LEMMINKÄINEN'S INTERIM REPORT, 1 JANUARY – 30 JUNE 2011:

Order book at a record high, infrastructure construction in good swing

Highlights for April-June 2011, compared with the corresponding period of the previous year:

- The order book at the end of the period grew by 21% and amounted to EUR 1,734.8 million (1,430.2).
- Q2 net sales were up 19% and amounted to EUR 550.0 million (460.3).
- Operating profit for Q2 was EUR 20.6 million (19.5). Operating margin was 3.8% (4.2).
- Pre-tax profit amounted to EUR 16.1 million (14.6).
- Earnings per share were EUR 0.63 (0.60).
- The acquisition of the Norwegian company Mesta Industri AS was concluded at the end of May. Lemminkäinen has recognised negative goodwill of EUR 8.1 million from the acquisition in Q2 operating profit. The new orders entered into the order book due to the acquisition amount to EUR 70 million.

Highlights for January-June 2011, compared with the corresponding period of the previous year:

- Net sales in January-June were up 18% and amounted to EUR 866.3 million (736.7).
- Operating profit was EUR -7.4 million (-7.3) and the operating margin -0.9% (-1.0).
- Pre-tax profit amounted to EUR -13.9 million (-17.7).
- Earnings per share were EUR 0.03 (-0.92).
- At the end of the review period, Lemminkäinen's interest-bearing net debt was EUR 501.7 million (409.5).
- Operating profit and pre-tax profit for January-June do not account for the sale of the roofing business.

Profit guidance for 2011:

Lemminkäinen keeps its earlier profit guidance intact. The Company estimates that in 2011 its net sales will increase and that its pre-tax profit will clearly improve on 2010. The estimate is based on the growth in the order book and its margins.

Key figures, IFRS, EUR million	4-6/2011	4-6/2010	Change	1-6/2011	1-6/2010	Change	1-12/2010
Net sales	550.0	460.3	19%	866.3	736.7	18%	1,829.6
- of which operations outside Finland	180.1	154.1	17%	252.0	218.1	16%	543.5
Operating profit	20.6	19.5	6%	-7.4	-7.3	-1%	29.6
Operating margin, %	*3.8*	*4.2*		*-0.9*	*-1.0*		*1.6*
Pre-tax profit	16.1	14.6	10%	-13.9	-17.7	-21%	7.6
Earnings from discontinued operations	0.0	0.3		11.3	-1.0		-0.6
Result for the period	12.3	9.8	26%	0.6	-16.6		1.2
Earnings per share, EUR	0.63	0.60	5%	0.03	-0.92		0.02
Cash flow from operations	-96.7	-47.0	over 100	-135.0	-96.9	39%	-37.2

Key figures, EUR million	30.6.2011	30.6.2010	Change	31.12.2010
Order book	1,734.8	1,430.2	21%	1,226.4
- of which unsold	222.6	149.6	49%	135.3
- of which operations outside Finland	563.2	338.6	66%	294.3
Balance sheet total	1,399.5	1,186.9	18%	1,065.3
Interest-bearing net debt	501.7	409.5	23%	349.2
Equity ratio, %	*26.1*	*30.1*		*35.2*
Gearing, %	*156.2*	*128.7*		*104.7*
Return on investment (rolling 12 months), %	*6.4*	*2.0*		*7.0*

President & CEO Timo Kohtamäki:

"At the end of June, Lemminkäinen's order book was at an all-time high. Housing construction in Finland, special infrastructure contracting and operations outside Finland were the primary drivers of growth in our order book. Now that the Mesta Industri AS acquisition has gone through, we are one of the largest paving contractors in Norway and a major builder of infrastructure in the Nordic countries, in line with our strategy," says Timo Kohtamäki, President and CEO of Lemminkäinen.

"The trend in our Infrastructure Construction business was favourable in the first part of the year, and its earnings measured up to our expectations. The earnings trend of Building Construction was impacted by the small amount of income recognised from our own housing development in the first part of 2011 and the weak profitability of contracting. We estimate that 75 per cent of our own housing development in 2011 will be completed and recognised as income in the second half of the year. We assume that housing sales will remain at a good level, on a par with early 2011. The earnings of Technical Building Services were unsatisfactory. "

"Our interest-bearing net debt grew year-on-year, primarily due to net sales growth and the amount of capital committed to our own housing development. During the first half of the year, we started a total of 627 units in our own housing development – in other words, we have almost doubled our start-ups compared with the previous year. "

"We are forging ahead with actions to improve profitability. A number of measures are ongoing to boost the efficiency of procurements, for example. In addition, we are enhancing project and resource management. I believe that we will achieve our financial objectives for 2011 thanks to our robust order book and our good operations in the first half of the year," says Kohtamäki.

Outlook for 2011

The European credit crisis has increased uncertainty in the markets. If this continues, it may impact on the availability of financing and weaken the economic business environment. Finland's GDP is expected to see further growth of about 3-4 per cent this year. However, growth is forecast to slacken somewhat in 2012-2013.

According to the forecasts of the Confederation of Finnish Construction Industries RT, construction will increase by about five per cent in Finland this year. It is estimated that the construction of 31,000 new residential units will be started up in 2011, slightly less than in the previous year. Terraced houses and apartment houses account for about 20,000 of these units. Market-financed residential construction remains strong, but state-supported housing production will be down on the previous year. Lemminkäinen estimates that in 2011 it will commence the construction of a total of about 1,200 units in its own housing production in Finland, 20% more than in 2010. In addition, about 400 contracted residential units were already started up in the first half of the year.

The construction of business premises will see moderate growth in 2011. Lemminkäinen will build three new office buildings in the centre of Helsinki, valued at a total of about EUR 150 million. Construction work on the first site has already begun. The next two will be started up in spring 2012. In addition, several individual projects for the construction of business premises are ongoing around Finland.

There is still a great need for new housing in Russia, and Lemminkäinen estimates that it will start building about 500 units in its own housing development in St Petersburg in 2011. The Company expects that the housing project kicked off last year – comprising about 150 residential units – will be completed in the latter part of the year.

According to the estimates of the Confederation of Finnish Construction Industries RT and Euroconstruct, the total volume of infrastructure construction in Finland will decline in 2011. In Northern Finland, the mining industry is keeping the market for rock engineering at a good level. The pickup in building construction increases the demand for geotechnical engineering works, concrete products and mineral aggregates. Lemminkäinen has a good workload in infrastructure construction. In the case of paving works, 2011 is turning out to be on a par with 2010.

The volume of infrastructure construction in the other Nordic countries is expected to grow by 3-6 per cent in both 2011 and 2012. Government allocations for infrastructure development are substantially greater in Norway and Sweden than in Finland, and are spread over several years. In Sweden and Norway, growth in the energy supply sector will increase demand for infrastructure construction in the next few years. Lemminkäinen currently has power plant contracts ongoing in Sweden and Norway. The total value of these contracts is about EUR 60 million. Lemminkäinen has a solid workload in paving works in Norway and Denmark. Infrastructure construction in the Baltic countries remains at a low level.

Demand for technical building contracting and services are rising gradually on the heels of the growth in new building construction. Lemminkäinen expects that the trend in technical building services will improve towards the end of the year.

Lemminkäinen keeps its earlier profit guidance intact. The Company estimates that in 2011 its net sales will increase and that its pre-tax profit will clearly improve on 2010. The estimate is based on the growth in the order book and its margins.

Briefing

A Finnish-language briefing for analysts and the media will be held at 2.00 p.m. on Thursday, 4 August at Lemminkäinen's head office. The street address is Salmisaarenaukio 2, Helsinki, Finland. The interim report will be presented by President and CEO Timo Kohtamäki. Presentation material will be available in Finnish and English on the Company's website at www.lemminkainen.com.

