction sector, the paving season in Finland began somewhat late, but the second quarter met expectations and was almost on a par with the previous years thanks to a busy June. Increased currency hedging expenses, especially with regards to operations in the Baltic states, somewhat depressed the business sector's result.

In the technical building service sector, Q2 net sales and profits were better than in the first quarter.

In the building products sector, there was a marked increase in roofing, waterproofing and urban environment product sales and contracting works towards the end of the review period.

### **President & CEO Timo Kohtamäki:**

"Considering the weak state of the construction market, Lemminkäinen's profitability trend in the second quarter was satisfactory and in line with expectations. June was busy, especially in infrastructure construction and building products, which compensated for the somewhat lack-lustre spring. Housing sales in the second quarter held at the Q1 level and were clearly brisker than in Q4 last year. Rental housing developments sold to investors were started especially in the Helsinki metropolitan area, and Lemminkäinen's first own housing development of the year got under way in Seinäjoki.

Lemminkäinen's positive cash flow from operating activities in the second quarter was particularly gratifying. Less cash than last year was tied up in the Group's own housing developments. Furthermore, the Company's trade receivables were significantly lower than they were a year earlier.

In June we announced the agreement of financing arrangements designed to give Lemminkäinen more financial leeway and to improve liquidity in the uncertain economic situation. The arrangements have enabled us to restructure our overall debt position by shifting the balance from short-term to long-term liabilities.

The outlook for Lemminkäinen over the remainder of the year in the prevailing market conditions is satisfactory. The decline of the Company's order book appears to have halted, and the third quarter of the year is customarily our best. The rapidly deteriorating state of municipal finances is causing uncertainty especially in infrastructure construction and has a direct bearing on basic road maintenance and other investments.

## **Outlook for 2009**

In building construction the emphasis in residential construction has shifted to rental housing production. Housing sales have clearly picked up and conditions are favourable for sustained demand at the H1 level. In commercial construction Lemminkäinen's order book for the remainder of the year is good. In Russia housing sales are brisker than last year, but demand for construction is not expected to grow significantly.

In Finland the worsened financial difficulties of the municipalities may reduce basis road maintenance investments already in the second half of this year. In Sweden, Norway and Denmark significant stimulus packages are keeping demand for infrastructure construction at a good level and will continue to do so in the near future. In Russia and the Baltic states demand for construction is weak and the competitive situation in some places is very challenging.

Demand for refurbishment contracting as well as the maintenance and servicing of technical building and facility systems is expected to remain stable.

Lemminkäinen Group's full-year net sales and result before taxes will fall well short of the 2008 level.

## **Briefing**

A Finnish-language briefing for analysts and the media will be held at 10:00 a.m. on Thursday, 6 August at Katajanoka Kasino restaurant, Laivastokatu 1, Helsinki. The interim financial review will be presented by President & CEO Timo Kohtamäki. Presentation material concerning the result for the review period will be made available on the Company's website at [www.lemminkainen.com](http://www.lemminkainen.com)

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### **APPENDICES:**

Interim Financial Review 1.1.-30.6.2009

Tabulated Section of the Interim Financial Review

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## INTERIM FINANCIAL REVIEW 1.1. - 30.6.2009

### OPERATING ENVIRONMENT

#### Operations in Finland

Demand for construction has contracted sharply, and especially in new building construction the number of starts has collapsed from the peak levels of recent years. The emphasis in residential construction has shifted to rental housing production, but a cautious start has also been made in own housing developments. Sales of housing units have picked up significantly since the end of last year.

Demand for commercial construction has declined; in particular, own development starts have been a rarity. Finnish real estate investors have continued to invest in properties all over Finland.

The government's stimulus measures will show up most clearly in infrastructure construction and basic road maintenance, but without the timely introduction of further stimulus measures the outlook for the sector in the near future is uncertain.

Demand for building refurbishment as well as servicing and maintenance of technical building systems has remained good. The government's building repair assistance scheme for 2009 has boosted demand for refurbishment contracting only partly due to the start-up lag in renovation projects. An extension of the building repair assistance scheme into next year would therefore be justified.

Competition in almost all construction sectors continues to be fierce and the price level has fallen.

#### Operations abroad

In Sweden, Norway and Denmark significant stimulus measures targeted at infrastructure construction have kept the market situation good.

The state of the construction market in the Baltic states is still very challenging. Infrastructure construction activity and the operating environment in Estonia and Lithuania are somewhat better than in Latvia.

In Russia, housing sales have been brisker than last year, but demand for construction is not expected to grow significantly in the near future. The infrastructure construction market has been weak this year.

### NET SALES

Lemminkäinen's net sales for the January-June period were down 19 % on H1 last year at EUR 881.6 million (1,090.8). Net sales fell in all of the Group's business sectors, with the biggest declines in building construction and building products. Lemminkäinen generated 75 % of its net sales in Finland, 15 % in other Nordic countries, 4 % in Russia, and 6 % in other countries.

Net sales by business sector, EUR million	4-6/2009	4-6/2008	1-6/2009	1-6/2008	1-12/2008
Building construction	233.4	295.7	432.1	572.8	1,207.5
Infrastructure construction	228.3	256.4	300.2	351.4	920.3
Technical building services	60.6	68.0	115.9	124.6	269.9
Building products	37.8	45.8	56.4	70.8	156.0
Other operations and Group eliminations	-12.0	-13.7	-19.1	-22.3	-52.2
Business sectors, total	548.0	652.1	885.5	1,097.3	2,501.5
Unallocated Items	-3.4	-6.3	-4.0	-6.6	-19.7
Group total (IFRS), of which	544.6	645.9	881.6	1,090.8	2,481.8
Operations abroad	150.1	175.2	223.3	282.4	676.7

## OPERATING PROFIT

Lemminkäinen's operating profit for the January-June period were down by a third from H1 last year at EUR 21.5 million (32.1). Operating profit for the April-June period was EUR 30.1 million (37.6), down by a fifth from Q2 last year. The result for the building construction business sector in the second quarter was improved by continued briskness of the housing market and individual real estate deals.

<b>Operating profit by business sector, EUR million</b>	<b>4-6/2009</b>	<b>4-6/2008</b>	<b>1-6/2009</b>	<b>1-6/2008</b>	<b>1-12/2008</b>
Building construction	11.4	9.2	21.1	19.6	69.7
Infrastructure construction	14.1	17.1	-3.7	0.7	26.2
Technical building services	2.6	5.6	5.1	7.3	16.3
Building products	3.2	4.6	0.7	3.4	10.5
Other operations	-2.1	-0.8	-2.3	-1.9	-3.3
Business sectors, total	29.2	35.6	20.9	29.0	119.4
Unallocated Items	0.9	2.0	0.6	3.1	3.8
Group total (IFRS)	30.1	37.6	21.5	32.1	123.2

  

<b>Operating margin by business sector</b>	<b>4-6/2009</b>	<b>4-6/2008</b>	<b>1-6/2009</b>	<b>1-6/2008</b>	<b>1-12/2008</b>
Building construction	4.9	3.1	4.9	3.4	5.8
Infrastructure construction	6.2	6.7	-1.2	0.2	2.8
Technical building services	4.3	8.2	4.4	5.8	6.1
Building products	8.5	10.0	1.3	4.7	6.7
Group total (IFRS)	5.5	5.8	2.4	2.9	5.0

## ORDER BOOK

Lemminkäinen's order book at the end of June was EUR 1,156.0 million (1,696.7), about a third lower than at the same time last year. However, the order book has risen slightly since the end of March 2009. Operations abroad accounted for 31 % (27) of the order book.

