LEMMINKÄINEN FINANCIAL STATEMENT BULLETIN 2012:

Successful efficiency measures; improved profitability and a stronger balance sheet

Year 2012 compared to 2011

- Net sales rose 4% and totalled EUR 2,267.6 million (2,183.9).
- The order book grew 3%, standing at EUR 1,443.9 million (1,400.4) at the end of the period.
- The operating profit improved by 14% to EUR 50.1 million (44.0). The operating margin was 2.2% (2.0). The operating profit for the comparison year includes EUR 11.0 million in negative goodwill recognised from an acquisition.
- Pre-tax profit improved by 16% to EUR 29.0 million (25.0). The pre-tax profit for the comparison year includes EUR 11.0 million in negative goodwill recognised from an acquisition.
- Earnings per share were EUR 2.04 (1.77), of which EUR 0.83 (0.83) was generated by continuing operations. Earnings per share for the comparison year include negative goodwill of EUR 0.56 per share from an acquisition.
- Cash flow from operations totalled EUR 57.8 million (-7.1).
- The equity ratio was 38.0% (30.8) and gearing 61.5% (114.5).
- The Board of Directors proposes a divided of EUR 0.60 per share (0.50).

October-December 2012, compared with the corresponding period of 2011

- Net sales in October-December grew by 5% and totalled EUR 668.6 million (635.2).
- Operating profit tripled to EUR 23.7 million (7.7). The operating margin was 3.5% (1.2).
- Pre-tax profit amounted to EUR 14.7 million (1.4).
- Earnings per share were EUR 0.28 (–0.03).
- Cash flow from operations totalled EUR 19.0 million (–20.8).

Divested business functions are categorised as discontinued operations, and figures for the comparison periods have therefore been adjusted accordingly. 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 about EUR 55 million, from which Lemminkäinen recognised pre-tax capital gains of EUR 17.3 million mainly in the third quarter of 2012. On 31 January 2011, Lemminkäinen divested its roofing business at a price of about EUR 25 million, recognising pre-tax capital gains of EUR 17.1 million in the first quarter of 2011.

Key figures, IFRS, EUR million	1-12/2012	1–12/2011 [1)]	Change	10-12/ 2012	10-12/ 2011	Change
Net sales	2,267.6	2,183.9	4%	668.6	635.2	5%
Operating profit	50.1	44.0	14%	23.7	7.7	over 100
Operating margin, %	*2.2*	*2.0*		*3.5*	*1.2*	
Pre-tax profit	29.0	25.0	16%	14.7	1.4	over 100
Profit from continuing operations	20.4	17.1	19%	9.0	-1.3	
Profit from discontinued operations	5.7	5.8			1.3	
Capital gains from discontinued operations (after taxes)	18.0	12.7		0.2		
Profit for the period	44.0	35.6	24%	9.2	-0.1	over 100
Earnings per share, EUR						
From continuing operations	0.83	0.83		0.26	-0.09	
From discontinued operations	1.21	0.94		0.02	0.06	
From the profit for the period	2.04	1.77		0.28	-0.03	
Cash flow from operations	57.8	-7.1		19.0	-20.8	

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

Key figures	31.12.2012	31.12.2011	Change
Order book, EUR million	1,443.9	1,400.4	3%
Balance sheet total, EUR million	1,300.4	1,242.8	5%
Interest-bearing net debt, EUR million	277.3	401.2	-31%
Equity ratio, %	*38.0*	*30.8*	
Gearing, %	*61.5*	*114.5*	
Return on investment (rolling 12 months), %	*10.7*	*10.8*	

President & CEO Timo Kohtamäki:

”On the whole, the year 2012 met our expectations. The efficiency program launched in late 2011 had a positive impact on the result of all our businesses in Finland. Especially the Finnish infrastructure construction and commercial construction in the Helsinki Metropolitan Area improved their competitiveness in a challenging market situation. Our housing sales in Finland remained on a good level throughout the year. Also the demand for our repair and maintenance services for technical building systems developed nicely.

In Russia, brisk infrastructure and industrial construction complemented the delay in residential construction. In Sweden, we made a strong come-back in the infrastructure construction after a few quiet years. The biggest disappointment was the performance of our Norwegian infrastructure business. I am confident that the corrective measures initiated in the autumn will yield results already this year.

Despite positive development, I am not satisfied with our profitability as we have not yet reached our long-term profitability targets. On the other hand, our financial position and solvency have improved. This year we are focusing on enhancing our operational efficiency and customer service. Both these factors have a direct impact on our profitability, and by improving them we will create a solid platform for Lemminkäinen's future profitable growth."

Market outlook

Of Lemminkäinen's key market areas, construction is growing quickest in Russia, where infrastructure construction in particular holds significant growth potential. In Norway, Sweden and Denmark, multi-year national investment plans in energy production and road and railway networks are supporting growth in infrastructure construction. The market outlook in Finland is cautious, and the total volume of construction is expected to either remain at the same level as in 2012 or fall slightly. Migration to urban growth centres and low interest rates support the housing demand. On the other hand tax increases have reduced consumers' purchasing power, and this is expected to dampen the housing market.

Profit guidance realisation in 2012

On 9 February 2012, Lemminkäinen estimated that its 2012 net sales would remain at the same level as in 2011, and that the result before taxes would improve on 2011. This estimate was based on an improved order book and order book margin. Lemminkäinen's guidance remained unaltered throughout the year. In 2012, Lemminkäinen's net sales grew by 4 per cent and its result before taxes rose by 16 per cent.

Profit guidance for 2013

Lemminkäinen estimates that its 2013 net sales will remain at the same level as in 2012 and that its operating profit will improve on 2012. In 2012, Lemminkäinen's net sales totalled EUR 2,268 million and its operating profit amounted to EUR 50 million.

This guidance is based on the company estimate that the efficiency programme proceeds as planned and that the construction market will not weaken significantly.

Briefing

A Finnish-language briefing for analysts and the media will be held at 2.00 p.m. on Thursday, 7 February at Lemminkäinen's head office. The street address is Salmisaarenaukio 2, Helsinki, Finland. President & CEO Timo Kohtamäki will present the financial statement bulletin. Presentation material is available in Finnish and English on the company's website, www.lemminkainen.com.

Interim Reports for 2013

The Interim Reports for 2013 will be published as follows:

8 May 2013	Interim Report, 1 Jan– 31 Mar 2013
8 August 2013	Interim Report, 1 Jan– 30 Jun 2013
7 November 2013	Interim Report, 1 Jan– 30 Sept 2013

LEMMINKÄINEN CORPORATION

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APPENDICES:

Financial statement bulletin 2012
Tabulated sections of the financial statement bulletin.

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FINANCIAL STATEMENT BULLETIN 2012

OPERATING ENVIRONMENT IN 2012

Finland

Start-ups for residential construction decreased by about 10 per cent on the previous year. The demand for small and medium-sized apartments remained good in the Helsinki Metropolitan Area and other urban growth centres. Few commercial premises were built outside the Helsinki Metropolitan Area. A lot of projects were in the pipeline, but their launches were delayed or discontinued. However, demand for building renovations remained good, and the number of renovation projects continued the steady growth trend of the past few years.

The outlook in infrastructure construction weakened after the summer, and the total volume fell on the previous year. Difficulties in the public sector reflected in the infrastructure construction market and, for example, the demand for mineral aggregates weakened during the second half of the year. Underground construction in city centres and mining operations in Northern Finland were brisk.

Demand for the renovation of technical building systems focused on piping renovations in residential buildings and improving the energy-efficiency of buildings. Demand for upkeep and maintenance of technical building services rose, and a greater number of long-term repair and maintenance agreements were signed. The construction of commercial premises slowed significantly outside urban growth centres, which reduced demand for contracting services in technical building systems.

Other markets

The Swedish government's long-term investment plan to develop the country's infrastructure maintained a good level of activity in transport infrastructure construction. Growth in mining operations in Northern Sweden increased demand for rock engineering. Norway and Denmark's many ongoing road and railway projects, coupled with increased investments in energy production, encouraged new players to enter the market.

In the Baltic countries, construction has recovered alongside the rest of the economy. Several EU-funded road construction and renovation projects were started in 2011–2012.

Of Lemminkäinen's key market areas, Russia is experiencing the fastest growth in its total volume of construction. The delays in permit processing in St Petersburg slowed the launch of new residential construction projects. The prices of new housing units in St Petersburg rose by almost 10 per cent during 2012. The construction and repair of major inter-city highways boosted the demand for infrastructure construction.

STRATEGIC TARGETS AND THEIR REALISATION IN 2012

Lemminkäinen published its current strategy for the period 2010–2013 in November 2009. In October 2011, the company updated its strategy and confirmed its financial targets. The company's main objectives are to pursue profitable growth and to strengthen its solvency. The average growth rate target for the company's net sales is 10 per cent by the end of the 2010–2013 strategy period. The Group's other financial targets are: a return on investment of over 18 per cent and an equity ratio of at least 35 per cent. The company's dividend policy is to pay at least 40 per cent of the result for the financial period in annual dividends.