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Corporate Communications

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ATTACHMENTS:
Interim Report, 1 Jan. – 30 June 2011
Tabulated section of the interim report

INTERIM REPORT, 1 JANUARY – 30 JUNE 2011

OPERATING ENVIRONMENT

Operations in Finland

The operating environment for construction remained relatively stable, even though the credit crisis in the Euro countries has increased financial uncertainty. Low interest rates and the population shift into growth centres maintained demand for new housing.

The construction of business premises has only seen moderate growth this year. Office construction has been hampered by high vacancy rates, especially in the Greater Helsinki area. Property investors are showing greater interest in shopping centres, but no major deals have been made. In addition, yield requirements have varied greatly from location to location. After the 2008 recession, the number of start-ups in industrial construction has remained below normal.

In infrastructure construction, government allocations for basic road maintenance have been low, which is clearly evident in the poor condition of Finnish roads and railways. Underground rock excavation and mine investments in Northern Finland have increased the demand for rock engineering. Building construction has remained brisk, maintaining a good workload in geotechnical engineering works and increasing the demand for mineral aggregates and concrete products.

Demand for technical building contracting and services has risen, but the market situation remains challenging. Market price levels have been weaker than before, especially in electrical contracting.

Operations outside Finland

In Sweden, large tunnel projects and mining kept rock engineering contractors busy. In building construction, the volume of renovation works has been at a particularly good level.

In Norway and Denmark, the paving season has been better than it was last year. In Norway, investments in energy supply facilities and new traffic route projects have also increased demand for infrastructure construction. The economies of the Baltic countries are now on the road to recovery, but demand for infrastructure construction remains quite low.

In St Petersburg, Russia, the prices of new residential units rose by about 6% and those of old units by about 2% in the first half of the year. Demand has been maintained by the increase in per-capita living space and the better availability of consumer mortgages. The amount of mortgages granted in St Petersburg has almost doubled year-on-year.

NET SALES

Net sales by business sector, EUR million	4-6/2011	4-6/2010	Change	1-6/2011	1-6/2010	Change	1-12/2010
Building Construction	210.1	157.2	34 %	394.3	317.8	24 %	770.2
Infrastructure Construction	293.7	270.7	8 %	379.1	342.3	11 %	932.9
Technical Building Services	69.7	67.8	3 %	133.3	130.1	2 %	269.1
Other operations and Group eliminations	-15.8	-12.9	-22%	-28.4	-22.3	-27 %	-61.2
Business sectors, total	557.7	482.6	16 %	878.3	767.8	14 %	1,911.0
Reconciling items	-7.7	-22.3	65 %	-12.0	-31.1	61 %	-81.4
Group, total (IFRS)	550.0	460.3	19 %	866.3	736.7	18 %	1,829.6
- of which operations outside Finland	180.1	154.1	17 %	252.0	218.1	16 %	543.5

Q2 consolidated net sales saw year-on-year growth of 19% and amounted to EUR 550.0 million (460.3). Consolidated net sales in January-June were up 18% and amounted to EUR 866.3 million (736.7). Net sales grew in all of Lemminkäinen's business sectors. Housing production in Finland and infrastructure construction outside Finland made the greatest contribution to net sales growth.

Lemminkäinen's net sales from operations outside Finland grew by 16% in the first half of the year and amounted to EUR 252.0 million (218.1). Growth was generated particularly in Norway and Denmark. Of total net sales for the review period, 71% (71) was generated in Finland, 21% (20) in other Nordic countries, 3% (2) in Russia and 5% (7) in other countries.

OPERATING PROFIT

Operating profit by business sector, EUR million	4-6/2011	4-6/2010	Change	1-6/2011	1-6/2010	Change	1-12/2010
Building Construction	2.8	4.3	-35%	-0.9	4.8	-	25.6
Infrastructure Construction	24.3	16.8	45%	17.2	-11.1	-	15.3
Technical Building Services	-1.4	2.8	-	-0.7	4.6	-	4.5
Other operations	-3.5	-3.7	5%	-7.1	-7.1	0 %	-15.6
Business sectors, total	22.4	20.3	10%	8.6	-8.8	-	29.7
Reconciling items	-1.8	-0.8	over 100	-16.0	1.5	-	-0.1
Group, total (IFRS)	20.6	19.5	6%	-7.4	-7.3	-1 %	29.6

Operating margin by business sector, %	4-6/2011	4-6/2010	1-6/2011	1-6/2010	1-12/2010
Building Construction	1.3	2.7	-0.2	1.5	3.3
Infrastructure Construction	8.3	6.2	4.5	-3.2	1.6
Technical Building Services	-2.0	4.1	-0.5	3.5	1.7
Group, total (IFRS)	3.8	4.2	-0.9	-1.0	1.6

Consolidated operating profit for Q2 2011 was EUR 20.6 million (19.5). Operating profit in January-June was EUR -7.4 million (-7.3), which does not include capital gains from the sale of the roofing business.

The Q2 operating profit of the business sectors amounted to EUR 22.4 million (20.3). In January-June, the business sectors posted an operating profit of EUR 8.6 million (-8.8), which includes EUR 15.2 million from the sale of the roofing business. Negative goodwill of EUR 8.1 million recognised from the Mesta Industri AS acquisition was booked in Q2 operating profit.

The earnings trend in Infrastructure Construction was good in the first half of the year. In Building Construction, only a small amount of income was recognised from completed own housing development, and no business premises developed by the Company were sold. Lemminkäinen estimates, that 75 per cent of its own housing development in 2011 will be completed and recognised as income in the second half of the year. The housing completed in the first half of the year primarily comprised contract projects, whose profitability was weak. The earnings trend in Technical Building Services also fell short of the corresponding periods of the previous year.

ORDER BOOK

Order book by business sector, EUR million	30.6.2011	30.6.2010	Change	31.12.2010
Building Construction	775.0	711.7	9%	683.9
- of which unsold	222.6	149.6	49%	135.3
Infrastructure Construction	829.6	585.0	42%	416.6
Technical Building Services	130.2	133.5	-2%	125.9
Group, total	1,734.8	1,430.2	21%	1,226.4
-of which operations outside Finland	563.2	338.6	66%	294.3

Lemminkäinen's order book grew by 21% and amounted to EUR 1,734.8 million (1,430.2) at the end of the period. The order book of Infrastructure Construction saw growth, particularly in geotechnical engineering works, rock engineering and operations outside Finland. In Building Construction, the order book grew thanks to the increase in housing production in Finland.

The order book of operations outside Finland grew by 66% and amounted to EUR 563.2 million (338.6). Operations outside Finland accounted for a third of Lemminkäinen's total order book, as compared with 24% a year earlier. Lemminkäinen received two major power plant contracts in Sweden and Norway during the review period; the paving workload for the rest of the year is also good in Norway and Denmark. The acquisition of the Norwegian company Mesta Industri AS increased Lemminkäinen's order book by EUR 70 million.

BALANCE SHEET, CASH FLOW AND FINANCING

The balance sheet total stood at EUR 1,399.5 million (1,186.9) on 30 June 2011. Changes in the balance sheet were affected by the growth in both business volume and the capital committed to own housing development.

Rolling 12-month return on investment was 6.4% (2.0). The equity ratio was 26.1% (30.1) and gearing 156.2% (128.7). Higher outlays on own housing development affected the changes in the equity ratio and gearing. Lemminkäinen seeks to achieve return on investment of 18 per cent and an equity ratio of 35 per cent by the end of the 2010-2013 strategy period. Lemminkäinen estimates that the growth of the Company's earnings will result in a clear improvement in return on investment by the end of 2011.

The amount of interest-bearing debt at the end of the review period was EUR 521.1 million (448.5), of which EUR 330.1 million (274.1) was short-term and EUR 191.0 million (174.3) long-term. Interest-bearing net debt was EUR 501.7 million (409.5).

Net financial expenses during the review period amounted to EUR 6.5 million (10.5), representing 0.8% (1.4) of net sales. Financial expenses were reduced by the Company's financial arrangements in 2010 and changes in the fair value of the used interest rate derivatives.

