LEMMINKÄINEN'S INTERIM REPORT, 1 JANUARY – 30 SEPTEMBER 2012:
The company strengthened its solvency and financial position.

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

- Net sales in January-September grew by 3% to EUR 1,599.0 million (1,548.7).
- The order book grew by 12% and was EUR 1,659.1 million (1,485.4) at the end of the period.
- The operating profit was EUR 26.4 million (36.3). Operating margin was 1.7% (2.3). The operating profit for the comparison period includes negative goodwill of EUR 11.0 million recognised from an acquisition.
- Pre-tax profit amounted to EUR 14.4 million (23.6). Pre-tax profit for the comparison period includes negative goodwill of EUR 11.0 million recognised from an acquisition.
- Earnings per share were EUR 1.76 (1.80). Earnings per share for the review period include EUR 0.91 per share in capital gains from the divestment of the concrete business. Earnings per share for the comparison period include negative goodwill of EUR 0.56 per share from an acquisition and capital gains of EUR 0.64 per share from the divestment of the roofing business.
- Cash flow from operations totalled EUR 38.7 million (13.7).
- The equity ratio was 35.2% (23.3) and gearing 62.1% (104.0).

July-September 2012, compared with the corresponding period of 2011:

- Net sales in July-September were EUR 716.6 million (722.1).
- The operating profit was EUR 40.4 million (47.8). Operating margin was 5.6% (6.6). The operating profit for the comparison period includes negative goodwill of EUR 2.9 million recognised from an acquisition.
- Pre-tax profit amounted to EUR 36.6 million (41.7). Pre-tax profit for the comparison period includes negative goodwill of EUR 2.9 million recognised from an acquisition.
- Earnings per share were EUR 2.67 (1.76). Earnings per share for the review period include EUR 0.91 per share in capital gains from the divestment of the concrete business. Earnings per share for the comparison period include EUR 0.15 per share in negative goodwill.
- Cash flow from operations totalled EUR 29.5 million (148.7).

Business functions divested during the review period are categorised as discontinued operations and thus the figures for the comparison periods have also been adjusted. On 31 January 2011, Lemminkäinen divested its roofing business at a price of about EUR 25 million, recognising pre-tax capital gains of EUR 17.1 million in the first quarter of 2011. On 28 September 2012, Lemminkäinen sold the entire share capital of Lemminkäinen Rakennustuotteet Oy, which comprised the company´s concrete business. The transaction price was EUR 55 million, from which Lemminkäinen recognised pre-tax capital gains of EUR 17.1 million in the third quarter of 2012.

Key figures, IFRS, EUR million	1-9/ 2012	1-9/ 2011	Change	7-9/ 2012	7-9/ 2011	Change	1-12/ 2011
Net sales	1,599.0	1,548.7	3%	716.6	722.1	-1%	2,183.9
Operating profit	26.4	36.3 1)	-27%	40.4	47.8 2)	-15%	44.0 1)
Operating margin %	*1.7*	*2.3*		*5.6*	*6.6*		*2.0*
Pre-tax profit	14.4	23.6 1)	-39%	36.6	41.7 2)	-12%	25.0 1)
Earnings from continuing operations	11.3	18.4 1)	-39%	30.3	32.1 2)	-6%	17.1
Earnings from discontinued operations	5.7	4.5		3.2	2.9		5.8
Capitals gains from the divestment of discontinued operations (after taxes)	17,8	12.7		17,8			12.7
Result for the period	34.8	35.6 1)	-2%	51.3	35.0 2)	47%	35.6 1)
Earnings per share, EUR	1.76	1.80 1)	-2%	2.67	1.76 2)	52%	1.77 1)
Cash flow from business operations	38.7	13.7	over 100	29.5	148.7	-80%	-7.1

1) 1-9/2011 and 1-12/2011: Operating profit, pre-tax profit, earnings from continuing operations 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.
2) 7-9/2011: Operating profit, pre-tax profit, earnings from continuing operations and the result for the period include EUR 2.9 million in negative goodwill recognised from an acquisition. Earnings per share include EUR 0.15 per share in negative goodwill.

Key figures, EUR million	30.9.2012	30.9.2011	Change	31.12.2011
Order book	1,659.1	1,485.4	12%	1,400.4
Balance sheet total	1,439.3	1,675.9	-14%	1,242.8
Interest-bearing net debt	276.2	363.0	-24%	401.2
Equity ratio, %	*35.2*	*23.3*		*30.8*
Gearing, %	*62.1*	*104.0*		*114.5*
Return on investment (rolling 12 months), %	*8.9*	*9.2*		*10.8*

President & CEO Timo Kohtamäki:

“Our result for the January-September period shows that the efficiency programme we launched a year ago has improved our cost competitiveness and sharpened the operating models of our Finnish businesses. Our operating profit in the weakening Finnish market improved by EUR 12 million. We estimate that we will achieve cost savings of about EUR 20 million this year thanks to the efficiency programme. The programme seeks savings of a total of EUR 50 million after 2013,” says Timo Kohtamäki, President and CEO of Lemminkäinen.

“The earnings of International Operations in January-September were weakened by paving operations in Norway, in which the operating profit fell about EUR 10 million short of the previous year. Although operations in the summer season were reasonably good, we were not able to make up for the losses posted in the first months of the year. The paving operations we acquired in Norway were only integrated into Lemminkäinen on 31 May 2011, and thus the early-year losses typical in the paving business did not burden our earnings for 2011. We have identified the units whose production and earnings do not as yet measure up to our objectives, and our focus is now to improve their efficiency,” says Kohtamäki.

“I am very satisfied that our solvency and financial position strengthened in January-September. Our equity ratio (35.2%) is now in line with our target for the strategy period and our gearing (62.1%) is clearly lower than in previous years, thanks to our determined efforts to optimise working capital, strategic divestments and financial arrangements. Our stronger balance sheet gives us greater financial flexibility in an uncertain market,” says Kohtamäki.

Market outlook

The total volume of construction in Finland will fall in 2012 and this decline is expected to continue in 2013. The outlook for new construction in particular has weakened, while renovation is seeing further growth. The total volume of infrastructure construction will decline. In residential construction, the focus is on privately financed projects. Growth in infrastructure construction in Norway, Sweden and Denmark is supported by the governments’ multi-year investments in the development of road and railway networks and energy production. Of Lemminkäinen’s key market areas, Russia is seeing the fastest growth in its economy and construction.

