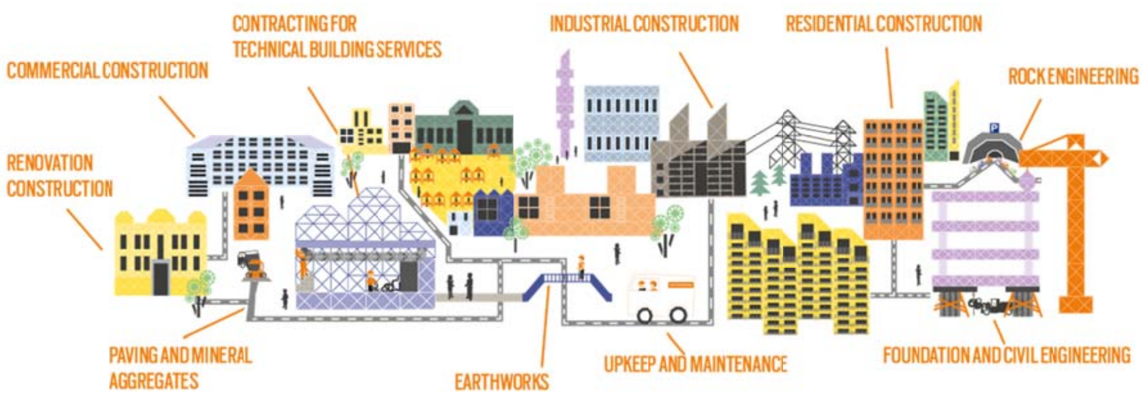
LEMMINKÄINEN
INTERIM REPORT



Lemminkäinen Interim Report
1 January–30 September 2013:

An all-time high quarter after a challenging start to the period

Lemminkäinen

Lemminkäinen's Interim Report 1 January–30 September 2013:

An all-time high quarter after a challenging start to the period

July–September 2013 (7–9/2012)

- July–September net sales grew by 5% and totalled EUR 751.0 million (716.6).
- New orders received totalled EUR 603.5 million.
- Operating profit was EUR 61.8 million (40.4), with an operating margin of 8.2% (5.6).
- Pre-tax profit was EUR 54.0 million (36.6).
- Earnings per share for continuing operations were EUR 2.02 (1.59).
- Cash flow from operations totalled EUR 108.5 million (29.5).

January–September 2013 (1–9/2012)

- January–September net sales were EUR 1,578.7 million (1,599.0).
- Order backlog was EUR 1,993.4 million (1,659.1).
- Operating profit was EUR 11.2 million (26.4), or 0.7 per cent (1.7) of net sales.
- Pre-tax profit was EUR -8.4 million (14.4).
- Earnings per share for continuing operations were EUR -0.61 (0.57).
- Cash flow from operations totalled EUR 30.2 million (38.7).
- Equity was 29.2% (34.4) and gearing was 74.3% (63.4).
- Interest-bearing net debt totalled EUR 304.4 million (276.2).

Profit guidance for 2013

Lemminkäinen reiterates the profit guidance for the current year that it published on 8 August 2013. Net sales in 2013 will be on a par with last year but the operating profit for 2013 is expected to fall short of 2012. In 2012, Lemminkäinen's net sales totalled EUR 2,268 million and its operating profit amounted to EUR 50 million.

Key figures

Key figures *		7–9/2013	7–9/2012	Change	1–9/2013	1–9/2012	Change	1–12/2012
Net sales	EUR million	751.0	716.6	5%	1,578.7	1,599.0	-1%	2,267.6
EBITDA	EUR million	77.5	54.6	42%	45.5	56.2	-19%	91.4
Operating profit	EUR million	61.8	40.4	53%	11.2	26.4	-58%	50.4
Operating margin	*%*	*8.2*	*5.6*		*0.7*	*1.7*		*2.2*
Pre-tax profit	EUR million	54.0	36.6	48%	-8.4	14.4		29.1
Profit for the period	EUR million	41.2	30.3	36%	-7.7	11.3		20.4
Earnings per share	EUR	2.02	1.59		-0.61	0.57		0.83
Cash flow from operations	EUR million	108.5	29.5	over 100	30.2	38.7	-22%	57.8

*) do not include the effect of divested concrete business in 2012

Key figures		30 September 2013	30 September 2012	Change	31 December 2012
Order backlog	EUR million	1,993.4	1,659.1	20%	1,443.9
Balance sheet total	EUR million	1,632.0	1,442.5	13%	1,303.5
Interest-bearing net debt	EUR million	304.4	276.2	10%	277.3
Equity ratio	%	*29.2*	*34.4*		*37.2*
Gearing	%	*74.3*	*63.4*		*62.8*
Return on investment, rolling 12 months	%	*5.8*	*9.0*		*10.8*

President & CEO’s view

“Our third quarter result reached an all-time high level, and also our cash flow was strong.” says Timo Kohtamäki, President & CEO. “Infrastructure construction in particular did a fine job in improving its results and offsetting the impact of the delayed start to the season. In building construction in Finland, profitability also improved nicely from the comparison period, thanks to steady housing sales.”

According to Kohtamäki, the efficiency improvement measures have enhanced Lemminkäinen’s competitiveness especially in Finland where the market situation as a whole continues to be challenging. In Sweden, Norway and Russia, the market situation is brighter. “Our net sales have grown most strongly in these markets. Results have also developed in the right direction.”

“In the near future, the improvement of profitability and the enhancement of operational efficiency are our main priorities. We will continue to improve our cost structure and procurement efficiency in all of our operating countries. We are constantly seeking new practices to decrease the impact of seasonality. In addition, we have paid particular attention to project management.” Kohtamäki says.

Market outlook

In Finland, the overall market situation in construction is estimated to still remain quiet this year and next year. The volume of infrastructure construction is declining for the third year in a row, and this trend is not expected to change significantly in the near future. Demand for new apartments will focus more intensely on small apartments in urban growth centres. In St Petersburg, Russia, demand for comfort-class apartments is still strong, and infrastructure construction is boosted by several road projects across Russia. In Sweden and Norway, the market situation in infrastructure construction continues to be strong.

Briefing

A Finnish-language briefing for analysts and the media will be held at 1:00 p.m. on Thursday, 7 November at Lemminkäinen’s head office. The street address is Salmisaarenaukio 2, Helsinki, Finland. President & CEO Timo Kohtamäki will present the Interim Report. Presentation materials can be found in Finnish and English at the company’s website, www.lemminkainen.com.

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Operating environment

In Finland, the general market situation in construction remained weak. Construction costs increased moderately, and supply in subcontractor services increased, particularly in building construction in the Helsinki metropolitan area. The share of investors and housing funds among purchasers of apartments increased. Commercial construction remained at low level and was concentrated to the Helsinki metropolitan area. Infrastructure construction activity boomed in the third quarter, as the long winter had delayed the start of the construction season. Demand for specialised contracting in infrastructure construction was good.

In Sweden and Norway, the market situation for infrastructure construction was good. The big infrastructure projects in these countries and the investments in road maintenance made by the public sector increased demand for paving. The growth in infrastructure construction in Scandinavia attracted new players from all across Europe, which intensified price competition.

In Russia, changes in the country's economic growth forecasts did not affect housing sales, and especially demand for new comfort-class apartments remained at a good level. In St Petersburg, price development of new apartments was moderate and interest rates for loans were at the same level as or even slightly lower than during the first months of this year. More mortgages were drawn compared to last year. The construction and repair of major inter-city highways boosted the demand for infrastructure construction in Russia.

Group performance

Net sales

Net sales*, EUR million	7–9/2013	7–9/2012	Change	1–9/2013	1–9/2012	Change	1–12/2012
International Operations	350.5	316.4	11%	683.1	651.2	5%	903.2
Building Construction	149.2	147.2	1%	388.7	430.0	-10%	682.4
Infrastructure Construction	215.2	211.1	2%	389.9	402.0	-3%	536.6
Technical Building Services	54.6	51.2	7%	153.0	168.3	-9%	229.7
Other operations and eliminations	-18.5	-9.2		-36.0	-52.5		-84.3
Group, total	751.0	716.6	5%	1,578.7	1,599.0	-1%	2,267.6

*) do not include the effect of divested concrete business in 2012

In July–September, net sales grew by 5% and totalled EUR 751.0 million (716.6). The largest increase took place in residential construction in Russia. Also, the ongoing infrastructure projects in Baltic countries and especially in Lithuania increased the net sales in the third quarter.

