LEMMINKÄINEN'S INTERIM REPORT, 1 JANUARY – 30 JUNE 2012:

Improvement in comparable earnings for the review period. Strong performance in infrastructure construction in Finland.

January-June 2012, compared with the corresponding period of 2011:

- Net sales in January-June were up 6% and amounted to EUR 915.0 million (864.5).
- The order book grew by 11% and was EUR 1,931.2 million (1,734.8) at the end of the period.
- The operating profit was EUR -9.8 million (-7.2). Operating margin was -1.1 (-0.8). The operating profit for the comparison period includes negative goodwill of EUR 8.1 million recognised from an acquisition.
- Pre-tax profit amounted to EUR -18.1 million (-13.8). Pre-tax profit for the comparison period includes negative goodwill of EUR 8.1 million recognised from an acquisition.
- Earnings per share were EUR -0.90 (0.03). Earnings per share for the review period include EUR 0.41 per share in negative goodwill and EUR 0.64 per share in capital gain from the divestment of the roofing business.
- Cash flow from operations totalled EUR 9.2 million (-135.0).

April-June 2012, compared with the corresponding period of 2011:

- Net sales in April-June were up 7% and amounted to EUR 587.8 million (548.6).
- The operating profit was EUR 11.4 million (20.7). Operating margin was 1.9 (3.8). The operating profit for the comparison period includes negative goodwill of EUR 8.1 million recognised from an acquisition.
- Pre-tax profit amounted to EUR 5.7 million (16.1). Pre-tax profit for the comparison period includes negative goodwill of EUR 8.1 million recognised from an acquisition.
- Earnings per share were EUR 0.12 (0.63). Earnings per share for the review period include EUR 0.41 per share in negative goodwill.
- Cash flow from operations totalled EUR -26.4 million (-96.7).

Key figures, IFRS, EUR million	1-6/ 2012	1-6/ 2011	Change	4-6/ 2012	4-6/ 2011	Change	1-12/ 2011
Net sales	915.0	864.5	6%	587.8	548.6	7%	2,268.5
Operating profit	-9.8	-7.2[1)]	-36%	11.4	20.7[1)]	-45%	53.9[2)]
Operating margin %	*-1.1*	*-0.8*		*1.9*	*3.8*		*2.4*
Pre-tax profit	-18.1	-13.8[1)]	-31%	5.7	16.1[1)]	-65%	35.0[2)]
Earnings from discontinued operations	-0.6	11.1		-0.4	0.0		11.0
Result for the period	-16.5	0.6[1,3)]		3.5	12.3[1)]	-72%	35.6[2,3)]
Earnings per share, EUR	-0.90	0.03[1,3)]		0.12	0.63[1)]	-81%	1.77[2,3)]
Cash flow from business operations	9.2	-135.0		-26.4	-96.7	73%	-7.1

1) 1-6/2011 and 4-6/2011: Operating profit, pre-tax profit and the result for the period include EUR 8.1 million in negative goodwill recognised from an acquisition. Earnings per share include EUR 0.41 per share in negative goodwill.

2) 1-12/2011: Operating profit, pre-tax profit and the result for the period include EUR 11 million in negative goodwill recognised from an acquisition. Earnings per share include EUR 0.56 per share in negative goodwill.

3) 1-6/2011 and 1-12/2011: Capital gain from the divestment of the roofing business – EUR 15.3 million – is evident in the result for the period and earnings per share (EUR 0.64/share).

Key figures, EUR million	30.6.2012	30.6.2011	Change	31.12.2011
Order book	1,931.2	1,734.8	11%	1,400.4
- of which unsold	240.7	222.6	8%	206.3
Balance sheet total	1,386.5	1,396.3	-1%	1,242.8
Interest-bearing net debt	348.9	501.7	-30%	401.2
Equity ratio, %	*32.0*	*25.9*		*30.8*
Gearing, %	*89.5*	*157.8*		*114.5*
Return on investment (rolling 12 months), %	*8.3*	*6.4*		*10.8*

President & CEO Timo Kohtamäki:

“Lemminkäinen’s earnings in the first half of the year improved on the previous year, when non-recurring items booked in the comparison period are not recognised. All of our business operations in Finland picked up the pace. In particular, Infrastructure Construction and the paving business performed well. Infrastructure Construction’s earnings improvement was driven by our new operating model, which has boosted the efficiency of our operations and improved customer service. In Building Construction and Technical Building Services, our profitability improved. In Norway, our earnings performance did not meet our expectations. Our paving contracts focused mainly on northern Norway, where the work season starts later in the spring. The impact of seasonal variations on our earnings is now even more evident in our operations as our business volume in Norway has grown. That said, competitive contracting in building construction improved significantly in Russia,” says Timo Kohtamäki, President and CEO of Lemminkäinen.

Kohtamäki states that Lemminkäinen's order book has become even stronger, with better margins. In addition, the Group's balance sheet is now stronger. "One of our strategic goals is to strengthen solvency. Our successful working capital project and the EUR 70 million hybrid loan that we issued in the first quarter have a positive effect on our equity ratio and gearing. The divestment of our concrete business after the end of the review period will also improve our solvency," adds Kohtamäki.

On 3 July, Lemminkäinen announced that it will sell its concrete business to Rudus Oy for EUR 55 million. Lemminkäinen will recognise capital gains of EUR 20 million on the divestment. The transaction still requires the approval of the Finnish competition authorities, which is expected to be granted in the third quarter. Lemminkäinen will focus on its strategic key growth areas, which are infrastructure construction in the Nordic countries and residential construction in St Petersburg, Russia. Achieving substantial growth in the concrete business would have required sizeable investments.

Profit guidance for 2012

Lemminkäinen will keep its profit guidance intact. The company estimates that its 2012 net sales will remain at the same level as in 2011, and that its pre-tax profit will improve on 2011. Lemminkäinen's estimate is based on good performance during the first half of the year, as well as a larger order book and order book margin than in 2011.

Market outlook

Due to the debt crisis in the euro zone, the general economic climate has remained uncertain. The total volume of construction in Finland is expected to fall in 2012. The greatest downswing will be seen in the construction of new housing. The market for infrastructure construction is expected to remain stable in all of the Nordic countries. Demand for infrastructure construction in Norway and Denmark is increased by large-scale road projects and investments in energy production. There is still a great need for new housing in St Petersburg, Russia. Residential construction in Russia is supported by lower interest rates and the increased availability of consumer mortgages.

Briefing

A Finnish-language briefing for analysts and the media will be held at 2.00 p.m. on Thursday, 2 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 is available in Finnish and English on the company's website, www.lemminkainen.com.

2012 financial releases

1 November 2012 – Interim report, January - September 2012

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APPENDICES:

Interim Report, 1 January – 30 June 2012
Tabulated section of the interim report

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INTERIM REPORT, 1 JANUARY – 30 JUNE 2012

OPERATING ENVIRONMENT

Finland

The uncertain economic situation was evident in residential construction. Fewer residential units were started up than last year. During the first half of the year, housing sales remained steady in the growth centres and the Helsinki Metropolitan Area. The construction of commercial premises and offices was concentrated mainly in the Helsinki Metropolitan Area. Retail stores were also built outside the growth centres. The volume of renovation construction continued to grow steadily.

In infrastructure construction, demand for special contracting increased due to underground urban construction and numerous demanding city-centre projects, such as underground car parks. Activity in building foundation engineering was also brisker than expected. Savings measures in the public sector and the rise in construction input costs have reduced the demand for infrastructure construction. However, this has not had an effect on the paving business yet – plenty of paving work was available during the first half of the year.