Both the strategy updates made in October 2011 and the efficiency programme, which was launched at the same time, primarily seek to improve the Group's competitiveness and profitability. In Finland, the selected focus areas are residential development and construction, and repair and maintenance services for technical building systems. In Building Construction, Lemminkäinen aims to increase the share of residential development and construction to over 50 per cent of the segment's net sales. In Technical Building Services, the goal is to increase service business to account for about 50 per cent of the segment's net sales. Lemminkäinen is seeking growth from its international operations in particular. The company aims to increase net sales from infrastructure construction in Norway, Denmark and Sweden by about EUR 100 million in 2012–2013. In Russia, Lemminkäinen's goal is to launch the construction of about 1,000 new housing units every year.

Strategy implementation 2012

Lemminkäinen's 2012 net sales remained at roughly the same level as in 2011. Since the beginning of the strategy period, Lemminkäinen's compound annual net sales growth rate (CAGR, %) has been an average of 6 per cent. Its return on investment remained at the same level as last year. Profitability is not yet in line with the company's targets.

The equity ratio rose to 38 per cent, exceeding the target for the strategy period. The improvement was due to the measures done to optimise working capital, the completed divestments, and the hybrid bond.

The proposed dividend for 2012 is EUR 0.60 per share, equalling 26.9 per cent of the company's result for the financial period.

In Finland, the share of residential development and construction accounted for about 32 per cent of Building Construction's net sales in 2012. The share of repair and maintenance services of Technical Building Services accounted for 33 per cent of the segment's net sales. Net sales from infrastructure construction in Norway, Denmark and Sweden rose by about EUR 50 million in 2012. The fastest growth was seen in Sweden.

In St Petersburg, Russia, the company's residential development and construction was at a standstill and no new projects were launched. At the end of the year, Lemminkäinen purchased a city-centre plot in St Petersburg. About 800 apartments will be built on this plot. With its current plot reserves, the company will be able to begin the development of about 3,200 housing units in central St Petersburg over the next few years.

Financial targets and achievements since the start of the strategic period

Lemminkäinen's financial targets	Target level	Realised in 2012	Realised in 2011	Realised in 2010
Net sales growth	average 10% [1)]	4%	19%	-4%
Return on investment	18% [1)]	11%	11%	7%
Equity ratio	over 35%	38%	31%	35%
Payment of dividend	40% of the profit for the financial period	27%[2)]	28%	over 100

1) by the end of the strategic period
2) Board of Directors' proposal on dividends

EFFICIENCY PROGRAMME

The efficiency programme launched in autumn 2011 seeks cost savings of EUR 50 million per annum as of 2014. More efficient procurement is estimated to account for EUR 30 million of these savings, and an estimated EUR 20 million will results from improved operational efficiency.

Lemminkäinen has switched to a centralised procurement model in which all functions will use shared processes, performance indicators, and sourcing and purchase tools. This model enables Lemminkäinen to take full advantage of economies of scale, for example. The number of suppliers will be reduced and the supplier base will be more international. Company's operational efficiency has been enhanced by more efficient operating models. After the personnel negotiations in late 2011, the number of employees has been reduced by about 300.

By the end of 2012, the efficiency programme had yielded a total of about EUR 20 million in cost savings. The full impact of savings achieved through personnel reductions will be seen in the 2013 result. Savings in procurements will be reflected in project margins with revenue recognition.

BUSINESS OPERATIONS

NET SALES

Net sales by business segment, EUR million	1-12/2012	1-12/2011	Change	10-12/2012	10-12/2011	Change
International Operations	934.3	809.8	15%	267.8	246.9	8%
Building Construction	682.4	720.9	-5%	252.4	221.1	14%
Infrastructure Construction	591.1	596.2	-1%	134.6	153.2	-12%
Technical Building Services	230.0	239.9	-4%	61.4	68.7	-11%
Other operations and Group eliminations	-84.3	-59.4		-31.8	-14.6	
Business segments, total	2,353.6	2,307.4	2%	684.5	675.3	1%
Reconciliation items	-86.0	-123.5		-15.9	-40.1	
Group, total (IFRS)	2,267.6	2,183.9	4%	668.6	635.2	5%

In the table: “Other operations and Group eliminations” includes items from Group administration units and shared services, as well as eliminations from inter-segment sales.
"Reconciliation items" includes adjustments for discontinued operations. For more information, see Section 7) Segment Information in the tabulated section.

Net sales development in Q4

Brisk residential and commercial construction in the Helsinki Metropolitan Area increased net sales in Building Construction. The comparison period for Infrastructure Construction contains the concrete business (Lemminkäinen Rakennustuotteet Oy), which was divested in September 2012. In Sweden the net sales were boosted by rock engineering.

Net sales development in 2012

Lemminkäinen’s net sales in 2012 remained at the same level as in 2011 and amounted to EUR 2,267.6 million (2,183.9). Net sales were boosted by infrastructure construction in Sweden, Russia and the Baltic countries in particular. In Sweden, growth came from rock engineering in mines in the north, and paving. Commercial and industrial construction was brisk in Russia. In Finland, Lemminkäinen imposed stricter margin requirements on competitive bidding contracts in building construction and technical building services, which reduced net sales. In Building Construction, commercial development declined outside the Helsinki Metropolitan Area.

Of Lemminkäinen’s 2012 net sales, 61% (66) were generated in Finland, 25% (23) in other Nordic countries, 6% (5) in Russia, and 8% (6) in other countries.

OPERATING PROFIT

Operating profit by business segment, EUR million	1-12/2012	1-12/2011	Change	10-12/2012	10-12/2011	Change
International Operations	16.6	42.2 [3)]	-61%	6.2	11.3	-45%
Building Construction	19.6	9.4	over 100	16.2	7.6	over 100
Infrastructure Construction	43.5 [1)]	30.9[2)]	41%	-0.7	-4.1	83%
Technical Building Services	3.2	2.8	14%	1.0	1.5	-33%
Other operations	-8.3	-16.6	50%	-0.3	-5.9	95%
Business segments, total	74.6[1)]	68.8[2,3)]	8%	22.4	10.5	over 100
Reconciliation items	-24.5	-24.8		1.3	-2.8	
Group, total (IFRS)	50.1	44.0[3)]	14%	23.7	7.7	over 100

In the table: "Other operations" include items from Group administration units and shared services.
For more information on "Reconciliation items", see Section 7) Segment Information in the tabulated section. Reconciliation items include capital gains from discontinued operations and profit accrued up to the date of divestment.

1) This figure includes EUR 17.3 million in capital gains from the divestment of the concrete business.
2) This figure includes EUR 17.1 million in capital gains from the divestment of the roofing business.
3) This figure includes EUR 11.0 million in negative goodwill recognised from the acquisition of Mesta Industri AS.

Operating margin by business segment, %	1-12/2012	1-12/2011	10-12/2012	10-12/2011
International Operations	1.8	5.2	2.3	4.6
Building Construction	2.9	1.3	6.4	3.4
Infrastructure Construction	7.4	5.2	-0.5	-2.7
Technical Building Services	1.4	1.2	1.6	2.2
Group, total (IFRS)	2.2	2.0	3.5	1.2

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

Operating profit development in Q4

Operating profit increased significantly during the fourth quarter, amounting to EUR 23.7 million (7.7). Brisk residential and commercial construction in the Helsinki Metropolitan Area improved the result in Building Construction. In addition the measures initiated by the Group's efficiency programme were evident in last quarter's result. As usual, the majority of the company's residential development and construction projects were completed towards the end of the year. In International Operations segment, the weak earnings trend in paving operations in Norway continued during the fourth quarter. In Russia, the projects in residential development and construction were at a standstill, and no units were completed in October–December. During the comparison period, 154 residential units built as development projects were completed and recognised as income.

Operating profit development in 2012

The operating profit for 2012 totalled EUR 50.1 million (44.0) and the operating margin was 2.2% (2.0). The operating profit for the comparison year includes EUR 11.0 million in negative goodwill recognised from an acquisition.

In Finland, profitability improved in all of Lemminkäinen's business segments. The cost savings achieved by the Group's efficiency programme were most visible towards the end of the year. Profitability requirements for contracting were tightened in all business segments, project management was enhanced, and management structures were clarified. Good performance in housing sales and commercial construction in the Helsinki Metropolitan Area contributed to this positive profit development. A fall in the price of bitumen during the summer months and the increased use of recycled asphalt helped to improve profitability in Infrastructure Construction.

The operating profit of paving operations in Norway fell about EUR 10 million short of the previous year. Challenges in the integration of acquired businesses, tougher competition and a shorter than average paving season contributed to the weak earnings trend. The profitability of infrastructure operations in Sweden, the Baltic countries and Russia was better than in 2011. Although Lemminkäinen did not complete any housing units of its own development in Russia, brisk infrastructure and building construction made up the shortfall.

