



Lemminkäinen Corporation

Interim Financial Review

1 January to 31 March 2010

100
1910-2010

Operating environment

Markets in Finland

- Construction is expected to contract by about 2% in 2010, but then return to growth already in 2011
- The number of building starts is expected to be 7% up on 2009
- Housing sales picked up markedly compared to the previous year and privately financed housing production in particular is expected to rise significantly this year
- Renovation construction is expected to grow by about 2%
- The volume of infrastructure construction is expected to decrease by 2% in 2010, but the decline is expected to end in 2011 thanks to new transport infrastructure projects
- Demand for maintenance and servicing of technical building systems is expected to rise

Markets outside Finland

- In the other Nordic countries, government stimulus measures have kept the infra construction market at a good level
- In the Baltic states the construction markets will continue to be challenging
- In Russia, housing sales continued to brisker than in the previous year; the economy is forecast to grow at a rate of 6% in 2010

Key points in January-March 2010

- Significantly fewer own housing developments than in the comparison period were completed and, because of the change in income recognition principle, recognised as income
- Housing sales continued to be brisk in both Finland and Russia
- Exceptionally severe winter conditions prevented paving operations in Norway, Denmark and Lithuania
- Competition in technical building services tightened and the price level of materials continued to rise
- The exceptionally long and snowy winter delayed starts on roofing and waterproofing contracts
- Demand for pre-cast concrete staircase and façade elements picked up
- Order books developed well and the whole Group's order book was up on the comparison period
- Lemminkäinen completed a directed share issue to institutional investors and minority interests, which raised a total of EUR 39.5 million

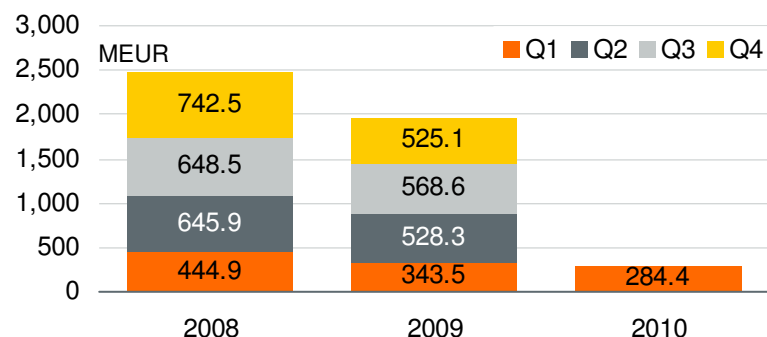
Key figures

EUR million	1-3/2010	1-3/2009	Change, %	1-12/2009
Net sales	284.4	343.5	-17	1,965.5
Operating profit	-28.5	-6.9	(over 100)	23.2
Operating margin, %	-10.0	-2.0	-	1.2
Net financing expenses	5.5	9.8	-44	33.4
Profit before taxes	-33.9	-16.7	(over 100)	-10.2
Earnings per share, EUR	-1.52	-0.81	-88	-1.54
Gross investments	7.5	10.3	-27	41.5
Cash flow from operating activities	-49.9	-85.4	42	64.2
Interest-bearing net debt (at end of review period)	349.0	450.6	-23	324.7

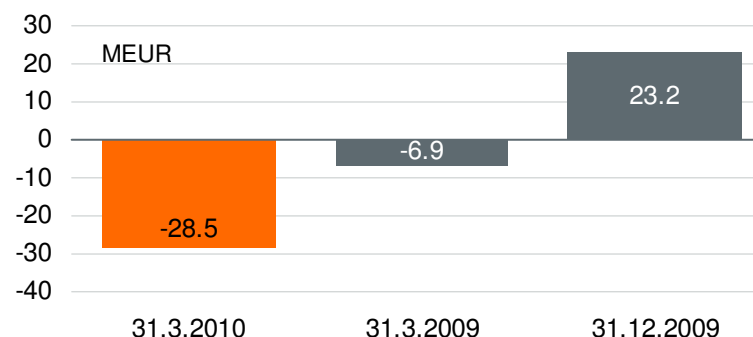
From 1 January 2010 Lemminkäinen observes the interpretation IFRIC 15 - Agreements for the Construction of Real Estate in its reporting. The comparative figures for 2009 have also been calculated in accordance with the interpretation.