Thanks to the financial arrangements made in 2010, Lemminkäinen has a broader financial base. Of the Company's interest-bearing debt, 23% (33) comprise loans from financial institutions, 33% (21) commercial paper, 7% (7) project loans related to own production of housing and business premises, 15% (23) TyEL loans, 10% (13) finance leasing liabilities and 11% (0) bonds. At the end of the review period, EUR 130 million in committed credit facilities were unused.

Liquid funds at the end of the review period were EUR 19.4 million (39.0).

Working capital saw a year-on-year increase of 24% and amounted to EUR 1,025.1 million (824.7) during the review period. One of the primary reasons behind the growth in working capital was the increase in trade receivables and capital committed to own residential development. Net working capital was EUR 498.2 million (426.0).

According to the cash flow statement, the cash flow from operating activities was EUR -96.7 million (-47.0) in Q2. Cash flow from operating activities in January-June was EUR -135.0 million (-96.9).

BUSINESS SECTORS

BUILDING CONSTRUCTION

Key figures, EUR million	4-6/2011	4-6/2010	Change	1-6/2011	1-6/2010	Change	1-12/2010
Net sales	210.1	157.2	34%	394.3	317.8	24%	770.2
Operating profit	2.8	4.3	-35%	-0.9	4.8	-	25.6
Operating margin, %	*1.3*	*2.7*		*-0.2*	*1.5*		*3.3*
Order book at end of period				775.0	711.7	9%	683.9
- of which unsold				222.6	149.6	49%	135.3

The Q2 net sales of Building Construction saw year-on-year growth of 34% and amounted to EUR 210.1 million (157.2). Net sales in January-June were up 24% and amounted to EUR 394.3 million (317.8). Net sales growth was primarily generated by housing construction in Finland. Of the net sales, 83% came from Finland, 13% from Sweden and 4% from Russia.

The Q2 operating profit of the business sector amounted to EUR 2.8 million (4.3). The business sector's operating profit for January-June was EUR -0.9 million (4.8). The earnings trend was affected by the weak profitability of housing contracting and the rise in construction costs. In addition, only a small amount of income was recognised from completed own housing development during the first half of the year, and no business premises developed by the Company were sold. In Building Construction, earnings in 2011 are largely generated in the latter half of the year.

In Building Construction, the trend in net sales and earnings is affected by strong quarterly variations, as the recognition of income from own housing development and income from part of business premises production depends on the project completion dates. Lemminkäinen estimates, that 75 per cent of its own housing development in 2011 will be completed and recognised as income in the second half of the year.

The order book of Building Construction saw a year-on-year increase of 9% and amounted to EUR 775.0 million (711.7) at the end of the review period. Operations outside Finland accounted for EUR 108.2 million (127.0) of the order book.

Operations in Finland

In the review period, Lemminkäinen started the construction of 1,001 (745) new residential units, of which 627 (323) are developed by the Company. Housing sales remained steady throughout the review period. All in all, Lemminkäinen estimates that it will start the construction of about 1,200 units in its own housing development in 2011. Start-ups of contracted housing will fall short of last year, when the Company began building 1,248 such units.

Lemminkäinen's own housing development, Finland	1-6/2011	1-6/2010	2010	2009
Housing starts	627	323	1,004	351
Housing units sold	438	397	911	771
Completed	263	85	418	533
Under construction at end of period	1,355	643	991	405
- of which unsold	658	203	439	193
Completed and available for sale at end of period	80	179	110	263

At the end of the period, the Company owned a total of 861,000 m2 of unused building rights in Finland, of which 384,000 m2 were residential building rights. The Company also had binding or conditional co-operation and zoning agreements for 749,000 m2, of which 246,000 m2 were residential building rights. The balance sheet value of the plots was EUR 102.2 million (94.0) at the end of the review period.

During the review period, Lemminkäinen agreed on major contracts for the construction of business premises. In June, the Company announced that it will build two new office buildings next to Töölönlahti bay, in the heart of Helsinki. The client is Etera Mutual Pension Insurance Company and the projects are valued at over EUR 100 million. The buildings will be completed by spring 2014. In addition, Lemminkäinen will build new business premises at the Siilinjärvi plants for Yara Suomi Oy. All of Lemminkäinen's business sectors are on board this project, as the Company will also take care of the technical building systems and land works. The contract is valued at a total of EUR 13.5 million.

Logistics construction is expected to see moderate growth over the next few years. In the second quarter, Lemminkäinen signed an agreement to build Flyway Cargo, a logistics facility in Vantaa. This project management contract is valued at about EUR 22 million.

Operations outside Finland

Lemminkäinen estimates, that it will start up this year the construction of a project comprising about 500 units on Vasily Island, St Petersburg. In addition, the Company is currently building about 150 residential units in northern St Petersburg, and this project is slated for completion at the end of the present year. The amount of capital tied up in Russia at the end of the review period was EUR 49.6 million (65.0).

Lemminkäinen's own housing development, Russia	1-6/2011	1-6/2010	2010	2009
Housing starts	0	154	154	0
Housing units sold	80	129	276	133
Completed	0	0	498	104
Under construction at end of period	154	652	154	479
- of which unsold	128	423	154	367
Completed and available for sale at end of period	68	0	122	22

Lemminkäinen’s operations in Sweden remained in line with the previous year, and the order book for the rest of the year is good. In Sweden, the Company primarily builds housing and renovates business premises, primarily public buildings.

INFRASTRUCTURE CONSTRUCTION

Key figures, EUR million	4-6/2011	4-6/2010	Change	1-6/2011	1-6/2010	Change	1-12/2010
Net sales	293.7	270.7	8%	379.1	342.3	11%	932.9
Operating profit	24.3	16.8	45%	17.2	-11.1	-	15.3
Operating margin, %	*8.3*	*6.2*		*4.5*	*-3.2*		*1.6*
Order book at end of period				829.6	585.0	42%	416.6

The Q2 net sales of Infrastructure Construction saw year-on-year growth of 8% and amounted to EUR 293.7 million (270.7). Net sales in January-June were up 11% and amounted to EUR 379.1 million (342.3). Business operations in Norway and Denmark made the greatest contribution to net sales growth. Operations outside Finland accounted for close to half of the net sales of Infrastructure Construction in January-June, or EUR 159.9 million.

The Q2 operating profit of the business sector amounted to EUR 24.3 million (16.8). Q2 operating profit includes negative goodwill of EUR 8.1 million recognised from the Mesta Industri AS acquisition. Operating profit for January-June was EUR 17.2 million (-11.1), which includes EUR 15.2 million from the sale of the roofing business.

At the end of the review period, the order book had seen substantial year-on-year growth and amounted to EUR 829.6 million (585.0). Particularly large growth in the order book was seen in rock engineering, geotechnical engineering works and operations outside Finland. Operations outside Finland accounted for 53% of the order book, or EUR 442.6 million. The order book includes about EUR 70 million in new orders acquired along with Mesta Industri AS.

Operations in Finland

Numerous underground construction projects around Finland and rock engineering projects for mines in Northern Finland provided plenty of work for Lemminkäinen. Brisk building construction also increased the demand for geotechnical engineering works and concrete products. During the review period, Lemminkäinen announced that it will start the construction of a car park in Tapiola, Espoo, and the interior construction of the P-Hämppi parking facility in Tampere. Both projects are slated for completion in autumn 2012, and their combined value is about EUR 37 million. In addition, Lemminkäinen won the contract to excavate the Koivusaari underground tunnel and station for the West Metro in the Helsinki metropolitan area, valued at about EUR 22 million.

Demand for aggregates was brisk, and the outlook for the rest of the year is good. During the review period, Lemminkäinen bolstered its position in the mineral aggregates market of Kainuu in Northeastern Finland by acquiring the entire capital stock of Sotkamon Sora and Sepeli Oy. This transaction will enable the Company to expand its earthwork operations in the Kainuu region.

