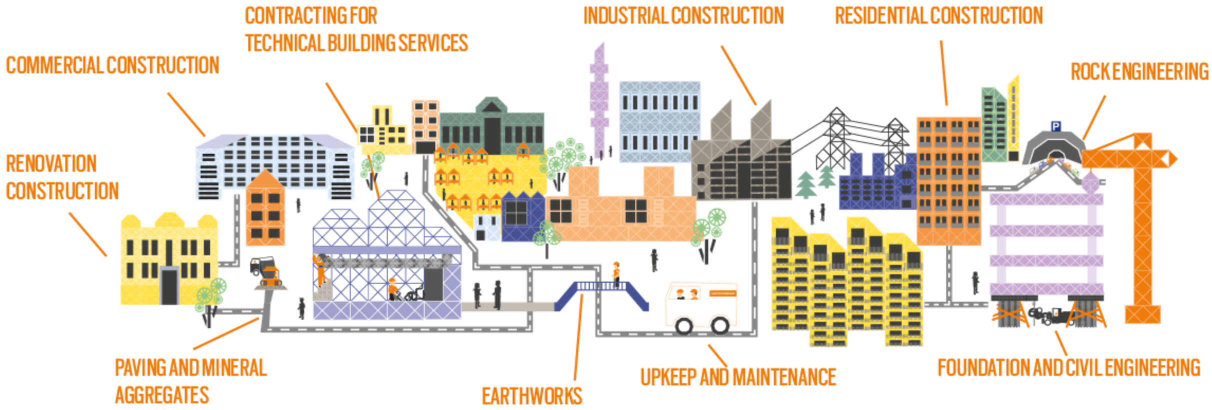
LEMMINKÄINEN
INTERIM REPORT



Lemminkäinen Interim Report 1 January – 30 June 2013:

Profitability challenges especially in international operations; Lemminkäinen to cut costs by EUR 30 million.

Lemminkäinen

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January–June 2013 (1–6/2012)

- Net sales for the first half of the year fell by 6% and totalled EUR 827.6 million (882.4).
- On 30 June 2013, the order book was EUR 2,085.1 million (1,931.2). Most of the increase in the order book originated from International Operations. Projects attributable to 2013 account for 52 (53) per cent of the order book.
- Operating profit weakened and totalled EUR -50.7 million (-13.9) with an operating margin of -6.1% (-1.6). The losses derived from the delayed start of the paving season, low number of housing completion and various one-offs.
- Pre-tax profit was EUR -62.4 million (-22.3).
- Earnings per share were EUR -2.63 (-0.90).
- Cash flow from operations totalled EUR -78.2 million (9.2). Factors influencing cash flows included especially the weak result of the review period and changes in working capital.
- The equity ratio stood at 29.2% (31.2) and gearing at 108.6% (91.7).
- Interest-bearing liabilities increased by 30%, totalling EUR 494.5 million (381.6) at the end of the review period. Interest-bearing net debt totalled EUR 405.2 million (348.9).

April–June 2013 (4–6/2012)

- Second-quarter net sales fell by 8% and totalled EUR 521.2 million (567.0).
- Operating profit noticeably weakened and totalled EUR -12.4 million (7.7) with an operating margin of -2.4% (1.4).
- Pre-tax profit was EUR -19.3 million (2.0).
- Earnings per share were EUR -0.91 (0.12).
- Cash flow from operations totalled EUR -53.8 million (-26.4).

Profit guidance for 2013

On the basis of the order book and the short-term outlook for demand, net sales in 2013 are expected to be on a par with 2012. 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. Since the beginning of the year, Lemminkäinen has revised its profit guidance for 2013 on 19 April 2013 and on 18 July 2013.

Key figures

IFRS, EUR million	1–6/2013	1–6/2012	Change	4–6/2013	4–6/2012	Change	1–12/2012
Net sales	827.6	882.4	-6%	521.2	567.0	-8%	2,267.6
Operating profit	-50.7	-13.9	over 100	-12.4	7.7		50.4
Operating margin, %	*-6.1*	*-1.6*		*-2.4*	*1.4*		*2.2*
Pre-tax profit	-62.4	-22.3	over 100	-19.3	2.0		29.1
Profit from continuing operations	-48.9	-19.0	over 100	-16.7	1.0		20.4
Profit from discontinued operations		2.5			2.4		5.7
Gain on sale from discontinued operations (after taxes)							18.0
Profit for the period	-48.9	-16.5	over 100	-16.7	3.5		44.1
Basic earnings per share, EUR							
From continuing operations	-2.63	-1.02	over 100	-0.91	0.00		0.83
From discontinued operations		0.12			0.12		1.21
From the profit for the period	-2.63	-0.90	over 100	-0.91	0.12		2.04
Cash flow from operations	-78.2	9.2		-53.8	-26.4		57.8

Business functions divested in 2012 are categorised as discontinued operations. 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 gain on sale of EUR 17.3 million, primarily in the third quarter of 2012.

IFRS, EUR million	30 June 2013	30 June 2012	Change	31 December 2012
Order book, EUR million	2,085.1	1,931.2	8%	1,443.9
Balance sheet total, EUR million	1,461.8	1,389.7	5%	1,303.5
Interest-bearing net debt, EUR million	405.2	348.9	16%	277.3
Equity ratio, %	*29.2*	*31.2*		*37.2*
Gearing, %	*108.6*	*91.7*		*62.8*
Return on investment (rolling 12 months), %	*5.7*	*8.4*		*10.8*

President & CEO's view

"Lemminkäinen's result for the first half of the year was poor across the Group, but the main profitability challenges lie in our international operations," says **Timo Kohtamäki**, President and CEO. "The single most significant reason behind the negative result was the delayed start of the season in paving and mineral aggregates by 4 to 12 weeks in all our operating countries. Our cost structure in the paving business, and above all labour cost, were too heavy for the H1 business volume. In residential development and construction, the number of housing units completed was exceptionally low. Furthermore, we had one-offs worth over EUR 10 million related to the efficiency improvement measures in Norway as well as the telecommunications network business."

"Though the EUR 50 million efficiency programme launched in 2011 focusing on the Finnish operations has proceeded as planned, it is evident that the measures are not sufficient. We must continue to streamline our cost structure to decrease the impact of seasonality, and to improve our competitiveness."

The goal is to cut the cost structure by EUR 30 million. The decisions will be implemented in 2013, and the full impact of the measures is expected to materialize from the second-half of 2014 onwards. The EUR 30 million plan includes the EUR 10 million savings potential published in May 2013.