In January–September, net sales were EUR 1,578.7 million (1,599.0). The decrease in net sales continued in contracting for building construction and technical building services in Finland. Of net sales, 57% (61) were generated in Finland, 29% (25) in other Nordic countries, 8% (6) in Russia, and 6% (8) in other countries.

Operating profit

Operating profit*, EUR million	7–9/2013	7–9/2012	Change	1–9/2013	1–9/2012	Change	1–12/2012
International Operations	31.8	28.5	12%	0.9	12.5	-93%	15.0
Building Construction	7.5	0.1	over 100	9.6	1.7	over 100	16.9
Infrastructure Construction	22.1	15.3	44%	14.4	17.9	-20%	22.3
Technical Building Services	-0.7	-0.1	over 100	-2.6	2.4		3.8
Corporate Functions	1.1	-3.4		-11.1	-8.1		-7.7
Group, total	61.8	40.4	53%	11.2	26.4	-58%	50.4

*) do not include the effect of divested concrete business in 2012

Operating margin*, %	7–9/2013	7–9/2012	1–9/2013	1–9/2012	1–12/2012
International Operations	9.1	9.0	0.1	1.9	1.7
Building Construction	5.0	0.1	2.5	0.4	2.5
Infrastructure Construction	10.3	7.2	3.7	4.5	4.2
Technical Building Services	-1.3	-0.2	-1.7	1.4	1.7
Group, total	8.2	5.6	0.7	1.7	2.2

*) do not include the effect of divested concrete business in 2012

The July–September operating profit improved clearly from last year and totalled EUR 61.8 million (40.4). Infrastructure construction in particular offset the impact of the delayed start to the season. In building construction and infrastructure construction in Finland as well as in infrastructure construction in Norway, profitability was improved first and foremost by internal efficiency improvement measures, such as development of procurement, reduction of the site networks and lightening of the cost structure. Also, the on-going special infrastructure projects progressed well, and the number of units completed in Lemminkäinen's residential development and construction was somewhat higher than last year. The result also developed positively in infrastructure business in the Baltic countries and Russia as well as in residential construction in Russia.

Lemminkäinen's **January–September** operating profit was EUR 11.2 million (26.4). The single most significant reason behind the weak development was the delayed start of the season in paving and mineral aggregates by 4 to 12 weeks in all of the company's operating countries. In addition, the result of the first half of the year was burdened by one-offs related to the efficiency improvement measures in Norway as well as the divestment and currency exchange rate losses related to the telecommunications network business. In Technical Building Services, profitability was impaired by delayed project start-ups and the challenging market situation. Expenses incurred by Corporate Functions increased due to, for instance, investments in IT management.

Order backlog

Order backlog* at end of period, EUR million	30 September 2013	30 September 2012	Change	31 December 2012
International Operations	889.4	589.1	51%	574.6
Building Construction	661.4	657.6	1%	526.9
Infrastructure Construction	329.3	294.5	12%	234.7
Technical Building Services	113.3	117.8	-4%	107.7
Group, total	1,993.4	1,659.1	20%	1,443.9
- Of which unsold	412.6	209.4		176.7

*) do not include the effect of divested concrete business in 2012

Orders received in **July–September** totalled EUR 603.5 million. The most significant new projects were the contract for a 46-house residential area in Moscow (EUR 100 million), the first phase of the S Group´s logistics centre (EUR 49 million) and two stations on the West Metro line: Matinkylä (EUR 41 million) and Tapiola (EUR 40 million).

The order backlog grew 20 per cent compared to corresponding period last year and stood at 1,993.4 million (1,659.1). The largest increase took place in building construction in Russia and Sweden and in infrastructure construction in Finland. Of the order backlog, 55% (65) originated in Finland, 21% (21) in other Nordic countries, 19% (9) in Russia, and 5% (5) in other countries.

Balance sheet, cash flow and financing

On 30 September 2013, the balance sheet total was EUR 1,632.0 million (1,442.5), of which shareholders' equity accounted for EUR 409.8 million (435.4). Lemminkäinen's net working capital fell from last year and amounted to EUR 405.5 million (416.2) at the end of the review period.

At the end of the period, Lemminkäinen's equity ratio was 29.2% (34.4) and gearing was 74.3% (63.4). As a four-quarter average, the equity ratio was 32.7% and gearing was 81.6%. Lemminkäinen's return on investment (rolling 12 months) was 5.8% (9.0).

Interest-bearing debt increased by 32 per cent, totalling EUR 483.0 million (365.7) at the end of the period. Long-term interest-bearing debt totalled EUR 137.0 million (164.6) and short-term interest-bearing debt EUR 346.0 million (201.1). Of all interest-bearing debt, 28 per cent (37) was with a fixed interest rate. At the end of the period, the Group's liquid funds stood at EUR 178.6 million (89.6) and interest-bearing net debt totalled EUR 304.4 million (276.2).

Of the company's interest-bearing debt, 12% (18) comprises loans from financial institutions, 43% (22) commercial papers, 16% (17) project loans related to residential and commercial development, 5% (13) pension loans, 12% (14) finance lease liabilities, and 12% (16) bonds. At the end of the financial period, the company also had binding, unused credit limits amounting to EUR 230.0 million (139.6) and overdraft limits amounting to EUR 48.6 million (49.3). The financing expenses, on average, were 2.8 per cent (3.2).

In January–September, net finance costs amounted to EUR 19.6 million (12.0), representing 1.2 per cent (0.8) of net sales. In July–September, net finance costs were EUR 7.8 million (3.7). The increase in interest-bearing debt and financing limits renewed during the first months of the year contributed to the difference from the comparison period.

Cash flow from operations totalled EUR 30.2 million (38.7) in January–September and EUR 108.5 million (29.5) in July–September. The change from the comparison period was due to the volume transition to the third quarter as a result of the delayed start of the paving season as well as the efficiency measures in working capital.

Performance by business segment

International Operations

Key figures, International Operations		7–9/2013	7–9/2012	Change	1–9/2013	1–9/2012	Change	1-12/2012
Net sales	EUR million	350.5	316.4	11%	683.1	651.2	5%	903.2
Operating profit	EUR million	31.8	28.5	12%	0.9	12.5	-93%	15.0
Operating margin	*%*	*9.1*	*9.0*		*0.1*	*1.9*		*1.7*
Order backlog at end of period	EUR million				889.4	589.1	51%	574.6

The increase in the segment's net sales resulted mainly from residential construction in Russia and infrastructure construction in Sweden and Norway. Of the segment's January–September net sales, 27% were generated in Sweden, 29% in Norway, 18% in Russia, 14% in the Baltic countries, 9% in Denmark, and 3% in other countries. By business operation, 75% were generated by infrastructure construction, 22% by building construction, and 3% by technical building services and project exports.

The segment's **July–September** operating profit improved from last year and was EUR 31.8 million (28.5). Profitability of the paving business improved not only in Norway but also in all Baltic countries. In Russia, the result of both the paving business and housing production developed more favourably than last year.

The January–September operating profit was weak, as the long winter delayed the start of the infrastructure construction season and increased costs in all of Lemminkäinen's operating countries. In addition, in early 2013, the result was burdened by one-offs related to the telecommunications network business and the very low housing production in Russia. In Norway, the company has launched several efficiency improvement measures already in 2012, the impact of which could be seen in the segment's profitability at the end of the review period. The Norwegian site network has been reduced and unprofitable units have been closed.

Orders received in July–September totalled EUR 238.5 million. In Russia, Lemminkäinen started the construction of a 46-house residential area in the city of Istra in the Moscow region. The value of the contract is around EUR 100 million. The order backlog stood at EUR 889.4 million (589.1). Most of the increase originated from residential construction in Russia and commercial construction in Sweden.