Demand for technical building services has remained at a good level. In renovation construction, demand was increased by works to improve energy efficiency and changes in building heating methods. In addition, more cooling systems were installed during repair works. A greater number of long-term property maintenance and upkeep agreements were signed.

Other markets

The Swedish government's long-term investment programme for infrastructure development maintained the infrastructure construction activity at a good level. Growth in mining operations in northern Sweden increased the demand for rock engineering in particular. The market for building renovation remained stable, but fewer new buildings were started up than last year.

In Norway and Denmark, the volume of infrastructure construction grew due to many ongoing road and railway projects and greater investments in energy production. The good market situation in Sweden and Norway has increased competition, as new players from the rest of Europe have entered these markets.

In the Baltic countries, construction has recovered gradually in step with the rest of the economy. Infrastructure construction accounts for about half of all construction in these countries. A greater number of road construction and renovation projects were started up in the first half of the year.

The demand for residential construction in Russia was supported by the growth in consumer purchasing power, the better availability of consumer mortgages, and the decline in interest rates. In St Petersburg, the authorities' slow processing times have led to delays in the launch of new projects in 2012.

NET SALES

Net sales by business segments, EUR million	1-6/2012	1-6/2011	Change	4-6/2012	4-6/2011	Change	1-12/2011
International Operations	343.0	260.2	32%	239.0	187.8	27%	809.8
Building Construction	282.8	322.2	-12%	158.7	178.4	-11%	720.9
Infrastructure Construction	224.2	216.2	4%	157.6	151.1	4%	596.2
Technical Building Services	117.4	108.1	9%	56.9	56.1	1%	239.9
Other operations and Group eliminations	-43.3	-28.4	-52%	-16.4	-15.8	-4%	-59.4
Business segments, total	924.2	878.3	5%	595.8	557.7	7%	2,307.4
Reconciliation items	-9.2	-13.8	33%	-8.0	-9.1	12%	-38.9
Group, total (IFRS)	915.0	864.5	6%	587.8	548.6	7%	2,268.5

Lemminkäinen's net sales in January-June 2012 were up 6% and amounted to EUR 915.0 million (864.5). Net sales in April-June were up 7% to EUR 587.8 million (548.6).

The greatest growth in Lemminkäinen's net sales during the first half of the year was generated by paving operations in Sweden and Norway, rock engineering in Sweden and building construction in Russia. In Finland, the net sales of Infrastructure Construction grew in almost all business areas. In Technical Building Services, demand for both competitive contracting and maintenance and upkeep services remained at a good level. In Building Construction, the decline in competitive contracting volume cut into net sales, as the company has tightened its profitability requirements in contracting.

Of the total net sales for January-June 2012, 64% (71) was generated in Finland, 25% (21) in other Nordic countries, 5% (3) in Russia and 6% (5) in other countries.

OPERATING PROFIT

Operating profit by business segment, EUR million	1-6/2012	1-6/2011	Change	4-6/2012	4-6/2011	Change	1-12/2011
International Operations	-14.5	3.6 [1)]		1.3	16.9 [1)]	-92%	42.2 [2)]
Building Construction	1.6	-0.6		2.6	3.7	-30%	9.4
Infrastructure Construction	7.0	13.4 [3)]	-48%	10.9	6.3	73%	30.9 [3)]
Technical Building Services	1.9	-0.7		1.1	-1.1		2.8
Other operations	-5.1	-7.1	28%	-3.1	-3.5	11%	-16.6
Business segments, total	-9.1	8.6 [1,3)]		12.7	22.4 [1)]	-43%	68.8 [2,3)]
Reconciliation items	-0.7	-15.8	96%	-1.3	-1.7	24%	-14.9
Group, total (IFRS)	-9.8	-7.2 [1)]	-36%	11.4	20.7 [1)]	-45%	53.9 [2)]

1) The figure includes EUR 8.1 million in negative goodwill recognised from the Mesta Industri AS acquisition.

2) The figure includes EUR 11 million in negative goodwill recognised from the Mesta Industri AS acquisition.

3) The figure includes EUR 15.3 million in capital gains from the sale of the roofing business.

Operating margin by business segment, %	1-6/2012	1-6/2011	4-6/2012	4-6/2011	1-12/2011
International Operations	-4.2	1.4	0.5	9.0	5.2
Building Construction	0.6	-0.2	1.6	2.1	1.3
Infrastructure Construction	3.1	6.2	6.9	4.2	5.2
Technical Building Services	1.6	-0.6	1.9	-2.0	1.2
Group, total (IFRS)	-1.1	-0.8	1.9	3.8	2.4

The non-recurring items referred to in the operating profit by business segment table are included in the operating margin figures.

Lemminkäinen's operating profit for January-June 2012 was EUR -9.8 million (-7.2). Operating margin was -1.1 (-0.8). Operating profit for April-June was EUR 11.4 million (20.7) and the operating margin was 1.9 (3.8). The operating profit for the comparison periods includes negative goodwill of EUR 8.1 million recognised from an acquisition.

Earnings for the review period, and particularly the second quarter, were burdened by Lemminkäinen's paving operations in Norway. The weaker earnings trend was primarily due to the fact that paving contracts focused on northern Norway, where the work season starts later in the spring. In Building Construction, earnings for the review period grew thanks to the improvement in the profitability of competitive contracting and ongoing large-scale commercial building projects in the Helsinki Metropolitan Area. In Finland, Infrastructure Construction – and particularly the paving business – posted substantially higher earnings from operations. In Technical Building Services, earnings improved steadily during the first half of the year.

ORDER BOOK

Order book by business segment, EUR million	30.6.2012	30.6.2011	Change	31.12.2011
International Operations	680.0	563.2	21%	482.5
Building Construction	731.7	666.8	10%	580.5
Infrastructure Construction	401.1	389.5	3%	238.3
Technical Building Services	118.5	115.4	3%	99.0
Group, total	1,931.2	1,734.8	11%	1,400.4
- of which unsold	240.7	222.6	8%	206.3

Lemminkäinen's order book rose to an all-time high of EUR 1,931.2 million (1,734.8), a year-on-year increase of 11%. In addition, the margins of the order book improved.

Competitive contracting in building construction and technical building services in Russia was the primary reason for the growth in the order book in International Operations . During the review period, Lemminkäinen also started several new road construction and road renovation projects in the Baltic countries and Russia. In Finland, the workload in Building Construction increased due to a large-scale lifecycle project in Oulu, which was won in spring 2012. In Infrastructure Construction and Technical Building Services, the order book remained more or less on a par with the previous year. During the second quarter, Lemminkäinen was chosen as an alliance partner for a project to design and build the VT12 interstate tunnel in Tampere. An order authorisation of EUR 185 million has been granted for the contract. The project is not included in the order book for the review period.

Of the Group's order book, 65% (68) originated in Finland, 20% (23) in the other Nordic countries, 8% (3) in Russia, 7% (6) in the Baltic states and other countries.

BALANCE SHEET, FINANCING AND CASH FLOW

The balance sheet total remained on a par with the corresponding period of the previous year, amounting to EUR 1,386.5 million (1,396.3).

Working capital declined by 4% to EUR 982.8 million (1,020.7). Net working capital fell by 17% to EUR 409.2 million (493.8). Lemminkäinen seeks to free up a total of EUR 100 million in working capital by the end of the strategy period. Particular attention has been paid to ensuring correctly timed invoicing and optimising the turnover rate of trade receivables and accounts payable.

Rolling 12-month return on investment was 8.3% (6.4). The equity ratio was 32.0% (25.9) and gearing 89.5% (157.8). The equity ratio and gearing improved thanks to both the hybrid bond Lemminkäinen issued in March and the measures taken to optimise working capital. Lemminkäinen seeks to achieve an 18 per cent return on investment and an equity ratio of 35 per cent by the end of the 2010–2013 strategy period.