<b>Order book by business sector, EUR million</b>	<b>30.6.2009</b>	<b>31.3.2009</b>	<b>31.12.2008</b>	<b>30.6.2008</b>
Building construction	533.2	521.2	576.3	919.9
Infrastructure construction	497.7	482.6	365.4	603.4
Technical building services	84.0	85.8	97.7	120.5
Building products	41.2	32.6	25.2	52.9
Group total, of which	1,156.0	1,122.2	1,064.5	1,696.7
Operations abroad	352.9	341.4	263.1	456.4

## BALANCE SHEET, CASH FLOW AND FINANCING

The consolidated balance sheet total at 30 June 2009 was EUR 1,333.2 million (1,379.0). The return on investment was 3.6 % (4.7) and the equity ratio 26.3 % (23.9). Gearing was 138.9 % (171.5).

According to the cash flow statement, the cash flow from operating activities in the January-June period was EUR -70.6 million (-174.6), the cash flow from investing activities EUR -16.3 million (-23.8) and the cash flow from financing activities EUR -50.3 million (195.9). The cash flow for the review period includes the payment of dividends totalling EUR 17.9 million (32.6) for the 2008 accounting period. In the April-June period the cash flow from operating activities was EUR 14.8 million (Q2/08: -112.3), the net cash flow from investing activities EUR -5.2 million (Q2/08: -14.4) and the cash flow from financing activities EUR -53.3 million (Q2/08: 108.3).

Net working capital in the review period was EUR 922.0 million (1,008.7) and net working capital EUR 486.5 million (541.8). A significant amount of working capital is still tied up in residential and commercial construction in progress.

Liquid funds at the end of the review period were EUR 111.0 million (76.0).

The amount of interest-bearing debt at the end of the review period was EUR 556.2 million (591.7), of which EUR 288.4 million was short-term debt and EUR 267.8 million long-term debt. Interest-bearing net debt was EUR 445.2 million (515.6). Net financing expenses were EUR 19.1 million (12.7), representing 2.2 % (1.2) of net sales. Foreign exchange rate movements and currency hedging costs in Russia and the Baltic states increased financing expenses by approx. EUR 3 million.

Lemminkäinen's interest-bearing debt comprised loans from financial institutions 50 %, commercial paper 14 %, project loans related to own housing production and commercial construction 14 %, TyEL loans 9 %, finance leasing liabilities 10 % and other debts 3 %.

Lemminkäinen agreed new financing arrangements during the review period. The Company restructured short-term borrowings totalling EUR 270 million and negotiated a bank guarantee for a EUR 115 million loan from its TyEL pension premium loan allocation. At the end of the review period EUR 52 million had been drawn from the allocation. The remaining EUR 63 million will be drawn during the third quarter of this year. The agreed arrangements shift the balance of Lemminkäinen's overall debt position from short-term to long-term liabilities. Lemminkäinen still has an unused TyEL pension premium loan allocation of approximately EUR 40 million.

## BUSINESS SECTORS

### BUILDING CONSTRUCTION

Key figures, EUR million	4-6/2009	4-6/2008	1-6/2009	1-6/2008	1-12/2008
Net sales	233.4	295.7	432.1	572.8	1,207.5
Operating profit	11.4	9.2	21.1	19.6	69.7
Operating margin, %	4.9	3.1	4.9	3.4	5.8
Profit before taxes	8.0	5.9	15.5	14.5	56.7
Order book at end of period			533.2	919.9	576.3

The net sales of the building construction business sector in the January-June period were weaker than in H1 last year, but profitability improved. The result was boosted by recovery of the housing markets in Finland and Russia as well as individual real estate deals in the second quarter of the year. The business sector generated 82 % of its net sales in Finland, 6 % in Russia, 5 % in other Nordic countries, and 7 % in other countries. The decline of the building construction order book was halted, and the order book at the end of the review period was slightly higher than at the end of March.

#### Operations in Finland:

In the January-June period Lemminkäinen sold 294 (430) units and completed 306 (304) units in its own housing developments. New starts were made on 15 (492) housing units. At the end of the review period 296 (1,311) housing units were under construction, of which 138 were unsold. The number of unsold completed housing units was 459 (286).

There was a marked increase in the number of contracted housing starts, with new starts being made on 420 housing units in the first half of 2009.

At the end of the review period Lemminkäinen owned a total of 974,000 m<sup>2</sup> of unused building rights, of which about 473,000 m<sup>2</sup> were residential building rights. The Company also has binding or conditional

co-operation and zoning agreements for a further 717,000 m<sup>2</sup>, of which about 340,000 m<sup>2</sup> are residential building rights. The value of the building plots was approx. EUR 93 million.

The emphasis in Lemminkäinen's residential construction has shifted to rental housing production this year. In Helsinki metropolitan area and a few growth centres the Company made starts on a number of new housing developments sold to investors. Lemminkäinen reached an agreement with Paulig on the phased purchase of its old roastery site in the Vuosaari district of Helsinki, which has been zoned as a residential area for approximately 2,000 inhabitants. Planning work is already under way and construction is expected to start next year. In June Lemminkäinen started its first own housing development of the year in Seinäjoki. The threshold for starting own housing developments is still high, and no new starts are made unless a sufficiently high percentage of the units are reserved by buyers in advance.

Commercial construction has slowed down over the past twelve months, and demand for office construction in particular has been minimal. In the review period Lemminkäinen was awarded a number of commercial construction contracts in different parts of Finland. The combined value of these contracts is approx. EUR 90 million.

Lemminkäinen and IKEA Real Estate Oy made an agreement on the construction of a new IKEA home furnishing store in Tampere. The work will be carried out as a project management contract and its value is approx. EUR 18 million.

The market for refurbishment contracting remained stable. The government's stimulus measures have boosted demand for building repair works to some extent. Refurbishment contracting accounts for about 17 % of Lemminkäinen's building construction business.

After the end of the review period Lemminkäinen announced that Kuopio City Board had chosen it as the service provider for a major life cycle project. The project entity encompasses the new construction and basic repair of four schools and one child day-care centre. Lemminkäinen will be responsible for the maintenance and upkeep of the buildings for a period of 25 years. The total value of the project is EUR 93.5 million.