Consolidated net sales and operating profit

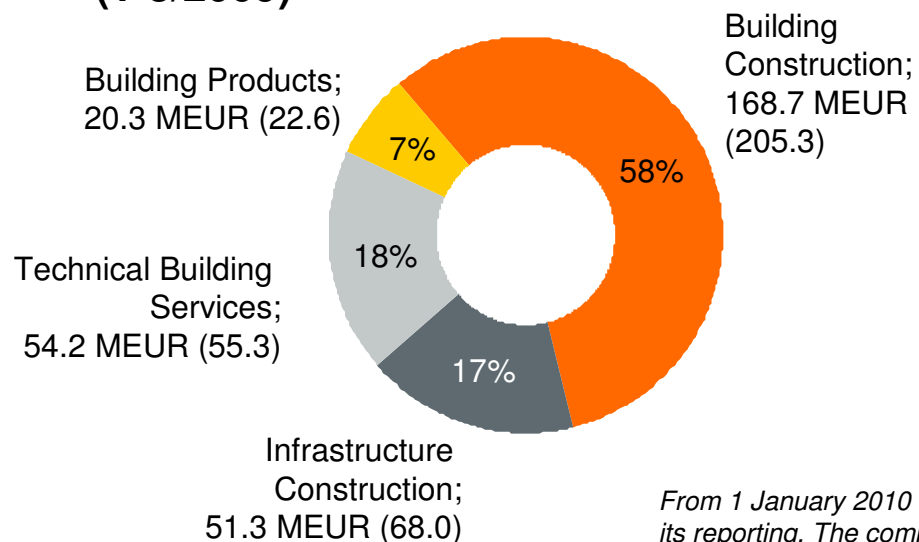
Net sales



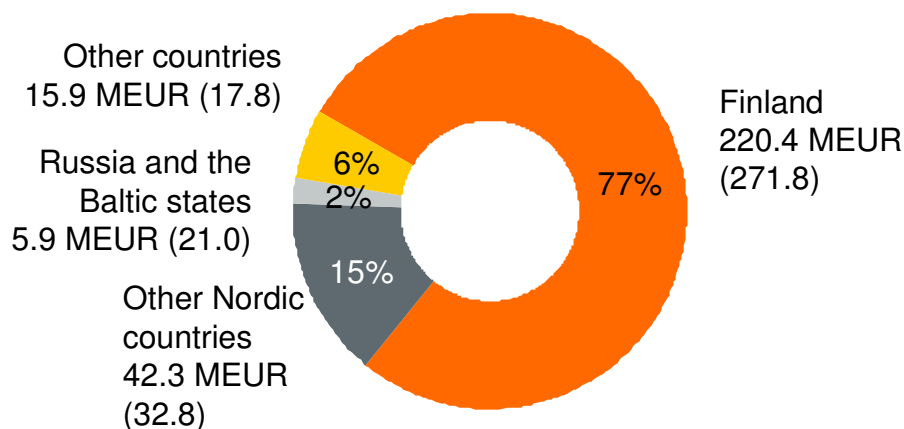
Operating profit



Net sales by business sector 1-3/2010 (1-3/2009)



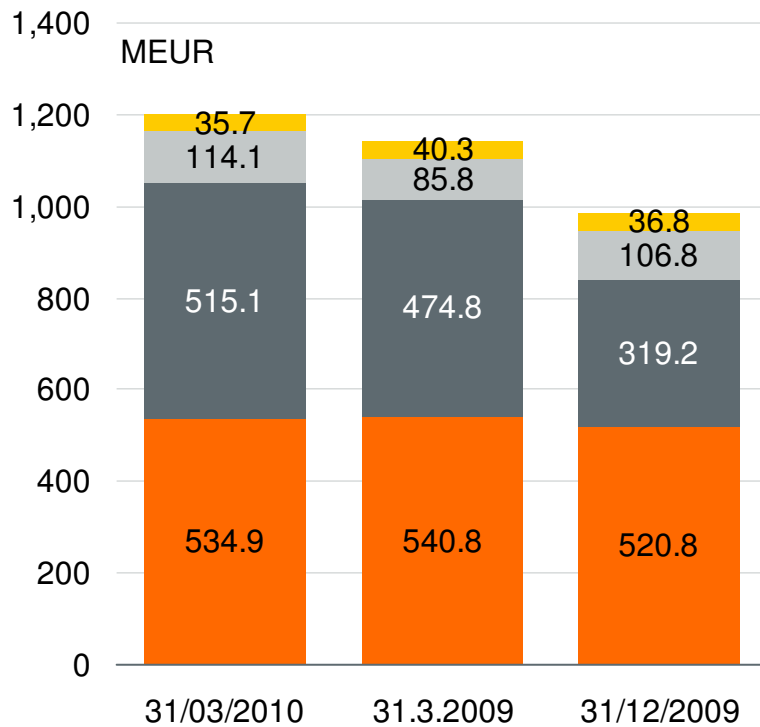
Net sales by region 1-3/2010 (1-3/2009)