The amount of interest-bearing debt declined by 27% and at the end of the review period amounted to EUR 381.6 million (521.1). Long-term interest-bearing debt amounted to EUR 176.0 million (191.0) and short-term interest-bearing debt to EUR 205.5 million (330.1). Interest-bearing net debt was EUR 348.9 million (501.7). Of all interest-bearing debt, 38% were with a fixed interest rate, and the financial expenses of all interest-bearing debt amounted to, on average, 3.42%.

Of the company's interest-bearing debt, 20% (23) comprise loans from financial institutions, 20% (34) commercial papers, 15% (7) project loans related to residential and property development production, 15% (15) TyEL loans, 14% (10) finance leasing liabilities and 16% (11) bonds. At the end of the period, the company also had binding, unused credit limits in the amount of EUR 140.1 million (160.0).

Net financing expenses rose during the review period and amounted to EUR 8.3 million (6.6), representing 0.9% (0.8) of net sales.

Liquid funds at the end of the review period stood at EUR 32.7 million (19.4).

According to the cash flow statement, the cash flow from operating activities was EUR 9.2 million (-135.0) in the first half of the year. The change was primarily due to the higher efficiency achieved in the turnover rate of trade receivables and the better payment terms of procurement agreements.

EFFICIENCY PROGRAMME

The efficiency programme launched in autumn 2011 to boost profitability has progressed well. The programme seeks annual cost savings of EUR 50 million after 2013. The Finnish infrastructure construction business has, for example, achieved cost savings by improving the efficiency of the operating model and network of business locations. In Building Construction and Technical Building Services, the company has paid particular attention to organisational and management structures. Lemminkäinen is transferring to a centralised procurement model in which all functions will use shared processes, benchmarks, and procurement and purchase tools. The model will also enable Lemminkäinen to take full advantage of economies of scale. Other measures to boost procurement efficiency include long-term supplier relations, international supplier base, and reduced number of suppliers. Lemminkäinen estimates that these efficiency measures will yield cost savings of about EUR 20 million during 2012.

BUSINESS SEGMENTS

(former Business sectors)

INTERNATIONAL OPERATIONS

Key figures, EUR million	1-6/2012	1-6/2011	Change	4-6/2012	4-6/2011	Change	1-12/2011
Net sales	343.0	260.2	32%	239.0	187.8	27%	809.8
Operating profit	-14.5	3.6 [1)]		1.3	16.9 [1)]	-92%	42.2 [2)]
Operating margin %	*-4.2*	*1.4*		*0.5*	*9.0*		*5.2*
Order book at end of period	680.0	563.2	21%				482.5

1) The figure includes EUR 8.1 million in negative goodwill recognised from the Mesta Industri AS acquisition.

2) The figure includes about EUR 11 million in negative goodwill recognised from the Mesta Industri AS acquisition.

The net sales of International Operations were up 32% in January-June 2012 and amounted to EUR 343.0 million (260.2). In April-June, net sales were up 27% to EUR 239.0 million (187.8). Net sales in the review period were boosted by building construction in Russia and infrastructure construction in Norway and Sweden. The volume of infrastructure operations was higher than last year in the Baltic countries as well. Of the segment’s net sales, 68% were generated in Sweden, Norway and Denmark; 15% in Russia; 11% in the Baltic countries; and 6% in other countries.

Operating profit for January-June was EUR -14.5 million (3.6) and the operating margin was -4.2 (1.4). In April-June, operating profit was EUR 1.3 million (16.9) and the operating margin was 0.5 (9.0). The operating profit figures for the comparison periods include negative goodwill of EUR 8.1 million recognised from an acquisition. The result for the review period was weakened particularly by paving operations in Norway. In 2012, the company’s paving contracts are largely on northern Norway, where the work season started later in the spring. As the company’s business volume in Norway has grown, seasonal variations now have a greater impact on Lemminkäinen’s earnings trend. Profitability in Denmark also fell short of the previous year. Earnings in building construction in Russia were better than last year thanks to brisk competitive contracting.

The order book saw a 21% year-on-year growth, amounting to EUR 680.0 million (563.2) at the end of the period. Building construction in Russia and infrastructure construction in the Baltic countries and Russia in particular generated growth in the order book. During the review period, the company also won many paving contracts in Sweden, Norway and Denmark. Of the segment’s order book, 58% was generated in Sweden, Norway and Denmark; 22% in Russia; 17% in the Baltic countries; and 3% in other countries.

Lemminkäinen's residential development in Russia, units	1-6/2012	1-6/2011	Change, no.	2011	2010
Started	0	0	0	404	154
Sold	54	80	-26	194	276
Completed	0	0	0	154	498
Under construction at end of period	404	154	250	404	154
- of which unsold	404	128	276	404	154
Completed and for sale at end of period	28	68	-40	82	122

Lemminkäinen's housing sales in St Petersburg decreased compared with the previous year. The company had fewer units for sale, as the local authorities' slow processing times delayed the launch of new projects. At the turn of the year, Lemminkäinen launched a new, approximately 400-unit residential site on Vasily Island, which is expected to be completed in phases by mid-2014.

The company's other ongoing works in St Petersburg include the construction of airport campus Technopolis Pulkova and the sixth phase of Nokian Tyres' factory. In June, the company made an agreement with Fort Group, a Russian property investment syndicate, to build an elite residential building on Krestovsky Island, St Petersburg. In addition, after many years of work, the extensive renovation of the State Hermitage Museum will be completed this year. After the end of the review period, the company announced that it will build a rock wool plant for Paroc in Tver, northwestern Moscow.

The amount of capital that the company had tied up in Russia at the end of the review period was EUR 50.0 million (52.1).

BUILDING CONSTRUCTION

Key figures, EUR million	1-6/2012	1-6/2011	Change	4-6/2012	4-6/2011	Change	1-12/2011
Net sales	282.8	322.2	-12%	158.7	178.4	-11%	720.9
Operating profit	1.6	-0.6		2.6	3.7	-30%	9.4
Operating margin %	*0.6*	*-0.2*		*1.6*	*2.1*		*1.3*
Order book at end of period	731.7	666.8	10%				580.5

In January-June, the net sales of the Building Construction business segment declined by 12% to EUR 282.8 million (322.2). Net sales in April-June were EUR 158.7 million (178.4). The business volume fell mainly due to the decline in competitive contracting, as the company has tightened its profitability requirements in contracting.

Operating profit for January-June 2012 was EUR 1.6 million (-0.6) and the operating margin 0.6% (-0.2). Operating profit for April-June amounted to EUR 2.6 million (3.7) and the operating margin was 1.6 (2.1). Ongoing commercial building projects in the Helsinki Metropolitan Area and the higher profitability of competitive contracting increased earnings in Building Construction during the first half of the year. As in 2011, Lemminkäinen's residential and property development projects will largely be completed and recognised as income during the second half of the year.

The order book of Building Construction saw a year-on-year growth of 10% and amounted to EUR 731.7 million (666.8) at the end of the review period. The order book grew thanks to a large-scale lifecycle project in Oulu that was won in the spring. Building Construction’s share of the project is about EUR 70 million.

Lemminkäinen’s residential development in Finland, units	1-6/2012	1-6/2011	Change, no.	2011	2010
Started	601	627	-26	1,076	1,004
Started (contracting)	240	374	-134	536	1,248
Sold	442	438	4	914	911
Completed	316	263	53	1,077	418
Under construction at end of period	1,274	1,355	-81	989	991
- of which unsold	696	658	38	483	439
Completed and available for sale at end of period	170	80	90	224	110

Housing sales in January-June 2012 remained on a par with the previous year. Lemminkäinen estimates that it will start up the development and construction of about 1,100 residential units in 2012.

