

Lemminkäinen Corporation

Interim Financial Review

1 January to 30
September 2010

Table of contents

- Key points in January-September 2010
- Net sales
- Operating profit
- Key figures
- Order book
- Own housing production
- Balance sheet
- Debt structure
- Strategy implementation
- Outlook for 2010

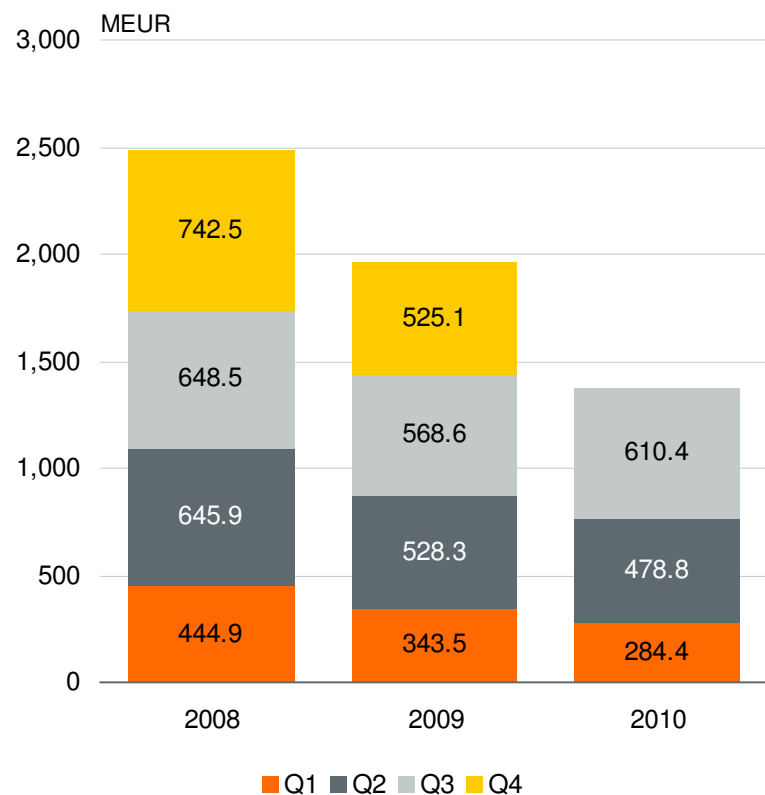


Key points in January-September 2010

- In July-September the net sales grew from last year's comparison period for the first time since the recession in the construction industry
- Order books developed favourably during the review period and Lemminkäinen's order book grew 12% year on year
- Housing sales continued to be brisk both in Finland and in Russia
- Income from housing starts made in the second half of 2009 began to be recognised during the third quarter
- Lemminkäinen acquired a building plot in St. Petersburg on which it is starting to construct approx. 540 housing units. Lemminkäinen also acquired a residential housing development already under construction in the city. It comprises 200 housing units as well as commercial premises
- Exceptional winter increased costs especially in Infrastructure Construction business sector. Operations in Finland achieved reasonable profitability. Operations in the Baltic states were unprofitable
- In Norway Lemminkäinen acquired majority stakes in Asfalt Remix AS (cold milling of asphalt pavement) and Risa Rock AS (tunnel excavation)
- Competition in Technical Building Services continued to be tough
- Demand for pre-cast concrete staircase and facade elements brisk, competition among roofing and urban environment construction contractors intensified
- Lemminkäinen completed a directed share issue to institutional investors and minority interests, which raised a total of EUR 39.5 million
- Lemminkäinen issued a EUR 60 million four-year domestic bond