In paving, the early months were much like the previous year, and the workload for the rest of the year is satisfactory. The share of clients accounted for by companies and private individuals has increased, while government allocations for basic road maintenance have declined.

Operations outside Finland

In Sweden, Lemminkäinen has major ongoing mine excavation contracts, such as at the Svartliden and Kiiruna mines. In addition, the Company is building a diversion channel for the power plant of Bergforsen Kraft AB in Timrå. Construction work at the plant started this spring and is expected to be completed at the beginning of 2014. The total value of the contract is about EUR 43 million.

In Norway, Lemminkäinen concluded the Mesta Industri AS acquisition, and is now one of the largest paving contractors not only in Norway, but also all the Nordic countries. Lemminkäinen added a total of about EUR 70 million in new orders into its order book thanks to the acquisition. In addition, Lemminkäinen won a hydropower plant contract and will build a 5.5-km water transfer tunnel and seven water intakes at the Eikemo hydropower plant of Sunnhordland Kraftlag (SKL). This two-year contract is valued at about EUR 19 million.

In Denmark, Lemminkäinen has enjoyed a good paving season, and the outlook for the rest of the year is good.

Demand for infrastructure construction is recovering gradually in the Baltic countries, but the earnings trend has remained weak.

TECHNICAL BUILDING SERVICES

Key figures, EUR million	4-6/2011	4-6/2010	Change	1-6/2011	1-6/2010	Change	1-12/2010
Net sales	69.7	67.8	3%	133.3	130.1	2%	269.1
Operating profit	-1.4	2.8	-	-0.7	4.6	-	4.5
Operating margin, %	*-2.0*	*4.1*		*-0.5*	*3.5*		*1.7*
Order book at end of period				130.2	133.5	-2%	125.9

The Q2 net sales of Technical Building Services were EUR 69.7 million (67.8). Net sales in January-June amounted to EUR 133.3 million (130.1). 82% of net sales were generated in Finland. The business sector's operations outside Finland largely comprise the construction of telecom networks in North and South America.

Technical Building Services posted a loss in the first part of the year. Operating profit was EUR -1.4 million (2.8) during the second quarter and EUR -0.7 million (4.6) in January-June. Tight competition and the rise in input prices contributed to the weak earnings trend.

The order book of the business sector amounted to EUR 130.2 million (133.5) at the end of the period. During the review period, Lemminkäinen received a large-scale electrification contract from the Kevitsa mine in Northern Finland. The contract is valued at about EUR 9 million and is the Technical Building Services sector's largest single industrial electrification project.

The market for technical building services has remained difficult during the last two years. Demand for technical building contracting and services has increased, but the profitability is unsatisfactory. The situation is expected to improve towards the end of the year.

SHARES AND SHARE CAPITAL

The listed price of Lemminkäinen Corporation's share was EUR 26.00 (24.20) at the beginning of the period and EUR 23.19 (23.80) at the end. Market capitalisation at the end of the period was EUR 455.6 million (467.5). Share turnover during the period totalled 1,738,054 (2,450,521). The total value of share turnover was EUR 43.7 million (60.6). At the end of the review period, the Company had 4,750 shareholders (5,076). The largest shareholder group was the Pentti family, who owned about 57 per cent of the shares. International shareholders owned about 6 per cent of Lemminkäinen's shares.

Lemminkäinen's share capital is EUR 34,042,500. The Company has one share series and 19,644,764 shares.

AUTHORISATIONS OF THE BOARD OF DIRECTORS

The Extraordinary General Meeting of Lemminkäinen Corporation, held on 12 November 2009, decided in accordance with the proposal of the Board of Directors to authorise the Board of Directors to resolve on a share issue and/or an issue of special rights entitling their holders to shares, as referred to in Chapter 10, Section 1 of the Finnish Companies Act, in one or more instalments, either against payment or without consideration. The Board of Directors is still authorised to issue 1,576,486 shares and/or special rights entitling their holders to shares. The authorisation is valid for five (5) years after being granted.

Lemminkäinen Corporation's Annual General Meeting, which convened on 4 April 2011, resolved to authorise the Board of Directors to decide on the repurchase of a maximum of 1,000,000 own shares in one or several instalments, using the unrestricted shareholders' equity of the Company, subject to the provisions of the Finnish Companies Act on the maximum amount of own shares in the possession of the company or its subsidiaries. The authorisation will remain in force for a period of 18 months from the resolution of the General Meeting.

INVESTMENTS

Gross investments in January-June amounted to EUR 50.1 million (33.8), representing 5.8% (4.6) of the Company's net sales. Investments were mainly acquisitions and replacement investments in infrastructure construction.

EMPLOYEES

During the review period, the Group companies had 7,989 employees (7,966) on average. Of the employees, 71% (71) worked in Finland, 12% (12) in other Nordic countries, 6% (5) in Russia and 11% (12) in other countries.

Personnel on average	**1-6/2011**	**1-6/2010**	**Change**	**1-12/2010**
Hourly paid employees	5,105	5,057	1%	5,401
Salaried employees	2,884	2,909	-1%	2,913
Personnel, total	7,989	7,966	0%	8,314
- of whom working outside Finland	2,342	2,304	2%	2,372
Personnel at end of period	9,432	9,302	1%	7,744

Personnel by business sector, average	**1-6/2011**	**1-6/2010**	**Change**	**1-12/2010**
Building Construction	2,241	2,017	11%	2,063
Infrastructure Construction	3,520	3,748	-6%	4,000
Technical Building Services	1,990	2,085	-5%	2,060
Parent company	238	116	over 100	191
Group, total	7,989	7,966	1%	8,314

Employees transferred from the business sectors to the parent company due to the centralisation of the Group's support functions. Support functions are handled on a centralised basis by the internal shared services centres, enabling the business functions to focus more effectively on their core operations.

In Infrastructure Construction, Lemminkäinen gained about 170 new employees in connection with the Mesta Industri AS acquisition. Some 400 employees left Lemminkäinen's employ in early 2011 due to the divestment of the roofing business.

CHANGES IN THE ORGANISATION STRUCTURE

Lemminkäinen's internal support functions – HR, financial administration, IT, legal affairs as well as communications and marketing – have been centralised in internal shared services centres that were launched at the beginning of 2011. The Group's business sectors will start using the competence and service centres in the course of this year. The shared services target to provide optimal support to business objectives. The Company is seeking a competitive edge and support for growth from cost-effective, professional and high-quality internal support services.

During the review period, the regional subsidiaries of Lemminkäinen's Building Construction were merged into Lemminkäinen Talo Oy. In addition, Lemminkäinen Kiinteistötekniikka Oy was merged into Lemminkäinen Talotekniikka Oy in the Technical Building Services business sector.

RESOLUTIONS OF THE ANNUAL GENERAL MEETING AND ADMINISTRATION

On 4 April 2011, Lemminkäinen Corporation's Annual General Meeting adopted the Company's financial statements for 2010 and granted the members of the Board of Directors and the President and CEO discharge from liability. The General Meeting resolved, in accordance with the Board of Directors' proposal, to pay a dividend of EUR 0.50 per share to a total of EUR 9,822,382. The record date for payment of dividend was 7 April 2011 and the dividend was paid on 14 April 2011.

Berndt Brunow, Juhani Mäkinen, Mikael Mäkinen, Kristina Pentti-von Walzel, Heikki Räty and Teppo Taberman were re-elected to serve as members of the Board of Directors. PricewaterhouseCoopers Oy, a firm of authorised public accountants, was re-elected to serve as the company's auditors, with Kim Karhu, Authorised Public Accountant, as chief auditor.

Lemminkäinen Corporation's Board of Directors held an organising meeting on 4 April 2011. Berndt Brunow will continue as the Chairman of the Board of Directors, and Juhani Mäkinen as the Vice Chairman.