At the end of the period, the company owned a total of 760,000 m² (861,000) of unused building rights in Finland, of which 353,000 m² (384,000) were residential building rights. The company also had binding or conditional co-operation and zoning agreements for 422,000 m² (749,000). The balance sheet value of the plots was EUR 97.8 million (102.2) at the end of the financial period.

INFRASTRUCTURE CONSTRUCTION

Key figures, EUR million	1-6/2012	1-6/2011	Change	4-6/2012	4-6/2011	Change	1-12/2011
Net sales	224.2	216.2	4%	157.6	151.1	4%	596.2
Operating profit	7.0	13.4 1)	-48%	10.9	6.3	73%	30.9 1)
Operating margin %	*3.1*	*6.2*		*6.9*	*4.2*		*5.2*
Order book at end of period	401.1	389.5	3%				238.3

1) The figure includes EUR 15.3 million in capital gains from the sale of the roofing business.

In January-June, the net sales of Infrastructure Construction remained on a par with 2011 and totalled EUR 224.2 million (216.2). Net sales in April-June were EUR 157.6 million (151.1).

In January-June, operating profit was EUR 7.0 million (13.4) and the operating margin was 3.1 (6.2). In April-June, operating profit was EUR 10.9 million (6.3) and the operating margin was 6.9 (4.2). The figures for the comparison periods include EUR 15.3 million in capital gains from the sale of the roofing business. The earnings trend was favourable in all business areas of infrastructure construction. New regional operating model that was ushered in during the implementation of the Group's efficiency programme improved the profitability of paving, mineral aggregates and earthworks, particularly during the second quarter. Demand for special contracting in infrastructure construction also remained good during the entire review period.

The order book of the business segment amounted to EUR 401.1 million (389.5) at the end of the period. Special contracting in infrastructure construction and the mineral aggregates business generated growth in the order book. During the second quarter, the company announced that it will build underground premises for Parliament. The total value of the contract is about EUR 28 million. In addition, the company has several ongoing excavation and interior construction contracts for underground car parks in Finland.

During the second quarter, Lemminkäinen was chosen as an alliance partner for the City of Tampere and the Finnish Transport Agency's project to design and build the VT12 tunnel in Tampere. An order authorisation of EUR 185 million has been granted for the contract. Construction is scheduled to begin in autumn 2013. The project is not included in the order book for the review period.

After the end of the review period, Lemminkäinen announced that it will sell its concrete business to Rudus Oy at a price of EUR 55 million. For more on this transaction, see "Events after the end of the review period".

TECHNICAL BUILDING SERVICES

Key figures, EUR million	1-6/2012	1-6/2011	Change	4-6/2012	4-6/2011	Change	1-12/2011
Net sales	117.4	108.1	9%	56.9	56.1	1%	239.9
Operating profit	1.9	-0.7		1.1	-1.1		2.8
Operating margin %	*1.6*	*-0.6*		*1.9*	*-2.0*		*1.2*
Order book at end of period	118.5	115.4	3%				99.0

The net sales of Technical Building Services in January-June were up 9% and totalled EUR 117.4 million (108.1). Net sales in April-June were on a par with the comparison period and amounted to EUR 56.9 million (56.1). Business volume grew steadily in both competitive contracting and maintenance and upkeep services.

The business segment posted an operating profit of EUR 1.9 million (-0.7) for the first half of the year, with an operating margin of 1.6 (-0.6). Operating profit for the second quarter was EUR 1.1 million (-1.1) and the operating margin 1.9 (-2.0). The profitability of competitive contracting in Technical Building Services has improved gradually thanks to the efficiency measures implemented in the business segment. In addition, the size of the contracts has grown in recent years. Demand for maintenance and upkeep services has been brisk, and Lemminkäinen has signed numerous long-term agreements for such services during the present year.

The order book of Technical Building Services amounted to EUR 118.5 million (115.4) at the end of the period.

INVESTMENTS

Gross investments in the first half of the year totalled EUR 31.8 million (50.1), representing 3.5% (5.8) of the company's net sales. They were earmarked mainly as replacement investments in infrastructure construction. The impact of acquisitions on gross investments in the comparison period amounted to about EUR 26 million.

PERSONNEL

During the review period, the Group companies had 7,950 employees (7,989) on average. Of all employees, 66 per cent (71) were employed in Finland, 14 per cent (12) in the other Nordic countries, 9 per cent (9) in the Baltic countries and 11 per cent (8) in other countries.

Average number of employees	1-6/2012	1-6/2011	Change	1-12/2011
Hourly paid employees	5,016	5,105	-2%	5,489
Salaried employees	2,934	2,884	2%	2,932
Personnel, total	7,950	7,989	0%	8,421
- of whom working outside Finland	2,674	2,342	14%	2,590
Personnel at end of period	9,063	9,432	-4%	7,929

Personnel by business segment, average	1-6/2012	1-6/2011	Change	1-12/2011
International Operations	2,702	2,406	12%	2,636
Building Construction	1,501	1,741	-14%	1,696
Infrastructure Construction	1,706	1,825	-7%	2,032
Technical Building Services	1,731	1,779	-3%	1,796
Parent company	310	238	30%	261
Group, total	7,950	7,989	0%	8,421

The changes in the number of personnel employed in each business segment stem from growth in Lemminkäinen's international operations, personnel reductions resulting from the co-determination negotiations in 2011, and the centralisation of support functions at the parent company's expert and service centres.

SHARES

The company has one share class. Each share carries one vote at a general meeting of shareholders and confers an equal right to a dividend.

Share capital and the number of shares

Lemminkäinen's share capital is EUR 34,042,500 and the total number of shares is 19,650,176. The number of shares changed during the review period as a result of a directed share issue associated with Lemminkäinen's share-based incentive scheme. A total of 5,412 Lemminkäinen Corporation shares were issued in the directed share issue. The new shares were available for trading on 22 February 2012.

Market capitalisation and trading

At the end of the review period, the market capitalisation of Lemminkäinen's shares stood at EUR 306.3 million (455.6) The price of Lemminkäinen Corporation's share on NASDAQ OMX Helsinki was EUR 18.72 (26.00) at the start of the period and EUR 15.59 (23.19) at the end. Share turnover during the period totalled 314,447 (1,738,054). The total value of share turnover on NASDAQ OMX Helsinki was EUR 5.8 million (43.7). In addition to NASDAQ OMX Helsinki, Lemminkäinen's share is also traded on alternative markets. During the review period, NASDAQ OMX Helsinki accounted for 88% of Lemminkäinen's total share turnover and alternative markets for 12%. (Source: Fidessa Fragmentation Index, www.fragmentation.fidessa.com).

Authorisations of the Board of Directors

At an Extraordinary General Meeting held on 12 November 2009, Lemminkäinen decided – in accordance with the proposal made by 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 of the company's 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. The authorisation had not yet been employed by the end of the review period.

Own shares

Lemminkäinen owns 509 of its own shares, which have been returned to the company as part of its share-based incentive scheme. Originally the shares were allocated to key persons in connection with the reward payment from the 2011 earning period under the share-based incentive scheme for 2010-2012.

SHAREHOLDERS

At the end of the review period, the company had 4,605 shareholders (4,750). Holders of nominee-registered shares and non-Finnish shareholders held 14 per cent of all Lemminkäinen Corporation shares and voting rights (6). Company ownership and division by sector and scale, largest shareholders, and share ownership of the members of the Executive Board and the Board of Directors are available on the company's web pages at www.lemminkainen.com/investors.