Consolidated net sales

Net sales

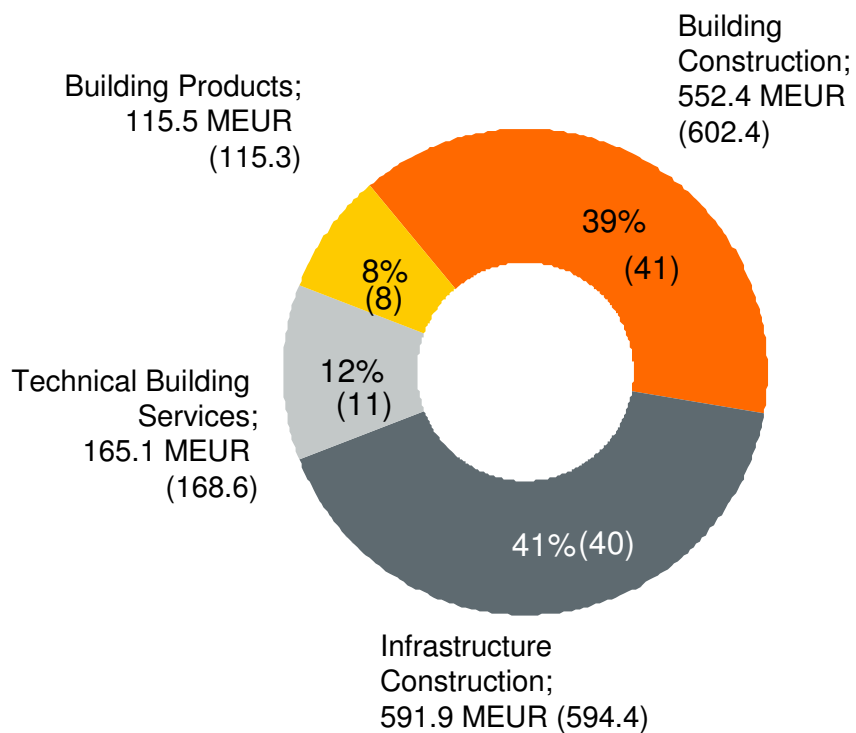


- The net sales of all the business sectors were higher on the corresponding period last year
- Only the net sales of the Building Construction business sector in January-September fell from the year-ago level, net sales of the other business sectors remained at the 2009 level

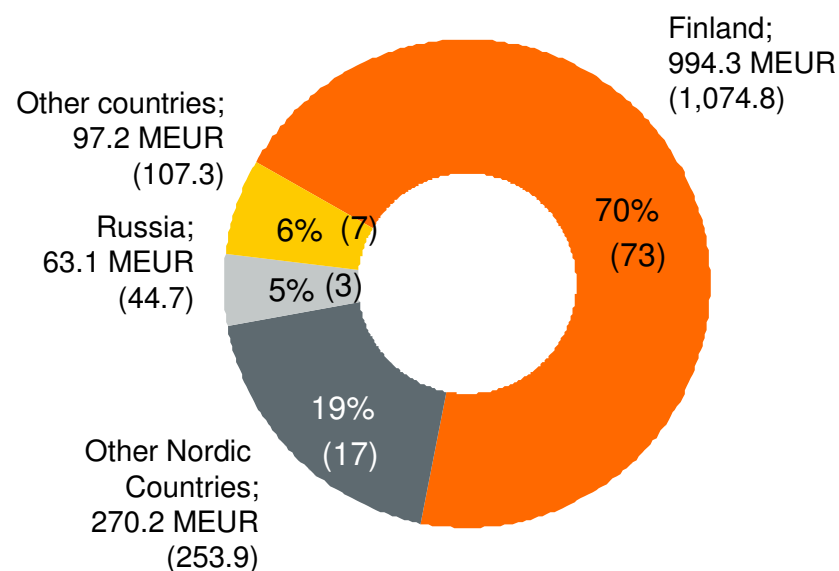
From 1 January 2010 Lemminkäinen observes the interpretation IFRIC 15 - Agreements for the Construction of Real Estate in its reporting. The comparative figures for 2009 have also been calculated in accordance with the interpretation.