Profit guidance for 2012

Lemminkäinen 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. This estimate is based on the cost savings achieved by the efficiency programme as well as the completion of 700 residential units built as development projects in the fourth quarter. In 2011 Lemminkäinen´s net sales totalled EUR 2,183.9 million and pre-tax profit EUR 25.0 million.

Briefing

A Finnish-language briefing for analysts and the media will be held at 1.00 p.m. on Thursday, 1 November 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.

Financial statement bulletin for 2012

The financial statement bulletin for 2012 will be published on 7 February 2013.

LEMMINKÄINEN CORPORATION

Corporate Communications

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APPENDICES:

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

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INTERIM REPORT, 1 JANUARY – 30 SEPTEMBER 2012

OPERATING ENVIRONMENT

Finland

Fewer residential units were started up than last year. However, sales of small and medium-sized apartments were steady in the growth centres and the Helsinki Metropolitan Area. A greater number of small apartments in city centres were bought as investments. Few business premises were built outside the Helsinki Metropolitan Area. Demand for renovation in building construction remained good.

The outlook for infrastructure construction weakened after the summer. The difficulties in the public sector and the rise in raw material prices decreased the amount of infrastructure investments and, for example, paving work. That said, special contracting in infrastructure construction – such as underground construction in city centres – remained brisk.

In technical building services, demand for contracting weakened towards the end of the year due to the slowdown in new building construction. Demand for the renovation of technical building systems focused particularly on measures aimed to improve energy-efficiency of buildings and piping renovations in residential buildings. 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 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 infrastructure construction remained good in Norway and Denmark. Demand increased due to many ongoing road and railway projects and growing investments in energy production.

In the Baltic countries, construction has recovered gradually with the rest of the economy. The market for infrastructure construction picked up significantly, as several road construction and renovation projects were started up in 2011 – 2012.

Of Lemminkäinen's key market areas, Russia is seeing the fastest growth in its economy and the total volume of construction. Residential construction was brisk in St Petersburg and the prices of new residences have risen by almost 10 per cent in 2012. However, the authorities' slow processing times have led to delays in the launch of new projects

NET SALES

Net sales by business segment, EUR million	1-9/2012	1-9/2011	Change	7-9/2012	7-9/2011	Change	1-12/2011
International Operations	666.5	562.9	18%	323.5	302.7	7%	809.8
Building Construction	430.0	499.8	-14%	147.2	177.6	-17%	720.9
Infrastructure Construction	456.5	443.0	3%	232.3	226.8	2%	596.2
Technical Building Services	168.6	171.2	-2%	51.2	63.1	-19%	239.9
Other operations and Group eliminations	-52.5	-44.8	-17%	-9.2	-16.4	44%	-59.4
Business segments, total	1,669.1	1,632.1	2%	744.9	753.8	-1%	2,307.4
Reconciliation items	-70.1	-83.4	16%	-28.3	-31.7	11%	-123.5
Group, total (IFRS)	1,599.0	1,548.7	3%	716.6	722.1	-1%	2,183.9

In the table: “Other operations and Group eliminations” include items from the Group administration units and shared services as well as eliminations from inter-segment sales. For more information on “Reconciliation items”, see Section 7) Segment Information in the tabulated section of the interim report.

Consolidated net sales in January-September were EUR 1,599.0 million (1,548.7). Net sales in July-September were EUR 716.6 million (722.1). Net sales for the review period grew thanks to building construction in Russia and infrastructure construction in Sweden, Russia and the Baltic countries. In Sweden, rock engineering in mines in the Northern parts of the country, paving operations and earthworks increased the volume of infrastructure construction. The decline in the net sales of operations in Finland was due to the company’s tighter profitability requirements in competitive contracting in both building construction and technical building services. In building construction, production of business premises declined, particularly outside of the Helsinki Metropolitan Area.

Of total net sales for the review period, 61% were generated in Finland, 25% in other Nordic countries, 6% in Russia and 8% in other countries.

OPERATING PROFIT

Operating profit by business segment, EUR million	1-9/2012	1-9/2011	Change	7-9/2012	7-9/2011	Change	1-12/2011
International Operations	10.4	30.9[4)]	-66%	24.9	27.3[3)]	-9%	42.2[4)]
Building Construction	3.4	1.8	89%	1.8	2.4	-25%	9.4
Infrastructure Construction	44.2[1)]	35.0[2)]	26%	37.2[1)]	21.6	72%	30.9[2)]
Technical Building Services	2.2	1.3	69%	0.3	2.0	-85%	2.8
Other operations	-8.0	-10.7	25%	-2.9	-3.6	19%	-16.6
Business segments, total	52.2[1)]	58.3[2)]	-11%	61.3[1)]	49.7[3)]	23%	68.8[2.4)]
Reconciliation items	-25.8	-22.0	-17%	-20.9	-1.9	over 100	-24.8
Group, total (IFRS)	26.4	36.3[4)]	-27%	40.4	47.8[3)]	-15%	44.0[4)]

In the table: “Other operations” include items from the Group administration units and shared services. For more information on “Reconciliation items”, see Section 7) Segment Information in the tabulated section of the interim report.

1) The figure includes EUR 17.1 million in capital gains from the divestment of the concrete business.
2) The figure includes EUR 17.1 million in capital gains from the divestment of the roofing business.
3) The figure includes EUR 2.9 million in negative goodwill recognised from the Mesta Industri AS acquisition.
4) The figure includes EUR 11 million in negative goodwill recognised from the Mesta Industri AS acquisition.

Operating margin by business segment, %	1-9/2012	1-9/2011	7-9/2012	7-9/2011	1-12/2011
International Operations	1.6	5.5	7.7	9.0	5.2
Building Construction	0.8	0.4	1.2	1.4	1.3
Infrastructure Construction	9.7	7.9	16.0	9.5	5.2
Technical Building Services	1.3	0.8	0.6	3.2	1.2
Group, total (IFRS)	1.7	2.3	5.6	6.6	2.0

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

Operating profit for the review period was EUR 26.4 million (36.3). Operating margin was 1.7% (2.3). The result for the review period excluding non-recurring items was slightly better than last year, as operating profit for the comparison period (1-9/2011) includes EUR 11 million in negative goodwill from an acquisition. Operating profit for July-September amounted to EUR 40.4 million (47.8). Operating margin was 5.6% (6.6). The operating profit for the comparison period (7-9/2011) includes negative goodwill of EUR 2.9 million recognised from an acquisition.

In Finland, the profitability of infrastructure construction was improved by continuous efforts to enhance production efficiency, the decline in the price of bitumen during the summer months and growth in the use of recycled asphalt. In Russian building construction, the year-on-year earnings improved due to brisk competitive contracting.