Shareholder agreements

The company is not aware of any agreements between shareholders that would have a significant bearing on voting behaviour at general meetings of shareholders.

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 end of June 2012, a total of 40 claims for damages brought by municipalities and one by 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 123 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. The main proceedings will begin in September 2012 and are preliminarily planned to continue until April 2013. The ruling schedule is currently not yet available.

No provisions 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

Risk management is an essential part of Lemminkäinen’s business operations. Risk management seeks to ensure that strategic and operational targets are achieved, and shareholder value is increased.

Fluctuations in global economic trends cause uncertainty in Lemminkäinen's operating environment and make it more 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.

Lemminkäinen's residential development and construction involves both sales and price risks. As unsold residential units tie up capital, the company only starts new housing construction if a sufficient number of the units have been reserved in advance. When undertaking commercial development, business premises are usually sold to real estate investors in the early stages of construction at the latest, thereby reducing sales risks.

Project-specific risks generally involve changes in input costs and project implementation management. These are controlled through systematic project management at both the tender and implementation stage. 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 its asphalt production. The price of bitumen is tied to the global price of oil. Lemminkäinen manages the bitumen price risk with oil derivatives and contractual terms.

Claims filed at district court level by certain municipalities and the Finnish Transport Agency pose a risk.

More information about Lemminkäinen's risks, as well as a more detailed description of the company's risk management, is presented in the 2011 Annual Report (pages 21–23) and also on the company's website. A more detailed account of the financial risks is provided in the notes to the 2011 financial statements. Lemminkäinen has also published a Corporate Governance Statement for 2011.

OUTLOOK FOR THE NEAR FUTURE

Finland

The Finnish housing market is quite stable. That said, fewer residential units will be started up this year and the next year compared to 2011. Due to the market uncertainty, the advance reservation requirement for residential start-ups will be raised, especially outside of the Helsinki Metropolitan Area. Exceptionally low interest rates and consumers' firm confidence in their own finances are supporting demand for housing. Lemminkäinen estimates, that in 2012 it will start up the development and construction of about 1,100 residential units.

The volume of new building construction is expected to decline this year. Plenty of commercial construction projects are being planned, but no start-up decisions have been made yet. The market for renovation in building construction is somewhat better. Lemminkäinen has several ongoing projects to repair public service buildings in 2012 and 2013. In the Helsinki Metropolitan Area, the company is currently working on large-scale new office construction projects.

The volume of infrastructure construction is expected to decline this year, largely due to the decrease in building foundation works. A number of new rail and railway projects will be launched in 2012. In infrastructure construction, demand for special contracting is maintained by underground urban construction, demanding city-centre projects and mining. Scarcity of funding and a rise in input costs decrease basic transport infrastructure maintenance and further weaken the condition of the traffic routes. Lemminkäinen has a good order book for 2012 in all business areas of infrastructure construction.

Demand for maintenance, upkeep and technical repairs is also likely to remain good during the rest of the year. Thanks to the brisk construction of new buildings last year, the market for technical building service contracting is good. The company has also signed several new long-term maintenance and upkeep agreements during 2012.

Other markets

Infrastructure construction will continue to grow in Sweden, but residential construction is expected to decline substantially compared to 2011. Infrastructure construction in Sweden is supported by large-scale transport infrastructure projects in the growth centres and mining operations in Northern Sweden. The volume of infrastructure construction in Norway and Denmark is expected to grow by more than 5 per cent both this year and in 2013. The growth drivers are large investments in new road and railway projects and in energy and hydropower plants. Lemminkäinen has ongoing power plant contracts and special contracting projects in infrastructure construction in Sweden and Norway. The company also won several paving works during early 2012.

In Russia, demand for residential construction in St Petersburg is expected to remain good. Factors that impact on residential unit demand include consumer purchasing power, domestic population shifts, the availability of consumer mortgages, and the general political and economic climate in Russia. Lemminkäinen has few completed residential units for sale in Russia. The company estimates that its new site containing about 400 units will be gradually completed by mid-2014.

Activity in infrastructure construction in the Baltic countries has increased, but construction costs have risen quickly. During the current year, Lemminkäinen has won many road construction and renovation projects in various parts of the Baltic countries.

Lemminkäinen's profit guidance for 2012

Lemminkäinen will keep its profit guidance intact. The company estimates that its 2012 net sales will remain at the same level as in 2011, and that its pre-tax profit will improve on 2011. Lemminkäinen's estimate is based on good performance during the first half of the year, as well as a larger order book and order book margin than in 2011.

EVENTS AFTER THE END OF THE REVIEW PERIOD

Divestment of the concrete business

On 3 July 2012, Lemminkäinen and Rudus signed a share purchase agreement for all outstanding shares in Lemminkäinen Rakennustuotteet Oy. The divested company is part of Lemminkäinen's Infrastructure Construction business segment and operates in three business areas: precast concrete elements, landscaping concrete products and ready-mixed concrete. The transaction price is EUR 55 million, which will yield approximately EUR 20 million in capital gains. The transaction still requires the approval of the Finnish competition authorities, which is expected to be granted in the third quarter. The concrete business had net sales of EUR 84 million in 2011 and has about 400 employees in Finland.

Helsinki, 2 August 2012

LEMMINKÄINEN CORPORATION

Board of Directors

TABULATED SECTIONS OF THE FINANCIAL STATEMENT BULLETIN

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 2011 financial statements.

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

Shareholders' equity

In addition to the equity attributable to shareholders, a hybrid bond was also recorded under shareholders' equity. The bond bearer does not possess any of the rights of a shareholder, and the bond does not dilute shareholders' holdings in the company. When it was originally recorded, the hybrid bond was measured at fair value less the transaction costs. In later accounts, the bond will retain its original value. Interest from the bond is entered directly from retained earnings.

Earnings per share

The undiluted earnings per share is calculated by dividing the result for the accounting period attributable to the shareholders of the parent company, less the interest on the hybrid bond, by the weighted average number of shares outstanding during that period. When calculating the diluted earnings per share, the diluting effect stemming from the conversion of all dilutive potential ordinary shares into shares must be taken into account in the weighted average number of shares outstanding.

New standards and interpretations applied by the company in 2012

The following new interpretations and standards applied by the company in 2012 have no essential bearing on the consolidated financial statements: IFRS 7 (amendment).

New EU-approved standards applied by the company as from the beginning of 2013

IAS 19 Employee Benefits was amended effective June 2011, as a result of which the corridor method employed by the company is being phased out. According to the standard, all actuarial gains and losses are to be recognised through the statement of comprehensive income as changes in pension liabilities and prepayments and accrued income. Costs of past service are to be booked immediately in personnel expenses as part of pension expenses. Expected income will no longer be determined, and the company will shift over to using a discount rate in determining return on assets as well. The changes have an effect on the company's shareholders' equity and the change in the pension obligations, as unrecognised actuarial gains and losses will be entered in pension obligations, and unrecognised costs of past service will be entered retroactively in the relevant item under shareholders' equity. As a result of these changes, the pension obligations in the company's opening balance sheet for 2012 will increase by EUR 4.4 million and shareholders' equity will decrease by EUR 3.2 million. The company will adopt the amended standard as from the beginning of the 2013 financial year.

The following new interpretations and standards applied by the company in 2013 have no essential bearing on the consolidated financial statements: IFRS 1 (amendment).