Lemminkäinen's residential development and construction in Russia, no.	1–9/2013	1–9/2012	Change, no.	1–12/2012
Units started	757	0	757	0
Units sold	91	59	32	141
Units completed	0	0	0	0
Under construction at end of period	1,182	404	778	425
- of which unsold	1,016	404	612	349
Completed and for sale at end of period	16	23	-7	17

The amount of capital tied up in building construction in Russia at the end of the review period was EUR 77.3 million (46.5), of which the St Petersburg land bank accounted for EUR 10.3 million (4.4).

Building Construction

Key figures, Building Construction		7–9/2013	7–9/2012	Change	1–9/2013	1–9/2012	Change	1–12/2012
Net sales	EUR million	149.2	147.2	1%	388.7	430.0	-10%	682.4
Operating profit	EUR million	7.5	0.1	over 100	9.6	1.7	over 100	16.9
Operating margin	*%*	*5.0*	*0.1*		*2.5*	*0.4*		*2.5*
Order backlog at end of period	EUR million				661.4	657.6	1%	526.9

In January–September, the net sales of Building Construction fell by 10 per cent to EUR 388.7 million (430.0). Net sales were impaired by the decrease in competitive contracting.

In July–September, the segment's operating profit amounted to EUR 7.5 million (0.1). Housing sales proceeded as expected, and the number of units completed in Lemminkäinen's residential development and construction during the quarter was slightly higher than last year. The **January–September** operating profit increased from last year, and was EUR 9.6 million (1.7). In order to improve profitability, the building construction organisation and operating models have been changed and the site network has been reduced, together with other measures. Due to the uncertain market situation, the company has also increased the reservation levels required for starting the construction of new units, improved the sales efficiency of completed units and paid special attention to risk management. In building construction contracting, profitability remained weak, and in commercial construction, demand concentrated mainly on business premises in the Helsinki metropolitan area and logistics centres in urban growth centres. Last year, the result was impaired by isolated failures in housing production. Lemminkäinen estimates that in the fourth quarter of 2013, the number of units completed in Lemminkäinen's residential development and construction will be approximately 600, most of which have been sold.

Input costs have remained relatively stable in building construction, although the cost of certain materials has fallen somewhat this year. A weakened market situation has increased the supply of subcontractor services.

Orders received in July–September totalled EUR 149.0 million. During the quarter Lemminkäinen signed a construction contract for the first phase of the S Group´s logistics centre (EUR 49 million). The order backlog was on a par with the comparison period and stood at EUR 661.4 million (657.6).

Lemminkäinen's residential development and construction in Finland, no.	7–9/2013	7–9/2012	Change, no.	1–9/2013	1–9/2012	Change, no.	1–12/2012
Units started	310	123	187	886	724	162	1,019
Units sold	302	304	-2	842	746	96	1,013
Units completed	231	185	46	385	501	-116	1,151
Under construction at end of period				1,358	1,212	146	857
- of which unsold				616	498	118	453
Completed and available for sale				141	187	-46	260
Units started (contracting)	*125*	*65*	*60*	*278*	*305*	*-27*	*514*

In Finland, about a fifth of Lemminkäinen's unused building rights were located in the Helsinki metropolitan area. On 30 September 2013, the value of the land bank was EUR 99 million (30 September 2012: EUR 112 million, 30 June 2013: EUR 97 million), of which about a quarter were in the Helsinki metropolitan area.

Infrastructure Construction

Key figures*, Infrastructure Construction		7–9/2013	7–9/2012	Change	1–9/2013	1–9/2012	Change	1–12/2012
Net sales	EUR million	215.2	211.1	2%	389.9	402.0	-3%	536.6
Operating profit	EUR million	22.1	15.3	44%	14.4	17.9	-20%	22.3
Operating margin	*%*	*10.3*	*7.2*		*3.7*	*4.5*		*4.2*
Order backlog at end of period	EUR million				329.3	294.5	12%	234.7

*) do not include the effect of divested concrete business in 2012

In Infrastructure Construction, net sales remained roughly on a par with last year. Demand for specialised contracting, such as demanding underground rock excavation, was good.

The **July–September** operating profit improved by 44 per cent and totalled EUR 22.1 million (15.3). The volume of paving and mineral aggregates improved in the third quarter, and the result exceeded last year´s level. Also, the on-going special infrastructure projects progressed well. In a challenging market situation, Segment´s profitability improved by internal efficiency improvement measures, such as better project management and development of procurement.

The losses incurred by the delayed start of the paving season could not be fully offset, and the **January–September** operating profit was EUR 14.4 million (17.9). The decline in building construction also decreased the demand of mineral aggregates and foundation engineering and impaired the year-to-date result.

Orders received in July–September totaled EUR 183.0 million. The most significant new orders were the contracts for the Tapiola (EUR 40 million) and Matinkylä (EUR 41 million) stations on the West Metro line. Order backlog increased by 12 per cent from the comparison period and stood at EUR 329.3 million (294.5). After the review period, Lemminkäinen signed the agreement for the alliance contract for the Rantaväylä tunnel in Tampere, of which the target cost is approximately EUR 180 million. This project is not included in the order backlog.

Technical Building Services

Key figures, Technical Building Services		7–9/2013	7–9/2012	Change	1–9/2013	1–9/2012	Change	1–12/2012
Net sales	EUR million	54.6	51.2	7%	153.0	168.3	-9%	229.7
Operating profit	EUR million	-0.7	-0.1		-2.6	2.4		3.8
Operating margin	*%*	*-1.3*	*-0.2*		*-1.7*	*1.4*		*1.7*
Order backlog at end of period	EUR million				113.3	117.8	-4%	107.7

In Technical Building Services, the current year has been challenging. The segment’s result and volume was burdened by delayed project start-ups and the clearly weakened market situation. Especially the decline in building construction had a significant impact on the net sales and profitability of Technical Building Services.

The amount of new work declined in contracting, and the average size of contracts was smaller than before. Profitability in contracting as a whole remained weak. Demand for upkeep and maintenance services remained good.

Orders received in July–September totalled EUR 32.4 million. The order backlog stood at EUR 113.3 million (117.8).

Investments

Gross investments in January–September amounted to EUR 56.6 million (42.6), representing 3.6% (2.7) of the company's net sales. They were mainly replacement investments in infrastructure construction. Corporate acquisitions increased investments during early 2013. As part of its efficiency programme, Lemminkäinen has imposed stricter criteria involving investments, and more effective monitoring processes have been introduced.

Personnel

At the end of the review period, the Group employed 8,323 people (8,743), a decrease of 5 per cent from the comparison period. Of these, 2,913 (2,994) were salaried employees and 5,410 (5,749) were hourly paid employees. The number of salaried employees decreased by 3 per cent and hourly paid employees by 6 per cent.

Lemminkäinen has carried out two extensive rounds of personnel negotiations in Finland in 2011–2013 aimed at personnel reductions. In 2012, personnel was reduced by 300 man-years, and, as a result of the negotiations concluded on October 2013, the company will gradually cut a maximum of 265 man-years.

Corresponding negotiations on the reduction of personnel are being carried out in Lemminkäinen's other countries of operation. In Norway, the company is negotiating on the reduction of 50 man-years, in addition to which the employment contracts of approximately 150 regular employees will be changed to part-time contracts. The measures decided on in the personnel negotiations were in response to the company's need to improve its profitability and strengthen its competitiveness.

Personnel* by business segment, average during the review period	1–9/2013	1–9/2012	Change	1–12/2012
International Operations	2,958	2,995	-37	3,057
Building Construction	1,430	1,496	-66	1,425
Infrastructure Construction	1,533	1,424	109	1,443
Technical Building Services	1,669	1,733	-64	1,631
Parent company	309	311	-2	316
Group, total	7,899	7,959	-60	7,872

*) do not include the effect of divested concrete business in 2012

Personnel* by country, average during the review period	1–9/2013	1–9/2012	Change	1–12/2012
Finland	4,973	4,992	-19	4,846
Other Nordic countries	1,220	1,265	-45	1,293
Baltic countries	820	787	33	785
Russia	751	652	99	674
Other countries	135	263	-128	274
Group, total	7,899	7,959	-60	7,872

*) do not include the effect of divested concrete business in 2012

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.