#### **Operations abroad:**

Housing sales in Russia have been much brisker than last year. Lemminkäinen sold 50 (17) units in its own housing developments during the January-June period, whereas a total of 61 units were sold in the whole of 2008. At the end of the review period the Company had 323 (570) housing units under construction, of which 212 were unsold. There were no unsold completed units. In 2008 Lemminkäinen halted work on 264 housing units in Russia due to the sharp decline in housing sales.

The outlook for Russia's economy is still uncertain, and demand for construction is not expected to grow significantly this year. At the end of the review period Lemminkäinen had EUR 34 million of capital tied up in Russia.

In Sweden the Company had 68 (80) units under construction in its own housing developments at the end of the review period. Of these, 23 were unsold. The number of unsold completed units was 2. In the January-June period Lemminkäinen sold 13 housing units in Sweden.

The focus of international project management contracting is still on the plant investment projects of Finnish industrial companies in countries such as China, India and Poland.

In telecommunications network construction a transition to more-energy-efficient network solutions is expected, which may boost demand for new network construction in the near future.

After the end of the review period Lemminkäinen and Cargotec made an agreement on the project management contract for a new multi-assembly unit in Poland. The total value of the contract is approx. EUR 22 million, and the project is scheduled for completion in June 2010.



## INFRASTRUCTURE CONSTRUCTION

Key figures, EUR million	4-6/2009	4-6/2008	1-6/2009	1-6/2008	1-12/2008
Net sales	228.3	256.4	300.2	351.4	920.3
Operating profit	14.1	17.1	-3.7	0.7	26.2
<i>Operating margin, %</i>	<i>6.2</i>	<i>6.7</i>	<i>-1.2</i>	<i>0.2</i>	<i>2.8</i>
Profit before taxes	11.7	15.5	-10.3	-1.5	16.8
Order book at end of period			497.7	603.4	365.4

The net sales of the infrastructure construction business sector in the January-June period were down 15 % at EUR 300.2 million (351.4). The business sector generated 54 % of its net sales in Finland, 35 % in other Nordic countries, and 10 % in the Baltic states. Business volume picked up especially towards the end of the review period, and second-quarter profitability overall was better than expected. The business sector's result was adversely impacted by increased financing costs, the biggest single item being currency hedging costs of operations in the Baltic states. In the absence of significant tunnel and transport infrastructure projects, the order book as a whole is smaller than last year.

### Operations in Finland:

The development of Lemminkäinen's paving operations in the second quarter was in line with expectations, and the volume of business was almost at the level of the previous year. However, the price level of asphalt paving remained low. The weak state of municipal finances may reduce basic road maintenance investments and demand for paving already in late autumn and especially next year.

Transport infrastructure construction is expected to pick up gradually with the start-up of major projects in 2010-2011. Competition in transport infrastructure construction remains fierce due to prevailing overcapacity in the sector. Bringing forward the start-up of major transport engineering projects would relieve the situation.

In rock engineering and especially geotechnical engineering the market situation has improved, and bids are being prepared for a number of new projects. In the second quarter Lemminkäinen started a number of smaller rock and geotechnical engineering projects with a combined value of approx. EUR 20 million. After the end of the review period an agreement was made on the construction works for the P-Hämpi car parking cavern in Tampere. Work on the site will start during August 2009 and the contract is worth EUR 26 million.

Lemminkäinen's sales of mineral aggregates have been weaker than in 2008, but the price level has remained stable so far this year. Considering the present state of the market, Lemminkäinen's order book for mineral aggregate contracting works is at a good level. Demand for ready-mix concrete has declined markedly in response to the slowdown in building construction, and there have been strong regional variations in the price level.

### Operations abroad:

In Norway and Denmark demand for paving works has been brisker than expected. The governments of both countries have extended strong additional stimulus measures into future years. However, the supplementary budgets will not have any marked effect on basic road maintenance until 2010.

In Sweden Lemminkäinen is currently working on several tunnel construction contracts, the last of which are due to be completed next year. The geotechnical engineering market in Sweden has been particularly good this year. Also, a number of new rock engineering projects are in hand.

The market situation for infrastructure construction in the Baltic states has remained weak. Lemminkäinen's order book in Estonia and Lithuania is satisfactory. Three EU-funded road improvement projects are starting up in Estonia. In Lithuania the EU is funding road network upgrades worth EUR 190 million in 2009-2010.

## TECHNICAL BUILDING SERVICES

Key figures, EUR million	4-6/2009	4-6/2008	1-6/2009	1-6/2008	1-12/2008
Net sales	60.6	68.0	115.9	124.6	269.9
Operating profit	2.6	5.6	5.1	7.3	16.3
<i>Operating margin, %</i>	<i>4.3</i>	<i>8.2</i>	<i>4.4</i>	<i>5.8</i>	<i>6.1</i>
Profit before taxes	2.8	6.1	5.5	8.3	18.5
Order book at end of period			84.0	120.5	97.7

The profitability of the technical building services business sector in the April-June period was weaker than in Q2 last year, but in line with expectations given the state of the market. Q2 net sales were 9 % higher and Q2 operating profit 4 % better than in the first quarter. The order book's margin level is normal.

A number of contracts concerning building repair and conversion projects in Helsinki metropolitan area were received during the second quarter. These project deliveries are timed for 2009-2010. Competition in the sector continues to be very fierce, and there has been a marked decline in both the size and number of projects compared with previous years. The prices of raw materials, especially copper, have risen sharply during the summer.

Demand for the maintenance, servicing and repair of technical building systems has remained stable, and that trend is expected to continue for the remainder of the year. Energy efficiency management and special expertise in areas such as refrigeration maintenance and installation have become significant competitive factors in the sector.

The industrial services unit of Lemminkäinen's technical building services business sector is currently working on major installation projects at industrial heat and power production plants in Finland and Sweden. The projects will continue into 2010.

## BUILDING PRODUCTS

Key figures, EUR million	4-6/2009	4-6/2008	1-6/2009	1-6/2008	1-12/2008
Net sales	37.8	45.8	56.4	70.8	156.0
Operating profit	3.2	4.6	0.7	3.4	10.5
<i>Operating margin, %</i>	<i>8.5</i>	<i>10.0</i>	<i>1.3</i>	<i>4.7</i>	<i>6.7</i>
Profit before taxes	3.0	4.4	0.3	3.0	9.9
Order book at end of period			41.2	52.9	25.2

Sales of roofing and waterproofing products began more slowly than last year, but picked up well during the summer. Contracting also increased at the end of the review period, and Lemminkäinen received some significant bridge deck waterproofing contracts. Exports of roofing materials were down on last year, but stronger than expected demand due to low inventory levels resulted in longer delivery times for a few products. Enquiries from housing companies concerning yard and roofing repair works have increased somewhat thanks to the government's building repair grants.

The market for urban environment construction is unchanged from last year, and the order book for contracting works in particular is good for the remainder of the year. Demand for pre-cast concrete elements has picked up slightly in response to new rental housing production, but the price level in the industry is low.