FINANCIAL STATEMENTS AND OTHER TABULATED INFORMATION

1) Consolidated income statement
2) Consolidated statement of comprehensive income
3) Consolidated statement of financial position
4) Consolidated cash flow statement
5) Consolidated statement of changes in equity
6) Consolidated income statement, quarterly
7) Segment information
8) Economic trends and financial indicators
9) Share-specific indicators
10) Tangible assets
11) Acquired businesses
12) Discontinued operations
13) Non-current assets held for sale
14) Related-party transactions
15) Guarantees and contingent liabilities
16) Legal proceedings

1) CONSOLIDATED INCOME STATEMENT

EUR mill.	4-6/ 2012	4-6/ 2011	1-6/ 2012	1-6/ 2011	1-12/ 2011
Net sales	587.8	548.6	915.0	864.5	2,268.5
Operating income and expenses	-565.0	-518.3	-907.3	-856.8	-2,178.4
Depreciation	11.0	9.9	16.9	14.9	37.9
Impairment on goodwill					0.1
Share of the results of associates	-0.4	0.2	-0.7	0.0	1.9
Operating profit/loss	11.4	20.7	-9.8	-7.2	53.9
Financial expenses	6.5	6.5	16.4	11.9	30.4

Financial income	0.8	1.9	8.1	5.4	11.4
Profit/loss before taxes	5.7	16.1	-18.1	-13.8	35.0
Income taxes	-1.9	-3.8	2.2	3.2	-10.4
Profit/loss from continuing operations	3.9	12.3	-15.9	-10.5	24.6
Profit/loss from discontinued operations	-0.4	0.0	-0.6	11.1	11.0
Profit/loss for the accounting period	3.5	12.3	-16.5	0.6	35.6
Distribution of the profit/loss for the accounting period					
To shareholders of the parent company	3.6	12.3	-16.4	0.6	34.7
To non-controlling interest	-0.2	0.0	-0.1	0.0	0.9
EPS calculated from profit/loss attributable to parent company shareholders					
From continuing operations	0.14	0.63	-0.87	-0.54	1.21
From discontinued operations	-0.02	0.00	-0.03	0.57	0.56
From profit/loss for the accounting period	0.12	0.63	-0.90	0.03	1.77

2) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR mill.	4-6/ 2012	4-6/ 2011	1-6/ 2012	1-6/ 2011	1-12/ 2011
Profit/loss for the accounting period	3.5	12.3	-16.5	0.6	35.6
Translation difference	-0.9	-0.2	1.5	0.0	-0.8
Cash flow hedge	0.1	0.1	0.2	0.6	0.6
Change in fair value		0.0		0.0	0,0
Other comprehensive income, total	-0.7	-0.2	1.8	0.6	-0.2
Comprehensive income for the accounting period	2.7	12.1	-14.8	1.2	35.3
Distribution of comprehensive income for the accounting period					
To shareholders of the parent company	2.9	12.1	-14.7	1.2	34.5
To non-controlling interest	-0.2	0.0	-0.1	0.0	0.9

3) CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR mill.	6/2012	6/2011	12/2011
Non-current assets			
Tangible assets	200.0	201.5	207.2
Goodwill	76.2	85.7	85.7
Other intangible assets	23.7	17.5	18.7
Investments	14.4	13.8	15.3
Deferred tax asset	27.2	31.5	19.4
Other non-current receivables	4.6	6.2	4.8
Total	346.1	356.2	351.0

Current assets			
Inventories	497.0	455.9	448.5
Trade and other receivables	458.8	550.5	407.3
Income tax receivables	10.0	14.3	5.6
Cash funds	32.7	19.4	30.4
Total	998.6	1,040.1	891.8
Non-current assets classified as held for sale	41.9		
Assets, total	1,386.5	1,396.3	1,242.8
Equity attributable to shareholders of the parent company			
Share capital	34.0	34.0	34.0
Share premium account	5.7	5.7	5.7
Hedging reserve	-0.7	-0.9	-0.9
Fair value reserve		0.0	
Invested unrestricted equity reserve	63.6	63.2	63.2
Hybrid bond	69.1		
Translation differences	2.9	2.2	1.4
Retained earnings	231.4	210.9	210.6
Profit/loss for the period	-16.4	0.6	34.7
Total	389.6	315.7	348.7
Non-controlling interest	0.1	2.1	1.7
Shareholders' equity, total	389.7	317.9	350.4
Non-current liabilities			
Deferred tax liabilities	22.9	20.1	21.7
Pension liabilities	4.0	3.5	3.9
Financial liabilities	176.0	191.0	194.6
Provisions	5.5	3.7	6.2
Other liabilities	8.2	3.1	3.2
Total	216.6	221.4	229.7
Current liabilities			
Financial liabilities	205.5	330.1	237.0
Provisions	7.5	9.1	7.5
Accounts payable and other liabilities	552.9	507.6	416.4
Income tax liabilities	3.3	10.2	1.8
Total	769.2	857.0	662.7
Liabilities associated with non-current assets classified as held for sale	11.0		
Liabilities, total	996.8	1,078.4	892.4
Shareholders' equity and liabilities, total	1,386.5	1,396.3	1,242.8

4) CONSOLIDATED CASH FLOW STATEMENT

EUR mill.	1-6/ 2012	1-6/ 2011	1-12/ 2011
Profit/loss before taxes	-18.1	-13.8	35.0
Depreciation and impairment on goodwill	16.9	14.9	38.0
Other adjustments	7.2	-5.8	1.6
Cash flow before change in working capital	6.0	-4.7	74.6
Change in working capital	18.7	-116.8	-61.1
Financial items	-9.7	-6.6	-16.5
Direct taxes paid	-5.8	-6.9	-4.2
Cash flow from operating activities	9.2	-135.0	-7.1
Cash flow provided by investing activities	4.7	36.1	43.3
Cash flow used in investing activities	-21.0	-36.2	-60.5
Change in non-current receivables	0.2	1.0	2.3
Drawings of loans	252.6	252.6	515.7
Repayments of loans	-302.9	-114.5	-478.9
Hybrid bond	69.1		
Dividends paid	-10.1	-10.5	-10.8
Cash flow from financing activities	9.0	128.6	28.4
Change in cash funds	1.9	-6.4	4.0
Cash funds at beginning of period	30.4	26.3	26.3
Translation difference of cash funds	0.4	-0.5	0.0
Cash funds at end of period	32.7	19.4	30.4

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 = Hybrid bond
G = Translation difference
H = Retained earnings
I = Non-controlling interest
J = Shareholders' equity total

EUR mill.	A	B	C	D	E	F	G	H	I	J
Shareholders' equity 1.1.2011	34.0	5.8	-1.5	0.0	63.1		2.2	221.6	5.1	330.3
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, acquisition of non-controlling interest								-0.8		-0.8
Change in non-controlling interest									-2.3	-2.3
Transfers between funds		-0.1			0.1					
Dividend distribution								-9.8	-0.6	-10.5
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	211.5	2.1	317.9

EUR mill.	A	B	C	D	E	F	G	H	I	J
Shareholders' equity 1.1.2011	34.0	5.8	-1.5	0.0	63.1		2.2	221.6	5.1	330.3
Profit/loss for the accounting period								34.7	0.9	35.6
Translation difference							-0.8			-0.8
Cash flow hedge			0.6							0.6
Change in fair value				0.0						0.0
Comprehensive income, total			0.6	0.0			-0.8	34.7	0.9	35.3
Direct entries, acquisition of non-controlling interest								-1.1		-1.1
Change in non-controlling interest									-3.3	-3.3
Transfers between funds		-0.1			0.1					
Dividend distribution								-9.8	-1.0	-10.8
Transactions with owners, total		-0.1			0.1			-11.0	-4.2	-15.2
Shareholders' equity 31.12.2011	34.0	5.7	-0.9		63.2		1.4	245.3	1.7	350.4