ORDER BOOK

Order book by business segment, EUR million	31.12.2012	31.12.2011	Change
International Operations	574.6	482.5	19%
Building Construction	526.9	580.5	-9%
Infrastructure Construction	234.7	238.3	-2%
Technical Building Services	107.7	99.0	9%
Group, total	1,443.9	1,400.4	3%
- of which unsold	176.7	206.3	

At the end of 2012, Lemminkäinen's order book had increased slightly to EUR 1,443.9 million (1,400.4). The order book margin was also an improvement on 2011. 2013 projects account for about 75 per cent of the order book. In Finland, the order book was boosted by paving operations, special contracting in infrastructure construction, and the repair and maintenance of technical building services. In Building Construction, the order book has decreased as the company imposed stricter conditions for launching new residential development and construction projects. However, if the market situation allows, Lemminkäinen is prepared to start-up as many housing units as in 2012. In International Operations, order book growth was generated by building construction in Russia and Sweden, technical building services in Russia, and infrastructure construction in Norway.

Of the Group's order book, 60% (66) originated in Finland, 23% (20) in other Nordic countries, 11% (8) in Russia, and 6% (6) in other countries.

BALANCE SHEET, CASH FLOW AND FINANCING

On 31 December 2012, the balance sheet total was EUR 1,300.4 million (1,242.8), of which shareholders' equity accounted for EUR 450.8 million (350.4). In addition to the result, shareholders' equity was increased by the EUR 70 million hybrid bond issued by the company in spring 2012. The bond bearer does not possess any of the rights of a shareholder, and the bond does not dilute shareholders' holdings in the company. The bond has no maturity, but the company may exercise an early redemption option in 2016 at the earliest. At the end of 2012, Lemminkäinen's working capital amounted to EUR 865.8 million (861.4) and net working capital to EUR 427.5 million (435.7).

The equity ratio was in line with the financial target set for the strategy period, that is, 38.0 per cent (30.8). Gearing was 61.5 per cent (114.5). The equity ratio and gearing were improved by the measures done to optimise working capital, the divestments, and the hybrid bond.

Lemminkäinen's rolling 12-month return on investment remained at the same level as in the previous year, at 10.7 per cent (10.8). The target set for the strategy period 2010–2013 is 18 per cent.

At the end of the review period, the company's cash funds stood at EUR 93.9 million (30.4). Cash funds were boosted by positive cash flow and divestments.

The amount of interest-bearing debt fell by 14 per cent, totalling EUR 371.2 million (431.6) at the end of the review period. The amount of long-term interest-bearing debt totalled EUR 138.8 million (194.6) and short-term interest-bearing debt EUR 232.4 million (237.0). Of all interest-bearing debt, 45 per cent (38) was with a fixed interest rate and the financing expenses of all interest-bearing debt was, on average, 3.12 per cent (3.44). Interest-bearing net debt fell by about a third to EUR 277.3 million (401.2).

Of the company's interest-bearing debt, 15% (17) comprises loans from financial institutions, 23% (28) commercial papers, 18% (12) project loans related to residential and commercial development, 12% (15) pension loans, 16% (14) finance leasing liabilities, and 16% (14) bonds. At the end of the financial period, the company also had binding, unused credit limits to the sum of EUR 139.6 million (140.7), which fall due at the end of 2013.

Net financing expenses during the review period amounted to EUR 21.1 million (19.0), representing 0.9 per cent (0.9) of net sales.

Cash flow from operations totalled EUR 57.8 million (–7.1) in 2012. This change was primarily due to higher efficiency achieved in the turnover rate of trade receivables and better payment terms on procurement agreements. Cash flow after investments was EUR 14.4 million (–24.3).

BUSINESS SEGMENTS

INTERNATIONAL OPERATIONS

Key figures, EUR million	2012	2011	Change	10-12/2012	10-12/2011	Change
Net sales	934.3	809.8	15%	267.8	246.9	8%
Operating profit	16.6	42.2 [1)]	-61%	6.2	11.3	-45%
Operating margin, %	*1.8*	*5.2*		*2.3*	*4.6*	
Order book at end of period	574.6	482.5	19%			

1) This figure includes EUR 11.0 million in negative goodwill recognised from the acquisition of Mesta Industri AS.

The fourth quarter of 2012

Compared to 2011, the segment's net sales rose slightly in October–December 2012, but its operating profit weakened. During the comparison period 154 apartments built as development projects in Russia were completed and recognised as income, while no new apartments were completed in 2012. Paving operations in Norway and Denmark remained challenging towards the end of the year. However, infrastructure construction in Sweden, Russia and the Baltic countries was notably more successful than last year.

Year 2012

International Operations' net sales rose significantly in 2012 to EUR 934.3 million (809.8). Net sales were boosted by commercial and industrial construction in Russia, as well as infrastructure construction in Sweden, Russia and the Baltic countries in particular. On the other hand, the volume of paving operations fell in both Norway and Denmark.

Of the segment's net sales, 28% were generated in Sweden, 27% in Norway, 16% in Russia, 14% in the Baltic countries, 9% in Denmark, and 6% in other countries. By types of business, 75% were generated by infrastructure construction, 18% by building construction and 7% by technical building services and project exports.

International Operations' operating profit amounted to only EUR 16.6 million (42.2). The operating profit for the comparison year includes EUR 11.0 million in negative goodwill recognised from the acquisition of Mesta Industri in Norway on 31 May 2011.

The weak earnings development was mainly due to challenges relating to the integration of acquired businesses, a shorter-than-average paving season in Norway and Denmark, and a halt in residential development in Russia. In order to improve the profitability of operations in Norway, Lemminkäinen has enhanced its management and control systems, further optimised asphalt production volumes per production site , and divested non-core business operations.

Compared to 2011, profitability was better in infrastructure operations in Sweden, the Baltic countries and Russia. In Russia, Lemminkäinen won three significant renovation contracts for major highways, and achieved its best-ever result in infrastructure construction. Brisk commercial and industrial construction compensated the shortfall of low volume of residential development and construction in Russia.

The order book strengthened on 2011, standing at EUR 574.6 million (482.5) at the end of the year. About 75 per cent of this amount will be recognised as income in 2013. Both building construction in Russia and infrastructure construction in Norway boosted the order book.

Lemminkäinen's residential development and construction, Russia	2012	2011	Change, no.	10–12/ 2012	10–12/ 2011	Change, no.
Units started	0	404	-404	0	404	-404
Units sold	141	194	-53	82	64	18
Units completed	0	154	-154	0	154	-154
Under construction at end of period	425	404	21	425	404	21
- of which unsold	349	404	-55	349	404	-55
Completed and available for sale at end of period	17	82	-65	17	82	-65

In Russia, Lemminkäinen's housing sales were boosted by investor sale during the last quarter. The construction of a 400-unit project got re-started in the end of the year. The first phase of this project is scheduled for completion in 2013. In October 2012, Lemminkäinen acquired a plot in central St Petersburg. About 800 residential units will be built on this plot. Construction is scheduled to begin in spring 2013.
The amount of capital tied up in Russia at the end of 2012 was EUR 61.9 million (46.8), of which plot reserves accounted for EUR 38.3 million. With its current plot reserves, the company will be able to begin the development and construction of about 3,200 housing units in central St Petersburg over the next few years.

BUILDING CONSTRUCTION

Key figures, EUR million	2012	2011	Change	10-12/2012	10-12/2011	Change
Net sales	682.4	720.9	-5%	252.4	221.1	14%
Operating profit	19.6	9.4	over 100	16.2	7.6	over 100
Operating margin, %	*2.9*	*1.3*		*6.4*	*3.4*	
Order book at end of period	526.9	580.5	-9%			

The fourth quarter of 2012

Net sales rose by 14 per cent during the fourth quarter, amounting to EUR 252.4 (221.1). Brisk building construction activity in the Helsinki Metropolitan Area boosted net sales. The segment's operating profit doubled on the comparable period of the previous year. Lemminkäinen's more centralised procurement model and measures to enhance operational efficiency were visible in the year-end result. Ongoing commercial construction in the Helsinki Metropolitan Area also improved the result. 650 apartments (623) built as development projects were completed in the fourth quarter.

Year 2012

Building Construction's net sales fell slightly in 2012 and amounted to EUR 682.4 million (720.9). The number of competitive contracting projects declined after the company imposed stricter profitability margin requirements. Extremely few commercial construction projects were launched outside the Helsinki Metropolitan Area in 2012.

