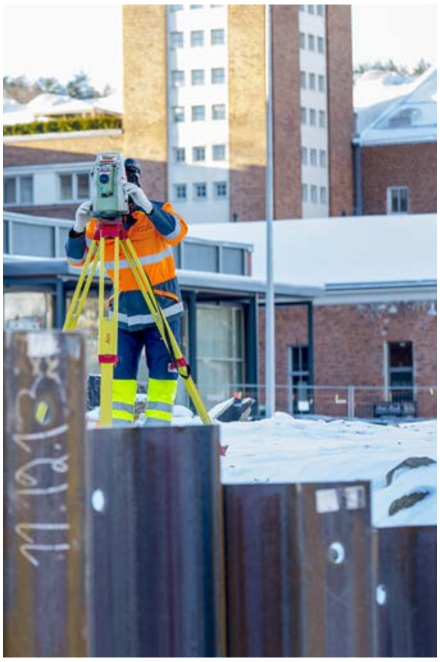
INTERIM REPORT

1 Jan –30 June 2014

The result improved year-on-year

Lemminkäinen



Lemminkäinen Interim Report 1 Jan–30 June 2014: The result improved year-on-year

January–June 2014 (1–6/2013)

- Net sales totalled EUR 789.8 million (736.0).
- At the end of the review period, the order book stood at EUR 2,086.8 million (1,973.5).
- Operating profit was EUR -2.5 million (-48.8), or -0.3% (-6.6) of net sales.
- Earnings per share were EUR 0.21 (-2.63).
- Cash flow from operations totalled EUR -126.9 million (-78.2).
- The equity ratio stood at 32.1% (29.2) and gearing at 85.4% (108.6).
- On 13 June 2014, Lemminkäinen divested its technical building services business to Are Group. The debt free purchase price was EUR 60.0 million. From the sale, Lemminkäinen booked EUR 23.7 million in capital gain in the second quarter of the year. The technical building services impact on financial performance and the capital gain from the sale have been eliminated from the income statement from continuing operations, as it's classified as discontinued operations.

April–June 2014 (4–6/2013)

- Net sales totalled EUR 510.5 million (470.8).
- Operating profit was EUR 14.8 million (-11.9), or 2.9% (-2.5) of net sales.
- Earnings per share were EUR 1.30 (-0.91).
- Cash flow from operations totalled EUR -24.8 million (-53.8).

Profit guidance for 2014

Lemminkäinen estimates that its 2014 net sales will be slightly lower than in 2013 but its operating profit will improve clearly on 2013 (excluding non-recurring items). In 2013, net sales were EUR 2,020.1 million and operating profit excluding non-recurring items was EUR -3.9 million. The profit guidance remains unchanged for continuing operations. The impact of Technical building services has been eliminated from the 2013 figures.

Key figures, IFRS		4–6/2014	4–6/2013	Change	1–6/2014	1–6/2013	Change	1–12/2013
Net sales	M€	510.5	470.8	39.7	789.8	736.0	53.8	2,020.1
Operating profit, excluding non-recurring items	M€	14.8	-11.9	26.7	-2.5	-48.8	46.3	-3.9
% net sales	*%*	*2.9*	*-2.5*		*-0.3*	*-6.6*		*-0.2*
Operating profit	M€	14.8	-11.9	26.7	-2.5	-48.8	46.3	-89.3[1)]
Pre-tax profit	M€	7.3	-18.7	26.0	-17.1	-60.5	43.4	-116.1[1)]
Profit from continuing operations	M€	5.3	-16.2	21.5	-14.9	-47.4	32.5	-96.2[1)]
Profit from discontinued operations	M€	22.9	-0.4	23.3	23.2	-1.5	24.7	2.7
Profit for the period	M€	28.2	-16.7	44.9	8.3	-48.9	57.2	-93.5[1)]

Earnings per share from continuing operations	€	0.14	-0.89	1.03	-0.97	-2.55	1.58	-5.19
Earnings per share from discontinued operations	€	1.17	-0.02	1.19	1.18	-0.08	1.26	0.14
Earnings per share for the period	€	1.30	-0.91	2.21	0.21	-2.63	2.84	-5.06 2)
Cash flow from operations	M€	-24.8	-53.8		-126.9	-78.2		8.3

1) Includes non-recurring items: The District Court's decision on damages related to the asphalt cartel, EUR 65.6 million, and write-downs mainly related to commercial properties, EUR 19,8 million