Net sales

**Net sales by business sector 1-9/2010
(1-9/2009)**



**Business sectors' net sales by region
1-9/2010 (1-9/2009)**

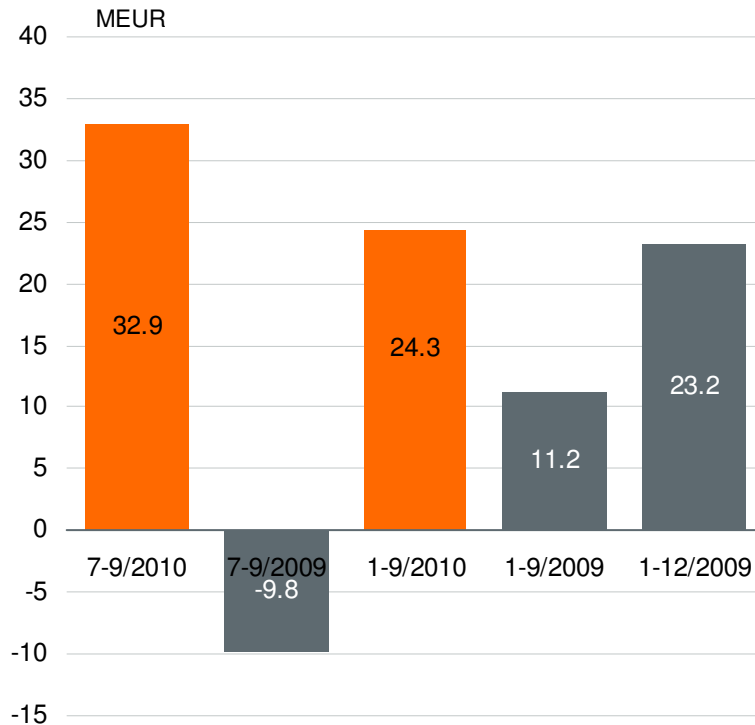


From 1 January 2010 Lemminkäinen observes the interpretation IFRIC 15 - Agreements for the Construction of Real Estate in its reporting. The comparative figures for 2009 have also been calculated in accordance with the interpretation.

Forssan Betoni Oy, which formerly belonged to Lemminkäinen's Infrastructure Construction business sector, was transferred on 1 January 2010 to the Building Products business sector. The sector-specific comparative figures for 2009 have also been prepared in accordance with the new organisation

Consolidated operating profit

Operating profit



From 1 January 2010 Lemminkäinen observes the interpretation IFRIC 15 - Agreements for the Construction of Real Estate in its reporting. The comparative figures for 2009 have also been calculated in accordance with the interpretation.

- Housing sales were brisk
- Increased costs and lower-than-expected end-user demand for commercial and office buildings weakened the profitability of building construction
- Exceptional winter increased costs especially in Infrastructure Construction business sector. Operations in Finland achieved reasonable profitability
- In the Baltic states total volumes of infrastructure construction fell and the competition intensified. Operations in the Baltic states were unprofitable
- Intensified competition among Technical Building Services and Building Products
- Non-recurring items stemming from restructuring and business adjustment measures