## SHARES AND SHARE CAPITAL

The listed price of Lemminkäinen Corporation's share was EUR 13.05 (31.50) at the beginning of the January and EUR 19.02 (29.01) at the end of June. The market capitalisation at the end of the review period was EUR 323.7 million (493.8). Altogether 884,329 shares (2,157,846) were traded during the



review period. The total value of the turnover was EUR 15.4 million (68.0). At the end of the review period the Company had 4,790 (4,094) shareholders.

Lemminkäinen's share capital is EUR 34,042,500. The Company has one share series and the total number of issued shares is 17,021,250.

## INVESTMENTS

Investments made during the review period amounted to EUR 19.4 million (35.6). The investments were mainly replacement purchases of equipment for paving and mineral aggregate operations.

## PERSONNEL

The average number of employees in the Group during the review period was 8,543 (9,498), of whom 69 % worked in Finland, 12% in other Nordic countries, 11% in the Baltic states and 8 % in other countries.

The personnel reduction measures started in the second half of 2008 have so far affected about 1,000 employees. The biggest personnel reductions have been made in the building construction and building products business sectors.

<b>Personnel, average</b>	<b>1-6/2009</b>	<b>1-3/2009</b>	<b>1-6/2008</b>	<b>1-12/2008</b>
Hourly paid employees	5,374	4,918	6,262	6,490
Salaried staff	3,169	3,180	3,236	3,286
Personnel, total, of whom	8,543	8,098	9,498	9,776
Working abroad	2,655	2,517	2,692	2,836
Personnel at the end of the review period	9,589	7,998	10,919	8,910
Wages, salaries and other remuneration, EUR million	153.5	66.9	168.2	358.1
<b>Personnel by business sector, average</b>	<b>1-6/2009</b>	<b>1-3/2009</b>	<b>1-6/2008</b>	<b>1-12/2008</b>
Building construction	2,480	2,526	3,242	3,159
Infrastructure construction	3,263	2,873	3,351	3,658
Technical building services	1,955	1,940	1,971	2,013
Building products	732	649	830	839
Group administration	113	110	105	107
Total	8,543	8,098	9,498	9,776

## CHANGES IN THE COMPANY'S MANAGEMENT

Marcus Karsten, M.Sc. (Econ.), (b.1966), the present Managing Director of Tekmanni Service Oy, has been appointed to serve as the head of Lemminkäinen's technical building services business sector and Managing Director of Tekmanni Oy with effect from 1 January 2010. The present Managing Director of Tekmanni Oy, Antero Huhta (b. 1947), will retire at the beginning of 2010.

## **AGM DECISIONS AND CORPORATE GOVERNANCE**

Lemminkäinen Corporation's Annual General Meeting held on 17 March 2009 adopted the Company's annual accounts and financial statements for 2008 and granted the CEO and the members of the Board of Directors discharge from liability. The Annual General Meeting decided, in accordance with the Board of Directors' proposal, to pay a dividend of EUR 0.90 per share, i.e. a total dividend of EUR 15,319,125. The dividend's record date was 20 March 2009 and the payment date was 27 March 2009.

Messrs. Berndt Brunow, Teppo Taberman, Juhani Mäkinen and Ms. Kristiina Pentti-von Walzel were re-elected to serve as members of the Board of Directors. Messrs. Mikael Mäkinen, M.Sc.(Eng.) and Heikki Räty, M.Sc.(Econ.) were newly elected to serve as a board member. PricewaterhouseCoopers Oy, a firm of authorised public accountants, were re-elected to serve as the Company's auditors, with Mr. Jan Holmberg, APA acting as the chief auditor.

Lemminkäinen Corporation's Board of Director held an organising meeting on 17 March 2009. Berndt Brunow continues to serve as the Chairman of the Board, and Juhani Mäkinen as the Vice Chairman.

The compositions of the Audit Committee, Nominating Committee and Remuneration and Appointments Committee were decided at the meeting. The Board of Directors elected Heikki Räty to serve as the Chairman of the Audit Committee, with Juhani Mäkinen and Kristina Pentti-von Walzel serving as members. Berndt Brunow was elected to serve as the Chairman of the Nominating Committee, with Kristina Pentti-von Walzel and Teppo Taberman serving as members. Teppo Taberman was elected to serve as the Chairman of the Remuneration and Appointments Committee, with Berndt Brunow and Mikael Mäkinen serving as members.

## **LITIGATION**

In December 2007 the Market Court ordered seven asphalt industry companies to pay a total of EUR 19.4 million in infringement fines for contravention of competition laws, EUR 14 million of which was imposed on Lemminkäinen. The Finnish Competition Authority had proposed to the Market Court that Lemminkäinen be fined EUR 68 million.

In addition to Lemminkäinen, the Finnish Competition Authority and some of the other asphalt industry companies appealed the decision to the Supreme Administrative Court, which has announced its intention to give its decision on the matter in September 2009.

According to complaints submitted to the Helsinki District Court, different municipalities will demand compensatory damages from Lemminkäinen and other asphalt companies if the Supreme Administrative Court finds that activities in breach of competition restriction law have taken place in the municipalities in question. The Finnish Road Administration has demanded compensation of at most EUR 10.5 million from Lemminkäinen and at most a further EUR 5.6 million under joint and several liability with other asphalt companies.

The claims are based on the Finnish Competition Authority's assertions that unlawful restrictions of competition would have raised the price level of asphalt paving at certain times. Lemminkäinen has disputed these arguments before the Market Court and the Supreme Administrative Court. In addition, a large proportion of the complaints that have come to Lemminkäinen's attention concern areas and/or times in and/or at which the Market Court considered in its decision that Lemminkäinen had not acted in breach of competition restriction law.

All of the plaintiffs have requested that the compensation claims be suspended and proceedings continued only if the Supreme Administrative Court decides that Lemminkäinen did breach competition restriction law in the areas and at the times specified in the complaints. Lemminkäinen has acceded to the requests for suspension, but regards the presented claims for compensation as baseless. No expense provision has been made in respect of the claims.

## **RISKS AND UNCERTAINTIES**

Lemminkäinen's business risks are divided into six categories: market risks, project risks, financing risks, credit loss risks, environmental risks, and accidents and damage. The measures necessary to manage the most significant identified risks have been specified.

Market risk poses the most significant threat to Lemminkäinen in the near future. The international financial crisis and economic downturn are creating uncertainty in key sectors of Lemminkäinen's operating environment and making it more difficult to foresee future changes. As a consequence of this, Lemminkäinen has set about making the necessary adjustments to its business operations.

The sharp fall-off in demand for housing production increases sales risk. In 2009 new housing starts will be made only if a sufficiently high percentage of the units are reserved by buyers in advance. In Russia, Lemminkäinen has halted construction work on almost 300 housing units.

The financing difficulties experienced by Lemminkäinen's customers may have an adverse effect on demand for the Company's goods and services. Particular attention is being paid to credit loss risks, and trade receivables are being actively monitored.