At the end of the review period, the market capitalisation of Lemminkäinen's shares stood at EUR 295.8 million (318.3). The price of Lemminkäinen Corporation's share on the NASDAQ OMX Helsinki was EUR 14.28 (18.72) at the beginning of the period and EUR 15.08 (16.20) at the end. In addition to the NASDAQ OMX Helsinki, Lemminkäinen's share is also traded on alternative markets. A total of 1,601,279 shares (1,711,225) were traded during the review period. The total value of share turnover was EUR 25.2 million (31.9). During the review period, alternative markets accounted for 13 per cent (60) of Lemminkäinen's total share turnover. (Source: Fidessa Fragmentation Index, http://fragmentation.fidessa.com.)

Shareholders

On 30 September 2013, Lemminkäinen had a total of 4,886 shareholders (4,655). Holders of nominee-registered shares and non-Finnish shareholders held 13 per cent (14) of all Lemminkäinen Corporation shares and voting rights. Company ownership and division by segment and scale, the major shareholders, and the share ownership of Executive Board members and the Board of Directors are available on the company's website, www.lemminkainen.com/Investors/Owners.

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.

On 30 September 2013, there were a total of 52 claims for damages brought by municipalities and the Finnish state (Finnish Transport Agency) pending against Lemminkäinen and other asphalt industry companies in the District Court. The claimants contend that restrictions on competition have caused them damage. The total amount of damages currently sought from Lemminkäinen amounts to about EUR 129 million. The claims presented in the statements of claim differ from each other as regards their amounts and grounds.

As it stands, the ruling rendered by the SAC in 2009 does not mean that Lemminkäinen or the other asphalt industry companies actually caused any damage to their asphalt contract 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 on the claims made by 38 municipalities and the Finnish Transport Agency began in September 2012 and ended on 12 April 2013. The damages presented in these 39 claims total about EUR 121 million. According to a statement made by the District Court, its decisions on these claims will be announced on 28 November 2013.

No commencement date has yet been set for the main proceedings for the other 14 claims.

In accordance with IFRS regulations, no provisions have been made in respect of the claims of the municipalities and the Finnish Transport Agency that are currently pending in the District Court, or for the demands contained in the said claims.

Lemminkäinen will provide information on the proceedings when necessary, either in its interim reports or in separate releases. More information can be found on the company's website http://www.lemminkainen.com/Investors.

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 economic trends cause uncertainty in Lemminkäinen's operating environment and make it more difficult to forecast future changes. New construction is sensitive to economic cycles and therefore poses a risk. This risk is managed both structurally and operationally.

The company'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 property investors in the early stages of construction at the latest, thereby reducing sales risks.

Project-specific risks generally involve the management of costs and project implementation. Lemminkäinen is continually developing its contractual expertise and project management practices during the tender and implementation stage.

Climate change and unusual weather phenomena also pose a risk in the construction industry. Unusual or harsh weather can weaken the profitability of our operations by interrupting or delaying projects.

Lemminkäinen uses great amounts of oil-based products in asphalt production. The price of bitumen is tied to the global price of oil. Lemminkäinen manages the bitumen price risk with oil derivatives and contractual terms. The company uses over 300,000 tonnes of bitumen annually, of which more than a half is hedged using the above-mentioned methods.

A one-off risk is posed by claims that have been filed at the District Court level by certain municipalities and the Finnish state (Finnish Transport Agency). According to a statement made by the District Court, its decisions on these claims will be announced on 28 November 2013.

Lemminkäinen seeks to protect itself from currency exchange risks primarily through operative means and, if necessary, with the aid of foreign currency loans and currency derivatives. In 2012, about 65 per cent of Lemminkäinen's net sales derived from countries whose functional currency is the Euro. Other major currencies are the Swedish, Norwegian and Danish Crowns and the Russian Rouble.

More information about Lemminkäinen's risks, including a more detailed description of the company's risk management, is presented in the Annual Report and on the website. A more detailed account of the financial risks is also provided in the notes to the annual financial statements.

Outlook

In Finland, the estimate is that the volume of construction will still continue to decrease this year and next year. Domestic migration to urban growth centres and low interest rates will maintain demand for housing, but at the same time, general economic uncertainty and increased difficulty in obtaining mortgages will weaken consumer desire to purchase apartments. The purchase of new apartments is also restricted by the fact that the sales times of old apartments have become longer. Practically no new commercial projects will be launched outside urban growth centres.

The total volume of infrastructure construction is restricted by the weak growth of the gross domestic product and the insufficient funding available to the state and the municipalities for infrastructure construction. There is a reasonable amount of specialised contracting projects available in infrastructure construction, and the construction of underground city-centre premises continues. Demand for foundation engineering will decrease as new building construction declines.

The demand for contracting in technical building services has decreased. Project start-ups will be delayed and, as the competition intensifies, the margin level of contracting will be lower than before. The market situation for the upkeep and maintenance of technical building systems is expected to remain stable.

In Norway, Sweden and Denmark, multi-year, state-funded traffic infrastructure development plans are currently underway, and these three countries are also investing heavily in the development of energy production. The private sector's investments in infrastructure construction have also increased. Large-scale road projects are being planned around urban growth centres in Sweden, which will increase demand for specialised contracting in infrastructure construction over the coming years.

In Russia, domestic migration, the growing middle class and the increased availability of consumer mortgages are still supporting demand for comfort-class apartments. Efforts to develop infrastructure in Russia are also increasing, and, for example, numerous projects to expand and repair road networks are currently underway.

In the Baltic countries, growth trends in infrastructure construction over the next few years will be determined by the availability of financing. Ongoing road construction and basic improvement projects will keep demand for infrastructure construction at a reasonable level this year, at least in Latvia and Lithuania.

Profit guidance for 2013

Lemminkäinen reiterates the profit guidance for the current year that it published on 8 August 2013. Net sales in 2013 will be on a par with last year but the operating profit for 2013 is expected to fall short of 2012. In 2012, Lemminkäinen's net sales totalled EUR 2,268 million and its operating profit amounted to EUR 50 million.

Events after the review period

After the review period, Lemminkäinen announced its new 2014–2018 strategy and financial targets. The strategy focuses on insightful infrastructure solutions and residential construction in urban growth centres, especially in Russia. Lemminkäinen aims to grow into one of the leading providers of demanding infrastructure solutions in Northern Europe. In Russia, the residential development and construction business will be extended from St Petersburg to other selected urban growth centres. In paving and mineral aggregates, Finnish building construction and technical building services, Lemminkäinen will continue to focus on improving operational and capital efficiency. Strategic options for technical building services will be examined. The financial targets for the strategy period are a return on investment of 18 per cent over the cycle and an equity ratio of at least 35 per cent.

Helsinki, 7 November 2013

Lemminkäinen Corporation

Board of Directors

TABULATED SECTIONS OF THE INTERIM REPORT

ACCOUNTING PRINCIPLES

The same IFRS recognition and measurement principles have been applied in the preparation of this interim report as in the 2012 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.

Operating segments

The Company has changed its accounting principles concerning operating segments from the beginning of 2013. As a consequence, income statement items in The Company's segment reporting comply with the consolidated financial statement's accounting principles with the exception of the impact of the items classified as discontinued operations.

The comparison periods' figures have been adjusted to comply with the new accounting principle. The impact of the change in the accounting principles to the comparison periods' figures is presented in note 6 of this bulletin.

Provisions

The Company has changed its accounting principles concerning 10-year liability provisions from the beginning of 2013. As a consequence, the provision made for the 10-year liability arising from residential and commercial construction is determined by considering the class of 10-year liabilities as a whole. In this case, the likelihood of future economic loss for one project may be small, although the entire class of these obligations is considered to cause an outflow of resources from the company.

Adjustments to financial statements are made retrospectively and the effects to the comparison periods' figures are presented in note 6 of this bulletin.

New standards and interpretations applied by the company in 2013

IAS 19 Employee Benefits
IAS 19 Employee Benefits –standard has changed in June 2011. In the EU region, the revised standard became effective for annual periods beginning on or after 1 January 2013.