"We will continue to increase the use of subcontracting and outsourcing. We will also conclude the measures to significantly reduce the number of regional units in Finland and Norway. Unavoidably this will also require adjusting the number of employees to the business volume."

Lemminkäinen estimates that the personnel impact of the measures is about 500 men-year. The adjustment measures will affect the entire Lemminkäinen Group in all its operating countries.

"Scandinavia and Russia have the biggest growth and profitability improvement potential for us. To ensure the successful implementation of the efficiency measures and to speed up profitable growth, we have strengthened the management of our international operations," Kohtamäki says.

Market outlook

The general market situation in construction has weakened; in Finland, the total volume of construction is expected to decrease this year. Infrastructure construction is declining for the third year in a row, and this trend is not expected to change significantly in the next few years without support from the state. Sales of new apartments will focus more intensely on the Helsinki metropolitan area and urban growth centres. Low interest rates are maintaining demand for housing, but demand development is slowed down by stricter loan terms and higher interest rate margins applied by banks. In St Petersburg, Russia, demand for comfort-class apartments is still strong, and demand for infrastructure construction is boosted by several road projects across Russia. In Sweden and Norway, the growing infrastructure market is attracting new players from all across Europe, and particularly in paving and rock engineering, competition for projects is intense.

Briefing

A Finnish-language briefing for analysts and the media will be held at 1:00 p.m. on Thursday, 8 August at Lemminkäinen's head office. The street address is Salmisaarenaukio 2, Helsinki, Finland. The President & CEO Timo Kohtamäki will present the Interim Report. Presentation materials are available in Finnish and English on the company's website, www.lemminkainen.com.

Financial Reports for 2013

The Interim Reports and Financial Statements Bulletin for 2013 will be published as follows:

7 November 2013	Interim Report, 1 Jan–30 Sept 2013
7 February 2014	Financial Statements Bulletin 2013

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Operating environment

In Finland, the general market situation in construction remained weak, and this trend is not expected to change in the near future. In residential construction, the demand was good in the Helsinki metropolitan area and in some urban growth centres. The asset transfer tax increase that came into force in March slowed down housing sales only momentarily and sales recovered towards the end of the review period. Commercial construction was minimal and was concentrated to the Helsinki metropolitan area. Profitability in contracting in building construction and technical building services remained weak. In infrastructure construction, the extended winter reduced demand for paving and mineral aggregates, in addition to which the orders from the public sector clearly decreased. The decline in building construction could also be seen in foundation engineering.

In Sweden and Norway, the growing infrastructure market attracted new players from all across Europe, which reflected in the price level of contracts. Due to the long and snowy winter, the paving season in **Scandinavia** started 4-12 weeks later than usual.

In Russia, the authorities' permit processing revived in St Petersburg and the construction of comfort-class apartments increased. During the first half of the year, more mortgages were drawn than before and the interest rates for loans rose slightly from last year. The construction and repair of major inter-city highways boosted the demand for infrastructure construction in Russia. **In Latvia** and **Lithuania** demand for infrastructure construction remained at a good level while in **Estonia** the market situation weakened.

Group performance

Net sales

Net sales by business segment, EUR million	1–6/2013	1–6/2012	Change	4–6/2013	4–6/2012	Change	1–12/2012
International Operations	332.6	334.8	-1%	235.8	231.1	2%	903.2
Building Construction	239.5	282.8	-15%	116.4	158.7	-27%	682.4
Infrastructure Construction	174.7	224.2[1)]	-22%	124.7	157.6[2)]	-21%	591.1[3)]
Technical Building Services	98.4	117.4	-16%	54.5	56.9	-4%	230.0
Other operations and business eliminations	-17.5	-43.3	-60%	-10.2	-16.4	-38%	-84.3
Business segments, total	827.6	916.0	-10%	521.2	588.0	-11%	2,322.4
Discontinued operations		-33.6			-21.0		-54.8
Group, total (IFRS)	827.6	882.4	-6%	521.2	567.0	-8%	2,267.6

1) Includes EUR 33 million in net sales from discontinued operations.
2) Includes EUR 21 million in net sales from discontinued operations.
3) Includes EUR 55 million in net sales from discontinued operations.

In January–June, Lemminkäinen's net sales fell by 6% and totalled EUR 827.6 million (882.4). Net sales fell short of the previous year in all business segments. **In Finland,** net sales were impaired by the delayed start of the paving season, the low number of own residential development construction projects completed and the postponed project start-ups in technical building services. **In Sweden, Norway and Denmark,** the long winter delayed the start of the paving season by 4-12 weeks, with the delay varying from location to location. **In Russia,** no units of Lemminkäinen's residential development and construction were completed. **In the Baltic countries,** demand for infrastructure construction decreased especially in Estonia.

Of the January–June net sales, 60% (64) were generated in Finland, 28% (25) in other Nordic countries, 7% (5) in Russia, and 5% (6) in other countries.

Operating profit

Operating profit by business segment, EUR million	1–6/2013	1–6/2012	Change	4–6/2013	4–6/2012	Change	1–12/2012
International Operations	-30.9	-16.0	-93%	-4.7	-0.4	over 100	15.0
Building Construction	2.1	1.6	31%	-2.0	2.2		16.9
Infrastructure Construction	-7.7	6.5[1)]		3.4	10.3[1)]	-67%	47.2[2)]
Technical Building Services	-1.9	2.0		-0.5	1.2		3.3
Other operations	-12.2	-4.7	over 100	-8.5	-2.3	over 100	-7.7
Business segments, total	-50.7	-10.5	over 100	-12.4	11.0		74.8
Discontinued operations		-3.4			-3.3		-24.4
Group, total (IFRS)	-50.7	-13.9	over 100	-12.4	7.7		50.4

1) Includes EUR 4 million in operating profit from discontinued operations.
2) Includes EUR 25 million in operating profit and gain on sale from discontinued operations.

Other operations´ expenses increased due to, for instance, increased ICT costs and depreciation for system development costs.

Operating margin by business segment, %	1–6/2013	1–6/2012	4–6/2013	4–6/2012	1–12/2012
International Operations	-9.3	-4.8	-2.0	-0.2	1.7
Building Construction	0.9	0.6	-1.7	1.4	2.5
Infrastructure Construction	-4.4	2.9	2.7	6.5	8.0
Technical Building Services	-1.9	1.7	-0.9	2.1	1.4
Group, total (IFRS)	-6.1	-1.6	-2.4	1.4	2.2

The loss for the review period was greater than in the comparison period: the January–June operating profit was EUR -50.7 million (-13.9). The second quarter was also negative: the April–June operating profit stood at EUR -12.4 million (7.7).