The result for the review period was weakened by infrastructure construction in Norway, in which the operating profit fell about EUR 10 million short of the previous year. The weak earnings trend was impacted by the challenges related to the integration of the acquired businesses and the late start to the paving season. The paving business typically posts losses in the first months of the year; these losses were not included in the comparison figures for 2011, as the Mesta Industri acquisition only came into force on 31 May 2011.

In Building Construction, earnings will be largely generated in the fourth quarter, as last year. It is estimated that about 700 residential units built as development projects will be completed in the fourth quarter.

ORDER BOOK

Order book by business segment, EUR million	30.9.2012	30.9.2011	Change	31.12.2011
International Operations	589.1	527.2	12%	482.5
Building Construction	657.6	629.8	4%	580.5
Infrastructure Construction	294.5	214.7	37%	238.3
Technical Building Services	117.8	113.7	4%	99.0
Group, total	1,659.1	1,485.4	12%	1,400.4
- of which unsold	209.4	178.0	18%	206.3

Lemminkäinen's order book amounted to EUR 1,659.1 million (1,485.4) at the end of the period. In addition, the margins of the order book improved on the comparison period. In Finland, the order book in Infrastructure Construction grew in all business areas. In International Operations, the greatest growth in the order book was generated by building construction and technical building services in Russia. During the second quarter, Lemminkäinen was chosen as an alliance partner for a project to design and build the city centre tunnel for the VT12 national highway 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% originated in Finland, 21% in the other Nordic countries, 9% in Russia, and 5% in the Baltic countries and in other countries.

BALANCE SHEET, CASH FLOW AND FINANCING

Lemminkäinen's solvency has strengthened in recent years, improving the company's financial flexibility and enabling the implementation of its growth strategy. At the end of the review period, the balance sheet total was EUR 1,439.3 million (1,675.9), of which shareholders' equity accounted for EUR 444.7 million (349.0).

Rolling 12-month return on investment was 8.9% (9.2). The target set for the strategy period 2009 – 2013 is 18%.

Lemminkäinen's equity ratio was in line with the financial target set for the strategy period, amounting to 35.2% (23.3). Gearing was 62.1% (104.0). The equity ratio and gearing improved thanks to the measures taken to optimise working capital, divestments and the hybrid loan Lemminkäinen issued in March 2012.

On 30 September 2012, working capital amounted to EUR 1,007.0 million (1,071.3) and net working capital to EUR 417.2 million (390.7).

The amount of interest-bearing debt declined by 40% and was EUR 365.7 million (614.5) at the end of the review period. The amount of long-term interest-bearing debt amounted to EUR 164.6 million (342.4) and short-term interest-bearing debt to EUR 201.1 million (272.1). Interest-bearing net debt was EUR 276.2 million (363.0). Of all interest-bearing debt, 37% were with a fixed interest rate, and the financial expenses of all interest-bearing debt amounted to, on average, 3.17%.

Of the company's interest-bearing debt, 18% (36) comprise loans from financial institutions, 22% (27) commercial paper, 17% (7) project loans related to residential and property development production, 13% (11) pension loans, 14% (9) finance leasing liabilities and 16% (10) bonds. Moreover, the company had binding, unused credit limits in the amount of EUR 140 million (0) at the end of the period.

Net financing expenses during the review period amounted to EUR 12.0 million (12.7), representing 0.8% (0.8) of net sales.

Cash funds at the end of the review period were EUR 89.6 million (251.5). These include the transaction price of the divestment of the concrete business, EUR 55 million. During the comparison period, the company prepared itself against the uncertain financial markets by drawing loans from its credit facilities. These funds were returned at the end of 2011.

Cash flow from operations totalled EUR 38.7 million (13.7) during the review period. This change was primarily due to the higher efficiency achieved in the turnover rate of trade receivables and the better payment terms of procurement agreements. Cash flow after investments was EUR 68.3 million (6.9).

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. To date, the measures apply to the operations in Finland. Lemminkäinen estimates that these efficiency measures will yield total cost savings of about EUR 20 million during 2012.

Lemminkäinen has shifted over to a centralised procurement model in which all functions will use shared processes, benchmarks, and sourcing and purchase tools. The model enables Lemminkäinen to take full advantage of economies of scale, for example. Other measures to boost procurement efficiency include long-term supplier relations, international supplier base, and reduced number of suppliers. By the end of the review period, potential cost savings of about EUR 10 million had been identified through increased procurement efficiency. The number of suppliers, which was about 20,000 at the beginning of the year, had declined by a fifth.

Lemminkäinen has enhanced its operational efficiency by improving the efficiency of its operating model and network of business locations, and paying particular attention to organisation and management structures. Personnel cuts resulting from the co-determination negotiations and task rearrangements were concluded in

June 2012. The company estimates that these measures will yield annual cost savings of about EUR 15 million from July 2012 onwards.

BUSINESS SEGMENTS

INTERNATIONAL OPERATIONS

Key figures, EUR million	1-9/2012	1-9/2011	Change	7-9/2012	7-9/2011	Change	1-12/2011
Net sales	666.5	562.9	18%	323.5	302.7	7%	809.8
Operating profit	10.4	30.9 1)	-66%	24.9	27.3 2)	-9%	42.2 1)
Operating margin %	*1.6*	*5.5*		*7.7*	*9.0*		*5.2*
Order book at end of period	589.1	527.2	12%				482.5

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

2) The figure includes EUR 2.9 million in negative goodwill recognised from the Mesta Industri AS acquisition.

The net sales of International Operations were up 18% in January-September 2012 and amounted to EUR 666.5 million (562.9). In July-September, net sales were up 7% to EUR 323.5 million (302.7). Net sales in the review period were boosted particularly by competitive contracting in building construction in Russia and infrastructure construction in Sweden. The volume of the infrastructure business was about a third higher than last year in the Baltic countries and Russia as well. Of the net sales of the business segment, 64% were generated in Sweden, Norway and Denmark, 16% in Russia, 15% in the Baltic countries and 5% in other countries.

Operating profit for the review period was EUR 10.4 million (30.9). Operating margin was 1.6% (5.5). The operating profit for the comparison period (1-9/2011) includes negative goodwill of EUR 11 million recognised from an acquisition. Operating profit for July-September amounted to EUR 24.9 million (27.3). Operating margin was 7.7% (9.0). The operating profit for the comparison period (7-9/2011) includes negative goodwill of EUR 2.9 million recognised from an acquisition.