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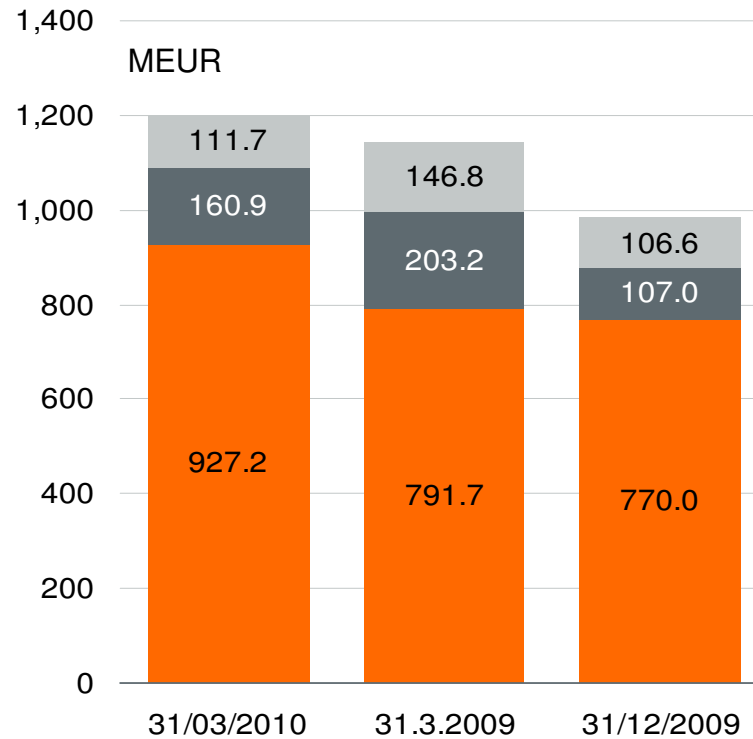
Order book

Order book by business sector



- Building Products
- Technical Building Services
- Infrastructure Construction
- Building Construction

Order book by region



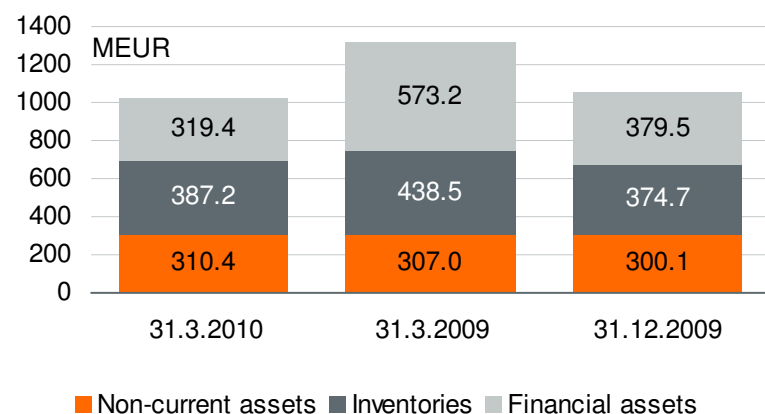
- Finland
- Other Nordic countries
- Other countries

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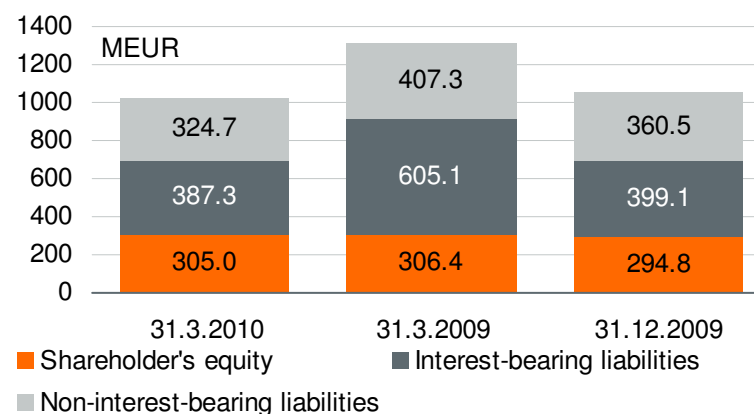
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Balance sheet