The segment's operating profit doubled in 2012, and totalled EUR 19.6 million (9.4). The 2011 result was burdened by weak profitability in competitive contracting, an issue which the company has addressed in 2012. Stricter profitability requirements were imposed on contracting, project monitoring practices were enhanced, and management structures were clarified. The impact of the cost savings from the efficiency programme launched just over a year ago can be seen in the fourth-quarter result. Building Construction's 2012 result was also improved by good performance in housing sales and commercial construction in the Helsinki Metropolitan Area. Input costs remained steady during the year, but the company is facing a growing shortage of work supervisors.

Building Construction's order book was down by a tenth on 2011, standing at EUR 526.9 million (580.5). About 75 per cent of this amount will be recognised as income in 2013.

Lemminkäinen's residential development and construction, Finland	**2012**	**2011**	**Change, no.**	**10–12/ 2012**	**10–12/ 2011**	**Change, no.**
Units started	1,019	1,076	-57	295	227	68
Units started (contracting)	*514*	536	-22	209	68	141
Units sold	1,013	914	99	267	256	11
Units completed	1,151	1,077	74	650	623	27
Under construction at end of period	857	989	-132	857	989	-132
- of which unsold	453	483	-30	453	483	-30
Completed and available for sale at year-end	260	224	36	260	224	36

Lemminkäinen's housing sales had a good year in 2012, and more new housing units were sold than in 2011. Small, city-centre apartments were in the highest demand. Lemminkäinen was more cautious about starting new units and the number of completed and as yet unsold units has risen. If the market situation allows, Lemminkäinen is prepared to launch a comparable number of residential development units in 2013 as in the previous year. General economic uncertainty and planned changes in taxation during the first half of 2013 may, however, delay the start of new residential units.

At the end of the period, the company owned a total of 792,000 m² (792,000) of unused building rights in Finland, of which 320,000 m² (380,000) were residential building rights. About a quarter of these unused building rights were located in the Helsinki Metropolitan Area. The balance sheet value of the plots was EUR 117.7 million (104.6) at the end of the review period, of which about 35% were in the Helsinki Metropolitan Area.

INFRASTRUCTURE CONSTRUCTION

Key figures, EUR million	2012	2011	Change	10-12/2012	10-12/2011	Change
Net sales	591.1	596.2	-1%	134.6	153.2	-12%
Operating profit	43.5 1)	30.9 2)	41%	-0.7	-4.1	83%
Operating margin, %	*7.4*	*5.2*		*-0.5*	*-2.7*	
Order book at end of period	234.7	238.3	-2%			

Segment reporting includes capital gains on discontinued operations, as well as net sales and operating profit accrued up until the date of divestment. The concrete business accounted for EUR 53.9 million (84.5) in net sales and EUR 25.1 million (9.9) in operating profit in 2012 (2011). The roofing business' impact on 2011 was EUR 13.8 million in net sales and EUR 15.3 million in operating profit.

1) This figure includes EUR 17.3 million in capital gains from the divestment of the concrete business.
2) This figure includes EUR 17.1 million in capital gains from the divestment of the roofing business.

The fourth quarter of 2012

Net sales fell in the fourth quarter, mainly as a result of the divestment of the concrete business. The operating profit improved, mainly thanks to the good demand in specialised contracting and earthworks, as well as internal measures to improve profitability.

Year 2012

The segment's 2012 net sales remained at roughly the same level as in 2011. Earthworks, paving and specialised contracting all increased in volume. In rock engineering, the focus switched from Finland to Sweden.

Operating profit rose 41 per cent to EUR 43.5 million (30.9). Earnings developed favourably in all business areas of infrastructure construction in 2012. Thanks to the Group's efficiency programme, the profitability of paving, mineral aggregate and earthwork operations has risen notably. In paving, positive development was also influenced by a decline in the price of bitumen during the summer months and the increased use of recycled asphalt. The profitability of specialised contracting also improved. Demand for mineral aggregates took a downturn in the third quarter, supporting the general forecast of a decline in infrastructure and building construction in Finland during 2013.

The segment's order book remained at the same level as in 2011, standing at EUR 234.7 million (238.3). About 75 per cent of this amount will be recognised as income in 2013.

TECHNICAL BUILDING SERVICES

Key figures, EUR million	2012	2011	Change	10-12/2012	10-12/2011	Change
Net sales	230.0	239.9	-4%	61.4	68.7	-11%
Operating profit	3.2	2.8	14%	1.0	1.5	-33%
Operating margin, %	*1.4*	*1.2*		*1.6*	*2.2*	
Order book at end of period	107.7	99.0	9%			

The fourth quarter of 2012

Technical Building Services' net sales in October-December declined from 2011 and amounted to EUR 61.4 million (68.7). The operating profit totalled EUR 1.0 million (1.5). The profitability of contracting operations varies between regions. The end-year results was further burdened by external delays in project start-ups.

Year 2012

Technical Building Services' full-year net sales fell, but profitability improved. In contracting the company has paid special attention to process management and control, as well as in procurement efficiency. In repair and maintenance, profitability has been improved by service design and by measures to boost the efficiency of sales and marketing.

Significantly more long-term repair and maintenance contracts were signed in 2012 than in 2011. Demand for maintenance services is expected to rise over the coming years. In November 2012, Lemminkäinen announced that the company would hire some 100 new professionals for the repair and maintenance of technical building systems. The company's goal is to increase service operations to account for about 50 per cent of this segment's net sales by the end of 2013. The figure for 2012 was 33 per cent.

At the end of the period, Technical Building Services' order book stood at EUR 107.7 million (99.0). In late 2012, Lemminkäinen signed a multi-year repair and maintenance contract for all of Citycon's major shopping centres and retail properties in Finland.

INVESTMENTS

Gross investments during the review period amounted to EUR 64.5 million (84.0), representing 2.8% (3.8) of the company's net sales. They were mainly replacement investments in infrastructure construction. The comparison period's gross investments include the acquisition of Mesta Industri AS.

PERSONNEL

During the review period, the Group employed an average of 8,180 people (8,421). Of these employees, 63% (69) worked in Finland, 17% (13) in other Nordic countries, 10% (9) in the Baltic countries, and 10% (9) in other countries.

Average number of Group personnel	1-12/2012	1-12/2011	Change
Salaried employees	3,007	2,932	3%
Hourly paid employees	5,173	5,489	-6%
Personnel, total	8,180	8,421	-3%
- of whom working outside Finland	3,026	2,590	17%
Personnel at end of period	7,370	7,929	-7%

Personnel by business segment, average	1-12/2012	1-12/2011	Change
International Operations	3,057	2,636	16%
Building Construction	1,425	1,696	-16%
Infrastructure Construction	1,751	2,032	-14%
Technical Building Services	1,631	1,796	-9%
Parent company	316	261	21%
Group, total	8,180	8,421	-3%

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

Share-based incentive scheme

At the end of 2012, Lemminkäinen Corporation's Board of Directors decided to introduce a new share-based incentive scheme for key personnel. The scheme consists of both performance-based and conditional incentives. The conditional incentive seeks to encourage the Group's key personnel to increase their holding in the company.

Rewards paid on the basis of the incentive plan will correspond to the value of a maximum of 700,000 Lemminkäinen Corporation shares (including the proportion to be paid in cash). The value of the incentive will be determined by the market price of the reward shares on the payment date. The Lemminkäinen Corporation shares handed over as rewards will be bought from the stock market. The incentive plan will not therefore have a diluting effect on the value of the shares.

The system consists of three earning periods: the calendar years 2013, 2014 and 2015. The Board of Directors decides on the earning criteria for each period, as well as on the targets to be set at the beginning of each earning period. In the 2013 earning period, approximately 45 people will fall within the scope of the incentive plan. The performance-based incentive will be based on the Lemminkäinen Group's operating profit and return on investment. The proportion paid in cash will cover the taxes and tax-related costs arising from the reward. In addition to the performance-based incentive, the abovementioned key personnel will also have the opportunity to receive a conditional incentive. In order to receive this incentive, a key employee must either already own or acquire company shares. Key personnel will then be rewarded with one share for every share they own or acquire. The earning period for conditional incentives is the calendar years 2013–2015.

You can read more about Lemminkäinen's incentive plans both on our website and in the Annual Report, which will be published in Week 12.

ENVIRONMENT

In its product, service and operations development, Lemminkäinen takes into account both their direct and indirect impact on society. The Group's Executive Board and EHSQ experts regularly monitor both the environmental impact of the Group's operations and the management of environmental issues. On Group-level, Lemminkäinen follows energy consumption figures and the environmental impact of its production facilities in Finland. Each business segment also monitors the individual indicators set for it. Lemminkäinen's environmental reporting is developed according to international GRI (Global Reporting Initiative) framework G3 guidelines. The 2011 report was verified by an external organisation and received level C+. In 2012, Lemminkäinen participated in the international Carbon Disclosure Project (CDP) survey for the second time. The CDP measures performance in climate-related issues. The Group continued to analyse the impact of climate change on the company's operations. Lemminkäinen is involved with several associations that promote environmental awareness and legislation in the construction industry.