The single most significant reason behind the negative result was the delayed start of the season in paving and mineral aggregates by 4 to 12 weeks in all Lemminkäinen´s operating countries. The cost structure in the paving business, and above all labour cost, were too heavy for the H1/2013 business volume.

In residential development and construction in **Russia**, the company completed no new housing units, and in **Finland** the number was exceptionally low. Also, in infrastructure construction in Finland, the result of the comparison period in 2012 was exceptionally good, as several specialised contracting projects were completed. No comparable projects were completed in the review period.

In addition, the result in the first half of the year was burdened by one-offs worth about EUR 10 million related to the efficiency improvement measures in Norway as well as the divestment and currency exchange rate losses related to the telecommunications network business.

Order book

Order book by business segment, EUR million	30 June 2013	30 June 2012	Change	31 December 2012
International Operations	994.9	680.0	46%	574.6
Building Construction	667.8	731.7	-9%	526.9
Infrastructure Construction	310.8	401.1 1)	-23%	234.7
Technical Building Services	111.6	118.5	-6%	107.7
Group, total	2,085.1	1,931.2 1)	8%	1,443.9
- of which unsold	460.0	240.7		176.7

1) Includes EUR 13 million in the order book of the divested concrete business.

At the end of the review period, Lemminkäinen's order book stood at EUR 2,085.1 million (1,931.2). 2013 projects account for 52% (53) of the order book.

The order book grew most in International Operations. Significant new orders during the review period include a residential development and construction project in Russia (EUR 180 million), a spa project in Sweden (EUR 45 million), and an airport renovation contract in Norway (EUR 21 million). In addition, the company won several medium-sized infrastructure construction contracts in Russia and the Baltic countries.

Of the Group's order book, 52% (65) originated in Finland, 26% (20) in other Nordic countries, 17% (8) in Russia, and 5% (7) in other countries.

Balance sheet, cash flow and financing

On 30 June 2013, the balance sheet total was EUR 1,461.8 million (1,389.7), of which shareholders' equity accounted for EUR 373.0 million (380.4). At the end of the review period, Lemminkäinen's working capital amounted to EUR 1,009.5 million (982.8) and net working capital to EUR 454.7 million (408.1). At the end of the review period, Lemminkäinen's equity ratio stood at 29.2% (31.2) and gearing at 108.6% (91.7). Changes from the comparison period were mainly due to the increase in short-term interest-bearing debt. The weak result of the review period reduced Lemminkäinen's return on investment (rolling 12 months) to 5.7% (8.4).

Interest-bearing debt increased by 30%, totalling EUR 494.5 million (381.6) at the end of the review period. Long-term interest-bearing debt totalled EUR 163.0 million (176.0) and short-term interest-bearing debt EUR 331.5 million (205.5). Of all interest-bearing debt, 30 per cent (38) was with a fixed interest rate. Of the company's interest-bearing debt, 18% (20) comprises loans from financial institutions, 37% (20) commercial papers, 14% (15) project loans related to residential and commercial development, 7% (15) 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 210.0 million (140.1) and overdraft limits amounting to approximately EUR 41 million (39). The financing expenses, on average, were 2.83 per cent (3.42).

At the end of the review period, the company's cash funds stood at EUR 89.3 million (32.7). Interest-bearing net debt totalled EUR 405.2 million (348.9). Net finance costs amounted to EUR 11.8 million (8.3), representing 1.4 per cent (0.9) of net sales. The increase in interest-bearing debt, for instance, contributed to the difference to the comparison period.

Cash flow from operations totalled EUR -78.2 million (9.2) in January–June and EUR -53.8 million (-26.4) in April–June. The change from the comparison period was due to the weak result for the current year and additions to the working capital.

Efficiency programme and measures

In autumn 2011, Lemminkäinen launched an efficiency programme that seeks cost savings of EUR 50 million from 2014 onwards. As a consequence of this, the number of employees was reduced by 300. In addition to personnel reductions, the efficiency programme seeks to improve procurement efficiency, lighten administrative structures and develop own operations. By June 2013, the efficiency programme had identified total cost savings of approximately EUR 30 million. However, in procurement the gains were not fully realised in the company's result due to intensified competition.

Lemminkäinen will speed up and widen the implementation of the efficiency measures especially in its operations outside of Finland. In order to decrease the impact of seasonality, Lemminkäinen will increase the use of subcontracting and outsourcing. The company will also conclude the measures to significantly reduce the number of regional units in Finland and Norway. The goal is to cut the cost structure by EUR 30 million. The decisions will be implemented in 2013, and the full impact of the measures is expected to materialize from the second-half of 2014 onwards. The EUR 30 million plan includes the EUR 10 million savings potential published in May 2013. Lemminkäinen estimates that the personnel impact of the measures is about 500 men-year. The adjustment measures will affect the entire Lemminkäinen Group in all its operating countries.

Performance by business segment

International Operations

Key figures, EUR million	1–6/2013	1–6/2012	Change	4–6/2013	4–6/2012	Change	1–12/2012
Net sales	332.6	334.8	-1%	235.8	231.1	2%	903.2
Operating profit	-30.9	-16.0	-93%	-4.7	-0.4	over 100	15.0
Operating margin, %	*-9.3*	*-4.8*		*-2.0*	*-0.2*		*1.7*
Order book at end of period	994.9	680.0	46%				574.6

The segment's net sales remained at the same level as last year. However, the loss was noticeably greater: in January–June, the operating profit was EUR -30.9 million (-16.0) and in April–June EUR -4.7 million (-0.4).

The majority of this loss originated from the **Scandinavian** paving business, in which the effects of the delayed start of the paving season extended to the second quarter. Lemminkäinen´s cost structure in the paving business, and above all labour cost, were too heavy for the H1/2013 business volume. Also, the profitability of ongoing tunnel projects in Norway and Sweden was weaker than last year. The intensified competition in Scandinavia lowers the price level of infrastructure contracts. In Sweden, the result for building construction developed favourably.

In Russia, no residential development and construction projects were completed in the review period. Contracting in building construction and technical building services compensated for the shortfall in residential construction. In St Petersburg, the authorities' permit processing revived and the company began the construction of a residential project comprising more than 700 apartments in the St Petersburg city centre. The value of the project is approximately EUR 180 million, and all of its phases are estimated to be completed by the end of 2015. In infrastructure construction in Russia, the company won more construction and basic improvement contracts for major highways. The effects of the delayed paving season could also be seen in the infrastructure construction in Russia and **the Baltic countries**.