Assets



Shareholders' equity and liabilities

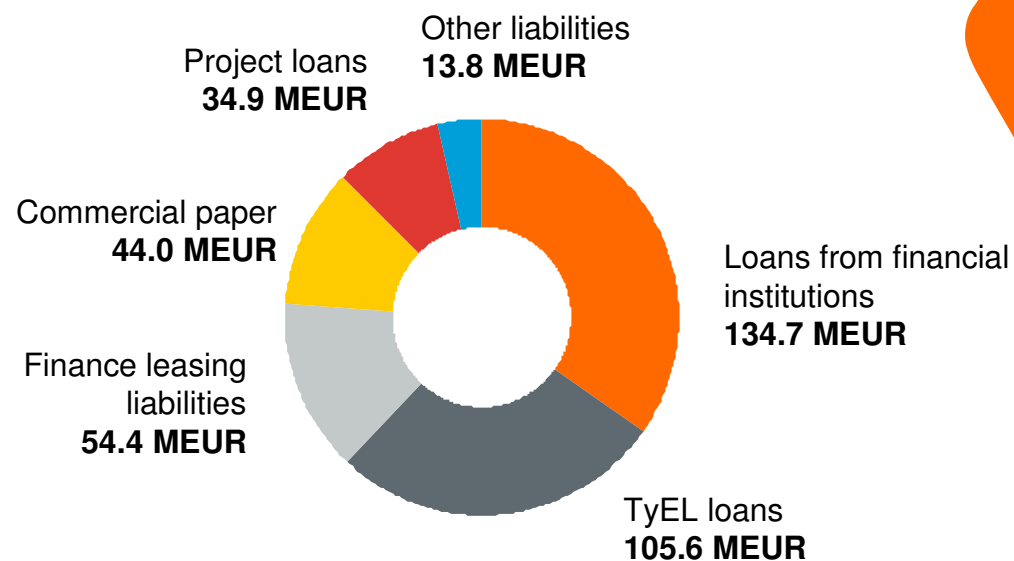


Balance sheet ratios and indicators

	31.3.2010	31.3.2009	31.12.2009
Balance sheet total, EUR million	1,017.0	1,318.8	1,054.4
Return on investment, %	-3.1	0.4	5.4
Return on equity, %	-8.8	-4.1	-7.5
Equity ratio, %	33.7	25.5	31.0
Net working capital, EUR million	363.7	472.8	343.2

Debt structure

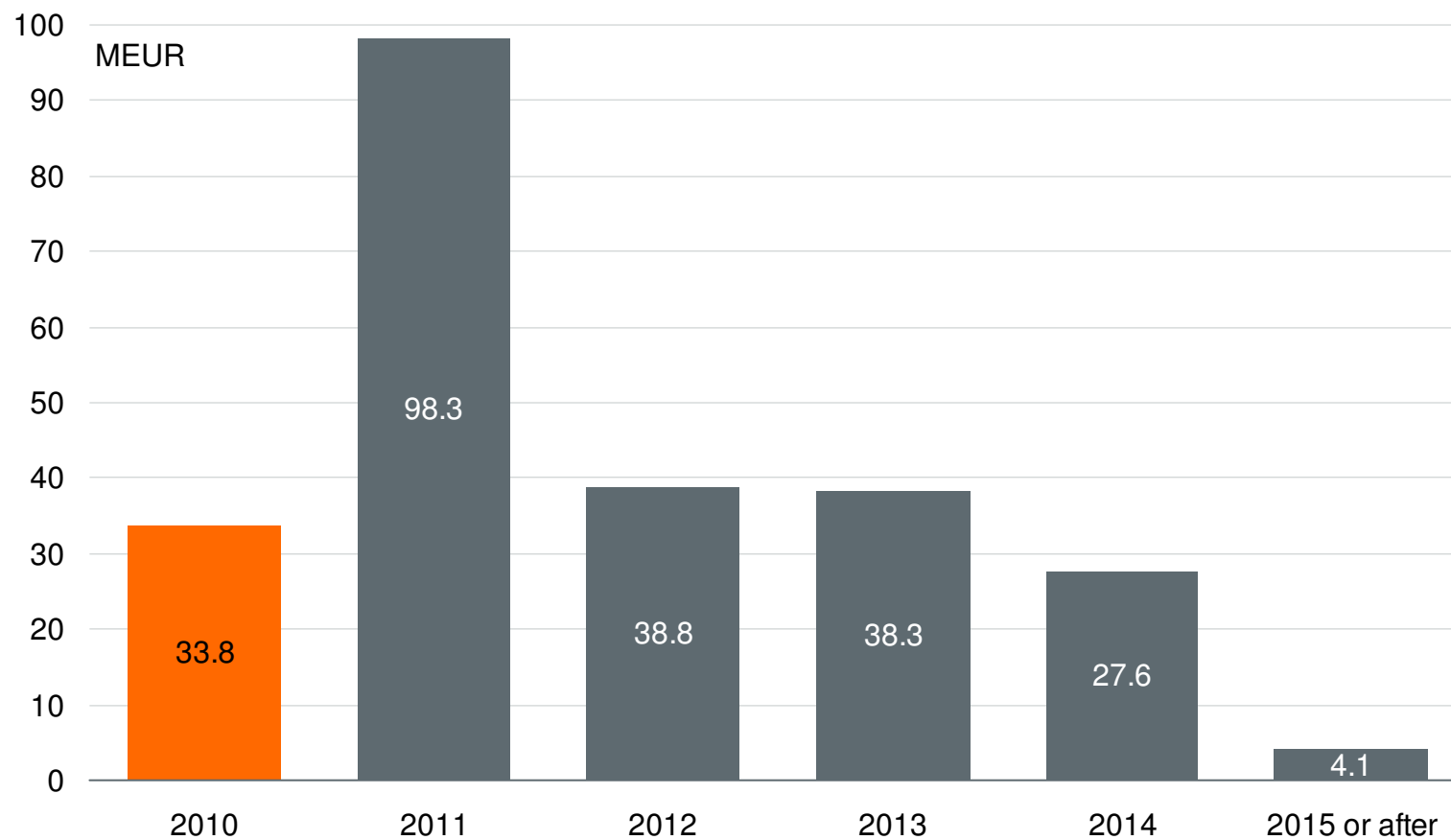
Breakdown of interest-bearing debt (EUR 387.3 million) at 31.3.2010:



Financial indicators (EUR million)

Financial indicators (EUR million)	31.3.2010	31.3.2009	31.12.2009
Interest-bearing debt, of which	387.3	605.1	399.1
- short-term debt	206.4	486.7	108.4
- long-term debt	180.9	118.4	290.7
Cash funds	38.3	154.5	74.4
Net financing expenses	5.5	9.8	33.4
Gearing, %	114.4	147.1	110.2

Schedule of long-term loan maturities



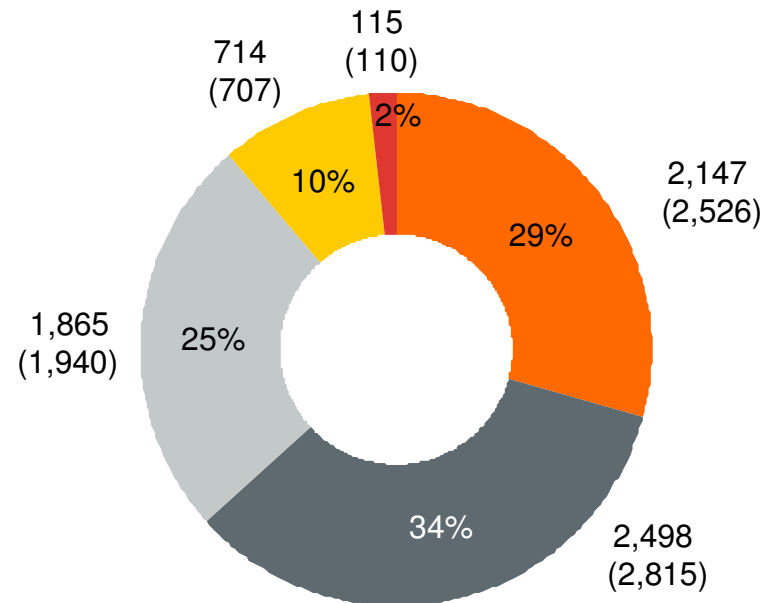
The chart also includes annual amortisation of long-term loans

Personnel

During the review period 1-3/2010 (1-3/2009):

- Average number of employees was 7,339 (8,098)
- Percentage of employees working abroad was 29% (31)
- The number of employees was adjusted during 2009 to meet the market situation

Personnel by business sector 1-3/2010 (1-3/2009)



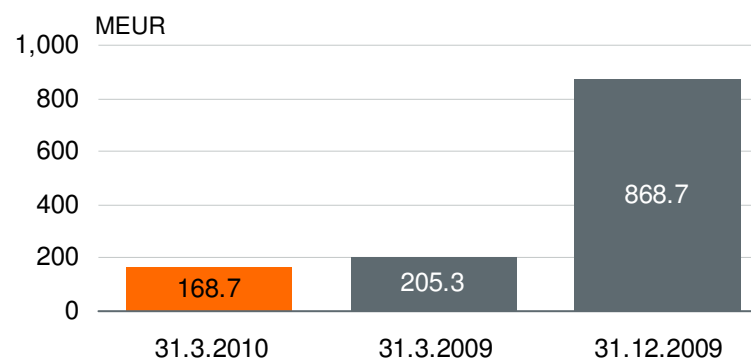
- Building Construction
- Infrastructure Construction
- Technical Building Services
- Building Products
- Parent company

Building Construction

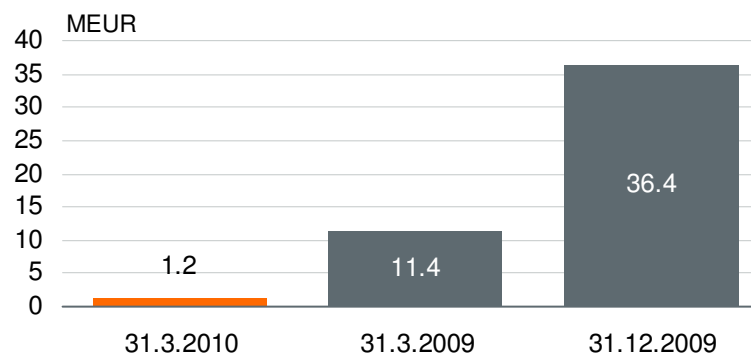
Key points in January-March 2010 (comparative period 1-3/2009):

- Net sales EUR 168.7 million (205.3); operating profit EUR 1.2 million (11.4)
- Order book at end of review period was EUR 534.9 million (540.8)
- Adoption of the IFRIC 15 interpretation changed the income recognition principle for own production
- Significantly fewer own housing developments than in the previous year were completed and recognised as income due to the slowdown in housing production in 2009
- The renovation construction market remained stable
- Housing sales in Russia continued to be brisker than in the previous year
- After the review period Lemminkäinen acquired a building plot in St. Petersburg for the construction of 540 housing units

Net sales



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.