2) Includes non-recurring items: The District Court's decision on damages related to the asphalt cartel, EUR -3.35 per share, and write-downs mainly related to commercial properties, EUR -1.01 per share

Key figures, IFRS		30 June 2014	30 June 2013	Change	31 December 2013
Order book, continuing operations	M€	2,086.8	1,973.5	113.3	1,733.2
Balance sheet total	M€	1,463.4	1,461.8	1.6	1,342.7
Interest-bearing net debt	M€	339.9	405.2	-65.3	326.5
Equity ratio	%	32.1	29.2		27.3
Gearing	%	85.4	108.6		100.8
Return on investment, rolling 12 months	%	0.2	5.7		-9.4

President and CEO's view

"During the second quarter of 2014 Lemminkäinen took major steps in its turnaround. I am pleased to note that we achieved significant improvement in profitability compared to the first half of the year 2013," says **Berndt Brunow**, Chairman of Lemminkäinen's Board of Directors and Lemminkäinen's interim President and CEO. "Much of the improvement was due to our cost-cutting and efficiency improvement measures, successful infrastructure construction projects in Finland, paving business and building construction in the Helsinki metropolitan area.

"Our balance sheet is currently stronger than in the beginning of the year. We issued a 100-million-euro domestic bond in June which extended the maturity distribution of our debt portfolio. We also divested our technical building services business to Are Group in June. To further build our financial strength, we will continue to divest non-core operations and assets. We have also initiated a programme to release working capital.

"Our strategic focus is on infrastructure construction in Northern Europe and building construction in selected customer segments and areas in Finland and Russia. To enable future profitable growth in these businesses, we continue to take decisive actions to strengthen our balance sheet and improve our competitiveness. In building construction, we do not expect help from the market: In Russia the economic and political situation is uncertain, though it has not yet affected our apartment sales in St Petersburg. In Finland, the sales times are lengthening in residential construction.

"Unfortunately we have had to make many difficult decisions to initiate the turnaround, including the decision to reduce our personnel by nearly 500. Going forward, we need disciplined implementation of the decisions now taken and innovative approach for Lemminkäinen's further renewal. Our new CEO Casimir Lindholm, as of August, and his Executive Team have a clear management agenda to build a firm foundation for Lemminkäinen's future success."

Market outlook

Construction of new apartments will decrease for the third year in a row in Finland measured in value. Building construction will mainly be increased through renovation and somewhat by construction of public premises and industrial and warehouse premises. The weak economic situation of the public sector will most likely lower the demand for paving and road maintenance. On the other hand, the market situation in infrastructure construction will be supported by current and future major projects. In Scandinavia, the demand for infrastructure construction will be increased by multi-year national investment programmes as well as needs for renewing energy production. At the same time, the growing infrastructure market attracts Central European construction companies to these countries, which intensifies price competition in the industry. The growth outlook of the Russian economy will remain uncertain, and forecasting the operating environment has become more difficult.

Briefing

A Finnish-language briefing for analysts and the media will be held at 10:00 a.m. on Wednesday, 30 July at Lemminkäinen's head office. The street address is Salmisaarenaukio 2, Helsinki, Finland. Lemminkäinen's Chairman of the Board and interim President and CEO Berndt Brunow will present the Interim Report. Presentation materials can be found in Finnish and English at the company's website, www.lemminkainen.com.

Financial Reports for 2014

7 February 2014	Financial Statements Bulletin 2013
30 April 2014	Interim Report, 1 Jan–31 March 2014
30 July 2014	Interim Report, 1 Jan–30 Jun 2014
29 October 2014	Interim Report, 1 Jan–30 Sept 2014

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Operating environment

January–June 2014

Finland

Housing sales slowed down during the second quarter of the year. The stricter loan terms applied by banks, the increased difficulty selling old apartments/houses and the general economic uncertainty have lengthened sales times and decreased demand for apartments outside urban growth centres in particular. The decrease in sales to consumers has been offset by increasing sales to investors. Underground infrastructure construction continued brisk in urban growth centres and mild winter supported the start of the paving season.

Scandinavia

The market situation for infrastructure construction remained good in Sweden, Norway and Denmark. Road construction and basic improvement projects maintain the demand for paving in particular, and, in addition, governments are investing in improving the infrastructure network and in road maintenance. Furthermore, there are plenty of ongoing infrastructure projects aimed at improving the efficiency of energy production.