Operating in a number of business sectors with differing cyclical behaviours is a cornerstone of Lemminkäinen's strategy. Fluctuating demand for new construction in Finland is counterbalanced by infrastructure construction. Building repair and maintenance account for more than a third of the Group's business.

The Company's Annual Report and website provide more information on Lemminkäinen's risk management.

## **OUTLOOK FOR 2009**

In building construction the emphasis in residential construction has shifted to rental housing production. Housing sales have clearly picked up and conditions are favourable for sustained demand at the H1 level. In commercial construction Lemminkäinen's order book for the remainder of the year is good. In Russia housing sales are brisker than last year, but demand for construction is not expected to grow significantly.

In Finland the worsened financial difficulties of the municipalities may reduce basis road maintenance investments already in the second half of this year. In Sweden, Norway and Denmark significant stimulus packages are keeping demand for infrastructure construction at a good level and will continue to do so in the near future. In Russia and the Baltic states demand for construction is weak and the competitive situation in some places is very challenging.

Demand for refurbishment contracting as well as the maintenance and servicing of technical building and facility systems is expected to remain stable.

Lemminkäinen Group's full-year net sales and result before taxes will fall well short of the 2008 level.

Helsinki, 6 August 2009

LEMMINKÄINEN CORPORATION  
Board of Directors

## **TABULATED SECTION OF THE INTERIM FINANCIAL REVIEW**

### **ACCOUNTING PRINCIPLES**

This interim financial review has been prepared in accordance with the recognition and accounting principles of the IFRS standards, and it observes the IAS 34 Interim Financial Reporting Standard. The IFRS recognition and measurement principles observed in the annual financial statements for 2008 have also been applied in the preparation of the interim financial review with the below-mentioned changes.

The information contained in the interim financial review has not been audited.

### **Standards and interpretations adopted from the beginning of 2009**

- IAS 1 (Revised), Presentation of Financial Statements. The aim of the standard is to improve users' ability to analyse and compare the information given in financial statements by separating changes in equity of an entity arising from transactions with owners from other changes in equity. Changes unrelated to owners are presented in the statement of comprehensive income.

- IFRS 8 Segment Reporting. The standard requires that reportable segment information be based on internal segment reports that are reviewed by management. Lemminkäinen is reporting its interim financial reviews from the beginning of the 2009 accounting period in compliance with IFRS 8 Operating Segments. Adoption of the standard has no effect on the number or composition of Lemminkäinen Group's operating segments, but it does change the content of the segment information. The standard has no effect on geographical segment information.

The segment information reported to management is generally prepared according to the same principles as those applied in the consolidated financial statements. Imputed items are not considered in segment reporting. Such items include, among others, depreciation of assets acquired by finance leasing, interest separated from payments, warranty provisions, and unrealised gains or losses on derivatives. In segment reporting to management, finance leasing arrangements are treated as ordinary rental agreements, which deviates from the accounting principles of IFRS financial statements. Affiliated companies are combined in segment reporting in proportion to ownership share using the line-by-line method. In IFRS financial statements affiliated companies are combined by the equity method. In segment reporting, intersegment sales are not allocated to segments, owing to their minimal magnitude, and are not reported to management. Comparative figures for segment reporting have been published in a separate release on 5 May 2009.

- IAS 23 (Revised) Borrowing Costs. The amended standard requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The immediate expensing of such borrowing costs is prohibited. Starting from 1 January 2009, the Group capitalises the borrowing costs in qualifying projects and in projects where income is recognised on the basis of percentage of completion.

An assessment indicates that the following interpretations and standards have no essential bearing on Lemminkäinen Group's interim financial review: IAS 32 (Amendment), IFRS 2, IFRIC 11, IFRIC 13, IFRIC 14 and IFRIC 16.

### **Effects of new interpretations of IFRS standards in the future**

The standards and interpretations published by IASB and listed below will come into force in 2010 or thereafter. The Group has decided against their early adoption and will apply them in future accounting periods.

- IFRIC 15, Agreements for the Construction of Real Estate. The interpretation will be applied at the latest in the accounting period commencing 1 January 2010. The interpretation will clarify whether an agreement for the construction of real estate falls within the scope of IAS 11 Construction Contracts or IAS 18 Revenue, and when income from such construction projects can be recognised on the basis of percentage of completion. In Lemminkäinen Group the new interpretation is expected to affect at least the

income recognition practice for own building production, the basis of which would change from percentage-of-completion to full completion and delivery. In that case the recognition of income from such projects would be slowed down.

- IFRIC 12 Service Concession Arrangements. The interpretation applies to contractual arrangements whereby a private-sector operator participates in the development, financing, operation or maintenance of public services infrastructure. The interpretation does not have any essential bearing on this interim financial review, or on the financial statements.

- IFRS 3 (Revised), Business combinations. The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with some contingent payments subsequently remeasured at fair value through income. Goodwill may be calculated based on the parent company's share of net assets or it may include goodwill related to the minority interest. All transaction costs will be expensed. The Group's management is assessing the impact of this revision on the consolidated financial statements.

IAS 27 (Revised), Consolidated and separate financial statements. The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control. Thus, transactions with non-controlling interests will no longer result in goodwill or the recognition of gains or losses through profit or loss. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value and a gain or loss is recognised through profit or loss. The Group's management is clarifying the effect of the standard on the consolidated financial statements.

An assessment indicates that the following interpretations and standards have no essential bearing on Lemminkäinen Group's financial statements: IAS 39 (Amendment), IFRS 5 (Amendment), IFRIC 17 and IFRIC 18

## FINANCIAL STATEMENTS AND OTHER TABULATED INFORMATION

- 1) Consolidated income statement
- 2) Consolidated statement of comprehensive income
- 3) Consolidated balance sheet
- 4) Consolidated cash flow statement
- 5) Consolidated statement of changes in shareholders' equity
- 6) Consolidated income statement, quarterly
- 7) Segment information
- 8) Economic trends and financial indicators
- 9) Share-specific indicators
- 10) Tangible assets
- 11) Divested businesses
- 12) Related-party transactions
- 13) Guarantees and contingent liabilities
- 14) Litigation

### 1) CONSOLIDATED INCOME STATEMENT

EUR million	4-6/ 2009	4-6/ 2008	1-6/ 2009	1-6/ 2008	1-12/ 2008
Net sales	544.6	645.9	881.6	1,090.8	2,481.8
Other operating income and expenses	-505.3	-599.4	-845.9	-1,044.7	-2,325.0
Depreciation	9.5	9.3	14.2	14.3	34.9
Share of the results of affiliated companies	0.3	0.4	0.0	0.3	1.2
Operating profit	30.1	37.6	21.5	32.1	123.2

Financial expenses	10.4	9.8	30.5	17.6	50.7
Financial income	1.2	3.3	11.4	4.9	18.5
Profit before taxes	20.9	31.0	2.4	19.4	91.0
Income taxes	-6.2	-7.6	-2.3	-5.4	-27.5
Profit for the accounting period	14.7	23.4	0.1	14.0	63.5
Distribution of the profit for the accounting period					
To parent company shareholders	13.7	22.1	-1.3	12.1	55.9
To minority interests	1.0	1.4	1.5	1.9	7.6
EPS calculated from profit/loss attributable to parent company shareholders					
Earnings per share, diluted and undiluted,					
EUR	0.80	1.30	-0.08	0.71	3.28