The result for the review period was weakened by infrastructure construction in Norway, in which operating profit fell about EUR 10 million short of the previous year. The weak earnings trend was impacted by the challenges related to the integration of the acquired businesses and the late start to the paving season. The paving business typically posts losses in the first months of the year; these losses are not included in the comparison figures for 2011, as the Mesta Industri acquisition only came into force on 31 May 2011. On the other hand, the profitability of the infrastructure business was higher than in 2011 in Sweden, the Baltic countries and Russia. Earnings also improved in building construction in Russia. Brisk competitive contracting in building construction compensated for the slight volume of residential development and construction.

The order book of International Operations grew by 12% and was EUR 589.1 million (527.2) at the end of the period. Growth in the order book was generated particularly by building construction and technical building services in Russia. Of the segment's order book, 58% originated in Sweden, Norway and Denmark, 25% in Russia, 14% in the Baltic countries and 3% in other countries.

Lemminkäinen's residential development and construction in Russia, units	1-9/2012	1-9/2011	Change, no.	2011	2010
Started	0	0	0	404	154
Sold	59	130	-71	194	276
Completed	0	0	0	154	498
Under construction at end of period	404	154	250	404	154
- of which unsold	404	97	307	404	154
Completed and for sale at end of period	23	49	-26	82	122

Lemminkäinen now has only a few completed apartments left for sale in St Petersburg, and the authorities' slow processing times delay the construction of new residences. After the end of the review period, Lemminkäinen bought a plot in the centre of St Petersburg. About 800 residential units will be built on this plot. The company's current land reserves enable it to start up the construction of 3,200 residential units built as development projects in the centre of St Petersburg during the next few years.

The amount of capital tied up in Russia at the end of the review period was EUR 47.7 million (47.6).

BUILDING CONSTRUCTION

Key figures, EUR million	1-9/2012	1-9/2011	Change	7-9/2012	7-9/2011	Change	1-12/2011
Net sales	430.0	499.8	-14%	147.2	177.6	-17%	720.9
Operating profit	3.4	1.8	89%	1.8	2.4	-25%	9.4
Operating margin %	*0.8*	*0.4*		*1.2*	*1.4*		*1.3*
Order book at end of period	657.6	629.8	4%				580.5

In January-September, the net sales of the Building Construction business segment declined by 14% to EUR 430.0 million (499.8). This trend continued in the third quarter and net sales amounted to EUR 147.2 million (177.6). During the present year, the volume of competitive contracting has declined, as the company has tightened its profitability requirements. Furthermore, only a very small number of new business premises projects have been started up outside the Helsinki Metropolitan Area.

Operating profit was EUR 3.4 million (1.8) in January-September and EUR 1.8 million (2.4) in July-September. Earnings in the review period were improved by ongoing business premises projects in the Helsinki Metropolitan Area. Profitability remained weak in competitive contracting. Furthermore, certain failures in residential construction projects weakened the earnings of the business segment in the third quarter. Input costs remained steady in the review period, but the company faced a growing shortage of work supervisors. In Building Construction, earnings will be largely generated in the fourth quarter, as last year. It is estimated that about 700 residential units build as development projects will be completed in the fourth quarter.

The order book of the business segment remained on a par with the previous year and amounted to EUR 657.6 million (629.8) at the end of the period. Competitive contracting accounted for about 30% of the business segment's order book.

Lemminkäinen's residential development and construction in Finland, units	1-9/2012	1-9/2011	Change, no.	2011	2010
Started	724	849	-125	1,076	1,004
Started (contracting)	305	468	-163	536	1,248
Sold	746	658	88	914	911
Completed	501	454	47	1,077	418
Under construction at end of period	1,212	1,386	-174	989	991
- of which unsold	498	639	-141	483	439
Completed and for sale at end of period	187	98	89	224	110

Lemminkäinen's housing sales were brisk in the third quarter – the company sold 300 (220) residential units built as development projects. Total sales of residential units were higher than last year, 746 (658). That said, the number of residential units completed and for sale has risen slightly. Efforts to sell these projects to investors have been boosted. Lemminkäinen estimates that it will start up the construction of about 1,000 residential units built as development projects this year.

At the end of the period, the company owned a total of 774,000 m2 (810,000) of unused building rights in Finland, of which 355,000 m2 (384,000) were residential building rights. Of the unused building rights, about a quarter is located in the Helsinki Metropolitan Area. The balance sheet value of the plots was EUR 111.9 million (98.8) at the end of the review period. The Helsinki Metropolitan Area accounted for about a third of this.

INFRASTRUCTURE CONSTRUCTION

Key figures, EUR million	1-9/2012	1-9/2011	Change	7-9/2012	7-9/2011	Change	1-12/2011
Net sales	456.5	443.0	3%	232.3	226.8	2%	596.2
Operating profit	44.2[1)]	35.0[2)]	26%	37.2[1)]	21.6	72%	30.9[2)]
Operating margin %	*9.7*	*7.9*		*16.0*	*9.5*		*5.2*
Order book at end of period	294.5	214.7	37%				238.3

1) The figure includes EUR 17.1 million in capital gains from the divestment of the concrete business.

2) The figure includes EUR 17.1 million in capital gains from the divestment of the roofing business.

Net sales for the review period remained on a par with the previous year and amounted to EUR 456.5 million (443.0). In the third quarter, net sales were EUR 232.3 million (226.8). The paving business generated the greatest growth in volume. In rock engineering, the focus of operations has shifted outside Finland. The Nordic rock engineering operations share the resources and equipment.

Operating profit for January-September was EUR 44.2 million (35.0). Operating margin was 9.7% (7.9). Operating profit for July-September amounted to EUR 37.2 million (21.6). Operating margin was 16.0% (9.5). The earnings trend was favourable in all business areas of Infrastructure Construction. Thanks to the Group's efficiency programme and the continuous development of the segment's own operations, the profitability of paving, mineral aggregates and civil engineering has improved substantially. In paving, the good earnings trend in the review period was also influenced by the decline in the price of bitumen in the summer months and the increased use of recycled asphalt. Demand for special contracting in infrastructure construction remained good and profitability improved.

The order book of the business segment saw year-on-year growth of 37% and amounted to EUR 294.5 million (214.7). Numerous excavation and interior construction contracts for underground premises and car parks around Finland increased the order book, especially in special contracting in infrastructure construction.