LEGAL PROCEEDINGS

In 2009, the Supreme Administrative Court (SAC) ordered Finnish asphalt industry companies to pay an infringement fine for violations of the Act on Competition Restrictions.

At the beginning of July 2011, 38 claims for damages brought by municipalities and the Finnish state (Finnish Transport Agency) were pending against Lemminkäinen and other asphalt industry companies in the District Court. The claimants contend that restrictions of competition have caused them damages. The total amount of damages sought from Lemminkäinen is currently about EUR 100 million. The claims presented in the statements of claim differ from each other as regards their amounts and grounds.

The ruling rendered by the SAC in 2009 as it stands does not mean that Lemminkäinen or the other asphalt industry companies actually caused any damages to the asphalt work clients. The ruling does not concern the individual contracts that the claimants cited in support of their claims. Nor does the ruling concern the pricing of individual contracts. The SAC has not investigated the contention that inflated prices have been charged for the contracts.

Lemminkäinen's initial position is that the claims for damages are without foundation. The claims will be processed in the order and schedule set by the District Court.

No provisions for future expenses have been made in respect of the claims of the municipalities and the Finnish Transport Agency that are pending in the District Court.

Lemminkäinen will provide information on the proceedings in its interim reports or in separate releases, as necessary.

RISKS AND UNCERTAINTIES

Lemminkäinen's business risks are divided into four categories: strategic, operative, financial and accident risks. In order to manage these risks, the Company has specified the measures that can be used to predict any external and internal factors that might threaten its operations.

The current global economic climate has led to uncertainty in our operating environment, which has in turn made it difficult to forecast future changes. New construction in Finland is sensitive to economic cycles and therefore poses a market risk. This risk is managed both structurally and operationally. The more stable demand for infrastructure construction balances out fluctuating volumes in new domestic construction, as does the growth in maintenance, servicing and renovation.

The Company's own housing development involves both sales and price risks. Unsold residences tie up capital and therefore the Company starts new housing construction only if a sufficient number of the units have been reserved by buyers in advance. When undertaking the own development of business premises, the premises are usually sold to real estate investors in the early stages of construction at the latest, thereby reducing sales risks.

Weather conditions also pose a risk in the construction industry. Unusual or harsh weather can weaken the profitability of our operations by interrupting or delaying projects.

Lemminkäinen uses great amounts of oil-based products in asphalt production. The price of bitumen is tied to the global price of oil and the Company manages the bitumen price risk with oil derivatives and contractual terms.

Writs of summons filed to the District Court by the Finnish Road Administration and a number of municipalities pose a risk.

The Company's Annual Report and website provide more information on Lemminkäinen's major risks and risk management policy. A more detailed account of the financial risks is also provided in the notes to the 2010 financial statements.

OUTLOOK FOR 2011

The European credit crisis has increased uncertainty in the markets. If this continues, it may impact on the availability of financing and weaken the economic business environment. Finland's GDP is expected to see further growth of about 3-4 per cent this year. However, growth is forecast to slacken somewhat in 2012-2013.

According to the forecasts of the Confederation of Finnish Construction Industries RT, construction will increase by about five per cent in Finland this year. It is estimated that the construction of 31,000 new residential units will be started up in 2011, slightly less than in the previous year. Terraced houses and apartment houses account for about 20,000 of these units. Market-financed residential construction remains strong, but state-supported housing production will be down on the previous year. Lemminkäinen estimates that in 2011 it will commence the construction of a total of about 1,200 units in its own housing production in Finland, 20% more than in 2010. In addition, about 400 contracted residential units were already started up in the first half of the year.

The construction of business premises will see moderate growth in 2011. Lemminkäinen will build three new office buildings in the centre of Helsinki, valued at a total of about EUR 150 million. Construction work on the first site has already begun. The next two will be started up in spring 2012. In addition, several individual projects for the construction of business premises are ongoing around Finland.

There is still a great need for new housing in Russia, and Lemminkäinen estimates that it will start building about 500 units in its own housing development in St Petersburg in 2011. The Company expects that the housing project kicked off last year – comprising about 150 residential units – will be completed in the latter part of the year.

According to the estimates of the Confederation of Finnish Construction Industries RT and Euroconstruct, the total volume of infrastructure construction in Finland will decline in 2011. In Northern Finland, the mining industry is keeping the market for rock engineering at a good level. The pickup in building construction increases the demand for geotechnical engineering works, concrete products and mineral aggregates. Lemminkäinen has a good workload in infrastructure construction. In the case of paving works, 2011 is turning out to be on a par with 2010.

The volume of infrastructure construction in the other Nordic countries is expected to grow by 3-6 per cent in both 2011 and 2012. Government allocations for infrastructure development are substantially greater in Norway and Sweden than in Finland, and are spread over several years. In Sweden and Norway, growth in the energy supply sector will increase demand for infrastructure construction in the next few years. Lemminkäinen currently has power plant contracts ongoing in Sweden and Norway. The total value of these contracts is about EUR 60 million. Lemminkäinen has a solid workload in paving works in Norway and Denmark. Infrastructure construction in the Baltic countries remains at a low level.

Demand for technical building contracting and services are rising gradually on the heels of the growth in new building construction. Lemminkäinen expects that the trend in technical building services will improve towards the end of the year.

Lemminkäinen keeps its earlier profit guidance intact. The Company estimates that in 2011 its net sales will increase and that its pre-tax profit will clearly improve on 2010. The estimate is based on the growth in the order book and its margins.

Helsinki, 4 August 2011

LEMMINKÄINEN CORPORATION
Board of Directors

TABULATED SECTION OF THE INTERIM REPORT

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IFRS recognition and accounting principles and complies with IAS 34 – Interim Financial Reporting. The same IFRS recognition and measurement principles have been observed in the preparation of this interim report as in the 2010 financial statements.

The information contained in the interim report has not been audited.

Standards and interpretations adopted from the beginning of 2011

- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments. The interpretation clarifies the accounting when an entity renegotiates the terms of its debt with the result that the debtor issues its own equity instruments to the creditor to extinguish the financial liability in full or in part (conversion of debt to equity). The interpretation requires a gain or loss to be recognised in profit or loss. The amount of the gain or loss recognised in profit or loss will be the difference between the carrying value of the financial liability and the fair value of the equity instruments issued. If the fair value of the issued equity instruments cannot be determined reliably, they are measured at the fair value of the extinguished financial liability. This interpretation does not have an impact on the consolidated financial statements.

- IAS 32 (amendment) Financial Instruments: Presentation - Classification of Rights Issues. The amendment applies to the issuance of shares, options and subscription rights denominated in foreign currency. In the future such issues may, in certain circumstances, be classified as equity and not derivative instruments, unlike before. The amendment came into effect for accounting periods beginning on 1 February 2010 or later. This interpretation does not have an impact on the consolidated financial statements.

The following interpretations and standards will have no essential bearing on the consolidated financial statements: IFRS 1 (amendment), IFRS 3 (amendments), IFRS 7 (amendment), IAS 1 (amendment), IAS 24 (amendment), IAS 27 (amendment), IAS 34 (amendment), IFRIC 13 (amendment) and IFRIC 14.

New standards and interpretations that are not in force in the financial year beginning 1 January 2011 and which have not been adopted early

- IFRS 9 Financial Instruments – classification of financial assets and financial liabilities. The new standard includes requirements concerning the classification and measurement of financial assets. The recognition and measurement of financial liabilities should remain unchanged under the new standard, with the exception of financial liabilities to which the fair value option is applied. The standard will come into force on 1 January 2013. However, the standard has not yet been approved for application in the EU. The standard will have no essential bearing on the consolidated financial statements.

The following interpretations and standards will have no essential bearing on the consolidated financial statements: IFRS 1 (amendments), IAS 12 (amendment) and IFRS 7 (amendment).