More detailed information on Lemminkäinen's environmental issues can be found on the website and in the Annual Report.

RESEARCH AND DEVELOPMENT

Research and development activities at Lemminkäinen focus on the utilisation of information technology in construction, environmental and energy efficiency, and service development. Lemminkäinen has also initiated a variety of developmental measures to improve operational efficiency. In 2012, the company continued to develop the utilisation of building information modelling in project planning. Lemminkäinen's Technical Building Services and Infrastructure Construction segments are cooperating with cities and companies in the Helsinki Metropolitan Area to develop electric vehicle systems in the region (a project funded by Tekes, the Finnish Funding Agency for Technology and Innovation). Products and services are developed in long-term collaboration with customers.

Lemminkäinen has been awarded patents for processes in building construction, such as a technology for raising apartment buildings and a frame for creating window and door openings in cast-in-situ concrete walls. Through a corporate acquisition, the company obtained a control technology that utilises weather forecast information. This system will be included in the energy-saving offering in technical building services.

The Group's business segments are each responsible for their own research and development activities, which focus on, for example, quality assurance and ensuring the efficiency and viability of business activities. Lemminkäinen's Central Laboratory carries out infrastructure construction R&D. In 2012, the Group's expensed research and development expenditure accounted for 0.6 (0.7) per cent of net sales.

CHANGES IN ORGANISATIONAL STRUCTURE

On 1 January 2012, Lemminkäinen formed a new business segment consisting its international business operations. Lemminkäinen now has four business segments: Building Construction, Infrastructure Construction, Technical Building Services, and International Operations.

On 17 February 2012, Jouni Pekonen was appointed Executive Vice President, Procurement. Casimir Lindholm was appointed Executive Vice President, Building Construction as of 1 January 2013. Both men were also appointed as members of Lemminkäinen's Executive Board, and they report to President &

CEO Timo Kohtamäki. Jukka Terhonen, the former Executive Vice President, Building Construction and a member of the Executive Board, retired in January 2013.

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 report period.

Trading with the shares on NASDAQ OMX Helsinki

At the end of 2012, the market capitalisation of Lemminkäinen's shares stood at EUR 280.6 million (367.8). The price of Lemminkäinen Corporation's share on NASDAQ OMX Helsinki was EUR 18.72 (26.00) at the beginning of the period and EUR 14.28 (18.72) at the end. Share turnover during the period totalled 991,952 (3,366,940) shares. The total value of share turnover was EUR 16.3 million (77.0). In addition to NASDAQ OMX Helsinki, Lemminkäinen's share is also traded on alternative markets. During 2012, alternative markets accounted for 6 per cent (8) of Lemminkäinen's total share turnover. Share turnover on alterative markets totalled 64,087 (293,502) shares with a turnover value of EUR 1.1 million (7.0). (Source: Fidessa Fragmentation Index, http://fragmentation.fidessa.com.)

Authorisations of the Board of Directors

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

Lemminkäinen Corporation's Annual General Meeting, which convened on 2 April 2012, resolved to authorise the Board of Directors to decide on the repurchase of a maximum of 1,000,000 of the Company's own shares in one or several instalments, using the unrestricted shareholders' equity of the Company, subject to the provisions of the Finnish Companies Act on the maximum amount of own shares in the possession of the company or its subsidiaries. The authorisation will remain in force for a period of 18 months from the resolution of the General Meeting. The authorisation had not been exercised by the end of the review period.

Treasury shares

Lemminkäinen owns 509 of its treasury shares, which have been returned to the company as part of its share-based incentive scheme. The shares were originally allocated to key personnel for the 2011 earning period of the shared-based incentive scheme of 2010–2012.

SHAREHOLDERS

At the end of the financial year, the company had 4,781 shareholders (4,548). Holders of nominee-registered shares and non-Finnish shareholders held 14 (15) per cent 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.

Shareholder agreements

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

Flagging notifications

On 4 January 2012, Lemminkäinen received a flagging notification stating that Olavi Pentti had bestowed 1,964,480 Lemminkäinen shares on his daughter, Noora Forstén, in a deed of gift. As a result, Olavi Pentti's holding in Lemminkäinen Corporation fell from 3,673,953 shares, or approximately 18.7 per cent of all shares, to 1,709,473 shares, or approximately 8.7 per cent of all shares. Noora Forstén's holding in the company rose from 1,593 to 1,966,073 shares, which corresponds to 10 per cent of all shares and votes in Lemminkäinen Corporation.

On 3 April 2012, Lemminkäinen received a flagging notification according to which Peab Invest AS, a wholly owned subsidiary of Peab AB (publ), acquired 940,000 shares on 2 April 2012 through a completed forward contract. These shares represent 4.78 per cent of the shares and votes in Lemminkäinen Corporation. The shares were transferred to Peab AB (publ) immediately after the transaction. As a result of the forward contract completed on 2 April 2012, Peab AB (publ)'s holding rose to 2,080,225 shares, which represent 10.58 per cent of the shares and votes in Lemminkäinen Corporation.

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.

Since 30 September 2012, 12 new municipalities have brought claims. Therefore, at the end of the year, 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 damages. The new claims total about EUR 6.7 million, bringing the total amount of damages currently sought from Lemminkäinen up to 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 damages 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 they have initially been scheduled to run until April 2013. The damages presented in these 39 claims total about EUR 121 million. No commencement date has yet been set for the main proceedings for the other 14 claims. Neither has a decision date been announced.

In accordance with IFRS standards, 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.

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 www.lemminkainen.com/Investors/Lemminkainen_as_an_investment

RISKS AND UNCERTAINTIES

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

Fluctuations in global economic trends cause uncertainty in Lemminkäinen's operating environment and make it more difficult to forecast future changes. New construction in Finland is sensitive to economic cycles and therefore poses a market risk. This risk is managed both structurally and operationally. The more stable demand for infrastructure construction balances out fluctuating volumes in new domestic construction, as does growth in maintenance, upkeep and renovation in technical building services.

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 real estate investors in the early stages of construction at the latest, thereby reducing sales risks.

Project-specific risks generally involve changes in input costs and the management of project implementation. These are controlled through systematic project management at both the tender and implementation stage. Weather conditions also pose a risk in the construction industry. Unusual or harsh weather can weaken the profitability of our operations by interrupting or delaying projects.

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

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

More information about Lemminkäinen's risks, 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 financial statements.

RESOLUTIONS OF THE ANNUAL GENERAL MEETING AND ADMINISTRATION

On 2 April 2012, Lemminkäinen Corporation's Annual General Meeting adopted the company's financial statements for 2011 and granted the members of the Board of Directors and the President & CEO discharge from liability. The General Meeting resolved, in accordance with the Board of Directors' proposal, to pay a dividend of EUR 0.50 per share to a total of EUR 9,824,833.50. The record date for payment of dividend was 5 April 2012 and the dividend was paid on 16 April 2012.

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

In accordance with the Board of Directors' proposal, the General Meeting resolved to sell all shares in the joint book-entry account that have not been transferred to the book-entry securities system, a total of 10,570 shares, on behalf of their owners. The Board of Directors was authorised to carry out any measures required by the decision.

Lemminkäinen Corporation's Board of Directors held its organisation meeting on 2 April 2012. Berndt Brunow will continue as Chairman of the Board of Directors, and Juhani Mäkinen as Vice Chairman. The Board of Directors elected Heikki Räty as the Chairman of the Audit Committee, with Juhani Mäkinen and Kristina Pentti-von Walzel serving as members. Berndt Brunow was elected as Chairman of the Nomination Committee, with Noora Forstén and Kristina Pentti-von Walzel serving as members. Mikael Mäkinen was elected as Chairman of the Remuneration Committee, with Berndt Brunow and Noora Forstén serving as members.

BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF PROFIT

The distributable shareholders' equity shown on the balance sheet of the parent company, Lemminkäinen Corporation, amounts to EUR 189,410,593.19, consisting of EUR 86,120,686.12 in retained earnings from previous years and EUR 41,980,990.17 in profit for the financial year.

The Board of Directors will propose to the AGM that, for the financial year ended 31 December 2012, the company will distribute a per-share dividend of EUR 0.60 to a total of EUR 11,789,800.20, after which retained earnings would stand at EUR 116,311,876.09.

OUTLOOK

Finland

Migration to urban growth centres and low interest rates support the housing demand in the near future. On the other hand, tax changes affecting consumers' purchasing power and increased difficulty in obtaining mortgages may weaken consumers' desire to purchase homes. The number of completed housing units on sale is growing, and it is likely that fewer new units will be started in 2013 than in 2012. However, if the market situation allows, Lemminkäinen is prepared to launch the construction of about 1,000 residential units in 2013.

The total volume of other new building construction is expected to contract further. Commercial construction outside urban growth centres is estimated to be very limited. Industrial construction will focus on energy production. The demand for renovation construction is estimated to continue its steady growth.