TECHNICAL BUILDING SERVICES

Key figures, EUR million	1-9/2012	1-9/2011	Change	7-9/2012	7-9/2011	Change	1-12/2011
Net sales	168.6	171.2	-2%	51.2	63.1	-19%	239.9
Operating profit	2.2	1.3	69%	0.3	2.0	-85%	2.8
Operating margin %	*1.3*	*0.8*		*0.6*	*3.2*		*1.2*
Order book at end of period	117.8	113.7	4%				99.0

The net sales of Technical Building Services in January-September were EUR 168.6 million (171.2). Net sales in July-September declined by a fifth to EUR 51.2 million (63.1).

The business segment posted an operating profit of EUR 2.2 million (1.3) in January-September and EUR 0.3 million (2.0) in July-September. The profitability of the business segment has improved thanks to the implementation of efficiency measures. However, earnings for the third quarter weakened due to the delays of project start-ups at certain sites. Demand for maintenance and upkeep services was at a good level during the review period, and more long-term agreements for such services were signed than before.

At the end of the period, the order book of Technical Building Services was on a par with the previous year at EUR 117.8 million (113.7).

INVESTMENTS

Gross investments during the review period amounted to EUR 42.6 million (62.2), representing 2.7% (4.0) of the company's net sales. They were mainly replacement investments in infrastructure construction. The impact of acquisitions on gross investments in the comparison period amounted to about EUR 1.3 million.

EMPLOYEES

During the review period, the Group companies had 8,370 employees (8,436) on average. Of all employees, 65% (70) were employed in Finland, 15% (13) in other Nordic countries, 9% (9) in the Baltic countries and 11% (8) in other countries.

Average number of employees	1-9/2012	1-9/2011	Change	1-12/2011
Hourly paid employees	5,375	5,495	-2%	5,489
Salaried employees	2,995	2,940	2%	2,932
Personnel, total	8,370	8,436	-1%	8,421
- of whom working outside Finland	2,967	2,571	15%	2,590
Personnel at end of period	9,150	9,121	0%	7,929

Personnel by business segment, average	1-9/2012	1-9/2011	Change	1-12/2011
International Operations	2,995	2,632	14%	2,636
Building Construction	1,496	1,738	-14%	1,696
Infrastructure Construction	1,835	2,015	-9%	2,032
Technical Building Services	1,733	1,798	-4%	1,796
Parent company	311	253	23%	261
Group, total	8,370	8,436	-1%	8,421

The changes in the number of personnel in business segments 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.

CHANGES IN THE ORGANISATION STRUCTURE

Jukka Terhonen (born 1954), the Executive Vice President of Building Construction and a member of the Executive Board of the Lemminkäinen Group, will retire on 31 January 2013, as agreed. Casimir Lindholm (born 1971), M.Sc. (Econ.), MBA, has been appointed as his successor effective 1 January 2013. He will also become a member of the Group's Executive Board. Lindholm is currently the head of division and CEO of Eltel Networks Sweden.

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. Lemminkäinen's share capital is EUR 34,042,500 and the total number of shares was 19,650,176 at the end of the review period.

Trading with the shares on NASDAQ OMX Helsinki

At the end of the review period, the market capitalisation of Lemminkäinen’s shares stood at EUR 318.3 million (396.8). The price of Lemminkäinen Corporation’s share on NASDAQ OMX Helsinki was EUR 18.72 (26.00) at the beginning of the period and EUR 16.20 (20.20) at the end. Share turnover during the period totalled 689,502 (3,125,190). The total value of share turnover was EUR 11.9 million (72.2). In addition to NASDAQ OMX Helsinki, Lemminkäinen's share is also traded on alternative markets. During the review period, alternative markets accounted for 7% (9) of Lemminkäinen's total share turnover. The total value of share turnover was EUR 12.8 million (79.0). (Source: Fidessa Fragmentation Index, http://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 2 April 2012, 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 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 4,655 shareholders (4,607). Holders of nominee-registered shares and non-Finnish shareholders held 14 (10) per cent of all Lemminkäinen Corporation shares and voting rights. 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 September 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 began 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 reached, 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 in technical building services.

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 the management of project implementation. 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 also provided in the notes to the 2011 financial statements. Lemminkäinen has also published a Corporate Governance Statement for 2011.

OUTLOOK

Finland

Low interest rates and the tax changes that will come into force at the beginning of next year might boost housing sales towards the end of the year. However, in the long run, in addition to the tax changes, the bleaker outlook for the export industry and the general economic uncertainty weaken the desire to buy residences. It is estimated that in 2013 housing starts will remain at the present year’s level. If the market situation permits, Lemminkäinen is prepared to start the construction of about 1,000 residential units built as development projects next year.

The total volume of other new building construction is expected to decrease in 2013. It is forecasted that only a few new commercial and business premises will be started up. In the future, industrial construction will focus on energy production. The volume of renovation construction is expected to continue to rise steadily.

The total volume of infrastructure construction is not estimated to grow either this year or the next. Growth is prevented by factors such as slow economic growth and the financial challenges in the public sector. Rising input costs are expected to decrease basic transport infrastructure maintenance and further weaken the condition of roads. The demand for special contracting in infrastructure construction is maintained at a good level by underground urban construction, demanding city-centre projects and new mining projects. Lemminkäinen has a good order book in infrastructure construction and its margins are higher than before.

The outlook for the maintenance and upkeep of technical building systems is estimated to remain stable in the near future. Demand for building repair works is also estimated to be good, but competition is tightening significantly. This is already evident in price levels in this area. Demand for technical building service contracting has declined due to the slowdown in new building construction, and this trend is expected to continue next year. Lemminkäinen has a satisfactory order book in technical building service contracting. In addition, the company has signed several new long-term maintenance and upkeep agreements during 2012.

Other markets

The governments of Norway, Sweden and Denmark are implementing multi-year transport infrastructure development plans. These three countries are also investing heavily in the development of energy production. Mining in Northern Sweden increases demand for infrastructure construction. Large-scale road projects have been planned for the areas around Sweden's growth centres.

Of Lemminkäinen's key market areas, Russia is seeing the greatest growth in the total volume of construction. In St Petersburg, the factors that support the demand for residential construction are the growth in consumer purchasing power, the better availability of consumer mortgages and migration. The challenges in Russia include the authorities' decision-making processes and rapid changes in regulations.

Infrastructure construction activity in the Baltic countries has picked up. A record number of road construction and improvement projects have been started up this year. However, the growth trend in infrastructure construction in the Baltic countries will be determined by the availability of financing.