The pension schemes of Lemminkäinen's Group companies are mainly defined contribution plans. Defined contribution plan related payments are made to separate entities, after which the Group has no other payment obligations. Payments in respect of defined contribution plans are expensed on the income statement for the accounting period to which they apply. Other pension plans than defined contribution plans are defined benefit plans. The Company has defined benefit plans in Norway and Finland. In the case of a defined benefit plan, a pension liability is recognised to the extent that the plan gives rise to a pension obligation. If a defined benefit plan gives rise to a pension surplus, it is recognised in prepayments and accrued income on the balance sheet.

The pension costs of a defined benefit plan are measured by the projected unit credit method. The amount of pension liability is calculated by deducting the fair value of the assets belonging to the pension scheme on the balance sheet date from the present value of the future pension obligations on the balance sheet date. The defined benefit pension costs consist of employee service based expenses and are booked to employee benefit expenses for the duration of the employee service. Net interests from defined benefit plans are booked to finance income or costs. The actuarial gains and losses are recognised through the statement of comprehensive income as a change in pension obligation or asset.

The Finnish group companies' pension liability is determined by calculating the present values of estimated future cash flows, using Eurozone high investment grade companies' bond interest rates as discount rates. In Norway, where no deep markets for mentioned bonds exist, the discount rate is determined by Norwegian government bonds' market returns. The bonds used in determining the discount rates are in the same currency as pension benefits to be paid. The chosen discount rate reflects the estimated average moment of payment of the benefits.

The fair value of the plan assets is determined primarily by using market values on the balance sheet date. If the market price is not available, the fair value is estimated by discounting the expected future cash flows using the same discount rate that is used for determining the pension liability.

The comparison periods' figures have been adjusted to comply with the new accounting principle. The impact of the change in the accounting principles to the comparison periods' figures is presented in note 6 of this bulletin.

Other standards and interpretations
IFRS 13 Fair Value Measurement –standard has no essential impact on the carrying amounts or valuation methods used by the group, but the standard requires additional disclosures about financial instruments measured at fair value. The required additional information is presented in note 14 of this bulletin.

The following new interpretations and standards applied by the company in 2013 have no essential impact on the consolidated financial statements: IAS 1 (amendment), IAS 12 (amendment), IFRS 7 (amendment),) and IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine.

New standards and interpretations applied by the company in 2014

The following new interpretations and standards applied by the company in 2014 have no essential impact on the consolidated financial statements: IAS 27 (amendment), IAS 28 (amendment), IAS 32 (amendment), IAS 36 (amendment, not yet endorsed by the EU), IAS 39 (amendment, not yet endorsed by the EU), IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosures of Interests in Other Entities.

Financial statements and other tabulated information

1) CONSOLIDATED INCOME STATEMENT

EUR mill.	7-9/ 2013	7-9/ 2012	1-9/ 2013	1-9/ 2012	1-12/ 2012
Net sales	751.0	716.6	1,578.7	1,599.0	2,267.6
Other operating income and expenses	-674.7	-663.9	-1,533.4	-1,544.0	-2,177.3
Depreciation	15.7	14.3	34.3	29.8	41.0
Share of the profit of associates and joint ventures	1.2	1.9	0.2	1.2	1.1
Operating profit	61.8	40.4	11.2	26.4	50.4
Finance costs	11.8	5.5	32.0	21.9	32.6
Finance income	3.9	1.8	12.5	9.9	11.3
Profit before taxes	54.0	36.6	-8.4	14.4	29.1
Income taxes	-12.8	-6.3	0.7	-3.1	-8.7
Profit from continuing operations	41.2	30.3	-7.7	11.3	20.4
Profit from discontinued operations		21.0		23.5	23.7
Profit for the accounting period	41.2	51.3	-7.7	34.8	44.1
Profit for the accounting period attributable to					
Equity holders of the parent company	40.9	51.1	-7.9	34.7	43.9
Non-controlling interests	0.3	0.2	0.2	0.1	0.2
Basic earnings per share attributable to equity holders of the parent company					
From continuing operations	2.02	1.59	-0.61	0.57	0.83
From discontinued operations		1.07		1.19	1.21
From profit for the accounting period	2.02	2.67	-0.61	1.76	2.04
Diluted earnings per share attributable to equity holders of the parent company					
From continuing operations	2.02	1.59	-0.61	0.57	0.83
From discontinued operations		1.07		1.19	1.20
From profit for the accounting period	2.02	2.67	-0.61	1.76	2.03

2) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR mill.	7-9/ 2013	7-9/ 2012	1-9/ 2013	1-9/ 2012	1-12/ 2012
Profit for the accounting period	41.2	51.3	-7.7	34.8	44.1
Translation difference	-2.1	2.3	-6.1	3.9	3.1
Cash flow hedge	0.1	0.1	0.3	0.4	0.5
Change in fair value of available-for-sale financial assets	0.0		0.0		0.0
Pension obligations	0.3		0.9		0.3
Other comprehensive income, total	-1.7	2.5	-4.9	4.2	3.9

Comprehensive income for the accounting period	39.5	53.8	-12.6	39.0	48.0
Comprehensive income for the accounting period attributable to					
Equity holders of the parent company	39.2	53.6	-12.8	38.9	47.8
Non-controlling interests	0.3	0.2	0.2	0.1	0.2

3) CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR mill.	9/2013	9/2012	12/2012
ASSETS			
Non-current assets			
Property, plant and equipment	200.9	192.1	200.5
Goodwill	80.5	77.0	77.0
Other intangible assets	28.9	24.7	26.7
Holdings in associates and joint ventures	8.8	10.4	9.7
Available-for-sale financial assets	4.0	6.1	6.0
Deferred tax assets	28.0	31.2	23.5
Other non-current receivables	1.1	4.5	0.5
Total	**352.2**	**345.9**	**343.8**
Current assets			
Inventories	545.6	495.6	494.4
Trade and other receivables	548.4	505.5	363.1
Income tax receivables	7.1	5.9	8.3
Available-for-sale financial assets	36.0		59.0
Cash and cash equivalents	142.6	89.6	34.9
Total	**1,279.7**	**1,096.6**	**959.7**
Total assets	**1,632.0**	**1,442.5**	**1,303.5**
EQUITY AND LIABILITIES			
Share capital	34.0	34.0	34.0
Share premium account	5.7	5.7	5.7
Hedging reserve	-0.1	-0.6	-0.4
Fair value reserve	0.0		0.0
Invested non-restricted equity fund	63.8	63.6	63.6
Hybrid bond	69.1	69.1	69.1
Translation differences	-1.5	5.3	4.5
Retained earnings	246.2	223.3	220.9
Profit for the period	-7.9	34.7	43.9
Equity attributable to shareholders of the parent company	409.3	435.0	441.4

Non-controlling interests	0.6	0.3	0.4
Total equity	**409.8**	**435.4**	**441.8**
Non-current liabilities			
Deferred tax liabilities	22.2	23.8	25.2
Pension obligations	4.4	6.9	5.2
Interest-bearing liabilities	137.0	164.6	138.8
Provisions	12.4	12.6	13.2
Other liabilities	4.5	7.2	7.6
Total	**180.5**	**215.2**	**190.1**
Current liabilities			
Interest-bearing liabilities	346.0	201.1	232.4
Provisions	5.9	8.2	9.1
Trade and other payables	683.4	577.5	427.8
Income tax liabilities	6.3	5.1	2.4
Total	**1,041.6**	**792.0**	**671.7**
Total liabilities	**1,222.1**	**1,007.1**	**861.8**
Total equity and liabilities	**1,632.0**	**1,442.5**	**1,303.5**

4) CONSOLIDATED CASH FLOW STATEMENT

EUR mill.	1-9/ 2013	1-9/ 2012	1-12/ 2012
Profit before taxes	-8.4	14.4	29.1
Depreciation and impairment	34.3	29.8	41.0
Other adjustments	16.2	11.5	16.0
Cash flows before change in working capital	42.2	55.7	86.0
Change in working capital	9.3	4.5	-4.8
Financial items	-18.1	-13.9	-20.8
Direct taxes paid	-3.2	-7.6	-2.7
Cash flows from operating activities	30.2	38.7	57.8
Cash flows provided by investing activities	100.9	63.8	91.9
Cash flows used in investing activities	-105.3	-34.2	-135.3
Change in non-current receivables	-0.3	0.3	4.4
Drawings of loans	562.6	324.9	482.1
Repayments of borrowings	-466.3	-394.0	-555.8
Hybrid bond		69.1	69.1
Dividends paid	-11.7	-10.0	-10.0
Cash flow from financing activities	84.2	-9.6	-10.2
Change in cash and cash equivalents	110.0	58.6	4.2