FINANCIAL STATEMENTS AND OTHER TABULATED INFORMATION

1) CONSOLIDATED INCOME STATEMENT

EUR mill.	4-6/ 2011	4-6/ 2010	1-6/ 2011	1-6/ 2010	1-12/ 2010
Net sales	550,0	460,3	866,3	736,7	1 829,6
Operating income and expenses	-519,7	-431,1	-858,8	-729,5	-1 765,7
Depreciation	9,9	9,5	14,9	14,1	35,0
Share of the results of affiliated companies	0,2	-0,2	0,0	-0,4	0,7
Operating profit/loss	20,6	19,5	-7,4	-7,3	29,6
Financial expenses	6,5	9,9	11,9	22,0	41,7
Financial income	1,9	5,0	5,4	11,7	19,8
Profit/loss before taxes	16,1	14,6	-13,9	-17,7	7,6
Income taxes	-3,8	-5,1	3,3	2,1	-5,8
Profit/loss from continuing operations	12,3	9,5	-10,7	-15,6	1,8
Profit/loss from discontinued operations	0,0	0,3	11,3	-1,0	-0,6
Profit/loss for the accounting period	12,3	9,8	0,6	-16,6	1,2
Distribution of the profit/loss for the accounting period					
To shareholders of the parent company	12,3	9,5	0,6	-17,1	0,3
To non-controlling interest	0,0	0,3	0,0	0,6	0,9
Diluted and undiluted EPS calculated from profit/loss attributable to parent company shareholders					
Continuing operations	0,63	0,58	-0,54	-0,87	0,05
Discontinued operations	0,00	0,02	0,57	-0,05	-0,03
Total	0,63	0,60	0,03	-0,92	0,02

2) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR mill.	4-6/ 2011	4-6/ 2010	1-6/ 2011	1-6/ 2010	1-12/ 2010
Profit/loss for the accounting period	12,3	9,8	0,6	-16,6	1,2
Translation difference	-0,2	1,9	0,0	3,9	3,9
Cash flow hedge	0,1	0,1	0,6	-0,1	0,5
Change in fair value	0,0	0,0	0,0	0,1	0,0
Other comprehensive income, total	-0,2	2,0	0,6	3,9	4,4
Comprehensive income for the accounting period	12,1	11,8	1,2	-12,7	5,5
Distribution of comprehensive income for the accounting period					
To shareholders of the parent company	12,1	11,5	1,2	-13,3	4,7
To non-controlling interest	0,0	0,3	0,0	0,6	0,9

3) CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR mill.	6/2011	6/2010	12/2010
Non-current assets			
Tangible assets	201,5	189,5	175,3
Goodwill	85,7	86,6	84,8
Other intangible assets	17,5	5,6	14,4
Investments	13,8	12,5	14,0
Deferred tax asset	30,4	21,7	16,3
Other non-current receivables	6,2	7,3	7,2
Total	355,1	323,2	312,0
Current assets			
Inventories	455,9	427,5	369,8
Trade and other receivables	569,2	397,2	343,1
Cash funds	19,4	39,0	26,3
Total	1 044,5	863,7	739,2
Available-for-sale non-current assets			14,1
Assets, total	1 399,5	1 186,9	1 065,3
Shareholders' equity and liabilities			
Share capital	34,0	34,0	34,0
Share premium account	5,7	5,8	5,8
Hedging reserve	-0,9	-2,0	-1,5
Fair value reserve	0,0	0,1	0,0
Invested unrestricted equity reserve	63,2	63,1	63,1
Translation differences	2,2	2,2	2,2
Retained earnings	214,1	224,6	224,5

Profit/loss for the period	0,6	-17,1	0,3
Equity attributable to shareholders of the parent company	319,0	310,6	328,4
Non-controlling interest	2,1	7,7	5,1
Shareholders' equity, total	321,1	318,3	333,5
Non-current liabilities			
Deferred tax liabilities	20,1	15,9	17,6
Pension liabilities	3,5	0,5	0,5
Provisions	3,7	2,9	2,3
Financial liabilities	191,0	174,3	214,1
Other liabilities	3,1	2,1	3,9
Total	221,4	195,7	238,4
Current liabilities			
Accounts payable and other liabilities	517,8	391,8	321,2
Provisions	9,1	6,9	6,4
Financial liabilities	330,1	274,1	161,4
Total	857,0	672,9	489,0
Liabilities recorded against available-for-sale non-current assets			4,4
Liabilities, total	1 078,4	868,6	731,7
Shareholders' equity and liabilities, total	1 399,5	1 186,9	1 065,3

4) CONSOLIDATED CASH FLOW STATEMENT

EUR mill.	**1-6/ 2011**	**1-6/ 2010**	**1-12/ 2010**
Profit/loss before taxes	-13,9	-17,7	7,6
Depreciation	14,9	14,0	35,6
Other adjustments	-5,6	5,8	0,2
Cash flow before change in working capital	-4,7	2,2	43,3
Change in working capital	-116,8	-76,9	-45,5
Financial items	-6,6	-11,0	-23,6
Direct taxes paid	-6,9	-11,2	-11,4
Cash flow from operating activities	-135,0	-96,9	-37,2
Cash flow provided by investing activities	36,1	9,5	34,4
Cash flow used in investing activities	-36,2	-24,1	-44,9
Share issue for cash consideration		39,5	39,5
Change in non-current receivables	1,0	0,2	0,3
Drawings of loans	252,6	160,0	327,5
Repayments of loans	-114,5	-120,5	-364,5
Dividends paid	-10,5	-2,0	-2,1
Cash flow from financing activities	128,6	77,3	0,8
Change in cash funds	-6,4	-34,3	-46,9
Cash funds at beginning of period	26,4	74,4	74,4

Translation difference of cash funds	-0,5	-1,2	-1,2
Cash funds at end of period	19,4	39,0	26,3

5) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A = Share capital
B = Share premium account
C = Hedging reserve
D = Fair value reserve
E = Invested unrestricted equity reserve
F = Translation difference
G = Retained earnings
H = Non-controlling interest
I = Shareholders' equity total

EUR mill.	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**
Shareholders' equity 1.1.2010	34,0	5,8	-2,0			-1,7	234,5	23,2	293,8
Profit/loss for the accounting period							-17,1	0,6	-16,6
Translation difference						3,9			3,9
Cash flow hedge			-0,1						-0,1
Change in fair value				0,1					0,1
Comprehensive income, total			-0,1	0,1		3,9	-17,1	0,6	-12,7
Share issue to investors for cash consideration					39,5				39,5
Share issue to non-controlling interest for cash consideration					24,3				24,3
Transaction expenses of share issues					-0,7				-0,7
Gains on share-based payments							0,1		0,1
Direct entries, non-controlling interest							-10,0		-10,0
Cancellation of dividend liability							0,1		0,1
Dividend distribution								-1,9	-1,9
Change in non-controlling interest								-14,2	-14,2
Transactions with owners, total					63,1		-9,9	-16,1	37,2
Shareholders' equity 30.6.2010	34,0	5,8	-2,0	0,1	63,1	2,2	207,5	7,7	318,3

EUR mill.	A	B	C	D	E	F	G	H	I
Shareholders' equity 1.1.2010	34,0	5,8	-2,0			-1,7	234,5	23,2	293,8
Profit/loss for the accounting period							0,3	0,9	1,2
Translation difference						3,9			3,9
Cash flow hedge			0,5						0,5
Change in fair value				0,0					0,0
Comprehensive income, total			0,5	0,0		3,9	0,3	0,9	5,5
Share issue to investors for cash consideration					39,5				39,5
Share issue to non-controlling interest for cash consideration					24,3				24,3
Transaction expenses of share issues					-0,7				-0,7
Direct entries, non-controlling interest							-10,1		-10,1
acquisition							0,1		0,1
Dividend distribution								-1,9	-1,9
Change in non-controlling interest								-17,1	-17,1
Transactions with owners, total					63,1		-10,0	-19,0	34,1
Shareholders' equity 31.12.2010	34,0	5,8	-1,5	0,0	63,1	2,2	224,8	5,1	333,5