EUR mill.	A	B	C	D	E	F	G	H	I	J
Shareholders' equity 1.1.2012	34.0	5.7	-0.9		63.2		1.4	245.3	1.7	350.4
Profit/loss for the accounting period								-16.4	-0.1	-16.5
Translation difference							1.5			1.5
Cash flow hedge			0.2							0.2

Comprehensive income, total			0.2			1.5	-16.4	-0.1	-14.8
Direct entries, acquisition of non-controlling interest							-3.2		-3.2
Change in non-controlling interest								-1.2	-1.2
Share-based incentive schemes				0.4			0.7		1.1
Contingent shares returned to the company							-0.3		-0.3
Dividend distribution							-9.8	-0.3	-10.1
Hybrid bond interest							-1.3		-1.3
Transactions with owners, total				0.4			-13.9	-1.5	-15.0
Hybrid bond					69.1				69.1
Shareholders' equity 30.6.2012	34.0	5.7	-0.7	63.6	69.1	2.9	215.0	0.1	389.7

6) CONSOLIDATED INCOME STATEMENT, QUARTERLY

EUR mill.	4-6/ 2012	1-3/ 2012	10-12/ 2011	7-9/ 2011	4-6/ 2011
Net sales	587.8	327.2	657.8	746.2	548.6
Operating income and expenses	-565.0	-342.3	-639.6	-682.1	-518.3
Depreciation	11.0	5.9	9.3	13.7	9.9
Impairment on goodwill				0.1	
Share of the results of associates	-0.4	-0.2	0.4	1.5	0.2
Operating profit/loss	11.4	-21.2	9.3	51.8	20.7
Financial expenses	6.5	9.9	7.5	11.0	6.5
Financial income	0.8	7.3	1.3	4.8	1.9
Profit/loss before taxes	5.7	-23.9	3.1	45.7	16.1
Income taxes	-1.9	4.1	-3.0	-10.6	-3.8
Profit/loss from continuing operations	3.9	-19.8	0.0	35.1	12.3
Profit/loss from discontinued operations	-0.4	-0.3	-0.1	-0.1	0.0
Profit/loss for the accounting period	3.5	-20.0	-0.1	35.0	12.3
Distribution of the profit/loss for the accounting period					
To shareholders of the parent company	3.6	-20.1	-0.5	34.6	12.3
To non-controlling interest	-0.2	0.0	0.5	0.4	0.0
EPS calculated from profit/loss attributable to parent company shareholders					
From continuing operations	0.14	-1.01	-0.02	1.77	0.63
From discontinued operations	-0.02	-0.01	0.00	0.00	0.00
From profit/loss for the accounting period	0.12	-1.02	-0.03	1.76	0.63

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. Associated companies are combined in segment reporting in proportion to ownership share using the line-by-line method. In IFRS financial statements associated 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.

From the beginning of 2012, Lemminkäinen's business operations are organised into four business segments: International Operations, Building Construction, Infrastructure Construction and Tecnical Building Services.

INTOPS= International Operations
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.

1-6/2012	**INTOPS**	**BLDCO**	**INFRA**	**TECBS**	**OTHER**	**ELIM**	**SEGM**	**RECON**	**TOTAL**
Net sales	343.0	282.8	224.2	117.4	18.5	-61.8	924.2	-9.2	915.0
Depreciation	6.8	0.0	8.4	0.4	1.7		17.2	-0.3	16.9
Operating profit/loss	-14.5	1.6	7.0	1.9	-5.1		-9.1	-0.7	-9.8

The reconciling items for net sales comprise EUR -8.2 million from the equity share treatment of associated companies and discontinued operations EUR -1.0 milloin.

The reconciling items for operating profit comprise EUR -1.3 million in personnel expenses, EUR 0.2 million from the IFRS treatment of finance leasing, EUR 0.2 million from the equity share treatment of associated companies and EUR -0.6 million in other closing entries and discontinued operations EUR 0.7 million.

EUR mill.

1-6/2011	**INTOPS**	**BLDCO**	**INFRA**	**TECBS**	**OTHER**	**ELIM**	**SEGM**	**RECON**	**TOTAL**
Net sales	260.2	322.2	216.2	108.1	13.9	-42.3	878.3	-13.8	864.5
Depreciation	5.5	0.2	8.1	0.4	1.4		15.7	-0.8	14.9
Operating profit/loss	3.6	-0.6	13.4	-0.7	-7.1		8.6	-15.8	-7.2

The reconciling items for net sales comprise EUR -8.2 million from the equity share treatment of associated companies and discontinued operations EUR -5.6 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 associated companies and EUR -0.9 million in other closing entries and discontinued operations EUR -15.1 million.

NET SALES EUR mill.	**1-6/ 2012**	**1-6/ 2011**	**1-12/ 2011**
International Operations	343.0	260.2	809.8
Building Construction	282.8	322.2	720.9
Infrastructure Construction	224.2	216.2	596.2
Technical Building Services	117.4	108.1	239.9
Other operations	18.5	13.9	31.0
Group eliminations	-61.8	-42.3	-90.4
Segments total	924.2	878.3	2,307.4
Reconciling items	-9.2	-13.8	-38.9
Group total, IFRS	915.0	864.5	2,268.5

OPERATING PROFIT/LOSS EUR mill.	**1-6/ 2012**	**1-6/ 2011**	**1-12/ 2011**
International Operations	-14,5	3.6	42.2
Building Construction	1.6	-0.6	9.4
Infrastructure Construction	7.0	13.4	30.9
Technical Building Services	1.9	-0.7	2.8
Other operations	-5.1	-7.1	-16.6
Segments total	-9.1	8.6	68.8
Reconciling items	-0.6	-15.8	-14.9
Group total, IFRS	-9.8	-7.2	53.9

NET SALES, QUARTERLY EUR mill.	**4-6/ 2012**	**1-3/ 2012**	**10-12/ 2011**	**7-9/ 2011**	**4-6/ 2011**
International Operations	239.0	104,0	246.9	302.7	187.8
Building Construction	158.7	124.1	221.1	177.6	178.4
Infrastructure Construction	157.6	66.6	153.2	226.8	151.1
Technical Building Services	56.9	60.5	68.7	63.1	56.1
Other operations	10.6	7.9	8.8	8.3	7.4
Group eliminations	-27.0	-34.8	-23.4	-24.7	-23.2
Segments total	595.8	328.4	675.3	753.8	557.7
Reconciling items	-8.0	-1.2	-17.5	-7.6	-9.1
Group total, IFRS	587.8	327.2	657.8	746.2	548.6

OPERATING PROFIT/LOSS, QUARTERLY EUR mill.	4-6/ 2012	1-3/ 2012	10-12/ 2011	7-9/ 2011	4-6/ 2011
International Operations	1,3	-15,8	11.3	27.3	16.9
Building Construction	2.6	-1.0	7.6	2.4	3.7
Infrastructure Construction	10.9	-3.9	-4.1	21.6	6.3
Technical Building Services	1.1	0.8	1.5	2.0	-1.1
Other operations	-3.1	-2.0	-5.9	-3.6	-3.5
Segments total	12.7	-21.8	10.5	49.7	22.4
Reconciling items	-1.3	0.6	-1.2	2.1	-1.7
Group total, IFRS	11.4	-21.2	9.3	51.8	20.7

ASSETS EUR mill.	6/2012	6/2011	12/2011
International Operations	377.3	321.4	304.0
Building Construction	295.8	372.6	418.1
Infrastructure Construction	193.6	213.6	158.8
Technical Building Services	32.0	35.2	35.2
Other operations	53.4	46.5	50.8
Segments total	952.2	989.3	966.9
Assets unallocated to segments and Group eliminations, total	434.3	407.0	275.9
Group total, IFRS	1,386.5	1,396.3	1,242.8