Lemminkäinen's own housing production

FINLAND	1-3/2010	1-3/2009	1-12/2009
Housing starts	145	0	351
Housing units sold	169	123	771
Completed units	54	230	533
Under construction at end of period	496	357	405
of which unsold	205	193	193
Unsold completed units	227	560	263
RUSSIA / SWEDEN	1-3/2010	1-3/2009	1-12/2009
Housing starts	0 / 0	0 / 0	0 / 0
Housing units sold	54 / 0	22 / 2	133 / 27
Completed units	0 / 0	0 / 12	104 / 80
Under construction at end of period	498 / 0	313 / 68	479 / 0
of which unsold	339 / 0	230 / 34	367 / 0
Unsold completed units	5 / 11	0 / 2	22 / 11

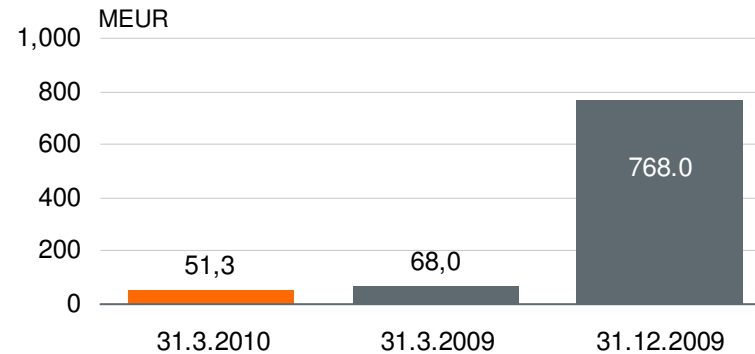
- A total of 135 contracted housing starts were made during the review period
- After the review period Lemminkäinen acquired a building plot in St. Petersburg for the construction of 540 housing units

Infrastructure Construction

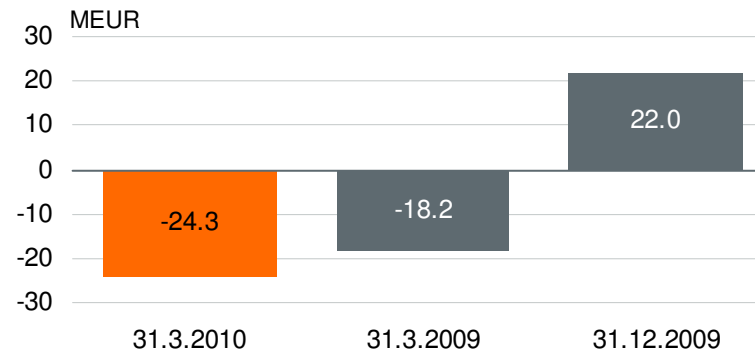
Key points in January-March 2010 (comparative period 1-3/2009):

- Net sales EUR 51.3 million (68.0); operating profit EUR -24.3 million (-18.2)
- Order book developed well and the end of the review period was EUR 515.1 million (474.8)
- Exceptionally severe winter conditions prevented paving operations in Norway, Denmark and Lithuania
- Work situation in rock engineering improved
- In the Baltic states infrastructure construction showed slight signs of recovery
- After the review period Lemminkäinen made two acquisitions in Norway

Net sales



Operating profit



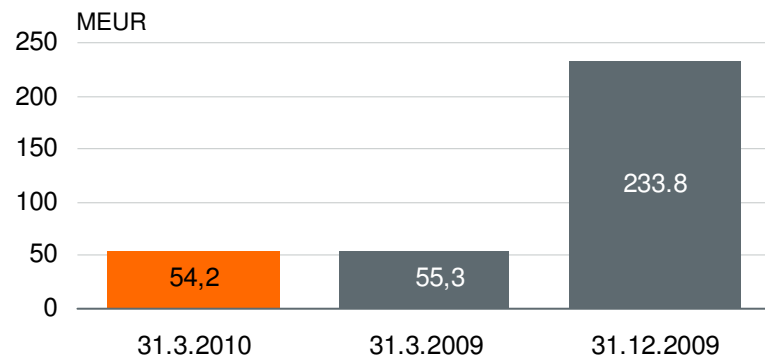
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Technical Building Services

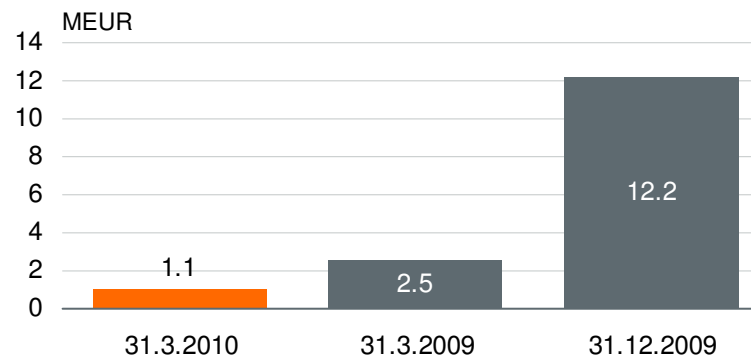
Key points January-March 2010 (comparative period 1-3/2009):