Cash and cash equivalents at beginning of period	34.9	30.4	30.4
Translation difference of cash and cash equivalents	-2.3	0.5	0.3
Cash and cash equivalents at end of period	142.6	89.6	34.9

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 fund

F = Hybrid bond

G = Translation difference

H = Retained earnings

I = Non-controlling interest

J = Total equity

EUR mill.	A	B	C	D	E	F	G	H	I	J
Equity 1.1.2012	34.0	5.7	-0.9		63.2		1.4	245.3	1.7	350.4
Change in IAS 19 -standard								-3.2		-3.2
Change in 10-year liability provision								-6.1		-6.1
Adjusted equity 1.1.2012	34.0	5.7	-0.9		63.2		1.4	236.0	1.7	341.1
Profit 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
Dividends paid								-9.8	-0.3	-10.1
Transactions with owners, total					0.4			-12.7	-1.5	-13.8
Hybrid bond						69.1				69.1
Equity 30.9.2012	34.0	5.7	-0.6		63.6	69.1	5.3	257.9	0.3	435.4

EUR mill.	A	B	C	D	E	F	G	H	I	J
Equity 1.1.2012	34.0	5.7	-0.9		63.2		1.4	245.3	1.7	350.4
Change in IAS 19 -standard								-3.2		-3.2
Change in 10-year liability provision								-6.1		-6.1
Adjusted equity 1.1.2012	34.0	5.7	-0.9		63.2		1.4	236.0	1.7	341.1
Profit for the accounting period								43.9	0.2	44.1
Translation difference							3.1			3.1
Cash flow hedge			0.5							0.5
Change in fair value of available-for-sale financial assets				0.0						0.0
Pension obligations								0.3		0.3
Comprehensive income, total			0.5	0.0			3.1	44.2	0.2	48.0
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			0.6		1.0
Contingent shares returned to the company								-0.3		-0.3
Hybrid bond interest								-2.6		-2.6
Dividends paid								-9.8	-0.3	-10.1
Transactions with owners, total					0.4			-15.3	-1.5	-16.4
Hybrid bond						69.1				69.1
Equity 31.12.2012	34.0	5.7	-0.4	0.0	63.6	69.1	4.5	264.9	0.4	441.8

EUR mill.	A	B	C	D	E	F	G	H	I	J
Equity 1.1.2013	34.0	5.7	-0.4	0.0	63.6	69.1	4.5	264.9	0.4	441.8
Profit for the accounting period								-7.9	0.2	-7.7
Translation difference							-6.1			-6.1
Cash flow hedge			0.3							0.3
Change in fair value of available-for-sale financial assets				0.0						0.0
Pension obligations								0.9		0.9
Comprehensive income, total			0.3	0.0			-6.1	-7.1	0.2	-12.6
Direct entries, acquisition of non-controlling interest								-0.3		-0.3
Change in non-controlling interest									0.0	0.0
Option to redeem shares from non-controlling interest								-0.5		-0.5
Share-based incentive schemes					0.2			-0.8		-0.7
Contingent shares returned to the company								-0.8		-0.8
Hybrid bond interest								-5.3		-5.3
Dividends paid								-11.8		-11.8
Transactions with owners, total					0.2			-19.5	0.0	-19.3
Equity 30.9.2013	34.0	5.7	-0.1	0.0	63.8	69.1	-1.5	238.3	0.6	409.8

6) CHANGES CONCERNING PRIOR ACCOUNTING PERIODS

Impacts of the changes in accounting principles on comparison year's income statement and balance sheet items

As a consequence of the changes in IAS 19 -standard, the pension obligations in the company's opening balance sheet for 2012 increased by EUR 4.4 million and shareholders' equity decreased by EUR 3.2 million. As a consequence of the change in the accounting principle concerning 10-year liability provisions, non-current provisions increased by EUR 7.0 million, current provisions increased by EUR 1.0 million and shareholders' equity decreased by EUR 6.1 million in the 2012 opening balance.

The comparison periods' figures have been adjusted to comply with the changed accounting principles. The impacts of the changes to the comparison periods' figures are presented in the tables below.

EUR mill.	Figure before adjustments	IAS 19 Adjustment	10-year liability provision	Adjusted figure
Consolidated statement of financial position 30.9.2012				
Deferred tax assets	28.0	1.2	2.0	31.2
Total assets	1,439.3	1.2	2.0	1,442.5
Retained earnings	232.6	-3.2	-6.1	223.3
Total equity	444.7	-3.2	-6.1	435.4
Pension obligations	2.5	4.4		6.9
Non-current provisions	5.6		7.0	12.6
Non-current liabilities	203.7	4.4	7.0	215.2
Current provisions	7.2		1.0	8.2
Current liabilities	790.9		1.0	792.0
Total equity and liabilities	1,439.3	1.2	2.0	1,442.5

EUR mill.	Figure before adjustments	IAS 19 Adjustment	10-year liability provision	Adjusted figure
Consolidated income statement 1.1.-31.12.2012				
Operating profit	50.1	0.3		50.4
Profit before income tax	29.0	0,0		29.1
Profit for the financial year	44.0	0,0		44.1
Consolidated statement of financial position 31.12.2012				
Deferred tax asset	20.4	1.1	2.0	23.5
Total assets	1,300.4	1.1	2.0	1,303.5
Retained earnings	230.0	-2.9	-6.1	220.9
Profit for the financial year	43.9	0.0		43.9
Total equity	450.8	-2.9	-6.1	441.8
Pension obligations	1.2	4.0		5.2

Non-current provisions	6.2		7.0	13.2
Non-current liabilities	179.1	4.0	7.0	190.1
Current provisions	8.1		1.0	9.1
Current liabilities	670.6		1.0	671.7
Total equity and liabilities	1,300.4	1.1	2.0	1,303.5

Impacts of the changes in accounting principles on comparison year's segment reporting figures

The Company has changed its accounting principles concerning operating segments from the beginning of 2013. As a consequence, income statement items in the Company's segment reporting comply with the consolidated financial statement's accounting principles with the exception of the impact of the items classified as discontinued operations. The comparison periods' figures have been adjusted to comply with the new accounting principle. The adjustments to the comparison periods' segment figures are presented in the tables below.

INTOPS= International Operations

BLDCO = Building Construction

INFRA = Infrastructure Construction

TECBS = Technical Building Services

OTHER = Other operations

ELIM = Group eliminations

SEGM = Segments total

EUR mill. 1-3/2012	INTOPS	BLDCO	INFRA	TECBS	OTHER	ELIM	SEGM
Net sales before adjustment	104.0	124.1	66.6	60.5	7.9	-34.8	328.4
Adjustment	-0.4						-0.4
Adjusted net sales	103.7	124.1	66.6	60.5	7.9	-34.8	328.0
Depreciation and impairment before adjustment	1.5	0.0	3.4	0.2	0.8		6.0
Adjustment	0.2	0.1	-0.3				-0.1
Adjusted depreciation and impairment	1.7	0.1	3.1	0.2	0.8		5.9
Operating profit before adjustment	-15.8	-1.0	-3.9	0.8	-2.0		-21.8
Adjustment	0.2	0.4	0.1		-0.4		0.3
Adjusted operating profit	-15.6	-0.6	-3.8	0.8	-2.4		-21.5

EUR mill. 1-6/2012	INTOPS	BLDCO	INFRA	TECBS	OTHER	ELIM	SEGM
Net sales before adjustment	343.0	282.8	224.2	117.4	18.5	-61.8	924.2
Adjustment	-8.2						-8.2
Adjusted net sales	334.8	282.8	224.2	117.4	18.5	-61.8	916.0
Depreciation and impairment before adjustment	6.8	0.0	8.4	0.4	1.7		17.2

Adjustment		0.2	-0.5				-0.3
Adjusted depreciation and impairment	6.8	0.2	7.9	0.4	1.7		16.9
Operating profit before adjustment	-14.5	1.6	7.0	1.9	-5.1		-9.1
Adjustment	-1.5		-0.5	0.1	0.4		-1.4
Adjusted operating profit	-16.0	1.6	6.5	2.0	-4.7		-10.5