Of the segment's net sales, 34% were generated in Sweden, 26% in Norway, 17% in Russia, 10% in the Baltic countries, 9% in Denmark, and 4% in other countries. By business operation, 65% were generated by infrastructure construction, 28% by building construction, and 7% by technical building services and project exports.

The order book grew clearly and stood at EUR 994.9 million (680.0) at the end of the review period. 2013 projects account for about 46 per cent of the order book.

Lemminkäinen's residential development and construction, Russia, no.	1–6/2013	1–6/2012	Change, no.	1–12/2012
Units started	757	0	757	0
Units sold	0	54	-54	141
Units completed	0	0	0	0
Under construction at end of period	1,182	404	778	425
- of which unsold	1,106	404	702	349
Completed and for sale at end of period	17	28	-11	17

The amount of capital tied up in the building construction in Russia at the end of the review period was EUR 66.2 million (41.9), of which St Petersburg land bank accounted for EUR 10.4 million (10.7).

Building Construction

Key figures, EUR million	1–6/2013	1–6/2012	Change	4–6/2013	4–6/2012	Change	1–12/2012
Net sales	239.5	282.8	-15%	116.4	158.7	-27%	682.4
Operating profit	2.1	1.6	31%	-2.0	2.2		16.9
Operating margin, %	*0.9*	*0.6*		*-1.7*	*1.4*		*2.5*
Order book at end of period	667.8	731.7	-9%				526.9

The net sales of Building Construction fell by 15% in the first half of the year to EUR 239.5 million (282.8). In the second quarter, the decrease amounted to 27%. As expected, housing sales slowed down after the asset transfer tax change that came into force in March, but recovered in June. The minimal commercial construction activity was concentrated to the Helsinki metropolitan area.

The segment's January–June operating profit was EUR 2.1 million (1.6). The second-quarter operating profit showed a loss, totalling EUR -2.0 million (2.2). In April–June, only 28 (260) housing units were completed. Lemminkäinen estimates that approximately 1,000 housing units will be completed in 2013, of which 65 per cent are scheduled in the last quarter of the year. Profitability in contracting remained weak. In addition, brisk commercial construction in the Helsinki metropolitan area improved the result in the second quarter in 2012.

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 supply in subcontractor services, particularly in the Helsinki metropolitan area.

Building Construction's order book remained at the same level as in 2012, standing at EUR 667.8 million (731.7). 2013 projects account for about 53 per cent of the order book.

Lemminkäinen's residential development and construction, Finland, no.	1–6/2013	1–6/2012	Change, no.	4–6/2013	4–6/2012	Change, no.	1–12/2012
Units started	576	601	-25	290	382	-92	1,019
Units sold	540	442	98	169	220	-51	1,013
Units completed	154	316	-162	28	260	-232	1,151
Under construction at end of period	1,279	1,274	5				857
- of which unsold	600	696	-96				453
Completed and available for sale at end of period	149	170	-21				260
Units started (contracting)	*153*	*240*	*-87*	*100*	*90*	*10*	*514*

At the end of the review period, Lemminkäinen owned a total 822,000 m² of the floor area (760,000) of unused building rights in Finland, of which 296,000 m² of the floor area (353,000) were residential building rights. About a fifth of these unused building rights were located in the Helsinki metropolitan area. The balance sheet value of the land bank was EUR 96.7 million (97.8) at the end of the review period, of which about a quarter were in the Helsinki metropolitan area.

Infrastructure Construction

Key figures, EUR million	1–6/2013	1–6/2012	Change	4–6/2013	4–6/2012	Change	1–12/2012
Net sales	174.7	224.2[1)]	-22%	124.7	157.6[2)]	-21%	591.1[3)]
Operating profit	-7.7	6.5[4)]	over 100	3.4	10.3[4)]	-67%	47.2[5)]
Operating margin, %	*-4.4*	*2.9*		*2.7*	*6.5*		*8.0*
Order book at end of period	310.8	401.1	-23%				234.7

1) Includes EUR 33 million in net sales from discontinued operations.
2) Includes EUR 21 million in net sales from discontinued operations.
3) Includes EUR 55 million in net sales from discontinued operations.
4) Includes EUR 4 million in operating profit from discontinued operations.
5) Includes EUR 25 million in operating profit and gain on sale from discontinued operations.

The January–June net sales declined by 22% and totalled EUR 174.7 million (224.2). The second quarter showed a similar decline. The comparable net sales adjusted for discontinued operations fell by approximately 9%. In January–June, demand for paving and mineral aggregates clearly weakened. The orders from the public sector clearly decreased from last year. Also, the net sales in specialised infrastructure constructing declined.

In January–June, the operating profit was EUR -7.7 million (6.5) and in April–June, it was EUR 3.4 million (10.3). In January–June, the comparable operating profit was EUR -7.7 million (2.6) and in April–June, it was EUR 3.4 million (6.6). The loss in paving and mineral aggregates was clearly higher than in comparison period. The long winter delayed the start of the paving season, in addition to which the decline in the total volume of construction was reflected in demand for mineral aggregates in particular. In addition, several specialised contracting projects were completed during the comparison period.

The segment's order book fell from the comparison period and stood at EUR 310.8 million (401.1). 2013 projects account for about 69 per cent of the order book. The order book for the comparison period includes EUR 13 million of concrete business.

Technical Building Services

Key figures, EUR million	1–6/2013	1–6/2012	Change	4–6/2013	4–6/2012	Change	1–12/2012
Net sales	98.4	117.4	-16%	54.5	56.9	-4%	230.0
Operating profit	-1.9	2.0		-0.5	1.2		3.3
Operating margin, %	*-1.9*	*1.7*		*-0.9*	*2.1*		*1.4*
Order book at end of period	111.6	118.5	-6%				107.7

The net sales and result in the Technical Building Services segment were weaker than in the comparison period. The segment's result and volume of business was burdened by delayed project start-ups and clearly weakened market situation.

The amount of new work has declined in contracting, and the average size of contracts is smaller than before. Profitability in contracting as a whole remained weak, and the number of personnel was reduced during early 2013 to correspond to the weakened demand. Demand for upkeep and maintenance services remained good. The company has signed several long-term property upkeep and maintenance contracts during the past year.

The segment's order book stood at EUR 111.6 million (118.5) at the end of the review period. 2013 projects account for about 58 per cent of the order book.

Investments

Gross investments during the review period amounted to EUR 42.9 million (31.8), representing 5.2% (3.5) 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

During the review period, the Group employed an average of 7,620 people (7,950). Of these, 3,012 (2,934) were salaried employees and 4,609 (5,016) were hourly paid employees. The company's payroll stood at 8,637 (9,063) at the end of the review period. The changes in the number of personnel stemmed mainly from the divestments of non-core businesses.