Profit guidance for 2012

Lemminkäinen 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. This estimate is based on the cost savings achieved by the efficiency programme as well as the completion of 700 residential units built as development projects in the fourth quarter. In 2011 Lemminkäinen´s net sales totalled EUR 2,183.9 million and pre-tax profit EUR 25.0 million.

EVENTS AFTER THE END OF THE REVIEW PERIOD

New residential site in St Petersburg (bulletin dated 17 October 2012)

Lemminkäinen acquired a plot in the centre of St Petersburg. This new project will comprise around 800 apartments with a total area of about 50,000 square metres. In addition, the site will have around 5,000 square metres of commercial space that will be sold, and around 350 underground parking spots. The total value of this real estate development project is about EUR 170 million. The first phase, comprising roughly half of the apartments, will be completed in autumn 2014, and the rest in autumn 2015.

Helsinki, 1 November 2012

LEMMINKÄINEN CORPORATION
Board of Directors

TABULATED SECTIONS OF THE FINANCIAL STATEMENT BULLETIN

ACCOUNTING PRINCIPLES

The same IFRS recognition and measurement principles have been observed in the preparation of this interim report as in the 2011 financial statements, except for the changes mentioned below. As the tabulated section is presented in a shortened form, not all of the requirements of IAS 34 - Interim Financial Reporting have been applied in the preparation of the report. 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: IAS 1 (amendment) and IFRS 13 fair value measurement.

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1) CONSOLIDATED INCOME STATEMENT

EUR mill.	7-9/ 2012	7-9/ 2011	1-9/ 2012	1-9/ 2011	1-12/ 2011
Net sales	716.6	722.1	1,599.0	1,548.7	2,183.9
Operating income and expenses	-663.9	-662.6	-1,544.0	-1,487.1	-2,106.7
Depreciation	14.3	13.1	29.8	26.6	35.1
Impairment on goodwill		0.1		0.1	0.1
Share of the results of associates	1.9	1.5	1.2	1.5	1.9
Operating profit/loss	40.4	47.8	26.4	36.3	44.0
Financial expenses	5.5	11.0	21.9	22.9	30.3
Financial income	1.8	4.8	9.9	10.2	11.4
Profit/loss before taxes	36.6	41.7	14.4	23.6	25.0
Income taxes	-6.3	-9.6	-3.1	-5.2	-7.9
Profit/loss from continuing operations	30.3	32.1	11.3	18.4	17.1
Profit/loss from discontinued operations	21.0	2.9	23.5	17.2	18.5
Profit/loss for the accounting period	51.3	35.0	34.8	35.6	35.6
Distribution of the profit/loss for the accounting period					
To shareholders of the parent company	51.1	34.6	34.7	35.3	34.7
To non-controlling interest	0.2	0.4	0.1	0.4	0.9
Diluted and undiluted EPS calculated from profit/loss attributable to parent company shareholders					
From continuing operations	1.59	1.62	0.57	0.92	0.83
From discontinued operations	1.07	0.15	1.19	0.88	0.94
From profit/loss for the accounting period	2.67	1.76	1.76	1.80	1.77

2) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR mill.	7-9/ 2012	7-9/ 2011	1-9/ 2012	1-9/ 2011	1-12/ 2011
Profit/loss for the accounting period	51.3	35.0	34.8	35.6	35.6
Translation difference	2.3	-2.5	3.9	-2.5	-0.8
Cash flow hedge	0.1	-0.1	0.4	0.5	0.6
Change in fair value				0.0	0.0
Other comprehensive income, total	2.5	-2.6	4.2	-2.0	-0.2
Comprehensive income for the accounting period	53.8	32.4	39.0	33.6	35.3
Distribution of comprehensive income for the accounting period					
To shareholders of the parent company	53.6	32.0	38.9	33.2	34.5
To non-controlling interest	0.2	0.4	0.1	0.4	0.9

3) CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR mill.	9/2012	9/2011	12/2011
Assets			
Non-current assets			
Tangible assets	192.1	199.3	207.2
Goodwill	77.0	85.4	85.7
Other intangible assets	24.7	17.3	18.7
Holdings in associated companies	10.4	9.0	9.3
Available-for-sale financial assets	6.1	6.0	6.0
Deferred tax asset	28.0	30.0	19.4
Other non-current receivables	4.5	6.1	4.8
Total	342.7	353.1	351.0
Current assets			
Inventories	495.6	460.3	448.5
Trade and other receivables	505.5	597.4	407.3
Income tax receivables	5.9	13.7	5.6
Cash funds	89.6	251.5	30.4
Total	1,096.6	1,322.8	891.8
Assets, total	1,439.3	1,675.9	1,242.8
Shareholders’ equity and liabilities			
Share capital	34.0	34.0	34.0
Share premium account	5.7	5.7	5.7
Hedging reserve	-0.6	-1.0	-0.9
Fair value reserve		0.0	

Invested unrestricted equity reserve	63.6	63.2	63.2
Hybrid bond	69.1		
Translation differences	5.3	-0.3	1.4
Retained earnings	232.6	210.6	210.6
Profit/loss for the period	34.7	35.3	34.7
Equity attributable to shareholders of the parent company	444.3	347.5	348.7
Non-controlling interest	0.3	1.5	1.7
Shareholders' equity, total	444.7	349.0	350.4
Non-current liabilities			
Deferred tax liabilities	23.8	21.3	21.7
Pension liabilities	2.5	3.3	3.9
Financial liabilities	164.6	342.4	194.6
Provisions	5.6	4.4	6.2
Other liabilities	7.2	2.8	3.2
Total	203.7	374.3	229.7
Current liabilities			
Financial liabilities	201.1	272.1	237.0
Provisions	7.2	8.3	7.5
Accounts payable and other liabilities	577.5	659.0	416.4
Income tax liabilities	5.1	13.3	1.8
Total	790.9	952.6	662.7
Liabilities, total	994.6	1,326.9	892.4
Shareholders' equity and liabilities, total	1,439.3	1,675.9	1,242.8

4) CONSOLIDATED CASH FLOW STATEMENT

EUR mill.	1-9/ 2012	1-9/ 2011	1-12/ 2011
Profit/loss before taxes	14.4	23.6	25.0
Depreciation and impairment on goodwill	29.8	26.7	35.2
Other adjustments	11.5	5.2	14.4
Cash flow before change in working capital	55.7	55.5	74.6
Change in working capital	4.5	-20.4	-61.1
Financial items	-13.9	-12.4	-16.5
Direct taxes paid	-7.6	-9.0	-4.2
Cash flow from operating activities	38.7	13.7	-7.1
Cash flow provided by investing activities	63.8	38.6	43.3
Cash flow used in investing activities	-34.2	-45.4	-60.5
Change in non-current receivables	0.3	0.9	2.3
Drawings of loans	324.9	445.1	515.7