EUR mill. 1-9/2012	INTOPS	BLDCO	INFRA	TECBS	OTHER	ELIM	SEGM
Net sales before adjustment	666.5	430.0	456.5	168.6	27.8	-80.3	1,669.1
Adjustment	-15.3						-15.3
Adjusted net sales	651.2	430.0	456.5	168.6	27.8	-80.3	1,653.8
Depreciation and impairment before adjustment	13.7	0.4	16.2	0.6	2.6		33.4
Adjustment	-0.6		-1.4		-0.3		-2.3
Adjusted depreciation and impairment	13.1	0.4	14.8	0.6	2.3		31.1
Operating profit before adjustment	10.4	3.4	44.2	2.2	-8.0		52.2
Adjustment	2.1	-1.7	-1.6	-0.3	-0.1		-1.6
Adjusted operating profit	12.5	1.7	42.6	1.9	-8.1		50.6

EUR mill. 1-12/2012	INTOPS	BLDCO	INFRA	TECBS	OTHER	ELIM	SEGM
Net sales before adjustment	934.3	682.4	591.1	230.0	37.8	-122.1	2,353.6
Adjustment	-31.2						-31.2
Adjusted net sales	903.2	682.4	591.1	230.0	37.8	-122.1	2,322.4
Depreciation and impairment before adjustment	18.7	0.4	21.0	0.7	4.4		45.2
Adjustment	-0.8	0.1	-1.7	0.1	-0.5		-2.9
Adjusted depreciation and impairment	17.9	0.5	19.3	0.8	3.9		42.3
Operating profit before adjustment	16.6	19.6	43.5	3.2	-8.3		74.6
Adjustment	-1.6	-2.7	3.7	0.1	0.6		0.2
Adjusted operating profit	15.0	16.9	47.2	3.3	-7.7		74.8

The 1-12/2012 operating profit adjustment includes an increase of EUR 0.3 million arising from the change in IAS 19 -standard. Of the increase, EUR 0.2 million is subject to International Operations business sector and EUR 0.1 million is subject to other operations.

7) CONSOLIDATED INCOME STATEMENT, QUARTERLY

EUR mill.	7-9/ 2013	4-6/ 2013	1-3/ 2013	10-12/ 2012	7-9/ 2012
Net sales	751.0	521.2	306.4	668.6	716.6
Other operating income and expenses	-674.7	-520.4	-338.3	-633.3	-663.9
Depreciation	15.7	12.8	5.8	11.2	14.3
Share of the profit of associates and joint ventures	1.2	-0.5	-0.5	-0.1	1.9
Operating profit	61.8	-12.4	-38.2	24.0	40.4
Finance costs	11.8	13.5	6.7	10.7	5.5
Finance income	3.9	6.7	1.8	1.4	1.8
Profit before income taxes	54.0	-19.3	-43.2	14.7	36.6
Income taxes	-12.8	2.6	10.9	-5.6	-6.3
Profit from continuing operations	41.2	-16.7	-32.3	9.1	30.3
Profit from discontinued operations				0.2	21.0
Profit for the accounting period	41.2	-16.7	-32.3	9.3	51.3
Distribution of the profit for the accounting period					
To equity holders of the parent company	40.9	-16.6	-32.2	9.2	51.1
To non-controlling interest	0.3	0.0	-0.1	0.0	0.2
Basic earnings per share attributable to equity holders of the parent company					
From continuing operations	2.02	-0.91	-1.72	0.26	1.59
From discontinued operations				0.02	1.07
From profit for the accounting period	2.02	-0.91	-1.72	0.28	2.67
Diluted earnings per share attributable to equity holders of the parent company					
From continuing operations	2.02	-0.91	-1.72	0.26	1.59
From discontinued operations				0.01	1.07
From profit for the accounting period	2.02	-0.91	-1.72	0.27	2.67

8) SEGMENT INFORMATION

Lemminkäinen's business operations are organised into four business sectors: International Operations, Building Construction, Infrastructure Construction and Tecnical Building Services.

Income statement items in The Company’s segment reporting comply with the consolidated financial statement’s accounting principles with the exception of the impact of the items classified as discontinued operations. Segments' assets include fixed assets, inventories as well as trade and other receivables.

NET SALES EUR mill.	1-9/ 2013	1-9 2012	1-12/ 2012
International Operations	683.1	651.2	903.2
Building Construction	388.7	430.0	682.4
Infrastructure Construction	389.9	456.5	591.1
Technical Building Services	153.0	168.6	230.0
Other operations	28.0	27.8	37.8
Group eliminations	-64.0	-80.3	-122.1
Segments total	1,578.7	1,653.8	2,322.4
Discontinued operations		-54.8	-54.8
Group total, IFRS	1,578.7	1,599.0	2,267.6

DEPRECIATION AND IMPAIRMENT EUR mill.	1-9/ 2013	1-9 2012	1-12/ 2012
International Operations	14.3	13.1	17.9
Building Construction	0.3	0.4	0.5
Infrastructure Construction	15.0	14.8	19.3
Technical Building Services	0.6	0.6	0.8
Other operations	4.2	2.3	3.9
Segments total	34.3	31.1	42.3
Discontinued operations		-1.3	-1.3
Group total, IFRS	34.3	29.8	41.0

OPERATING PROFIT EUR mill.	1-9/ 2013	1-9 2012	1-12/ 2012
International Operations	0.9	12.5	15.0
Building Construction	9.6	1.7	16.9
Infrastructure Construction	14.4	42.6	47.2
Technical Building Services	-2.6	1.9	3.3
Other operations	-11.1	-8.1	-7.7
Segments total	11.2	50.6	74.8
Discontinued operations		-24.2	-24.4
Group total, IFRS	11.2	26.4	50.4

NET SALES, QUARTERLY EUR mill.	7-9/ 2013	4-6/ 2013	1-3/ 2013	10-12/ 2012	7-9/ 2012
International Operations	350.5	235.8	96.8	252.0	316.4
Building Construction	149.2	116.4	123.1	252.4	147.2
Infrastructure Construction	215.2	124.7	50.0	134.6	232.3
Technical Building Services	54.6	54.5	43.9	61.4	51.2
Other operations	14.8	3.1	10.1	10.0	9.3
Group eliminations	-33.3	-13.3	-17.4	-41.8	-18.5
Segments total	751.0	521.2	306.4	668.6	737.8
Discontinued operations					-21.2
Group total, IFRS	751.0	521.2	306.4	668.6	716.6

DEPRECIATION AND IMPAIRMENT, QUARTERLY EUR mill.	7-9/ 2013	4-6/ 2013	1-3/ 2013	10-12/ 2012	7-9/ 2012
International Operations	6.8	5.4	2.1	4.8	6,3
Building Construction	0.1	0.1	0.1	0.1	0.2
Infrastructure Construction	7.3	5.2	2.5	4.5	6.9
Technical Building Services	0.2	0.2	0.2	0.2	0.2
Other operations	1.4	1.9	0.9	1.6	0.6
Segments total	15.7	12.8	5.8	11.2	14.2
Discontinued operations					0.1
Group total, IFRS	15.7	12.8	5.8	11.2	14.3

OPERATING PROFIT, QUARTERLY EUR mill.	7-9/ 2013	4-6/ 2013	1-3/ 2013	10-12/ 2012	7-9/ 2012
International Operations	31.8	-4.7	-26.2	2.5	28.5
Building Construction	7.5	-2.0	4.1	15.2	0.1
Infrastructure Construction	22.1	3.4	-11.1	4.6	36.1
Technical Building Services	-0.7	-0.5	-1.4	1.4	-0.1
Other operations	1.1	-8.5	-3.7	0.4	-3.4
Segments total	61.8	-12.4	-38.2	24.2	61.1
Discontinued operations				-0.2	-20.7
Group total, IFRS	61.8	-12.4	-38.2	24.0	40.4