## 2) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	4-6/ 2009	4-6/ 2008	1-6/ 2009	1-6/ 2008	1-12/ 2008
Profit for accounting period	14.7	23.4	0.1	14.0	63.5
Translation differences	-1.1	0.1	0.4	-0.4	-6.4
Hedging of net investment in foreign subsidiary	0.5	0.0	-0.5	0.2	1.6
Cash flow hedge	0.2	1.4	-0.4	0.9	-1.9
Other comprehensive income, total	-0.4	1.6	-0.5	0.6	-6.7
Comprehensive income for the accounting period	14.4	25.0	-0.4	14.6	56.8
Distribution of comprehensive income for the accounting period:					
To parent company shareholders	13.3	23.6	-1.9	12.7	49.2
To minority interests	1.0	1.4	1.5	1.9	7.6

## 3) CONSOLIDATED BALANCE SHEET

EUR million	06/2009	06/2008	12/2008
Non-current assets			
Tangible assets	188.4	191.0	187.0
Goodwill	76.8	76.5	74.9
Other intangible assets	2.4	2.7	2.5
Investments	11.1	9.2	10.7
Deferred tax asset	14.9	9.4	7.2
Other non-current receivables	6.6	5.6	6.3
Total	300.2	294.3	288.7



Current assets			
Inventories	417.7	393.9	398.2
Trade and other receivables	504.3	614.8	476.3
Cash funds	111.0	76.0	250.1
Total	1,033.0	1,084.7	1,124.7
Assets, total	1,333.2	1,379.0	1,413.3
Shareholders' equity and liabilities			
Equity attributable to parent company shareholders			
Share capital	34.0	34.0	34.0
Share premium account	5.8	5.8	5.8
Revaluation reserve	-2.2	1.1	-1.7
Translation differences	-4.8	-0.2	-4.7
Retained earnings	265.4	224.8	224.8
Profit/loss for the period	-1.3	12.1	55.9
Shareholders' equity before minority interest	296.9	277.6	314.0
Minority interest	23.7	23.1	27.8
Shareholders' equity, total	320.5	300.7	341.8
Non-current liabilities			
Deferred tax liabilities	16.5	15.7	18.7
Pension liabilities	0.2	0.6	0.2
Provisions	2.0	2.2	2.2
Financial liabilities	267.8	118.3	118.8
Other liabilities	2.4	1.2	1.3
Total	288.8	138.0	141.2
Current liabilities			
Accounts payable and other liabilities	427.9	461.3	455.6
Provisions	7.5	5.7	7.1
Financial liabilities	288.4	473.3	467.7
Total	723.9	940.3	930.4
Shareholders' equity and liabilities, total	1,333.2	1,379.0	1,413.3

#### 4) CONSOLIDATED CASH FLOW STATEMENT

EUR million	1-6/ 2009	1-6/ 2008	1-12/ 2008
Profit before taxes	2.4	19.4	91.0
Depreciation	14.2	14.3	34.9
Other adjustments	16.8	10.0	26.7
Cash flow before change in working capital	33.4	43.6	152.6
Change in working capital	-63.3	-174.0	-45.3
Financial items	-26.7	-15.5	-31.4
Direct taxes paid	-14.1	-28.8	-51.2
Cash flow from operating activities	-70.6	-174.6	24.6

Cash flow provided by investing activities	1.9	8.5	15.2
Cash flow used in investing activities	-18.2	-32.4	-43.2
Change in non-current receivables	-0.3	-0.8	-1.6
Drawings of loans	406.7	1,204.2	1,740.4
Repayments of loans	-438.8	-974.9	-1,528.9
Dividends paid	-17.9	-32.6	-32.6
Cash flow from financing activities	-50.3	195.9	177.3
Change in cash funds	-137.1	-2.5	174.0
Cash funds at beginning of period	250.1	78.5	78.5
Translation difference of cash funds	-1.9	0.0	-2.4
Cash funds at end of period	111.0	76.0	250.1

## 5) CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EUR million	Share capital	Share premium account	Translation difference	Revaluation reserve	Retained earnings	Minority interest	Shareholders' equity, total
Shareholders' equity 1.1.2008	34.0	5.8	0.1	0.2	255.4	23.7	319.2
Reversal of dividend liability					0.0		0.0
Dividend distribution					-30.6	-2.0	-32.6
Change in minority interest						-0.6	-0.6
Comprehensive income for the accounting period			-0.3	0.9	12.1	1.9	14.6
Shareholders' equity 30.6.2008	34.0	5.8	-0.2	1.1	236.9	23.1	300.7

EUR million	Share capital	Share premium account	Translation difference	Revaluation reserve	Retained earnings	Minority interest	Shareholders' equity, total
Shareholders' equity 1.1.2008	34.0	5.8	0.1	0.2	255.4	23.7	319.2
Reversal of dividend liability					0.0		0.0
Dividend distribution					-30.6	-2.9	-33.6
Change in minority interest						-0.6	-0.6
Comprehensive income for the accounting period			-4.8	-1.9	55.9	7.6	56.8

Shareholders' equity 31.12.2008	34.0	5.8	-4.7	-1.7	280.7	27.8	341.8
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EUR million	Share capital	Share premium account	Trans- lation difference	Revalu- ation reserve	Retained earnings	Minority interest	Share- holders' equity, total
Shareholders' equity 1.1.2009	34.0	5.8	-4.7	-1.7	280.7	27.8	341.8
Dividend distribution					-15.3	-2.0	-17.3
Change in minority interest						-3.6	-3.6
Comprehensive income for the accounting period			-0.1	-0.4	-1.3	1.5	-0.4
Shareholders' equity 30.6.2009	34.0	5.8	-4.8	-2.2	264.1	23.7	320.5

## 6) CONSOLIDATED INCOME STATEMENT, QUARTERLY

EUR million	4-6/ 2009	1-3/ 2009	10-12/ 2008	7-9/ 2008	4-6/ 2008
Net sales	544.6	336.9	742.5	648.5	645.9
Other operating income and expenses	-505.3	-340.6	-697.7	-582.5	-599.4
Depreciation	9.5	4.7	7.2	13.5	9.3
Share of the results of affiliated companies	0.3	-0.2	-0.1	1.1	0.4
Operating profit/loss	30.1	-8.6	37.5	53.6	37.6
Financial expenses	10.4	20.1	27.9	5.2	9.8
Financial income	1.2	10.3	13.4	0.2	3.3
Profit/loss before taxes	20.9	-18.4	23.0	48.6	31.0
Income taxes	-6.2	3.9	-10.3	-11.8	-7.6
Profit/loss for the accounting period	14.7	-14.6	12.7	36.8	23.4
Distribution of profit/loss for the accounting period					
To parent company shareholders	13.7	-15.0	9.3	34.5	22.1
To minority interests	1.0	0.4	3.4	2.3	1.4
EPS calculated from profit/loss attributable to parent company shareholders					
Earnings per share, diluted and undiluted, EUR	0.80	-0.88	0.55	2.03	1.30

## 7) SEGMENT INFORMATION

In Lemminkäinen Group, management means the CEO of Lemminkäinen Corporation, who is the chief operating decision-maker. Internal segment reporting to management covers net sales, depreciation, operating profit, financial items, profit before taxes, non-current assets and liabilities, inventories, trade receivables and accounts payable.