Repayments of loans	-394.0	-216.9	-478.9
Hybrid bond	69.1		
Dividends paid	-10.0	-10.4	-10.8
Cash flow from financing activities	-9.6	218.7	28.4
Change in cash funds	58.6	225.6	4.0
Cash funds at beginning of period	30.4	26.3	26.3
Translation difference of cash funds	0.5	-0.4	0.0
Cash funds at end of period	89.6	251.5	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								35.3	0.4	35.6
Translation difference							-2.5			-2.5
Cash flow hedge			0.5							0.5
Change in fair value				0.0						0.0
Comprehensive income, total			0.5	0.0			-2.5	35.3	0.4	33.6
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	-0.6	-10.4
Transactions with owners, total		-0.1			0.1			-11.0	-3.9	-14.9
Shareholders' equity 30.9.2011	34.0	5.7	-1.0	0.0	63.2		-0.3	245.9	1.5	349.0

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								34.7	0.1	34.8
Translation difference							3.9			3.9
Cash flow hedge			0.4							0.4
Comprehensive income, total			0.4				3.9	34.7	0.1	39.0
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			0.5		0.9
Contingent shares returned to the company								-0.3		-0.3
Dividend distribution								-9.8	-0.3	-10.1
Transactions with owners, total					0.4			-12.7	-1.5	-13.8
Hybrid bond						69.1				69.1
Shareholders' equity 30.9.2012	34.0	5.7	-0.6		63.6	69.1	5.3	267.2	0.3	444.7

6) CONSOLIDATED INCOME STATEMENT, QUARTERLY

EUR mill.	7-9/ 2012	4-6/ 2012	1-3/ 2012	10-12/ 2011	7-9/ 2011
Net sales	716.6	567.0	315.4	635.2	722.1
Operating income and expenses	-663.9	-548.6	-331.6	-619.5	-662.6
Depreciation	14.3	10.3	5.2	8.5	13.1
Impairment on goodwill					0.1
Share of the results of associates	1.9	-0.4	-0.2	0.4	1.5
Operating profit/loss	40.4	7.7	-21.6	7.7	47.8
Financial expenses	5.5	6.5	9.9	7.5	11.0
Financial income	1.8	0.8	7.3	1.2	4.8
Profit/loss before taxes	36.6	2.0	-24.3	1.4	41.7
Income taxes	-6.3	-1.0	4.3	-2.7	-9.6
Profit/loss from continuing operations	30.3	1.0	-20.0	-1.3	32.1
Profit/loss from discontinued operations	21.0	2.4	0.0	1.3	2.9
Profit/loss for the accounting period	51.3	3.5	-20.0	-0.1	35.0
Distribution of the profit/loss for the accounting period					
To shareholders of the parent company	51.1	3.6	-20.1	-0.5	34.6
To non-controlling interest	0.2	-0.2	0.0	0.5	0.4
EPS calculated from profit/loss attributable to parent company shareholders					
From continuing operations	1.59	0.00	-1.02	-0.09	1.62
From discontinued operations	1.07	0.12	0.00	0.06	0.15
From profit/loss for the accounting period	2.67	0.12	-1.02	-0.03	1.76

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 sectors: 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. 1-9/2012	INTOPS	BLDCO	INFRA	TECBS	OTHER	ELIM	SEGM	RECON	TOTAL
Net sales	666.5	430.0	456.5	168.6	27.8	-80.3	1,669.1	-70.1	1,599.0
Depreciation and amortisation	13.7	0.4	16.2	0.6	2.6		33.4	-3.6	29.8
Operating profit/loss	10.4	3.4	44.2	2.2	-8.0		52.2	-25.8	26.4

The reconciling items for net sales comprise EUR -15.3 million from the equity share treatment of associated companies and discontinued operations EUR -54.8 milloin.
The reconciling items for operating profit comprise EUR -0.9 million in personnel expenses, EUR -0.4 million from the IFRS treatment of finance leasing, EUR -0.5 million from the equity share treatment of associated companies and EUR 0.2 million in other closing entries and discontinued operations EUR -24.2 million.

EUR mill. 1-9/2011	INTOPS	BLDCO	INFRA	TECBS	OTHER	ELIM	SEGM	RECON	TOTAL
Net sales	562.9	499.8	443.0	171.2	22.2	-67.0	1,632.1	-83.4	1,548.7
Depreciation and amortisation	11.7	0.3	15.5	0.6	2.3		30.4	-3.8	26.6
Operating profit/loss	30.9	1.8	35.0	1.3	-10.7		58.3	-22.0	36.3

The reconciling items for net sales comprise EUR -13.8 million from the equity share treatment of associated companies, discontinued operations EUR -70.2 million and other closing entries.

The reconciling items for operating profit comprise EUR 0.6 million in personnel expenses, EUR 0.3 million from the IFRS treatment of finance leasing, EUR -0.3 million from the equity share treatment of associated companies and EUR 0.7 million in other closing entries and discontinued operations EUR -23.3 million.

NET SALES EUR mill.	1-9/ 2012	1-9/ 2011	1-12/ 2011
International operations	666.5	562.9	809.8
Building Construction	430.0	499.8	720.9
Infrastructure Construction	456.5	443.0	596.2
Technical Building Services	168.6	171.2	239.9
Other operations	27.8	22.2	31.0
Group eliminations	-80.3	-67.0	-90.4
Segments total	1,669.1	1,632.1	2,307.4
Reconciling items	-70.1	-83.4	-123.5
Group total, IFRS	1,599.0	1,548.7	2,183.9

OPERATING PROFIT/LOSS EUR mill.	1-9/ 2012	1-9/ 2011	1-12/ 2011
International operations	10,4	30.9	42.2
Building Construction	3.4	1.8	9.4
Infrastructure Construction	44.2	35.0	30.9
Technical Building Services	2.2	1.3	2.8
Other operations	-8.0	-10.7	-16.6
Segments total	52.2	58.3	68.8
Reconciling items	-25.8	-22.0	-24.8
Group total, IFRS	26.4	36.3	44.0