8) ECONOMIC TRENDS AND FINANCIAL INDICATORS

	6/2012	6/2011	12/2011
Return on equity, rolling 12 months, % 1)	5.0	5.7	10.5
Return on investment, rolling 12 months, % 1)	8.3	6.4	10.8
Operating profit, % of net sales	-1.1	-0.8	2.4
Equity ratio, %	32.0	25.9	30.8
Gearing, %	89.5	157.8	114.5
Interest-bearing net debt, EUR million	348.9	501.7	401.2
Gross investments, EUR million (incl. leasing purchases)	31.8	50.1	84.0
Order book, EUR mill.	1,931.2	1,734.8	1,400.4
- of which orders outside Finland, EUR mill.	680.0	563.2	482.5
Average number of employees	7,950	7,989	8,421
Employees at end of period	9,063	9,432	7,929
Net sales, EUR mill.	915.0	864.5	2,268.5
- of which operations outside Finland, EUR mill.	334.3	252.0	780.3
% of net sales	36.5	29.2	34.4

1) Includes the earnings effect of discontinued operations

9) SHARE-SPECIFIC INDICATORS

	6/2012	6/2011	12/2011
Earnings per share from profit/loss of the accounting period, EUR	-0.90	0.03	1.77
Equity per share, EUR	19.83	16.07	17.75
Dividend per share, EUR			0.50
Dividend to earnings ratio, %			28.3
Market capitalisation, EUR mill.	306.3	455.6	367.8
Share price at end of period, EUR	15.59	23.19	18.72
Trading volume during period, 1,000 shares	314	1,738	3,367
Number of issued shares	19,650,176	19,644,764	19,644,764
Weighted average number of shares over the period	19,648,064	19,644,764	19,644,764
Own shares in possession	509		

10) TANGIBLE ASSETS

EUR mill.	6/2012	6/2011	12/2011
Acquisition cost in the beginning of accounting period	464.0	449.0	449.0
Translation difference	2.4	0.0	0.3
Increases	23.5	19.4	47.3
Acquired businesses	0.1	23.8	26.3
Decreases	-9.2	-19.9	-58.9
Divested businesses	-0.4		
Accumulated depreciation	-266.1	-270.8	-256.8
Transferred to non-current assets classified as held for sale	-14.4		
Carrying value at the end of accounting period	200.0	201.5	207.2

11) ACQUIRED BUSINESSES

On 5 April 2012, Lemminkäinen acquired the shares outstanding in the U.S. company Commercial Tower North Inc, a provider of various wireless communications services. The company will be reported on as a part of International Operations.

Figures for the acquired business (preliminary):

EUR mill.	Fair values after consolidation **30.6.2012**
Tangible and intangible assets	0.1
Trade and other receivables	0.3
Cash and cash equivalents	0.0
Assets	0.4
Other liabilities	0.5
Net assets	-0.1
Acquisition price paid in cash	0.1
Share of purchase price booked as liability	0.3
Acquisition price, total	0.4
Positive / negative goodwill	0.5
Transaction price paid in cash	0.1
Cash funds of acquider subsidiary	0.0
Cash flow effect	0.0
Expensed acquisition costs	0.0

On the consolidation of the acquired business operations, EUR 0.6 million was recognised in net sales and EUR 0.0 million in operating profit. The net sales of the acquired business operations amounted to about EUR 2.7 million in 2011, while operating profit totalled about EUR 0.0 million. If the acquired company had been consolidated into the Group at the start of the year, the Group's net sales would have amounted to EUR 915.4 million and its operating result would have totalled EUR -9.9 million

12) DISCONTINUED OPERATIONS

In April 2012, the company sold its sports construction business, which was part of the Infrastructure Construction segment, as well as the technical building and property services business in the Uusikaupunki area, which was part of the Technical Building Services segment. In the income statement, the effects of the divested businesses in the reporting and comparison periods have been adjusted on the line profit/loss from discontinued operations.

The results of operations of the sold units and the capital gains from their divestment were as follows:

EUR million	1-6/ 2012	1-6/ 2011	1-12/ 2011
Income	1.1	1.8	5.6
Expenses	1.7	2.0	6.0
Profit before taxes	-0.6	-0.2	-0.4
Taxes	0.1	0.0	0.1
Result for the financial period	-0.4	-0.1	-0.3
Pre-tax capital gains from the sales	-0.1		
Taxes	-0.1		
Capital gains after taxes	-0.2		
Result for the period from discontinued operations	-0.6		
Cash flows of the divested businesses			
Cash flow from operating activities	-0.8		
Cash flow from investing activities	0.1		
Cash flow from financing activities	0.7		
Cash flows, total	0.0		

The impact of the sales to groups' financial position:

	30.6.2012
Tangible assets	0.1
Goodwill	0.4
Other intangible assets	0.0
Inventories	0.8
Available-for-sale financial assets	0.0
Accounts payable and other liabilities	0.1
Assets and liabilities total	1.2
Cash considerations	1.1

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	31.1.2011
Income	3.8
Expenses	5.7
Profit before taxes	-1.9
Taxes	0.5
Result for the financial period	-1.4

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
Cash flows from roofing business	
Cash flow from business operations	-1.9
Cash flow from investments	-0.1
Cash flow from financing	2.0
Cash flows total	0.0

13) NON-CURRENT ASSETS HELD FOR SALE

On 3 July 2012, the Group made an agreement to sell all outstanding shares in Lemminkäinen Rakennustuotteet Oy to Rudus Oy, a concrete and stone materials company. The concrete business being transferred in the transaction is part of the Infrastructure Construction segment. The transaction still requires the approval of the Finnish competition authorities. The assets and liabilities transferred in the transaction are categorised as available-for-sale in the balance sheet as at 30 June 2012.

14) RELATED-PARTY TRANSACTIONS

EUR mill.	**6/2012**	**6/2011**	**12/2011**
Sales to associated companies	1.0	0.1	0.6
Purchases from associated companies	4.4	0.5	13.6
Trade receivables from associated companies	0.8	0.0	0.0
Accounts payable to associated companies	3.9	0.1	0.6
Loan receivables from associated companies		0.6	0.1

15) GUARANTEES AND CONTINGENT LIABILITIES

EUR mill.	**6/2012**	**6/2011**	**12/2011**
Securities for own commitments			
Bonds pledged as security	0.0	0.0	0.0
Deposits		0.1	
Total	0.0	0.1	0.0
Guarantees			
On behalf of associated companies	20.3	20.3	20.3

On behalf of others	13.3	26.5	18.9
Total	30.7	46.8	39.2
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	14.8	11.9	13.0
Over one year but no more than five years	30.4	27.6	30.8
Over five years	13.0	14.9	13.4
Total	58.2	54.4	57.2
Purchase commitments of investments	10.1	13.0	7.2
Derivative contracts			
Forward foreign exchange contracts			
Nominal value	60.0	60.3	71.0
Fair value	0.7	-0.1	-0.8
Interest rate swap contracts			
Nominal value	28.6	42.9	35.7
Fair value	-1.2	-1.5	-1.6
Commodity derivatives			
Volume, mill.	39,550	41,150	7,600
Nominal value	14.9	17.6	3.5
Fair value, €	-1.5	1.2	0.2

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.

16) 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 end of June 2012, a total of 40 claims for damages brought by municipalities and one by 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 123 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. The main proceedings will begin in September 2012 and are preliminarily planned to continue until April 2013. The ruling schedule is currently not yet available.

No provisions 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.