The total volume of infrastructure construction is not expected to grow in 2013. Growth is being hindered by, for example, slow economic growth and the challenges facing public sector finances. Demanding city-centre and underground urban construction will maintain moderate market demand for specialised contracting. Repair works in energy production will also increase demand for infrastructure construction.

The outlook for the repair and maintenance of technical building systems is forecast to remain stable in the near future. New construction has slowed, leading to a fall in demand for contracting in technical building services, and no significant change is expected during the current year.

Other markets

Multi-year, national traffic infrastructure development plans are currently underway in Norway, Sweden and Denmark, and these three countries are also investing heavily in the development of energy production. Mining operations are increasing demand for infrastructure construction in Northern Sweden. Large-scale road projects are being planned around Sweden's growth centres.

In St Petersburg and Russia in general, growth in consumers' purchasing power, internal migration, and the increased availability of consumer mortgages are all supporting demand for residential construction. Measures to improve Russian infrastructure have been increasingly initiated, and, for example, numerous projects to expand and repair road networks are currently underway.

The growth in infrastructure construction in the Baltic countries will be determined by the availability of financing. However, ongoing road construction and renovation projects will maintain demand for infrastructure construction at a moderate level throughout 2013 at least.

Profit guidance for 2013

Lemminkäinen estimates that its 2013 net sales will remain at the same level as in 2012 and that its operating profit will improve on 2012. In 2012, Lemminkäinen's net sales totalled EUR 2,268 million and its operating profit amounted to EUR 50 million.

This guidance is based on the company estimate that the efficiency programme proceeds as planned and that the construction market will not weaken significantly.

Helsinki, 7 February 2013

LEMMINKÄINEN CORPORATION
Board of Directors

TABULATED SECTIONS OF THE FINANCIAL STATEMENT BULLETIN

ACCOUNTING PRINCIPLES

This financial statement bulletin has been prepared in accordance with IFRS recognition and accounting principles and complies with IAS 34 Interim Financial Reporting. The same IFRS recognition and measurement principles have been observed in the preparation of this interim report as in the 2011 financial statements, except for the changes mentioned below. The information contained in the financial statement bulletin has not been audited.

Hybrid bond

A hybrid bond is recognised in shareholders' equity after equity belonging to shareholders. The bond holders do not have any rights equivalent to ordinary shareholders, and the bond does not dilute shareholders' ownership in the company. The company has no contractual obligation to repay the loan capital or the interests of the loan. The hybrid bond is initially recognised at fair value less transaction and subsequently presented at this same value. If interest is paid to the hybrid bond, it is recognised directly into retained earnings.

Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the parent company, less the interest of the hybrid bond calculated on accrual basis, by the weighted average number of ordinary shares in issue during the year. Treasury shares held by the company and outstanding ordinary shares that are contingently returnable are excluded from the weighted average number of ordinary shares. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume the conversion of all dilutive potential ordinary shares.

Contingent liabilities

Contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of an uncertain future event that is not wholly within the control of the Group. In addition, a present obligation whose settlement is not likely to require and outflow of financial resources and an obligation whose amount cannot be measured with sufficient reliability are deemed contingent liabilities. No provision is made for contingent liability and it is presented in the notes of the financial statement.

New standards and interpretations applied by the company in 2012

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

Standards and interpretations applied by the company after 2012

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

The following new interpretations and standards applied by the company in 2013 have no essential impact on the consolidated financial statements: IAS 1 (amendment), IAS 12 (amendment), IFRS 7 (amendment), IFRS 9 (classification and valuation), IFRS 13 Fair Value Measurement and IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine.

The company will examine the effects of the following standards effective in 2014 or later: IAS 27 (amendment), IAS 28 (amendment), IAS 32 (amendment), 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
2) Consolidated statement of comprehensive income
3) Consolidated statement of financial position
4) Consolidated cash flow statement
5) Consolidated statement of changes in equity
6) Consolidated income statement, quarterly
7) Segment information
8) Economic trends and financial indicators
9) Share-specific indicators
10) Property, plant and equipment
11) Acquisitions
12) Discontinued operations
13) Related-party transactions
14) Guarantees and commitments
15) Contingent liabilities

1) CONSOLIDATED INCOME STATEMENT

EUR mill.	10-12/ 2012	10-12/ 2011	1-12/ 2012	1-12/ 2011
Net sales	668.6	635.2	2,267.6	2,183.9
Other operating income and expenses	-633.6	-619.5	-2,177.6	-2,106.7
Depreciation	11.2	8.5	41.0	35.1
Impairment of goodwill				0.1
Share of the profit of associates and joint ventures	-0.1	0.4	1.1	1.9
Operating profit	23.7	7.7	50.1	44.0
Finance expenses	10.4	7.5	32.3	30.3
Finance income	1.4	1.2	11.3	11.4
Profit before taxes	14.7	1.4	29.0	25.0
Income taxes	-5.6	-2.7	-8.7	-7.9
Profit from continuing operations	9.0	-1.3	20.4	17.1
Profit from discontinued operations	0.2	1.3	23.7	18.5
Profit for the accounting period	9.2	-0.1	44.0	35.6
Profit for the accounting period attributable to				
Equity holders of the parent company	9.2	-0.5	43.9	34.7
Non-controlling interests	0.0	0.5	0.2	0.9
Basic earnings per share attributable to equity holders of the parent company				
From continuing operations	0.26	-0.09	0.83	0.83
From discontinued operations	0.02	0.06	1.21	0.94
From profit for the accounting period	0.28	-0.03	2.04	1.77
Diluted earnings per share attributable to equity holders of the parent company				
From continuing operations	0.25	-0.09	0.82	0.83
From discontinued operations	0.01	0.06	1.20	0.94
From profit for the accounting period	0.27	-0.03	2.03	1.77

2) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR mill.	10-12/ 2012	10-12/ 2011	1-12/ 2012	1-12/ 2011
Profit for the accounting period	9.2	-0.1	44.0	35.6
Translation difference	-0.7	1.7	3.1	-0.8
Cash flow hedge	0.1	0.1	0.5	0.6
Change in fair value of available-for-sale financial assets	0.0	0.0	0.0	0.0
Other comprehensive income, total	-0.6	1.8	3.7	-0.2
Comprehensive income for the accounting period	8.7	1.7	47.7	35.3
Comprehensive income for the accounting period attributable to				
Equity holders of the parent company	8.6	1.2	47.5	34.5
Non-controlling interests	0.0	0.5	0.2	0.9

3) CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR mill.	12/2012	12/2011
Non-current assets		
Property, plant and equipment	200.5	207.2
Goodwill	77.0	85.7
Other intangible assets	26.7	18.7
Holdings in associates and joint ventures	9.7	9.3
Available-for-sale financial assets	6.0	6.0
Deferred tax asset	20.4	19.4
Other non-current receivables	0.5	4.8
Total	340.7	351.0
Current assets		
Inventories	494.4	448.5
Trade and other receivables	363.1	407.3
Income tax receivables	8.3	5.6
Available-for-sale financial assets	59.0	
Cash and cash equivalents	34.9	30.4
Total	959.7	891.8
Total assets	1,300.4	1,242.8
Equity and liabilities		
Share capital	34.0	34.0
Share premium account	5.7	5.7
Hedging reserve	-0.4	-0.9
Fair value reserve	0.0	
Invested non-restricted equity fund	63.6	63.2
Hybrid bond	69.1	
Translation differences	4.5	1.4
Retained earnings	230.0	210.6
Profit for the period	43.9	34.7
Equity attributable to shareholders of the parent company	450.4	348.7
Non-controlling interests	0.4	1.7
Total equity	450.8	350.4
Non-current liabilities		
Deferred tax liabilities	25.2	21.7
Pension obligations	1.2	3.9
Interest-bearing liabilities	138.8	194.6
Provisions	6.2	6.2
Other liabilities	7.6	3.2
Total	179.0	229.7
Current liabilities		
Interest-bearing liabilities	232.4	237.0

Provisions	8.1	7.5
Trade and other liabilities	427.8	416.4
Income tax liabilities	2.4	1.8
Total	670.6	662.7
Total liabilities	849.6	892.4
Total equity and liabilities	1,300.4	1,242.8

4) CONSOLIDATED CASH FLOW STATEMENT

EUR mill.	1-12/ 2012	1-12/ 2011
Profit before taxes	29.0	25.0
Depreciation and impairment	41.0	35.2
Other adjustments	16.0	14.4
Cash flows before change in working capital	86.0	74.6
Change in working capital	-4.8	-61.1
Financial items	-20.8	-16.5
Direct taxes paid	-2.7	-4.2
Cash flows from operating activities	57.8	-7.1
Cash flows provided by investing activities	91.9	43.3
Cash flows used in investing activities	-135.3	-60.5
Change in non-current receivables	4.4	2.3
Drawings of loans	482.1	515.7
Repayments of borrowings	-555.8	-478.9
Hybrid bond	69.1	
Dividends paid	-10.0	-10.8
Cash flow from financing activities	-10.2	28.4
Change in cash and cash equivalents	4.2	4.0
Cash and cash equivalents at beginning of period	30.4	26.3
Translation difference of cash and cash equivalents	0.3	0.0
Cash and cash equivalents at end of period	34.9	30.4

5) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A = Share capital
B = Share premium account
C = Hedging reserve
D = Fair value reserve
E = Invested unrestricted equity 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 1.1.2011	34.0	5.8	-1.5	0.0	63.1		2.2	221.6	5.1	330.3
Profit for the accounting period								34.7	0.9	35.6
Translation difference							-0.8			-0.8
Cash flow hedge			0.6							0.6
Change in fair value of available-for-sale financial assets				0.0						0.0
Comprehensive income, total			0.6	0.0			-0.8	34.7	0.9	35.3
Direct entries, acquisition of non-controlling interest								-1.1		-1.1
Change in non-controlling interest									-3.3	-3.3
Transfers between funds		-0.1			0.1					
Dividends paid								-9.8	-1.0	-10.8
Transactions with owners, total		-0.1			0.1			-11.0	-4.2	-15.2
Equity 31.12.2011	34.0	5.7	-0.9		63.2		1.4	245.3	1.7	350.4

EUR mill.	A	B	C	D	E	F	G	H	I	J
Equity 1.1.2012	34.0	5.7	-0.9		63.2		1.4	245.3	1.7	350.4
Profit for the accounting period								43.9	0.2	44.0
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
Comprehensive income, total			0.5	0.0			3.1	43.9	0.2	47.7
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	273.9	0.4	450.8

6) CONSOLIDATED INCOME STATEMENT, QUARTERLY

EUR mill.	10-12/ 2012	7-9/ 2012	4-6/ 2012	1-3/ 2012	10-12/ 2011
Net sales	668.6	716.6	567.0	315.4	635.2
Other operating income and expenses	-633.6	-663.9	-548.6	-331.6	-619.5
Depreciation	11.2	14.3	10.3	5.2	8.5
Share of the profit of associates and joint ventures	-0.1	1.9	-0.4	-0.2	0.4
Operating profit	23.7	40.4	7.7	-21.6	7.7
Financial expenses	10.4	5.5	6.5	9.9	7.5
Financial income	1.4	1.8	0.8	7.3	1.2
Profit before taxes	14.7	36.6	2.0	-24.3	1.4
Income taxes	-5.6	-6.3	-1.0	4.3	-2.7
Profit from continuing operations	9.0	30.3	1.0	-20.0	-1.3
Profit from discontinued operations	0.2	21.0	2.4	0.0	1.3
Profit for the accounting period	9.2	51.3	3.5	-20.0	-0.1
Distribution of the profit for the accounting period					
To equity holders of the parent company	9.2	51.1	3.6	-20.1	-0.5
To non-controlling interest	0.0	0.2	-0.2	0.0	0.5
Basic earnings per share attributable to equity holders of the parent company					
From continuing operations	0.26	1.59	0.00	-1.02	-0.09
From discontinued operations	0.02	1.07	0.12	0.00	0.06
From profit for the accounting period	0.28	2.67	0.12	-1.02	-0.03
Diluted earnings per share attributable to equity holders of the parent company					
From continuing operations	0.25	1.59	0.00	-1.02	-0.09
From discontinued operations	0.01	1.07	0.12	0.00	0.06
From profit for the accounting period	0.27	2.67	0.12	-1.02	-0.03

7) SEGMENT INFORMATION

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

The segment information reported to management is generally prepared according to the same principles as those applied in the consolidated financial statements. Imputed items are not considered in segment reporting. Such items include, among others, depreciation of assets acquired by finance leasing, interest separated from payments and warranty provisions. In segment reporting to management, finance leases are treated as operating leases, which deviate from the accounting principles of IFRS financial statements. Associates are combined in segment reporting in proportion to ownership share using the line-by-line method. In IFRS financial statements associates are combined by the equity method. In segment reporting, intersegment sales are not allocated to segments, owing to their minimal magnitude, and are not reported to management.

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

INTOPS= International Operations
BLDCO = Building Construction
INFRA = Infrastructure Construction
TECBS = Technical Building Services
OTHER = Other operations
ELIM = Group eliminations
SEGM = Segments total
RECON = Reconciling items
TOTAL = Group total, IFRS

EUR mill. 1-12/2012	INTOPS	BLDCO	INFRA	TECBS	OTHER	ELIM	SEGM	RECON	TOTAL
Net sales	934.3	682.4	591.1	230.0	37.8	-122.1	2,353.6	-86.0	2,267.6
Depreciation and impairment	18.7	0.4	21.0	0.7	4.4		45.2	-4.2	41.0
Operating profit	16.6	19.6	43.5	3.2	-8.3		74.6	-24.5	50.1

The reconciling items for net sales comprise EUR -31.1 million from the equity share treatment of associates and joint ventures and discontinued operations EUR -54.8 milloin.

The reconciling items for operating profit comprise EUR 0.2 million in personnel expenses, EUR 0.9 million from the IFRS treatment of finance leasing, EUR -0.7 million from the equity share treatment of associates and joint ventures and EUR -0.5 million in other closing entries and discontinued operations EUR -24.4 million.

EUR mill. 1-12/2011	INTOPS	BLDCO	INFRA	TECBS	OTHER	ELIM	SEGM	RECON	TOTAL
Net sales	809.8	720.9	596.2	239.9	31.0	-90.4	2,307.4	-123.5	2,183.9
Depreciation and impairment	15.2	0.4	20.9	0.8	3.1		40.4	-5.2	35.2
Operating profit	42.2	9.4	30.9	2.8	-16.6		68.8	-24.8	44.0

The reconciling items for net sales comprise EUR -29.5 million from the equity share treatment of associates and joint ventures and discontinued operations EUR -94.0 million.

The reconciling items for operating profit comprise EUR 0.7 million in personnel expenses, EUR 0.3 million from the IFRS treatment of finance leasing, EUR -1.0 million from the equity share treatment of associates and joint ventures and discontinued operations EUR -24.8 million.

NET SALES EUR mill.	1-12/ 2012	1-12/ 2011
International Operations	934.3	809.8
Building Construction	682.4	720.9
Infrastructure Construction	591.1	596.2
Technical Building Services	230.0	239.9
Other operations	37.8	31.0
Group eliminations	-122.1	-90.4
Segments total	2,353.6	2,307.4
Reconciling items	-86.0	-123.5
Group total, IFRS	2,267.6	2,183.9

OPERATING PROFIT EUR mill.	1-12/ 2012	1-12/ 2011
International Operations	16.6	42.2
Building Construction	19.6	9.4
Infrastructure Construction	43.5	30.9
Technical Building Services	3.2	2.8
Other operations	-8.3	-16.6
Segments total	74.6	68.8
Reconciling items	-24.5	-24.8
Group total, IFRS	50.1	44.0

NET SALES, QUARTERLY EUR mill.	10-12/ 2012	7-9/ 2012	4-6/ 2012	1-3/ 2012	10-12/ 2011
International Operations	267.8	323.5	239.0	104.0	246.9
Building Construction	252.4	147.2	158.7	124.1	221.1
Infrastructure Construction	134.6	232.3	157.6	66.6	153.2
Technical Building Services	61.4	51.2	56.9	60.5	68.7
Other operations	10.0	9.3	10.6	7.9	8.8
Group eliminations	-41.8	-18.5	-27.0	-34.8	-23.4
Segments total	684.5	744.9	595.8	328.4	675.3
Reconciling items	-15.9	-28.3	-28.8	-13.0	-40.1
Group total, IFRS	668.6	716.6	567.0	315.4	635.2

OPERATING PROFIT, QUARTERLY EUR mill.	10-12/ 2012	7-9/ 2012	4-6/ 2012	1-3/ 2012	10-12/ 2011
International Operations	6.2	24.9	1.3	-15.8	11.3
Building Construction	16.2	1.8	2.6	-1.0	7.6
Infrastructure Construction	-0.7	37.2	10.9	-3.9	-4.1
Technical Building Services	1.0	0.3	1.1	0.8	1.5
Other operations	-0.3	-2.9	-3.1	-2.0	-5.9
Segments total	22.4	61.3	12.7	-21.8	10.5
Reconciling items	1.3	-20.9	-5.0	0.2	-2.8
Group total, IFRS	23.7	40.4	7.7	-21.6	7.7

ASSETS EUR mill.	12/2012	12/2011
International Operations	335.9	304.0
Building Construction	275.8	418.1
Infrastructure Construction	120.5	158.8
Technical Building Services	30.4	35.2
Other operations	39.9	50.8
Segments total	802.5	966.9
Assets unallocated to segments		
and Group eliminations, total	497.9	275.9
Group total, IFRS	1,300.4	1,242.8