Personnel by business segment, average	1–6/2013	1–6/2012	Change	1–12/2012
International Operations	2,880	2,702	7%	3,057
Building Construction	1,445	1,501	-4%	1,425
Infrastructure Construction	1,351	1,706	-21%	1,751
Technical Building Services	1,638	1,731	-5%	1,631
Parent company	307	310	-1%	316
Group, total	7,620	7,950	-4%	8,180

Average number of personnel by country	1–6/2013	1–6/2012	Change	1–12/2012
Finland	4,772	5,277	-10%	5,154
Other Nordic countries	1,160	1,074	8%	1,293
Baltic countries	770	741	4%	785
Russia	742	624	19%	674
Other countries	176	234	-25%	274
Group, total	7,620	7,950	-4%	8,180

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 288.5 million (306.3). 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 14.71 (15.59) at the end. In addition to NASDAQ OMX Helsinki, Lemminkäinen's share is also traded on alternative markets. A total of 1,310,490 shares (356,273) were traded during the review period. The total value of share turnover was EUR 20.9 million (6.6). During the review period, alternative markets accounted for 12 per cent (12) of Lemminkäinen's total share turnover. (Source: Fidessa Fragmentation Index, http://fragmentation.fidessa.com.)

Shareholders

At the end of the review period, the company had 5,004 shareholders (4,605). 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 June 2013, there were a total of 52 claims for damages brought by municipalities and one by 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 totals 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 24 October 2013 at the earliest.

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).

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 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 continue decreasing this 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. Euroconstruct estimates that the number of apartment starts will be approximately 27,000 in 2013 and approximately 26,000 in 2014 and 2015. Practically no new commercial projects will be launched outside urban growth centres. Renovation construction is estimated to continue growing, and its volume is forecast to exceed the volume of new building construction this year.

The total volume of infrastructure construction is estimated to decline for the third year in a row, and this trend is not expected to change in the next few years without support from the state. There are currently still plenty of underground city-centre premises under construction, but the start of new, planned projects remains uncertain. Demand for foundation engineering will decrease as building construction declines. Challenges in the mining business will have an effect on the volume of rock engineering.

The market situation for the upkeep and maintenance of technical building systems is expected to remain stable. The demand for contracting in technical building services has decreased, and no significant change is expected during the current year.

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 rapidly growing infrastructure market will attract plenty of new players into the country, and the intensified competition may further lower the price level in the industry. 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.

Economic growth forecasts **for Russia** have been adjusted downward, which may reduce residential construction in St Petersburg. On the other hand, domestic migration, the growing middle class and the increased availability of consumer mortgages are all supporting demand for new comfort-class apartments in particular. 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 maintain demand for infrastructure construction at a reasonable level throughout 2013, at least in Latvia and Lithuania. In Estonia, the total volume of infrastructure construction seems to be lower than last year.

Profit guidance for 2013

On the basis of the order book and the short-term outlook for demand, net sales in 2013 are expected to be on a par with 2012. 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

Changes in Lemminkäinen´s management

Lemminkäinen has allocated the management responsibilities for its International Operations business segment as follows: Maaret Heiskari has been appointed Executive Vice President, Russia and a member of the Executive Board. Timo Vikström has been appointed Executive Vice President, Scandinavia and a member of the Executive Board.

Harri Kailasalo, Executive Vice President, Infrastructure Construction in Finland, will also be responsible for the Baltic countries and the project business in other areas.

Executive Vice President, International Operations Henrik Eklund will transfer to the position of Senior Vice President, Sweden and will no longer be a member of the Executive Board.

The changes will take effect on 8 August 2013. More information about Lemminkäinen´s Executive Board, as well as CVs and photographs of Maaret Heiskari and Timo Vikström, will be found on Company´s website at www.lemminkainen.com/investors.

Helsinki, 8 August 2013

LEMMINKÄINEN CORPORATION
Board of Directors

TABULATED SECTIONS OF THE INTERIM REPORT

Accounting principles

The same IFRS recognition and measurement principles have been observed in the preparation of this interim report as in the 2012 financial statements, except for the changes mentioned below. Interim report complies with IAS 34 - Interim Financial Reporting.

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), IFRS 9 (classification and valuation) and IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine.

Standards and interpretations applied by the company after 2013

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.	1-6/ 2013	4-6/ 2013	1-6/ 2012	4-6/ 2012	1-12/ 2012
Net sales	827.6	521.2	882.4	567.0	2,267.6
Other operating income and expenses	-858.7	-520.4	-880.1	-548.6	-2,177.3
Depreciation	18.6	12.8	15.5	10.3	41.0
Share of the profit of associates and joint ventures	-1.0	-0.5	-0.7	-0.4	1.1
Operating profit	-50.7	-12.4	-13.9	7.7	50.4
Finance costs	20.3	13.5	16.4	6.5	32.6
Finance income	8.5	6.7	8.1	0.8	11.3
Profit before taxes	-62.4	-19.3	-22.3	2.0	29.1
Income taxes	13.5	2.6	3.3	-1.0	-8.7
Profit from continuing operations	-48.9	-16.7	-19.0	1.0	20.4
Profit from discontinued operations			2.5	2.4	23.7
Profit for the accounting period	-48.9	-16.7	-16.5	3.5	44.1
Profit for the accounting period attributable to					
Equity holders of the parent company	-48.8	-16.6	-16.4	3.6	43.9
Non-controlling interests	-0.1	0.0	-0.1	-0.2	0.2
Basic earnings per share attributable to equity holders of the parent company					
From continuing operations	-2.63	-0.91	-1.02	0.00	0.83

From discontinued operations			0.12	0.12	1.21
From profit for the accounting period	-2.63	-0.91	-0.90	0.12	2.04
Diluted earnings per share attributable to equity holders of the parent company					
From continuing operations	-2.63	-0.91	-1.02	0.00	0.83
From discontinued operations			0.12	0.12	1.20
From profit for the accounting period	-2.63	-0.91	-0.90	0.12	2.03

2) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR mill.	1-6/ 2013	4-6/ 2013	1-6/ 2012	4-6/ 2012	1-12/ 2012
Profit for the accounting period	-48.9	16.7	-16.5	3.5	44.1
Translation difference	-4.0	-4.2	1.5	-0.9	3.1
Cash flow hedge	0.2	0.1	0.2	0.1	0.5
Change in fair value of available-for-sale financial assets	0.0	0.0			0.0
Pension obligations	0.6	0.3			0.3
Other comprehensive income, total	-3.2	3.8	1.8	-0.7	3.9
Comprehensive income for the accounting period	-52.1	20.5	-14.8	2.7	48.0
Comprehensive income for the accounting period attributable to					
Equity holders of the parent company	-52.0	20.4	-14.7	2.9	47.8
Non-controlling interests	-0.1	0.0	-0.1	-0.2	0.2

3) CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR mill.	6/2013	6/2012	12/2012
ASSETS			
Non-current assets			
Property, plant and equipment	208.8	200.0	200.5
Goodwill	80.8	76.2	77.0
Other intangible assets	27.5	23.7	26.7
Holdings in associates and joint ventures	8.2	8.3	9.7
Available-for-sale financial assets	4.0	6.1	6.0
Deferred tax assets	32.7	30.4	23.5
Other non-current receivables	1.1	4.6	0.5
Total	**363.0**	**349.3**	**343.8**
Current assets			
Inventories	536.2	497.0	494.4
Trade and other receivables	466.9	458.8	363.1

Income tax receivables	6.4	10.0	8.3
Available-for-sale financial assets	65.0		59.0
Cash and cash equivalents	24.3	32.7	34.9
Total	**1,098.8**	**998.6**	**959.7**
Non-current assets held for sale		41.9	
Total assets	**1,461.8**	**1,389.7**	**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	-0.2	-0.7	-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	0.5	2.9	4.5
Retained earnings	248.6	222.1	220.9
Profit for the period	-48.8	-16.4	43.9
Equity attributable to shareholders of the parent company	372.7	380.3	441.4
Non-controlling interests	0.2	0.1	0.4
Total equity	**373.0**	**380.4**	**441.8**
Non-current liabilities			
Deferred tax liabilities	17.8	22.9	25.2
Pension obligations	4.7	8.4	5.2
Interest-bearing liabilities	163.0	176.0	138.8
Provisions	12.3	12.6	13.2
Other liabilities	4.7	8.2	7.6
Total	**202.5**	**228.1**	**190.1**
Current liabilities			
Interest-bearing liabilities	331.5	205.5	232.4
Provisions	7.0	8.5	9.1
Trade and other payables	545.9	552.9	427.8
Income tax liabilities	1.9	3.3	2.4
Total	**886.3**	**770.3**	**671.7**
Liabilities associated with non-current assets held for sale		11.0	
Total liabilities	**1,088.8**	**1,009.3**	**861.8**
Total equity and liabilities	**1,461.8**	**1,389.7**	**1,303.5**

4) CONSOLIDATED CASH FLOW STATEMENT

EUR mill.	1-6/ 2013	1-6/ 2012	1-12/ 2012
Profit before taxes	-62.4	-22.3	29.1
Depreciation and impairment	18.6	15.5	41.0
Other adjustments	9.2	12.7	16.0
Cash flows before change in working capital	-34.6	6.0	86.0
Change in working capital	-30.2	18.7	-4.8
Financial items	-11.2	-9.7	-20.8
Direct taxes paid	-2.3	-5.8	-2.7
Cash flows from operating activities	-78.2	9.2	57.8
Cash flows provided by investing activities	67.4	4.7	91.9
Cash flows used in investing activities	-96.7	-21.0	-135.3
Change in non-current receivables	-0.2	0.2	4.4
Drawings of loans	405.2	252.6	482.1
Repayments of borrowings	-294.4	-302.9	-555.8
Hybrid bond		69.1	69.1
Dividends paid	-11.8	-10.1	-10.0
Cash flow from financing activities	98.8	9.0	-10.2
Change in cash and cash equivalents	-8.7	1.9	4.2
Cash and cash equivalents at beginning of period	34.9	30.4	30.4
Translation difference of cash and cash equivalents	-1.9	0.4	0.3
Cash and cash equivalents at end of period	24.3	32.7	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								-16.4	-0.1	-16.5
Translation difference							1.5			1.5
Cash flow hedge			0.2							0.2
Comprehensive income, total			0.2				1.5	-16.4	-0.1	-14.8
Direct entries, acquisition of non-controlling interest								-3.2		-3.2
Change in non-controlling interest									-1.2	-1.2
Share-based incentive schemes					0.4			0.7		1.1
Contingent shares returned to the company								-0.3		-0.3
Hybrid bond interest								-1.3		-1.3
Dividends paid								-9.8	-0.3	-10.1
Transactions with owners, total					0.4			-13.9	-1.5	-15.0
Hybrid bond						69.1				69.1
Equity 30.6.2012	34.0	5.7	-0.7		63.6	69.1	2.9	205.7	0.1	380.4

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								-48.8	-0.1	-48.9
Translation difference							-4.0			-4.0
Cash flow hedge			0.2							0.2
Change in fair value of available-for-sale financial assets				0.0						0.0
Pension obligations								0.6		0.6
Comprehensive income, total			0.2	0.0			-4.0	-48.2	-0.1	-52.1
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								-2.6		-2.6
Dividends paid								-11.8		-11.8
Transactions with owners, total					0.2			-16.8	0.0	-16.7
Equity 30.6.2013	34.0	5.7	-0.2	0.0	63.8	69.1	0.5	199.8	0.2	373.0

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 incresed 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 30.6.2012				
Deferred tax assets	27.2	1.2	2.0	30.4
Total assets	1,386.5	1.2	2.0	1,389.7
Retained earnings	231.4	-3.2	-6.1	222.1
Total equity	389.7	-3.2	-6.1	380.4
Pension obligations	4.0	4.4		8.4
Non-current provisions	5.5		7.0	12.6
Non-current liabilities	216.6	4.4	7.0	228.1
Current provisions	7.5		1.0	8.5
Current liabilities	769.2		1.0	770.3
Total equity and liabilities	1,386.5	1.2	2.0	1,389.7

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.	4-6/ 2013	1-3/ 2013	10-12/ 2012	7-9/ 2012	4-6/ 2012
Net sales	521.2	306.4	668.6	716.6	567.0
Other operating income and expenses	-520.4	-338.3	-633.3	-663.9	-548.6
Depreciation	12.8	5.8	11.2	14.3	10.3
Share of the profit of associates and joint ventures	-0.5	-0.5	-0.1	1.9	-0.4
Operating profit	-12.4	-38.2	24.0	40.4	7.7
Finance costs	13.5	6.7	10.7	5.5	6.5