- Net sales were EUR 54.2 million (55.3); operating profit EUR 1.1 million (2.5)
- Order book was up by a third on the comparative period and at the end of the review period was EUR 114.1 million (85.8)
- Emphasis shifted to renovation construction and servicing and maintenance work
- Competition tightened and material prices rose
- Demand for industrial services minimal
- After the review period the offering of pipe renovation was broadened by a pipe coating method that avoids the demolition of existing structures

Net sales



Operating profit

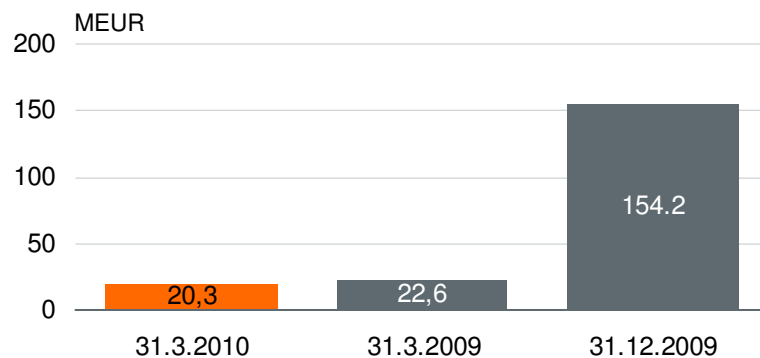


Building Products

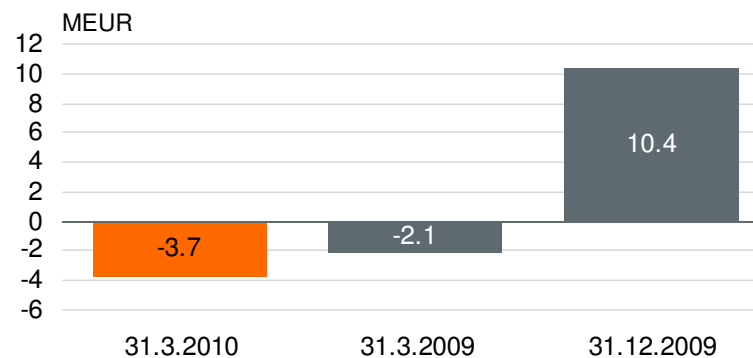
Key points January-March 2010 (comparative period 1-3/2009):

- Net sales EUR 20.3 million (22.6); operating profit EUR -3.7 million (-2.1)
- Order book at the end of the review period was EUR 35.7 million (40.3)
- The exceptionally snowy winter coupled with fiercer competition and higher raw material prices weakened profitability
- Demand for pre-cast concrete staircase and façade elements picked up with the recovery of housing construction

Net sales



Operating profit



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Strategy implementation

Stronger financial position

- In the review period Lemminkäinen completed a directed share issue, which provided more room to manoeuvre strategic projects

Business development

- The Asphalt Remix and Risa Rock acquisitions strengthen Lemminkäinen's position on the Nordic infrastructure market
- Building plot acquisition in St. Petersburg offers opportunity to build 540 housing units on Vasil Island
- Expertise in technical building service and renovation construction strengthened by a new water pipe coating technology

One Lemminkäinen

- The aim of one united Lemminkäinen to be realised this year by merging over 20 companies and implementing the service centre model for the support functions



Outlook for 2010

Lemminkäinen estimates that net sales and the result before taxes for the 2010 accounting period will be at the 2009 level, the infringement fine imposed by the SAC being excluded from the 2009 comparative figures

- The number of new building starts will rise, but the total volume of construction is expected to fall
- Housing production will rise with the pick-up in housing sales
- Demand for renovation construction is expected to increase; demand for technical building services will continue to be stable
- In Russia the volume of construction will grow with the housing market recovery
- Major transport infrastructure project launched in 2009 and the recovery of building construction will provide work for infrastructure builders
- Cuts in government funding for basic highway maintenance and the constrained finances of the municipalities represent uncertainty factors for the infrastructure market
- In the other Nordic countries additional investments in infrastructure construction will continue; in the Baltic states the situation will continue to be challenging
- Demand for building products will rise with the pick-up in residential construction