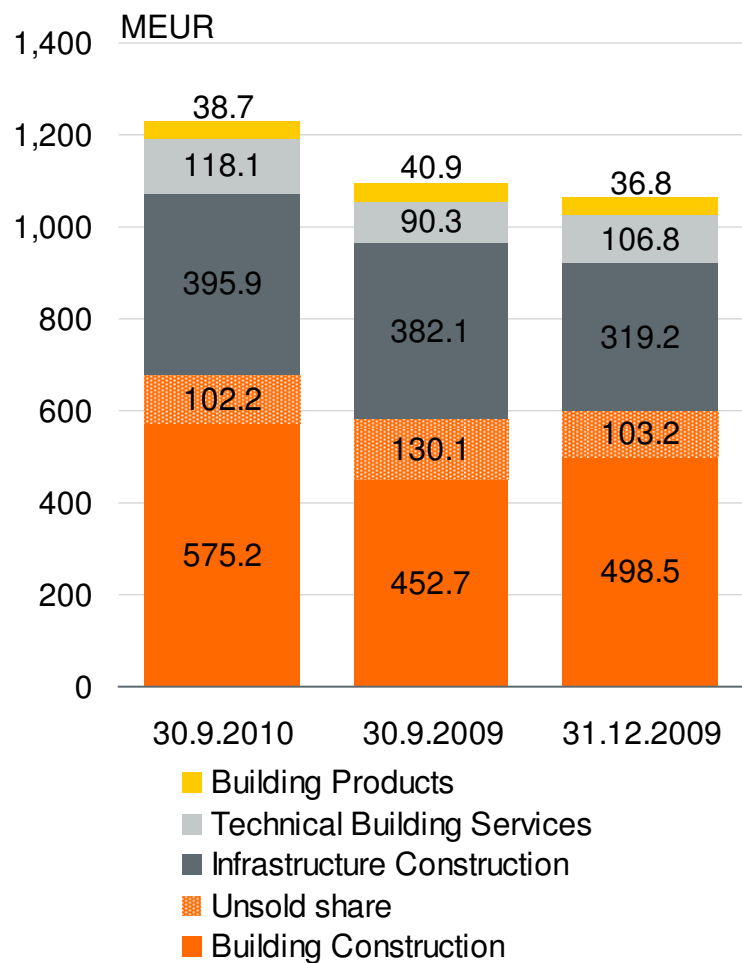
Key figures

MEUR	7-9/2010	7-9/2009	Muutos-%	1-9/2010	1-9/2009	Muutos-%	1-12/2009
Net sales	610.4	568.6	7	1 373.6	1 440.4	-5	1,965.5
Operating profit	32.9	-9.8	Over 100	24.3	11.2	Over 100	23.2
Operating margin, %	5.4	-1.7		1.8	0.8		1.2
Net financing expenses	-6.5	6.3	Over 100	16.9	25.4	-33	33.4
Profit before taxes	26.4	-16.1	Over 100	7.4	-14.2	Over 100	-10.2
Earnings per share, EUR	1.08	-1.41	Over 100	0.15	-1.49	Over 100	-1.54
Gross investments	10.7	13.0	-18	44.5	32.4	37	41.5
Cash flow from operating activities	14.7	67.1	-78	-82.2	-3.5	Over 100	64.2
Interest-bearing net debt (at end of review period)				401.0	387.5	3	324.7

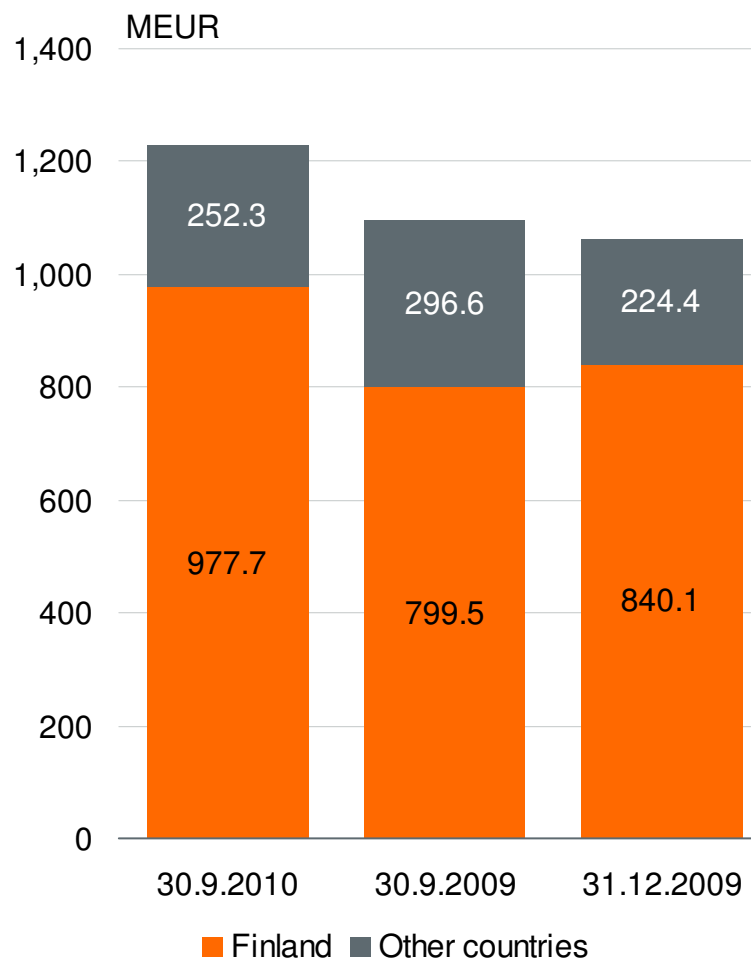
From 1 January 2010 Lemminkäinen observes the interpretation IFRIC 15 - Agreements for the Construction of Real Estate in its reporting. The comparative figures for 2009 have also been calculated in accordance with the interpretation.

Order book

Order book by business sector



Order book by region



From 1 January 2010 Lemminkäinen observes the interpretation IFRIC 15 - Agreements for the Construction of Real Estate in its reporting. The comparative figures for 2009 have also been calculated in accordance with the interpretation.