ASSETS EUR mill.	9/2013	9/2012	12/2012
International Operations	527.7	417.1	335.9
Building Construction	515.2	298.0	275.8
Infrastructure Construction	232.5	152.9	120.5
Technical Building Services	58.5	28.4	30.4
Other operations	44.6	36.6	39.9
Segments total	1,378.5	993.1	802.5
Assets unallocated to segments and Group eliminations, total	253.5	449.4	501.0
Group total, IFRS	1,632.0	1,442.5	1,303.5

9) ECONOMIC TRENDS AND FINANCIAL INDICATORS

	9/2013	9/2012	12/2012
Return on equity, rolling 12 months, % [1)]	0.4	8.8	11.1
Return on investment, rolling 12 months, % [1)]	5.8	9.0	10.8
Operating profit, % of net sales	0.7	1.7	2.2
Equity ratio, %	29.2	34.4	37.2
Gearing, %	74.3	63.4	62.8
Interest-bearing net liabilities, EUR mill.	304.4	276.2	277.3
Gross investments, EUR mill. (incl. leasing purchases)	56.6	42.6	64.5
Order book, EUR mill.	1,993.4	1,659.1	1,443.9
- of which orders outside Finland, EUR mill.	889.4	589.1	574.6
Personnel on average	7,899	8,370	8,180
Personnel at the end of period	8,323	9,150	7,370
Net sales, EUR mill.	1,578.7	1,599.0	2,267.6

[1)] Includes the effect of discontinued operations

10) SHARE-SPECIFIC INDICATORS

	9/2013	9/2012	12/2012
Basic earnings per share, EUR	-0.61	1.76	2.04
Diluted earnings per share, EUR	-0.61	1.76	2.03
Equity per share, EUR	20.9	22.1	22.6
Dividend per share, EUR			0.60
Dividend per earnings, %			26.9
Market capitalisation at the end of period, EUR mill.	295.8	318.3	280.6
Share price at the end of period, EUR	15.08	16.20	14.28
Shares trading, 1,000 shares	1,395	738	992
Number of issued shares, total	19,650,176	19,650,176	19,650,176
Number of treasury shares	34,915	509	509
Weighted avarage number of shares outstanding	19,564,542	19,648,609	19,565,441
Diluted weighted average number of shares outstanding	19,615,261	19,725,220	19,660,976

11) FAIR VALUES OF FINANCIAL INSTRUMENTS

A = Financial assets and liabilities recognised at fair value through profit and loss

B = Loans and receivables

C = Available-for-sale financial assets

D = Financial liabilities recognised at amortised cost

E = Derivatives subject to hedge accounting

EUR mill.	A	B	C	D	E	CARRYING AMOUNT	FAIR VALUE
30.9.2013							
Non-current financial assets							
Available-for-sale financial assets			4.0			4.0	4.0
Other non-current receivables		1.1				1.1	1.1
Current financial assets							
Trade and other receivables		547.4				547.4	547.4
Derivative assets	0.9					0.9	0.9
Available-for-sale financial assets			36.0			36.0	36.0
Cash and cash equivalents		142.6				142.6	142.6
Financial assets total	0.9	691.2	40.0	0.0	0.0	732.1	732.1
Non-current financial liabilities							
Interest-bearing liabilities				137.0		137.0	138.4
Other non-current liabilities				4.5		4.5	4.5
Current financial liabilities							
Interest-bearing liabilities				346.0		346.0	346.0
Trade payables and other financial liabilities [1)]				439.2		439.2	439.2
Derivative liabilities	2.3				0.1	2.4	2.4
Financial liabilities total	2.3	0.0	0.0	926.7	0.1	929.2	930.5

EUR mill.	A	B	C	D	E	CARRYING AMOUNT	FAIR VALUE
31.12.2012							
Non-current financial assets							
Available-for-sale financial assets			6.0			6.0	6.0
Other non-current receivables		0.5				0.5	0.5
Current financial assets							
Trade and other receivables		362.6				362.6	362.6
Derivative assets	0.5					0.5	0.5
Available-for-sale financial assets			59.0			59.0	59.0
Cash and cash equivalents		34.9				34.9	34.9
Financial assets total	0.5	398.0	65.0			463.5	463.5

Non-current financial liabilities					
Interest-bearing liabilities		138.8		138.8	138.8
Other non-current liabilities		7.6		7.6	7.6
Current financial liabilities					
Interest-bearing liabilities		232.4		232.4	232.4
Trade payables and other financial liabilities[1)]		295.9		295.9	295.9
Derivative liabilities	1.8		0.6	2.4	2.4
Financial liabilities total	1.8	674.7	0.6	677.1	677.1

[1)] Trade payables and other financial liabilities do not include statutory obligations or prepayments received, as these are not classified as financial liabilities under IFRS.
For more information on fair value measurement of financial instruments, see Lemminkäinen's Annual report 2012, Note 24 to the consolidated financial statements.

A fair value hierarchy of financial assets and liabilities recognised at fair value

Financial instruments within Level 1 of the hierarchy are traded in active markets hence prices are obtained directly from the efficient markets.
Fair values of instruments within Level 2 are based on observable market inputs and generally accepted valuation methods.
Fair values within Level 3 are not based on observable market data but on quotations provided by brokers and market valuation reports.

EUR mill.	Level 2	Level 3	TOTAL
30.9.2013			
Available-for-sale financial assets			
Equity instruments		4.0	4.0
Money market investments	36.0		36.0
Derivative instruments			
Derivative assets	0.9	0.0	0.9
Derivative liabilities	0.9	1.5	2.4

EUR mill.	Level 2	Level 3	TOTAL
31.12.2012			
Available-for-sale financial assets			
Equity instruments		6.0	6.0
Money market investments	59.0		59.0
Derivative instruments			
Derivative assets	0.2	0.3	0.5
Derivative liabilities	1.5	0.8	2.4

Level 3 reconciliation statement

A = Derivative instruments recongised at fair value through profit and loss

B = Financial assets recognised at fair value through other comprehensive income

EUR mill.	A		B
Opening balance 31.12.2012	-0.6		6.0
Additions			0.0
Disposals			-2.0
Derivative settlements	-0.1		
Gains and losses recognised through profit or loss, total	-0.9		
Fair values 30.9.2013	-1.5		4.0

12) GUARANTEES AND COMMITMENTS

EUR mill.	9/2013	9/2012	12/2012
Pledges for own commitments			
Pledged deposits	0.0	0.0	0.0
Pledges on behalf of others			
Pledged securities		0.1	
Guarantees			
On behalf of associates and joint ventures	17.4	20.3	17.9
On behalf of consortiums and real estate companies	13.0	13.3	13.3
Total	30.4	33.6	31.2
Minimum lease payments of irrevocable lease contracts in			
One year or less	14.5	15.2	15.0
Over one year but no more than five years	28.7	31.6	30.4
Over five years	7.1	11.2	17.0
Total	50.3	58.0	62.3
Purchase commitments of investments	3.8	9.2	5.3
Derivative contracts			
Forward foreign exchange contracts			
Nominal value	124.5	62.0	93.6
Fair value	0.1	0.0	-0.3

Interest rate swap contracts			
Nominal value	52.9	27.2	61.5
Fair value	0.0	-1.1	-1.1
Commodity derivatives			
Volume, MT	69,693	47,850	40,000
Nominal value	28.9	22.2	17.2
Fair value	-1.5	0.1	-0.6

The fair value of derivative instruments is the gain or loss arising from the settlement of the contract at the market price prevailing on the reporting date.

13) CONTINGENT LIABILITIES

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.

On 30 September 2013, there were a total of 52 claims for damages brought by municipalities and the Finnish state (Finnish Transport Agency) pending against Lemminkäinen and other asphalt industry companies in the District Court. The claimants contend that restrictions on competition have caused them damage. The total amount of damages currently sought from Lemminkäinen amounts to about EUR 129 million. The claims presented in the statements of claim differ from each other as regards their amounts and grounds.

As it stands, the ruling rendered by the SAC in 2009 does not mean that Lemminkäinen or the other asphalt industry companies actually caused any damage to their asphalt contract 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 on the claims made by 38 municipalities and the Finnish Transport Agency began in September 2012 and ended on 12 April 2013. The damages presented in these 39 claims total about EUR 121 million. According to a statement made by the District Court, its decisions on these claims will be announced on 28 November 2013.