EUR mill.	A	B	C	D	E	F	G	H	I
Shareholders' equity 1.1.2011	34,0	5,8	-1,5	0,0	63,1	2,2	224,8	5,1	333,5
Profit/loss for the accounting period							0,6	0,0	0,6
Translation difference						0,0			0,0
Cash flow hedge			0,6						0,6
Change in fair value				0,0					0,0
Comprehensive income, total			0,6	0,0		0,0	0,6	0,0	1,2
Direct entries, non-controlling interest							-0,8		-0,8
Transfers between funds		-0,1			0,1				0,0
Dividend distribution							-9,8	-0,6	-10,5
Change in non-controlling interest								-2,3	-2,3
Transactions with owners, total		-0,1			0,1		-10,7	-2,9	-13,6

Shareholders' equity 30.6.2011	34,0	5,7	-0,9	0,0	63,2	2,2	214,8	2,1	321,1

6) CONSOLIDATED INCOME STATEMENT, QUARTERLY

EUR mill.	**4-6/ 2011**	**1-3/ 2011**	**10-12/ 2010**	**7-9/ 2010**	**4-6/ 2010**
Net sales	550,0	316,3	503,6	589,2	460,3
Operating income and expenses	-519,7	-339,1	-490,3	-545,9	-431,1
Depreciation	9,9	5,1	7,5	13,4	9,5
Share of the results of affiliated companies	0,2	-0,2	-0,5	1,7	-0,2
Operating profit/loss	20,6	-28,0	5,3	31,5	19,5
Financial expenses	6,5	5,4	11,2	8,5	9,9
Financial income	1,9	3,4	6,0	2,1	5,0
Profit/loss before taxes	16,1	-30,0	0,1	25,2	14,6
Income taxes	-3,8	7,1	-1,5	-6,4	-5,1
Profit/loss from continuing operations	12,3	-23,0	-1,4	18,7	9,5
Profit/loss from discontinued operations	0,0	11,3	-0,5	0,9	0,3
Profit/loss for the accounting period	12,3	-11,7	-1,9	19,7	9,8
Distribution of the profit/loss for the accounting period					
To shareholders of the parent company	12,3	-11,7	-2,6	20,1	9,5
To non-controlling interest	0,0	0,0	0,7	-0,4	0,3
EPS calculated from profit/loss attributable to parent company shareholders					
From continuing operations	0,63	-1,16	-0,11	1,03	0,58
From discontinued operations	0,00	0,57	-0,03	0,05	0,02
Total	0,63	-0,59	-0,14	1,08	0,60

7) SEGMENT INFORMATION

IFRS 8 Operating Segment Reporting requires that reported segment information be based on internal segment reporting to management, which in Lemminkäinen Group means the President of Lemminkäinen Corporation, who is the chief operative decision-maker. Internal segment reporting to management covers net sales, depreciation, operating profit, non-current assets, inventories and trade receivables.

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 and warranty provisions. In segment reporting to management, finance leasing arrangements are treated as ordinary rental agreements, which deviate 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.

BLDCO = Building Construction

INFRA = Infrastructure Construction
TECBS = Technical Building Services
OTHER = Other operations
ELIM = Group eliminations
SEGM = Segments total
RECON = Reconciling items
TOTAL = Group total, IRFS

EUR mill. 1-6/2011	BLDCO	INFRA	TECBS	OTHER	ELIM	SEGM	RECON	TOTAL
Net sales	394,3	379,1	133,3	13,9	-42,3	878,3	-12,0	866,3
Depreciation	0,4	13,5	0,5	1,4		15,7	-0,8	14,9
Operating profit/loss	-0,9	17,2	-0,7	-7,1		8,6	-16,0	-7,4

The reconciling items for net sales comprise EUR -8.2 million from the equity share treatment of affiliated companies and discontinued operations EUR -3.8 million.

The reconciling items for operating profit comprise EUR -0.7 million in personnel expenses, EUR 0.6 million from the IFRS treatment of finance leasing, EUR 0.3 million from the equity share treatment of affiliated companies, EUR -0.9 million in other closing entries and EUR -15.3 from discontinued operations.

EUR mill. 1-6/2010	BLDCO	INFRA	TECBS	OTHER	ELIM	SEGM	RECON	TOTAL
Net sales	317,8	342,3	130,1	5,7	-28,0	767,8	-31,1	736,7
Depreciation	1,2	13,1	0,5	0,4		15,2	-1,1	14,1
Operating profit/loss	4,8	-11,1	4,6	-7,1		-8,8	1,5	-7,3

The reconciling items for net sales comprise EUR -4.6 million from the equity share treatment of affiliated companies, EUR -26.5 million from discontinued operations and the treatment difference between entries made to net sales and other income.

The reconciling items for operating profit comprise EUR 1.1 million in personnel expenses, EUR 1.4 million from the IFRS treatment of finance leasing, EUR 0.2 million from the equity share treatment of affiliated companies, EUR 1.2 million from discontinued operations and EUR -2.5 million in other closing entries.

NET SALES EUR mill.	1-6/ 2011	1-6/ 2010	1-12/ 2010
Building Construction	394,3	317,8	770,2
Infrastructure Construction	379,1	342,3	932,9
Technical Building Services	133,3	130,1	269,1
Other operations	13,9	5,7	11,4
Group eliminations	-42,3	-28,0	-72,6
Segments total	878,3	767,8	1 911,0
Reconciling items	-12,0	-31,1	-81,4
Group total, IFRS	866,3	736,7	1 829,6

OPERATING PROFIT/LOSS

EUR mill.	1-6/ 2011	1-6/ 2010	1-12/ 2010
Building Construction	-0,9	4,8	25,6
Infrastructure Construction	17,2	-11,1	15,3
Technical Building Services	-0,7	4,6	4,5
Other operations	-7,1	-7,1	-15,6
Segments total	8,6	-8,8	29,7
Reconciling items	-16,0	1,5	-0,1
Group total, IFRS	-7,4	-7,3	29,6

NET SALES, QUARTERLY

EUR mill.	4-6/ 2011	1-3/ 2011	10-12/ 2010	7-9/ 2010	4-6/ 2010
Building Construction	210,1	184,2	247,7	204,7	157,2
Infrastructure Construction	293,7	85,4	225,5	365,1	270,7
Technical Building Services	69,7	63,6	74,1	64,9	67,8
Other operations	7,4	6,5	2,9	2,8	2,9
Group eliminations	-23,2	-19,1	-21,5	-23,1	-15,8
Segments total	557,7	320,6	528,7	614,5	482,6
Reconciling items	-7,7	-4,3	-25,1	-25,3	-22,3
Group total, IFRS	550,0	316,3	503,6	589,2	460,3

OPERATING PROFIT/LOSS, QUARTERLY

EUR mill.	4-6/ 2011	1-3/ 2011	10-12/ 2010	7-9/ 2010	4-6/ 2010
Building Construction	2,8	-3,7	18,1	2,7	4,3
Infrastructure Construction	24,3	-7,1	-4,9	31,3	16,8
Technical Building Services	-1,4	0,7	-1,7	1,6	2,8
Other operations	-3,5	-3,6	-4,6	-3,9	-3,7
Segments total	22,4	-13,8	6,7	31,8	20,3
Reconciling items	-1,8	-14,2	-1,4	-0,3	-0,8
Group total, IFRS	20,6	-28,0	5,3	31,5	19,5

ASSETS

EUR mill.	6/2011	6/2010	12/2010
Building Construction	474,3	391,3	440,1
Infrastructure Construction	414,7	400,9	317,8
Technical Building Services	49,0	36,9	44,5
Other operations	55,7	44,2	46,2
Segments total	993,7	873,3	848,6
Assets unallocated to segments and Group eliminations, total	405,8	313,6	216,7
Group total, IFRS	1 399,5	1 186,9	1 065,3