Finance income	6.7	1.8	1.4	1.8	0.8
Profit before income taxes	-19.3	-43.2	14.7	36.6	2.0
Income taxes	2.6	10.9	-5.6	-6.3	-1.0
Profit from continuing operations	-16.7	-32.3	9.1	30.3	1.0
Profit from discontinued operations			0.2	21.0	2.4
Profit for the accounting period	-16.7	-32.3	9.3	51.3	3.5
Distribution of the profit for the accounting period					
To equity holders of the parent company	-16.6	-32.2	9.2	51.1	3.6
To non-controlling interest	0.0	-0.1	0.0	0.2	-0.2
Basic earnings per share attributable to equity holders of the parent company					
From continuing operations	-0.91	-1.72	0.26	1.59	0.00
From discontinued operations			0.02	1.07	0.12
From profit for the accounting period	-0.91	-1.72	0.28	2.67	0.12
Diluted earnings per share attributable to equity holders of the parent company					
From continuing operations	-0.91	-1.72	0.26	1.59	0.00
From discontinued operations			0.01	1.07	0.12
From profit for the accounting period	-0.91	-1.72	0.27	2.67	0.12

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.	1-6/ 2013	1-6/ 2012	1-12/ 2012
International Operations	332.6	334.8	903.2
Building Construction	239.5	282.8	682.4
Infrastructure Construction	174.7	224.2	591.1
Technical Building Services	98.4	117.4	230.0
Other operations	13.2	18.5	37.8
Group eliminations	-30.7	-61.8	-122.1
Segments total	827.6	916.0	2,322.4
Discontinued operations		-33.6	-54.8
Group total, IFRS	827.6	882.4	2,267.6

DEPRECIATION AND IMPAIRMENT	1-6/	1-6/	1-12/
EUR mill.	2013	2012	2012
International Operations	7.5	6.8	17.9
Building Construction	0.2	0.2	0.5
Infrastructure Construction	7.7	7.9	19.3
Technical Building Services	0.4	0.4	0.8
Other operations	2.8	1.7	3.9
Segments total	18.6	16.9	42.3
Discontinued operations		-1.4	-1.3
Group total, IFRS	18.6	15.5	41.0

OPERATING PROFIT	1-6/	1-6/	1-12/
EUR mill.	2013	2012	2012
International Operations	-30.9	-16.0	15.0
Building Construction	2.1	1.6	16.9
Infrastructure Construction	-7.7	6.5	47.2
Technical Building Services	-1.9	2.0	3.3
Other operations	-12.2	-4.7	-7.7
Segments total	-50.7	-10.5	74.8
Discontinued operations		-3.4	-24.4
Group total, IFRS	-50.7	-13.9	50.4

NET SALES, QUARTERLY	4-6/	1-3/	10-12/	7-9/	4-6/
EUR mill.	2013	2013	2012	2012	2012
International Operations	235.8	96.8	252.0	316.4	231.1
Building Construction	116.4	123.1	252.4	147.2	158.7
Infrastructure Construction	124.7	50.0	134.6	232.3	157.6
Technical Building Services	54.5	43.9	61.4	51.2	56.9
Other operations	3.1	10.1	10.0	9.3	10.6
Group eliminations	-13.3	-17.4	-41.8	-18.5	-27.0
Segments total	521.2	306.4	668.6	737.8	588.0
Discontinued operations				-21.2	-21.0
Group total, IFRS	521.2	306.4	668.6	716.6	567.0

DEPRECIATION AND IMPAIRMENT, QUARTERLY	4-6/	1-3/	10-12/	7-9/	4-6/
EUR mill.	2013	2013	2012	2012	2012
International Operations	5.4	2.1	4.8	6,3	5.1
Building Construction	0.1	0.1	0.1	0.2	0.1
Infrastructure Construction	5.2	2.5	4.5	6.9	4.8
Technical Building Services	0.2	0.2	0.2	0.2	0.2

Other operations	1.9	0.9	1.6	0.6	0.9
Segments total	12.8	5.8	11.2	14.2	11.0
Discontinued operations				0.1	-0.7
Group total, IFRS	12.8	5.8	11.2	14.3	10.3

OPERATING PROFIT, QUARTERLY EUR mill.	4-6/ 2013	1-3/ 2013	10-12/ 2012	7-9/ 2012	4-6/ 2012
International Operations	-4.7	-26.2	2.5	28.5	-0.4
Building Construction	-2.0	4.1	15.2	0.1	2.2
Infrastructure Construction	3.4	-11.1	4.6	36.1	10.3
Technical Building Services	-0.5	-1.4	1.4	-0.1	1.2
Other operations	-8.5	-3.7	0.4	-3.4	-2.3
Segments total	-12.4	-38.2	24.2	61.1	11.0
Discontinued operations			-0.2	-20.7	-3.3
Group total, IFRS	-12.4	-38.2	24.0	40.4	7.7

ASSETS EUR mill.	6/2013	6/2012	12/2012
International Operations	482.5	377.3	335.9
Building Construction	494.5	295.8	275.8
Infrastructure Construction	239.6	193.6	120.5
Technical Building Services	56.9	32.0	30.4
Other operations	50.5	53.4	39.9
Segments total	1,324.0	952.2	802.5
Assets unallocated to segments and Group eliminations, total	137.8	437.5	501.0
Group total, IFRS	1,461.8	1,389.7	1,303.5

9) ECONOMIC TRENDS AND FINANCIAL INDICATORS

	6/2013	6/2012	12/2012
Return on equity, rolling 12 months, % 1)	2.9	5.0	11.1
Return on investment, rolling 12 months, % 1)	5.7	8.4	10.8
Operating profit, % of net sales	-6.1	-1.6	2.2
Equity ratio, %	29.2	31.2	37.2
Gearing, %	108.6	91.7	62.8
Interest-bearing net liabilities, EUR mill.	405.2	348.9	277.3
Gross investments, EUR mill. (incl. leasing purchases)	42.9	31.8	64.5
Order book, EUR mill.	2,085.1	1,931.2	1,443.9
- of which orders outside Finland, EUR mill.	994.9	680.0	574.6
Personnel on average	7,620	7,950	8,180
Personnel at the end of period	8,637	9,063	7,370
Net sales, EUR mill.	827.6	882.4	2,267.6

[1)] Includes the effect of discontinued operations

10) SHARE-SPECIFIC INDICATORS

	6/2013	6/2012	12/2012
Basic earnings per share, EUR	-2.63	-0.90	2.04
Diluted earnings per share, EUR	-2.63	-0.90	2.03
Equity per share, EUR	19.1	19.4	22.6
Dividend per share, EUR			0.60
Dividend per earnings, %			26.9
Market capitalisation at the end of period, EUR mill.	288.5	306.3	280.6
Share price at the end of period, EUR	14.71	15.59	14.28
Shares trading, 1,000 shares	1,155	314	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	19,564,043	19,648,064	19,565,441
Diluted weighted average number of shares outstanding	19,564,043	19,648,064	19,660,976