8) ECONOMIC TRENDS AND FINANCIAL INDICATORS

	12/2012	12/2011
Return on equity, rolling 12 months, % 1)	11.0	10.5
Return on investment, rolling 12 months, % 1)	10.7	10.8
Operating profit, % of net sales	2.2	2.0
Equity ratio, %	38.0	30.8
Gearing, %	61.5	114.5
Interest-bearing net liabilities, EUR mill.	277.3	401.2
Gross investments, EUR mill. (incl. leasing purchases)	64.5	84.0
Order book, EUR mill.	1,443.9	1,400.4
- of which orders outside Finland, EUR mill.	574.6	482.5
Personnel on average	8,180	8,421
Personnel at the end of period	7,370	7,929
Net sales, EUR mill.	2,267.6	2,183.9

1) Includes the effect of discontinued operations

9) SHARE-SPECIFIC INDICATORS

	12/2012	12/2011
Basic earnings per share, EUR	2.04	1.77
Diluted earnings per share, EUR	2.03	1.77
Equity per share, EUR	23.02	17.75
Dividend per share, EUR	0.60 [1)]	0.50
Dividend per earnings, %	26.9 [1)]	28.3
Market capitalisation at the end of period, EUR mill.	280.6	367.8
Share price at the end of period, EUR	14.28	18.72
Shares trading, 1,000 shares	992	3,367
Number of shares, total	19,650,176	19,644,764
Number of treasury shares	509	
Weighted avarage number of shares outstanding	19,565,441	19,644,764
Diluted weighted average number of shares outstanding	19,660,976	19,644,764

1) Board of Directors´ proposal to the AGM

10) PROPERTY, PLANT AND EQUIPMENT

EUR mill.	12/2012	12/2011
Aquisition cost in the beginning of accounting period	464.0	449.0
Translation difference	4.6	0.3
Increases	48.0	47.3
Acquired businesses	1.1	26.3
Disposals	-37.5	-58.9
Discontinued operations	-43.0	
Transfers between items	0.0	0.0
Accumulated depreciation	-236.7	-256.8
Carrying amount at the end of accounting period	200.5	207.2

11) ACQUISITIONS

On 5 April 2012 Lemminkäinen acquired Commercial Tower North Inc. The company specializes in wireless communication related services. The goodwill recognized from this acquisition comprises of an expansion of market area as well as production cost savings.

On 2 July 2012 Lemminkäinen acquired Kivikkarit Oy. The company specializes in municipal infrastructure contracting. The acquisition of Kivinikkarit Oy strengthens Lemminkäinen's position in concrete and natural stone contracting in Southern Finland. The goodwill recognized from this acquisition comprises of increase in market share and cost savings in purchase, logistics and production functions. Kivinikkarit Oy was merged to Lemminkäinen Infra Oy on 30 November 2012.

On 31 July 2012 Lemminkäinen acquired Wisepro Oy. The company specializes in weather forecasting technologies for technical building services industry. Wisepro Oy was merged to Lemminkäinen Talotekniikka Oy on 31 December 2012.

On 31 August 2012 Lemminkäinen acquired Maanrakennusliike Helander Oy. The company specializes in earthwork construction. The goodwill recognized from the acquisition comprises of cost savings in purchase, logistics and production functions.

In the year 2012 the recognised fair values of the acquired business operations after merging are presented in the table below.

EUR mill.	Fair values after consolidation 2012
Property, plant and equipment and intangible assets	1.3
Available-for-sale financial assets	0.1
Inventories	0.1
Current receivables	0.7
Cash and cash equivalents	0.0
Total assets	2.2
Deferred tax liabilities	0.3
Interest-bearing liabilities	0.1
Other liabilities	1.2
Total liabilities	1.6
Net assets	0.6
Consideration paid in cash	1.6
Consideration recognised as liability	0.3
Total consideration	1.9
Goodwill	1.3
Consideration paid in cash	1.6
Cash of acquider subsidiaries	0.0
Impact on cash flow	1.5
Expensed acquisition costs	0.0

On the consolidation of the acquired business operations, EUR 3.5 million has been recognised in net sales and EUR 0.2 million in operating profit. Full-year net sales of the acquired business operations in 2012 amounted to about EUR 5.0 million and operating profit to about EUR 0.3 million. If the acquirees had been consolidated as from the beginning of the year, consolidated net sales would have been EUR 2 269.1 million and operating profit EUR 50.2 million.

12) DISCONTINUED OPERATIONS

On 28 September 2012, Lemminkäinen sold all its outstanding shares in Lemminkäinen Rakennustuotteet Oy. The company speacialised in concrete business. The transaction price was EUR 54.3 million, from which the company recognised a gain on sale of EUR 17.3 million before taxes in second the half of 2012. In addition, in April 2012, the Group sold its sports construction business, which was part of the Infrastructure Construction segment, as well as the technical building and property services business in the Uusikaupunki area, which was part of the Technical Building Services segment.

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

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

EUR mill.	2012	2011
The profit of the discontinued operations		
Income	55.1	90.2
Expences	47.8	80.7
Profit before taxes	7.3	9.6
Taxes	-1.6	-2.4
Profit for the financial period	5.7	7.2
Pre-tax gains on sales of the businesses	17.1	
Taxes	0.9	
Gains on sale after taxes	18.0	
Profit for the period from discontinued operations	23.7	7.2
Cash flows from discontinued businesses		
Cash flow from business operations	14.9	
Cash flow from investments	-1.7	
Cash flow from financing	-13.2	
Cash flows, total	0.0	
The impact of the sales to groups' financial position		
Property, plant and equipment	14.0	
Goodwill	10.7	
Other intangible assets	0.6	
Available-for-sale financial assets	0.0	
Deferred tax assets	0.0	
Inventories	9.2	
Trade and other receivables	8.7	
Cash and cash equivalents	0.0	
Deferred tax liabilities	-1.1	
Trade payables and other liabilities	-10.1	
Assets and liabilities total	32.0	
Cash considerations received	55.4	
Adjustment of re-acquired assets to initial book value	4.4	
Transaction costs	1.8	

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

EUR mill.		2011
The profit of the discontinued operations		
Income		3.8
Expenses		5.7
Profit before taxes		-1.9
Taxes		0.5
Profit for the financial period		-1.4
Pre-tax gains on sales of the businesses		17.1
Taxes		-4.4
Gains on sale after taxes		12.7
Profit for the period from discontinued operations		11.3
Cash flows from roofing business		
Cash flow from business operations		-1.9
Cash flow from investments		-0.1
Cash flow from financing		2.0
Cash flows total		0.0
The impact of the sale to groups' financial position		
Property, plant and equipment		2.0
Receivables		7.9
Inventories		5.2
Accounts payable and other liabilities		-4.2
Assets and liabilities total		11.0
Cash considerations received		28.1

13) RELATED-PARTY TRANSACTIONS

EUR mill.	12/2012	12/2011
Sales to associates and joint ventures	3.9	0.6
Sales to a company under the influence of a key management person’s family member	0.2	
Total	4.1	0.6
Purchases from associates and joint ventures	14.4	13.6
Trade receivables from associates and joint ventures	2.2	0.0
Trade receivables from a company under the influence of a key management person’s family member	0.2	
Total	2.4	0.0

Accounts payable to associates and joint ventures	0.2	0.6
Loan receivables from associates and joint ventures		0.1

14) GUARANTEES AND COMMITMENTS

EUR mill.	12/2012	12/2011
Pledges for own commitments		
Pledged deposits	0.0	0.0
Pledges on behalf of others		
Pledged securities		0.1
Guarantees		
On behalf of associates and joint ventures	17.9	20.3
On behalf of consortiums and real estate companies	13.3	18.9
Total	31.2	39.2
Minimum lease payments of irrevocable lease contracts		
One year or less	15.0	13.0
Over one year but no more than five years	30.4	30.8
Over five years	17.0	13.4
Total	62.3	57.2
Purchase commitments of investments	5.3	7.2
Derivative contracts		
Forward foreign exchange contracts		
Nominal value	93.6	71.0
Fair value	-0.3	-0.8
Interest rate swap contracts		
Nominal value	61.5	35.7
Fair value	-1.1	-1.6
Commodity derivatives		
Volume, mill.	40,000	7,600
Nominal value	17.2	3.5
Fair value, €	-0.6	0.2

The fair value of contracts is the gain or loss arising from closure of the contract based on the market price on the accounting date.

15) 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.

Since 30 September 2012, 12 new municipalities have brought claims. Therefore, at the end of the year, 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 damages. The new claims total about EUR 6.7 million, bringing the total amount of damages currently sought from Lemminkäinen up to 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 damages 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 they have initially been scheduled to run until April 2013. The damages presented in these 39 claims total about EUR 121 million. No commencement date has yet been set for the main proceedings for the other 14 claims. Neither has a decision date been announced.