The segment information reported to management is generally prepared according to the same principles as those applied in the consolidated financial statements. Imputed items are not considered in segment reporting. Such items include, among others, depreciation of assets acquired by finance leasing, interest separated from payments, warranty provisions, and unrealised gains or losses on derivatives. In segment reporting to management, finance leasing arrangements are treated as ordinary rental agreements, which deviates from the accounting principles of IFRS financial statements. Affiliated companies are combined in segment reporting in proportion to ownership share using the line-by-line method. In IFRS financial statements affiliated companies are combined by the equity method. In segment reporting, intersegment sales are not allocated to segments, owing to their minimal magnitude, and are not reported to management.

EUR million	Net sales	Depreciation	Operating profit/loss	Financial items	Profit/loss before taxes
<b>1-6/2009</b>					
Building construction	432.1	1.4	21.1	-5.5	15.5
Infrastructure construction	300.2	12.3	-3.7	-6.6	-10.3
Technical building services	115.9	0.4	5.1	0.4	5.5
Building products	56.4	1.2	0.7	-0.4	0.3
Other operations	5.4	0.4	-2.3	-3.5	-5.8
Group eliminations	-24.5				
Segments, total	885.5	15.7	20.9	-15.7	5.2
Reconciling items	-4.0	-1.5	0.6	-3.4	-2.8
Group total, IFRS	881.6	14.2	21.5	-19.1	2.4

The reconciling items for net sales stem from the equity share treatment of affiliated companies (EUR – 5.4 million) and other operating income recognised as net sales in segment reporting.

The reconciling items for operating profit comprise EUR 0.9 million in personnel expenses, EUR 1.0 million from the IFRS treatment of finance leasing, EUR -0.4 million in capitalised equipment expenses EUR -0.1 million from the equity share treatment of affiliated companies and EUR -0.9 million in other closing entries.

The reconciling items for financial items are EUR -0.9 million in finance leasing interest, as well as exchange rate differences, interest timing differences, and unrealised gains and losses on derivatives.

EUR million	Net sales	Depreciation	Operating profit/loss	Financial items	Profit/loss before taxes
<b>1-6/2008</b>					
Building construction	572.8	1.5	19.6	-5.1	14.5
Infrastructure construction	351.4	11.8	0.7	-2.2	-1.5
Technical building services	124.6	0.4	7.3	1.0	8.3
Building products	70.8	1.3	3.4	-0.3	3.0
Other operations	6.5	0.4	-1.9	-3.7	-5.6
Group eliminations	-28.8				
Segments, total	1,097.3	15.3	29.0	-10.3	18.6
Reconciling items	-6.6	-1.1	3.1	-2.3	0.8
Group total, IFRS	1,090.8	14.3	32.1	-12.7	19.4

The reconciling items for net sales stem from the equity share treatment of affiliated companies (EUR – 5.4 million) and other operating income recognised as net sales in segment reporting.

The reconciling items for operating profit comprise EUR –1.2 million in personnel expenses, EUR 0.8 million in gains from the sales of derivatives, EUR 2.9 million from the IFRS treatment of finance leasing, EUR 0.1 million from the equity share treatment of affiliated companies and EUR - 0.5 million in other closing entries.

The reconciling items for financial items are EUR -0.8 million in finance leasing interest, as well as exchange rate differences, interest timing differences, and unrealised gains and losses on derivatives.

## NET SALES

EUR million	4-6/ 2009	4-6/ 2008	1-6/ 2009	1-6/ 2008	1-12/ 2008
Building construction	233.4	295.7	432.1	572.8	1,207.5
Infrastructure construction	228.3	256.4	300.2	351.4	920.3
Technical building services	60.6	68.0	115.9	124.6	269.9
Building products	37.8	45.8	56.4	70.8	156.0
Other operations	2.9	3.6	5.4	6.5	13.5
Group eliminations	-14.9	-17.3	-24.5	-28.8	-65.7
Segments, total	548.0	652.1	885.5	1,097.3	2,501.5
Reconciling items	-3.4	-6.3	-4.0	-6.6	-19.7
Group total, IFRS	544.6	645.9	881.6	1,090.8	2,481.8

## OPERATING PROFIT

EUR million	4-6/ 2009	4-6/ 2008	1-6/ 2009	1-6/ 2008	1-12/ 2008
Building construction	11.4	9.2	21.1	19.6	69.7
Infrastructure construction	14.1	17.1	-3.7	0.7	26.2
Technical building					

services	2.6	5.6	5.1	7.3	16.3
Building products	3.2	4.6	0.7	3.4	10.5
Other operations	-2.1	-0.8	-2.3	-1.9	-3.3
Segments, total	29.2	35.6	20.9	29.0	119.4
Reconciling items	0.9	2.0	0.6	3.1	3.8
Group total, IFRS	30.1	37.6	21.5	32.1	123.2

### NET SALES, QUARTERLY

EUR million	4-6/ 2009	1-3/ 2009	10-12/ 2008	7-9/ 2008	4-6/ 2008
Building construction	233.4	198.7	426.9	207.8	295.7
Infrastructure					
construction	228.3	71.9	222.3	346.6	256.4
Technical building					
services	60.6	55.3	76.5	68.8	68.0
Building products	37.8	18.6	34.2	51.0	45.8
Other operations	2.9	2.5	3.7	3.3	3.6
Group eliminations	-14.9	-9.6	-17.2	-19.7	-17.3
Segments, total	548.0	337.5	746.3	657.8	652.1
Reconciling items	-3.4	-0.6	-3.8	-9.3	-6.3
Group total, IFRS	544.6	336.9	742.5	648.5	645.9

### OPERATING PROFIT, QUARTERLY

EUR million	4-6/ 2009	1-3/ 2009	10-12/ 2008	7-9/ 2008	4-6/ 2008
Building construction	11.4	9.7	35.5	14.6	9.2
Infrastructure					
construction	14.1	-17.8	-4.8	30.3	17.1
Technical building					
services	2.6	2.5	3.7	5.4	5.6
Building products	3.2	-2.5	1.2	5.9	4.6
Other operations	-2.1	-0.2	-0.1	-1.3	-0.8
Segments, total	29.2	-8.3	35.6	54.8	35.6
Reconciling items	0.9	-0.4	1.9	-1.2	2.0
Group total, IFRS	30.1	-8.6	37.5	53.6	37.6