Shareholders

Name of shareholder	Shares 31.3.2010	% of total stocks 31.3.2010	Shares 31.12.2009	% of total stocks 31.12.2009
Estate of Erkki Pentti	3,673,956	18.70	3,673,956	21.58
Pentti, Olavi	3,673,953	18.70	3,673,953	21.58
Estate of Heikki Pentti	1,906,976	9.71	1,906,976	11.20
Varma Mutual Pension Insurance Company	823,727	4.19	508,000	2.98
Pentti, Kristian	635,660	3.24	635,660	3.73
Pentti-Kortman, Eva Katarina	635,660	3.24	635,660	3.73
Pentti-von, Walzel Anna Eva Kristina	635,660	3.24	635,660	3.73
Ilmarinen Mutual Pension Insurance Company	520,000	2.65	120,000	0.71
Maa- ja Vesitekniikan Tuki Ry	250,000	1.27	200,000	1.18
Eläke-Fennia Mutual Pension Insurance Company	220,000	1.12	0	0.00
Etera Mutual Pension Insurance Company	214,600	1.09	164,600	0.97
Etola, Erkki Olavi	209,032	1.06	0	0.00
Odin Finland	203,841	1.04	205,141	1.21
Mutual Fund Evli Select	200,000	1.02	0	0.00
Swedbank	170,000	0.87	170,000	1.00
Nominee registered	1,490,296	7.59	1,639,314	9.63
Other shareholders, total	4,181,403	21.29	2,852,330	16.76
Total	19,644,764	100.00	17,021,250	100.00

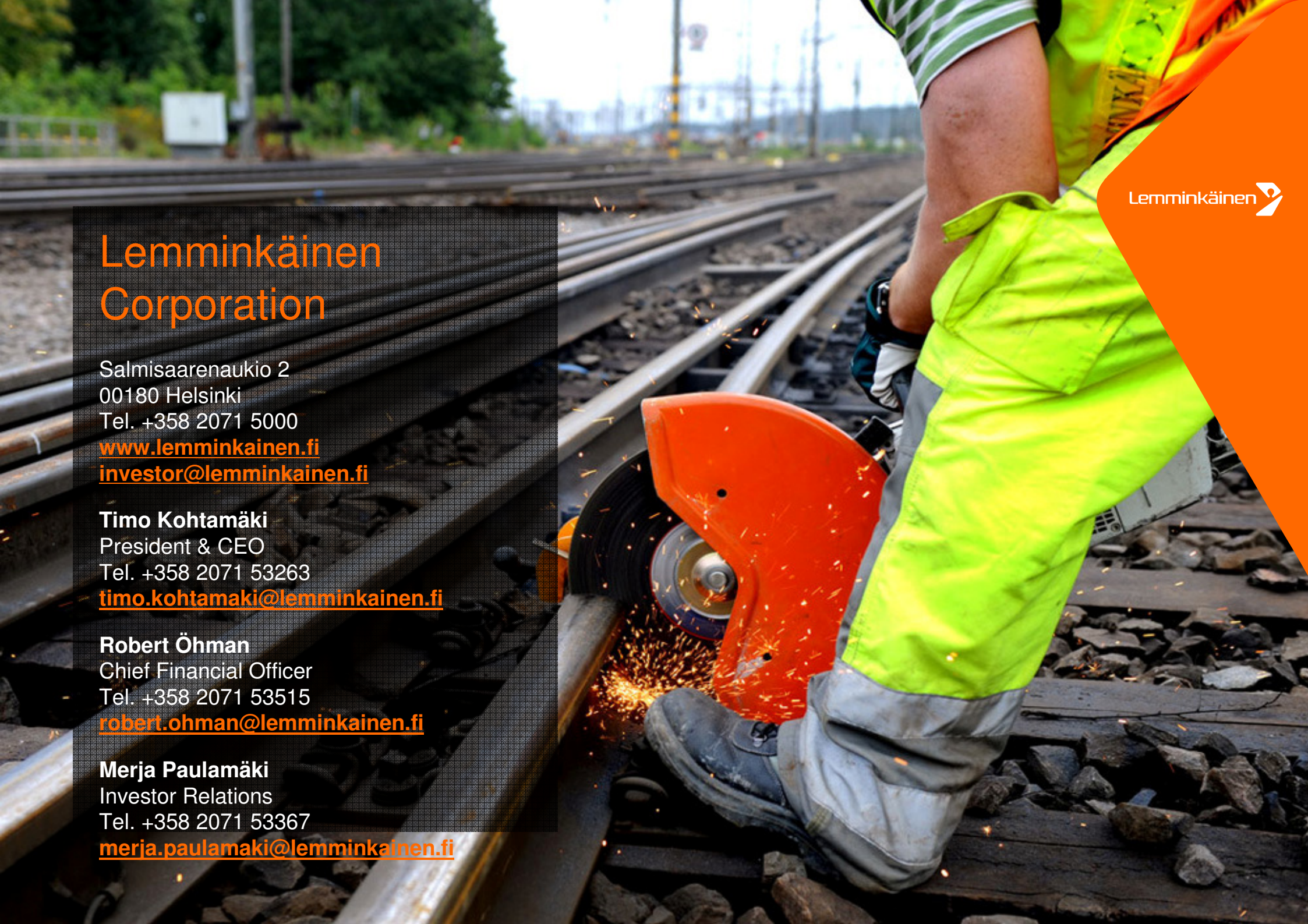
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Lemminkäinen

Best way to build

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