Forssan Betoni Oy, which formerly belonged to Lemminkäinen's Infrastructure Construction business sector, was transferred on 1 January 2010 to the Building Products business sector. The sector-specific comparative figures for 2009 have also been prepared in accordance with the new organisation

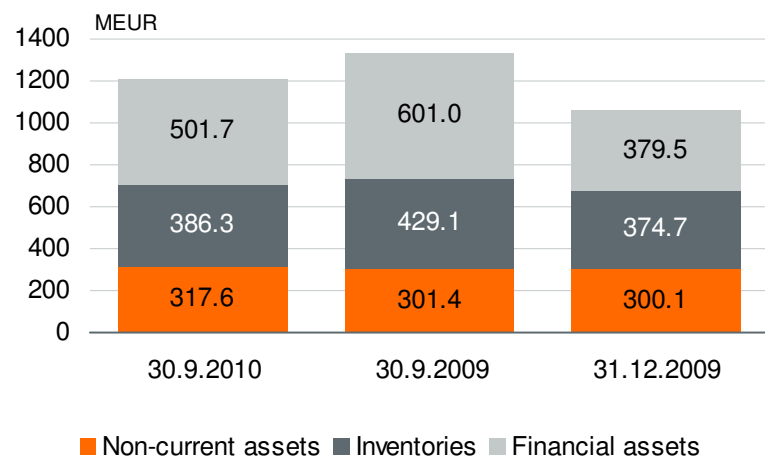
Lemminkäinen's own housing production

FINLAND	1-9/2010	1-6/2010	1-9/2009	1-12/2009
Housing starts	675	323	195	351
Housing units sold	601	397	546	771
Completed units	152	85	519	533
Under construction at end of period	928	643	263	405
of which unsold	382	203	148	193
Unsold completed units	148	179	377	263
RUSSIA	1-9/2010	1-6/2010	1-9/2009	1-12/2009
Housing starts	184	184	0	0
Housing units sold	202	129	81	133
Completed units	498	0	0	104
Under construction at end of period	184	682	323	479
of which unsold	184	453	181	367
Unsold completed units	196	0	0	22

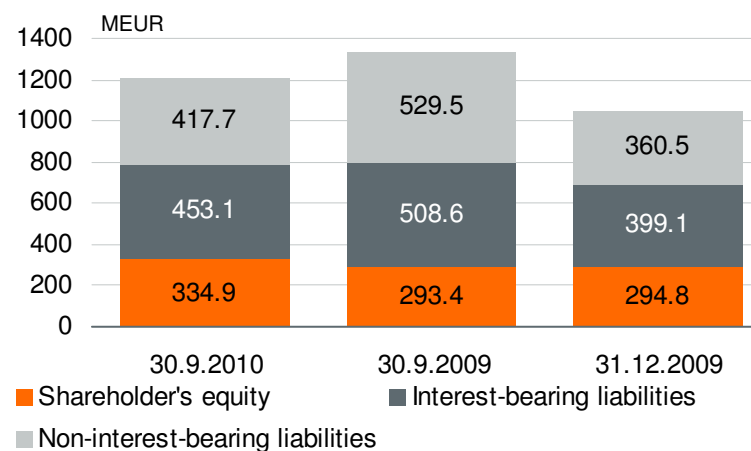
- In addition, 640 (685) contracted housing starts were made in Finland during the review period
- In St. Petersburg, Russia, a housing development of 498 units was completed
- Lemminkäinen is building some 180 apartments and 600 m2 of commercial premises in a northern district of St. Petersburg. The development is expected to be completed in autumn 2011. In addition, Lemminkäinen starts construction work on a 540-unit apartment building on an acquired plot in St. Petersburg