### ASSETS

EUR million	6/2009	6/2008	12/2008
Building construction	357.5	491.4	467.5
Infrastructure			
construction	365.1	364.4	294.5
Technical building			
services	30.1	34.7	33.0
Building products	52.8	57.5	46.3
Other operations	43.2	41.2	41.0
Segments, total	848.7	989.1	882.2
Assets unallocated to segments			



and Group eliminations, total	484.5	389.9	531.1
Group total, IFRS	1,333.2	1,379.0	1,413.3

## LIABILITIES

EUR million	6/2009	6/2008	12/2008
Building construction	34.2	60.5	57.6
Infrastructure			
Construction	78.9	81.7	55.9
Technical building			
Services	8.4	8.8	10.0
Building products	5.6	7.7	5.8
Other operations	0.5	0.5	0.7
Segments, total	127.6	159.1	129.9
Liabilities unallocated to segments			
and Group eliminations, total	885.2	919.2	941.6
Group total, IFRS	1,012.7	1,078.3	1,071.5

## 8) ECONOMIC TRENDS AND FINANCIAL INDICATORS

	6/2009	6/2008	12/2008
Return on equity, %	0.0	4.5	19.2
Return on investment, %	3.6	4.7	17.7
Operating profit, % of net sales	2.4	2.9	5.0
Equity ratio, %	26.3	23.9	26.2
Gearing, %	138.9	171.5	98.4
Interest-bearing net debt, EUR mill.	445.2	515.6	336.4
Gross investments, EUR mill.			
(incl. leasing purchases)	19.4	35.6	60.2
Order book, EUR mill.	1,156.0	1,696.7	1,064.5
- of which foreign orders, EUR mill.	352.9	456.4	263.1
Average number of employees	8,543	9,498	9,776
Employees at end of period	9,589	10,919	8,910
Net sales, EUR mill.	881.6	1,090.8	2,481.8
- of which operations abroad, EUR mill.	223.3	282.4	676.7
% of net sales	25.3	25.9	27.3

## 9) SHARE-SPECIFIC INDICATORS

	6/2009	6/2008	12/2008
Earnings per share, EUR	-0.08	0.71	3.28
Equity per share, EUR	17.44	16.31	18.45
Dividend per share, EUR			0.90
Dividend to earnings ratio, %			27.4
Market capitalisation, EUR mill.	323.7	493.8	222.1
Share price at end of period, EUR	19.02	29.01	13.05

Trading volume during period, 1 000 shares	884	2 158	3 185
Number of issued shares, 1 000 shares	17,021	17,021	17,021

## 10) TANGIBLE ASSETS

EUR million	06/2009	06/2008	12/2008
Acquisition cost at beginning of period	444.8	411.5	411.5
Translation difference	2.1	0.3	-6.6
Increases	17.5	32.0	56.6
Increases from business combinations	0.0	1.6	2.3
Decreases	-19.9	-10.3	-19.1
Accumulated depreciation	-256.1	-244.2	-257.8
Carrying amount at end of period	188.4	191.0	187.0

## 11) DIVESTED BUSINESSES

The Group does not have any non-current assets classified on the basis of IFRS 5 as available for sale at the end of the accounting period.

The Group did not divest any businesses during the review period.

## 12) RELATED-PARTY TRANSACTIONS

EUR million	06/2009	06/2008	12/2008
Sales of goods and services			
To affiliated companies	1.0	0.0	0.0
Purchases of goods and services			
From affiliated companies	0.0	3.0	4.1
Trade receivables			
From affiliated companies	1.0	0.1	0.0
Accounts payable			
To affiliated companies	0.0	0.3	0.0

## 13) GUARANTEES AND CONTINGENT LIABILITIES

EUR million	6/2009	6/2008	12/2008
Securities for own commitments			
Property mortgages	80.0	1.5	1.5
Business mortgages	378.8	94.8	40.6
Bonds pledged as security	0.3	0.6	0.3
Deposits	0.1	0.0	0.2
Total	459.3	96.9	42.7

Business mortgages on behalf of Group companies	840.0	0.0	0.0
Guarantees			
On behalf of affiliated companies	18.8	0.1	49.1
On behalf of others	26.1	8.4	19.9
Minimum lease payments of irrevocable lease agreements			
One year or less	10.4	7.1	9.9
One to five years	22.4	29.4	26.6
Over five years	20.9	22.1	18.9
Total	53.7	58.6	55.4
Purchase commitments of investments	13.4	7.3	13.2
Derivative contracts			
Forward foreign exchange contracts			
Nominal value	56.7	55.4	81.2
Fair value	3.8	0.1	5.1
Currency options, calls purchased			
Nominal value	25.3	0.0	0.0
Fair value	0.4	0.0	0.0
Currency options, puts written			
Nominal value	14.8	0.0	0.0
Fair value	-0.2	0.0	0.0
Interest rate options, calls purchased			
Nominal value	0.8	2.6	1.4
Fair value	0.0	0.0	0.0
Interest rate options, puts written			
Nominal value	0.8	2.6	1.4
Fair value	0.0	0.0	0.0
Interest rate swaps			
Nominal value	66.1	77.7	71.9
Fair value	-3.6	1.4	-2.7

The fair value of contracts is the gain or loss arising from closure of the contract based on the market price on the accounting date.

#### 14) LITIGATION

In December 2007 the Market Court ordered seven asphalt industry companies to pay a total of EUR 19.4 million in infringement fines for contravention of competition laws, EUR 14 million of which was imposed on Lemminkäinen. The Finnish Competition Authority had proposed to the Market Court that Lemminkäinen be fined EUR 68 million.

In addition to Lemminkäinen, the Finnish Competition Authority and some of the other asphalt industry companies appealed the decision to the Supreme Administrative Court, which has announced its intention to give its decision on the matter in September 2009.

According to complaints submitted to the Helsinki District Court, different municipalities will demand compensatory damages from Lemminkäinen and other asphalt companies if the Supreme Administrative Court finds that activities in breach of competition restriction law have taken place in the municipalities in question. The Finnish Road Administration has demanded compensation of at most EUR 10.5 million from Lemminkäinen and at most a further EUR 5.6 million under joint and several liability with other asphalt companies.

The claims are based on the Finnish Competition Authority's assertions that unlawful restrictions of competition would have raised the price level of asphalt paving at certain times. Lemminkäinen has disputed these arguments before the Market Court and the Supreme Administrative Court. In addition, a large proportion of the complaints that have come to Lemminkäinen's attention concern areas and/or times in and/or at which the Market Court considered in its decision that Lemminkäinen had not acted in breach of competition restriction law.

All of the plaintiffs have requested that the compensation claims be suspended and proceedings continued only if the Supreme Administrative Court decides that Lemminkäinen did breach competition restriction law in the areas and at the times specified in the complaints. Lemminkäinen has acceded to the requests for suspension, but regards the presented claims for compensation as baseless. No expense provision has been made in respect of the claims.