NET SALES, QUARTERLY EUR mill.	7-9/ 2012	4-6/ 2012	1-3/ 2012	10-12/ 2011	7-9/ 2011
International operations	323.5	239.0	104,0	246.9	302.7
Building Construction	147.2	158.7	124.1	221.1	177.6
Infrastructure Construction	232.3	157.6	66.6	153.2	226.8
Technical Building Services	51.2	56.9	60.5	68.7	63.1
Other operations	9.3	10.6	7.9	8.8	8.3
Group eliminations	-18.5	-27.0	-34.8	-23.4	-24.7
Segments total	744.9	595.8	328.4	675.3	753.8
Reconciling items	-28.3	-28.8	-13.0	-40.1	-31.7
Group total, IFRS	716.6	567.0	315.4	635.2	722.1

OPERATING PROFIT/LOSS, QUARTERLY EUR mill.	7-9/ 2012	4-6/ 2012	1-3/ 2012	10-12/ 2011	7-9/ 2011
International operations	24,9	1,3	-15,8	11.3	27.3
Building Construction	1.8	2.6	-1.0	7.6	2.4
Infrastructure Construction	37.2	10.9	-3.9	-4.1	21.6
Technical Building Services	0.3	1.1	0.8	1.5	2.0
Other operations	-2.9	-3.1	-2.0	-5.9	-3.6
Segments total	61.3	12.7	-21.8	10.5	49.7
Reconciling items	-20.9	-5.0	0.2	-2.8	-1.9
Group total, IFRS	40.4	7.7	-21.6	7.7	47.8

ASSETS EUR mill.	9/2012	9/2011	12/2011
International operations	417.1	354.2	304.0
Building Construction	298.0	337.4	418.1
Infrastructure Construction	152.9	216.5	158.8
Technical Building Services	28.4	35.5	35.2
Other operations	36.6	47.5	50.8
Segments total	993.1	991.1	966.9
Assets unallocated to segments			
and Group eliminations, total	446.2	684.8	275.9
Group total, IFRS	1,439.3	1,675.9	1,242.8

8) FINANCIAL INDICATORS

	9/2012	9/2011	12/2011
Return on equity, rolling 12 months, % 1)	8.7	9.9	10.5
Return on investment, rolling 12 months, % 1)	8.9	9.2	10.8
Operating profit, % of net sales	1.7	2.3	2.0
Equity ratio, %	35.2	23.3	30.8
Gearing, %	62.1	104.0	114.5
Interest-bearing net debt, EUR million	276.2	363.0	401.2
Gross investments, EUR million (incl. leasing purchases)	42.6	62.2	84.0
Order book, EUR mill.	1,659.1	1,485.4	1,400.4
- of which orders outside Finland, EUR mill.	589.1	527.2	482.5
Average number of employees	8,370	8,436	8,421
Employees at end of period	9,150	9,121	7,929
Net sales, EUR mill.	1,599.0	1,548.7	2,183.9

1) Includes the earnings effect of discontinued operations

9) SHARE-SPECIFIC INDICATORS

	9/2012	9/2011	12/2011
Diluted and undiluted earnings per share, EUR	1.76	1.80	1.77
Equity per share, EUR	22.61	17.69	17.75
Dividend per share, EUR			0.50
Dividend to earnings ratio, %			28.3
Market capitalisation, EUR mill.	318.3	396.8	367.8
Share price at end of period, EUR	16.20	20.20	18.72
Trading volume during period, 1,000 shares	690	3,125	3,367
Number of issued shares, total	19,650,176	19,644,764	19,644,764
Number of own shares	509		
Weighted average number of shares outstanding	19,648,609	19,644,764	19,644,764
Diluted weighted average number of shares outstanding	19,725,220	19,644,764	19,644,764

10) DISCONTINUED OPERATIONS

On 28 September 2012, Lemminkäinen sold all its outstanding shares in Lemminkäinen Rakennustuotteet Oy, which comprised company´s concrete business. The transaction price was EUR 55 million, from which the company recognised capital gains of EUR 17.1 million before taxes in the third quarter of 2012. In addition, in April 2012, the Group 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.

The concrete business transaction included a separate reacquisition agreement on an asset, which meant that the ownership of the asset was not transferred and capital gains were not recognised for the asset. The asset was recognised at the original carrying amount, which was lower than the acquisition cost. The company recognised the difference between the carrying amount of the asset and its value in taxation as a deferred tax asset in profit and loss.

In 2012 the result of operations of the sold units and the capital gains from their sale were as follows:

EUR mill.	**1-9/2012**	**1-9/2011**	**1-12/2011**
The result of the discontinued business operations			
Income	55.1	66.4	90.2
Expences	47.8	58.4	80.7
Profit before taxes	7.3	8.0	9.6
Taxes	-1.6	-2.1	-2.4
Result for the financial period	5.7	5.9	7.2
Pre-tax capital gains from the sale of the businesses	16.9		
Taxes	0.9		
Capital gains after taxes	17.8		
Result for the period from discontinued operations	23.5	5.9	7.2

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 mill.		**1-9/2011**	**1-12/2011**
The result of the discontinued business operations			
Income		3.8	3.8
Expenses		5.7	5.7
Profit before taxes		-1.9	-1.9
Taxes		0.5	0.5
Result for the financial period		-1.4	-1.4
Pre-tax capital gains from the sale of the business		17.1	17.1
Taxes		-4.4	-4.4
Capital gains after taxes		12.7	12.7
Result for the period from discontinued operations		11.3	11.3

11) GUARANTEES AND CONTINGENT LIABILITIES

EUR mill.	9/2012	9/2011	12/2011
Securities for own commitments			
Bonds pledged as security	0.0	0.0	0.0
Deposits			
Total	0.0	0.0	0.0
Guarantees			
On behalf of associated companies	20.3	20.3	20.3
On behalf of others	13.3	21.0	18.9
Total	33.7	41.3	39.2
Bonds pledged as security			
On behalf of others	0.1	0.0	0.1
Minimum lease payments of irrevocable lease agreements			
One year or less	15.2	14.2	13.0
Over one year but no more than five years	31.6	27.8	30.8
Over five years	11.2	14.5	13.4
Total	58.0	56.5	57.2
Purchase commitments of investments	9.2	8.7	7.2
Derivative contracts			
Forward foreign exchange contracts			
Nominal value	62.0	82.1	71.0
Fair value	0.0	1.5	-0.8
Interest rate swap contracts			
Nominal value	27.2	41.5	35.7
Fair value	-1.1	-1.9	-1.6
Commodity derivatives			
Volume, mill.	47,850	16,750	7,600
Nominal value	22.2	7.4	3.5
Fair value, €	0.1	0.7	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.

12) 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 September 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 began 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.