Balance sheet

Assets



Shareholders' equity and liabilities

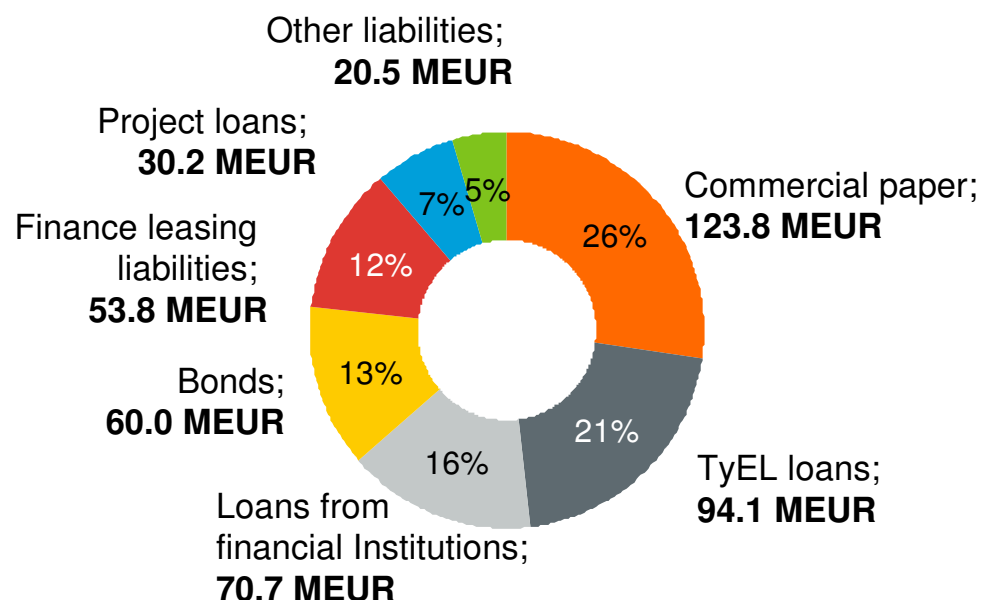


Balance sheet ratios and indicators (MEUR)

	30.9.2010	30.9.2009	31.12.2009
Balance sheet total, EUR million	1,205.7	1,331.5	1,054.4
Return on investment, %	5.1	3.1	5.4
Return on equity, %	1.0	-7.8	-7.5
Equity ratio, %	30.8	24.4	31.0
Net working capital, EUR million	444.1	404.0	343.2

Debt structure

Breakdown of interest-bearing debt (EUR 453.1 million) at 30.9.2010:



Financial indicators (EUR million)

	30.9.2010	30.9.2009	31.12.2009
Interest-bearing debt, of which	453.1	508.6	399.1
- short-term debt	230.9	450.2	108.4
- long-term debt	222.2	58.4	290.7
Cash funds	52.1	121.1	74.4
Net financing expenses	16.9	25.4	33.4
Gearing, %	119.7	132.1	110.2

Strategy implementation 1-9/2010

Stronger financial position

- A directed share issue was executed in the review period, providing the financial leeway necessary to implement strategic projects
- The EUR 60 million domestic bond broadened the financing base and extended the maturity distribution of the debt portfolio

Business development

- The acquisition of Asfalt Remix and Risa Rock in Norway will strengthen Lemminkäinen's position in the Nordic infra markets
- Building plot acquisitions in St. Petersburg bring the opportunity to build more 700 housing units
- In Russia the Kaluga industrial park project got underway with a plant investment by Rani Plast

One Lemminkäinen

- Streamlining of the organisational structure by merging over 20 companies during 2010
- Support functions – human resources, financial management, ICT, legal affairs and communications & marketing – are being developed and centralised



Outlook for 2010

The full-year 2010 pre-tax profit is estimated to be positive but below the 2009 profitability level. The comparative figures do not include the infringement fine imposed by SAC. Full-year 2010 net sales are estimated to be at the 2009 level.

- In Finland low interest rates and improved consumer confidence will sustain good demand for housing. Other building construction will remain at a low level
- Demand for renovation construction is expected to grow steadily
- In Russia the housing construction volumes continue to grow stably
- In the Nordic countries and Baltic states, total paving volumes will decline from the 2009 levels
- Major transport projects and the pick-up in mining activity will support demand for infrastructure construction
- Demand for technical building services and building materials is expected to pick up gradually with the recovery of residential construction

Lemminkäinen Corporation

Salmisaarenaukio 2
00180 Helsinki
Tel. +358 2071 5000
www.lemminkainen.com
investor@lemminkainen.fi

Timo Kohtamäki
President & CEO
Tel. +358 2071 53263
timo.kohtamaki@lemminkainen.fi

Robert Öhman
Chief Financial Officer
Tel. +358 2071 53515
robert.ohman@lemminkainen.fi

Merja Paulamäki
Investor Relations
Tel. +358 2071 53367
merja.paulamaki@lemminkainen.fi



Lemminkäinen

Best way to build

100
1910-2010