11) PROPERTY, PLANT AND EQUIPMENT

EUR mill.	6/2013	6/2012	12/2012
Aquisition cost in the beginning of accounting period	437.1	464.0	464.0
Translation difference	-7.4	2.4	4.6
Increases	26.1	23.5	48.0
Acquired businesses	6.8	0.1	1.1
Disposals	-17.8	-9.2	-37.5
Discontinued operations	-1.3	-0.4	-43.0
Transfers between items			0.0
Accumulated depreciation	-234.6	-266.1	-236.7
Transferred to non-current assets classified as held for sale		-14.4	
Carrying amount at the end of accounting period	208.8	200.0	200.5

12) ACQUIRED BUSINESSES

The company acquired the city of Tampere's asphalt paving business on 2 January 2013. The goodwill recognized from the acquisition comprises of a strengthening the market position in the Pirkanmaa area.

The company acquired the entire share capital of Biomaa Oy on 2 January 2013. Biomaa Oy specialises in mass stabilisation and the treatment of contaminated soil. The goodwill recognized from the acquisition comprises of special expertise in contaminated soil treatment. Biomaa Oy was merged to Lemminkäinen Infra Oy on 1 May 2013.

The company acquired on 2 January 2013, with a single deed, the entire share capitals of three companies: Maanrakennus Katupojat Oy, Bergqvist Oy and Kuljetus Oy Wilkman. The acquirees engage in earthwork contracting, regional development, energy network construction and transport as well as the winter and summer maintenance of roads in Southern Finland. A negative goodwill of EUR 0.1 million was recognized from the acquisition. The acquired companies were merged to Lemminkäinen Infra Oy on 1 May 2013.

The company acquired 80 per cent of the share capital of a Danish company FD-Entreprise ApS on 2 May 2013. FD-Entreprise specialises in the milling of asphalt and concrete road surfaces and operates primarily in eastern Denmark. The goodwill recognized from the acquisition comprises of expanding the company's market area. The acquisition will double Lemminkäinen's market share in road milling in Denmark and expand the company's market area to cover the entire country. The option to redeem shares from non-controlling shareholders is booked as a liability in the company's balance sheet.

The recognised fair values of the acquired business operations after merging in 2013 are presented in the table below.

	Fair values after consolidation
EUR mill.	2013
Property, plant and equipment and intangible assets	8.1
Available-for-sale financial assets	0.0
Non-current receivables	0.6
Inventories	0.4
Current receivables	5.1
Cash and cash equivalents	2.2
Total assets	16.4
Deferred tax liabilities	0.2
Interest-bearing liabilities	3.2
Other liabilities	4.9
Total liabilities	8.3
Net assets	8.1
Non-controlling interest	0.0
Consideration paid in cash	8.4
Consideration recognised as liability	4.8
Total consideration	13.2
Goodwill	5.1
recognized in balance sheet	5.2
negative goodwill recognized in income statement	-0.1
Consideration paid in cash	8.4
Cash of acquider subsidiaries	2.2
Impact on cash flow	6.1
Expensed acquisition costs	0.2

Lemminkäinen

13) DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS HELD FOR SALE

In 2013, the company hasn't had any discontinued operations, or non-current assets classified as held for sale. In the comparison period figures, the company's concrete business (Lemminkäinen Rakennustuotteet Oy), sports construction business as well as the technical building and property services business in the Uusikaupunki area are classified as discontinued operations. In addition, the company's concrete business (Lemminkäinen Rakennustuotteet Oy) was classified as a non-current asset held for sale.

14) 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

						CARRYING	FAIR
EUR mill.	A	B	C	D	E	AMOUNT	VALUE
30.6.2013							
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		464.4				464.4	464.4
Derivative assets	2.6					2.6	2.6
Available-for-sale financial assets			65.0			65.0	65.0
Cash and cash equivalents		24.3				39.6	39.6
Financial assets total	2.6	489.7	69.0	0.0	0.0	561.3	561.3
Non-current financial liabilities							
Interest-bearing liabilities				163.0		163.0	164.1
Other non-current liabilities				4.7		4.7	4.7
Current financial liabilities							
Interest-bearing liabilities				331.5		331.5	331.5
Trade payables and other financial liabilities[1)]				353.3		353.3	353.3
Derivative liabilities	2.6				0.3	2.9	2.9
Financial liabilities total	2.6	0.0	0.0	852.5	0.3	855.3	856.4

						CARRYING	FAIR
EUR mill.	A	B	C	D	E	AMOUNT	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
30.6.2013			
Available-for-sale financial assets			
Equity instruments		4.0	4.0
Money market investments	65.0		65.0
Derivative instruments			
Derivative assets	2.5	0.0	2.6
Derivative liabilities	1.2	1.6	2.9

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	0.2	
Fair value changes recognised through profit or loss, total	-1.2	
Fair values 30.6.2013	-1.6	4.0

15) RELATED-PARTY TRANSACTIONS

EUR mill.	6/2013	6/2012	12/2012
Sales to associates and joint ventures	1.1	1.0	3.9
Purchases from associates and joint ventures	2.3	4.4	14.4
Trade receivables from associates and joint ventures	0.9	0.8	2.2
Accounts payable to associates and joint ventures	1.9	3.9	0.2

16) GUARANTEES AND COMMITMENTS

EUR mill.	6/2013	6/2012	12/2012
Pledges for own commitments			
Pledged deposits	0.0		0.0
Pledges on behalf of others			
Pledged securities		0.0	
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	33.7	31.2
Minimum lease payments of irrevocable lease contracts			
One year or less	13.9	14.8	15.0
Over one year but no more than five years	29.9	30.4	30.4
Over five years	8.8	13.0	17.0
Total	52.6	58.2	62.3

Purchase commitments of investments	2.6	10.1	5.3
Derivative contracts			
Forward foreign exchange contracts			
Nominal value	141.1	60.0	93.6
Fair value	1.4	0.7	-0.3
Interest rate swap contracts			
Nominal value	54.3	28.6	61.5
Fair value	0.0	-1.2	-1.1
Commodity derivatives			
Volume, MT	99,600	39,550	40,000
Nominal value	35.2	14.9	17.2
Fair value	-1.6	-1.5	-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.

17) 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 June 2013, there were a total of 52 claims for damages brought by municipalities and one by 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 totals 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 24 October 2013 at the earliest.

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