8) ECONOMIC TRENDS AND FINANCIAL INDICATORS

	6/2011	6/2010	12/2010
Return on equity, rolling 12 months, % 1)	2,0	-13,1	0,4
Return on investment, rolling 12 months, % 1)	6,4	2,0	7,0
Operating profit, % of net sales	-0,9	-1,0	1,6
Equity ratio, %	26,1	30,1	35,2
Gearing, %	156,2	128,7	104,7
Interest-bearing net debt, EUR million	501,7	409,5	349,2
Gross investments, EUR million (incl. leasing purchases)	50,1	33,8	59,6
Order book, EUR mill.	1 734,8	1 430,2	1 226,4
- of which foreign orders, EUR mill.	563,2	338,6	294,3
Average number of employees	7 989	7 966	8 314
Employees at end of period	9 432	9 302	7 744
Net sales, EUR mill.	866,3	736,7	1 892,6
- of which operations abroad, EUR mill.	252,0	218,1	543,5
% of net sales	29,1	29,6	28,7

1) Includes the effect of discontinued operations

9) SHARE-SPECIFIC INDICATORS

	6/2011	6/2010	12/2010
Earnings per share, EUR	0,03	-0,92	0,02
Equity per share, EUR	16,24	15,81	16,72
Dividend per share, EUR			0,50
Dividend to earnings ratio, %			over 100
Market capitalisation, EUR mill.	455,6	467,5	510,8
Share price at end of period, EUR	23,19	23,80	26,00
Trading volume during period, 1000 shares	1 738	2 451	4 172
Number of issued shares, 1000 shares	19 645	19 645	19 645
Weighted average number of shares over the period, 1000 shares	19 645	18 588	19 124

10) TANGIBLE ASSETS

EUR mill.	6/2011	6/2010	12/2010
Aquisition cost in the beginning of accounting period	461,1	458,3	458,3
Translation difference	0,0	2,6	3,1
Increases	19,4	18,0	32,4
Acquired businesses	23,8	4,5	7,9
Decreases	-19,9	-14,7	-40,6
Divested businesses	-12,4		
Accumulated depreciation	-270,5	-279,2	-283,9

Transferred to available-for-sale non-current assets			-1,9
Carrying value at the end of accounting period	201,5	189,5	175,3

11) ACQUIRED AND DIVESTED BUSINESSES

ACQUIRED BUSINESSES

Description of acquired companies, businesses and shareholdings

On 1 January 2011 the capital stock of Ylivieskan Putkiasennus Oy was acquired in its entirety. The company is engaged in the installation of heating, piping and ventilation.
On 26.5.2011 Lemminkäinen acquired Sotkamon Sora ja Sepeli Oy. The company is engaged in earth construction, crushing of mineral aggregates and concrete, selling mineral aggregates and public road maintenance contracting.
On 31.5.2011 Lemminkäinen acquired Mesta Industri AS. The company specialises in asphalt and mineral aggregates business.

Aggregated figures for the acquired businesses (preliminary)

EUR mill.	Fair values after consolidation 30.6.2011
Tangible and intangible assets	26,1
Investments	1,0
Deferred tax assets	4,0
Inventories	7,3
Trade and other receivables	12,5
Cash and cash equivalents	0,3
Assets	51,1
Deferred tax liabilities	1,7
Interest-bearing liabilities	0,8
Other liabilities	18,9
Provisions	7,5
Liabilities total	29,0
Net assets	22,1
Acquisition cost, total	14,8
Positive / negative goodwill	-7,3
- of which recognised in goodwill in the balance sheet	0,8
- of which recognised as income during the period	-8,1
Transaction price paid in cash	12,2
Cash funds of acquider subsidiary	0,3

Cash flow effect	11,9
Expensed acquisition costs	0,5

The full-year net sales of the acquirees total about EUR 60 million for 2010. The acquirees contribute approximately EUR 1.6 million to the consolidated operating result for the review period. The EUR 8.1 million in negative goodwill recognised during the review period from the acquisition of Mesta Industri AS was due to the measurement of the assets and liabilities at fair value. The negative goodwill is recognised in other operating income.

DIVESTED BUSINESSES

The Group sold its roofing business in January 2011. The result of operations of the sold unit and the capital gains from its sale were as follows:

EUR million	1-3/ 2011	1-3/ 2010	1-12/ 2010
Income	3,8	26,5	62,9
Expenses	5,7	27,5	63,8
Profit before taxes	-1,9	-1,3	-0,8
Taxes	0,5	0,3	0,2
Result for the financial period	-1,4	-1,0	-0,6
Pre-tax capital gains from the sale of the roofing business	17,1		
Taxes	-4,4		
Capital gains after taxes	12,7		
Result for the period from discontinued operations	11,3	-1,0	-0,6
Cashflows from roofing business			
Cash flow from operations	-1,9		
Cash flow from investments	-0,1		
Cash flow from financing	2,0		
Cash flows total	0,0		

12) RELATED-PARTY TRANSACTIONS

EUR mill.	6/2011	6/2010	12/2010
Sales to associated companies	0,1	0,0	0,3
Purchases from associated companies	0,5	1,6	4,1
Trade receivables from associated companies	0,0	0,0	0,0
Accounts payable to associated companies	0,1	0,0	0,1
Loan receivables from associated companies	0,6	0,1	0,1

13) GUARANTEES AND CONTINGENT LIABILITIES

EUR mill.	6/2011	6/2010	12/2010
Securities for own commitments			
Property mortgages		80,0	
Business mortgages		1 218,8	0,4
Bonds pledged as security	0,0	0,3	0,3
Deposits	0,1	0,1	0,1
Total	0,1	1 299,2	0,7
Guarantees			
On behalf of affiliated companies	20,3	0,0	25,8
On behalf of others	26,5	15,1	
Bonds pledged as security			
On behalf of others	0,1	0,1	0,1
Minimum lease payments of irrevocable lease agreements			
One year or less	11,9	14,3	15,2
Over one year but no more than five years	27,6	28,6	30,4
Over five years	14,9	18,6	17,5
Total	54,4	61,5	63,0
Purchase commitments of investments	13,0	13,0	7,1
Derivative contracts			
Forward foreign exchange contracts			
Nominal value	60,3	52,9	48,9
Fair value	-0,1	-0,6	-0,9
Interest rate swap contracts			
Nominal value	42,9	53,8	58,1
Fair value	-1,5	-3,2	-2,6
Commodity derivatives			
Volume, mill.	41 150		21 350
Nominal value	17,6		8,0
Fair value, €	1,2		0,1

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.

11) LEGAL PROCEEDINGS

In 2009, the Supreme Administrative Court (SAC) ordered Finnish asphalt industry companies to pay an infringement fine for violations of the Act on Competition Restrictions.

At the beginning of July 2011, 38 claims for damages brought by municipalities and the Finnish state (Finnish Transport Agency) were pending against Lemminkäinen and other asphalt industry companies in the District Court. The claimants contend that restrictions of competition have caused them damages. The total amount of damages sought from Lemminkäinen is currently about EUR 100 million. The claims presented in the statements of claim differ from each other as regards their amounts and grounds.

The ruling rendered by the SAC in 2009 as it stands does not mean that Lemminkäinen or the other asphalt industry companies actually caused any damages to the asphalt work clients. The ruling does not concern the individual contracts that the claimants cited in support of their claims. Nor does the ruling concern the pricing of individual contracts. The SAC has not investigated the contention that inflated prices have been charged for the contracts.

Lemminkäinen's initial position is that the claims for damages are without foundation. The claims will be processed in the order and schedule set by the District Court.

No provisions for future expenses have been made in respect of the claims of the municipalities and the Finnish Transport Agency that are pending in the District Court.

Lemminkäinen will provide information on the proceedings in its interim reports or in separate releases, as necessary.