Russia and the Baltic countries

Thus far, the weakening of the growth outlook in Russia has not affected consumers' intentions to purchase apartments, but the situation may change quickly with prolonged political and economic uncertainty.. There are plenty of basic federal road improvement projects underway departing from Moscow. In the Baltic countries, the market situation in infrastructure construction shows signs of picking up with mainly EU-funded infrastructure projects and, in particular, with indicative economic growth in Lithuania and Latvia.

Group performance

Net sales

Net sales by segment		4–6/2014	4–6/2013	Change	1–6/2014	1–6/2013	Change	1–12/2013
Finland, Building construction	M€	135.2	116.4	18.8	251.1	239.5	11.6	592.9
Finland and the Baltic countries, Infrastructure construction	M€	172.0	156.2	15.8	240.6	212.5	28.1	687.3
Finland, Technical building services[1)]	M€	42.0	54.5	-12.5	91.7	98.4	-6.7	221.9
Russia	M€	34.1	40.1	-6.0	50.1	59.3	-9.2	164.5
Scandinavia	M€	175.5	164.2	11,3	257.0	235.6	21.4	611.9
Other operations and eliminations	M€	-13.2	-10.2	-3.0	-23.4	-17.7	-5.7	-60.4
Discontinued operations, adjustment	M€	-35.1	-50.4	15.3	-77.3	-91.7	14.4	-198.0
Group, IFRS	M€	510.5	470.8	39.7	789.8	736.0	53.8	2,020.1

1) Lemminkäinen announced on 14 May 2014 that it has divested its Technical Building Services business by selling the entire share capital of Lemminkäinen Talotekniikka Oy. The transaction was completed on 13 June 2014. Technical Building Services has been classified as a discontinued operation.

During the review period, the Group's net sales grew by 7% and totalled EUR 789.8 million (736.0). In Finland, net sales were increased by residential development and construction and the infrastructure construction project business. The paving season started early, thanks to the mild winter, and promoted the growth of the paving business in nearly all of Lemminkäinen's operating countries. In Russia, net sales were impaired by the decrease in contracting in building construction.

Net sales by country in January–June were 57% (55) from Finland, 32% (32) from Scandinavia, 6% (8) from Russia and 5% (5) from the Baltic countries. Net sales by business type were 58% (55) from infrastructure construction and 42% (45) from building construction.

Operating profit

Operating profit by segment		4–6/2014	4–6/2013	Change	1–6/2014	1–6/2013	Change	1–12/2013
Finland, Building construction	M€	5.9	-2.0	7.9	12.0	2.1	9.9	5.0[3)]
Finland and the Baltic countries, Infrastructure construction	M€	7.0	4.2	2.8	0.7	-8.6	9.3	16.3[4)]
Finland, Technical building services[1)]	M€	22.8[2)]	-0.5	23.3	23.2[2)]	-1.9	25.1	-1.6
Russia	M€	0.4	0.5	-0.1	-1.0	-3.1	2.1	-0.3
Scandinavia	M€	7.6	-6.2	13.8	-4.1	-27.0	22.9	-29.4[5)]
Business segments, total	M€	43.7	-4.0	47.7	30.8	-38.5	69.3	-10.0
Other operations	M€	-6.1	-8.5	2.4	-10.1	-12.2	2.1	-80.8
Discontinued operations, adjustment	M€	-22.8	0.6	-23.4	-23.1	1.9	-25.0	1.5
Group, IFRS	M€	14.8	-11.9	26.7	-2.5	-48.8	46.3	-89.3[6)]

1) Lemminkäinen announced on 14 May 2014 that it has divested its Technical Building Services business by selling the entire share capital of Lemminkäinen Talotekniikka Oy. The transaction was completed on 13 June 2014. Technical Building Services has been classified as a discontinued operation.
2) Includes gain on sale of the Technical building services EUR 23.7 million.
3) Includes non-recurring items: write-downs related to commercial properties, EUR 14.1 million
4) Includes non-recurring items: write-downs related to mineral aggregate areas, EUR 3.0 million
5) Includes non-recurring items: write-downs related to long-term upkeep and maintenance contracts, EUR 2.7 million
6) Includes non-recurring items: The District Court's decision on damages related to the asphalt cartel, EUR 65.6 million, and write-downs mainly related to commercial properties, EUR 19.8 million

The January–June operating profit improved significantly and totalled EUR -2.5 million (-48.8). The comparison period (1–6/2013) was operationally the weakest in Lemminkäinen's history, which resulted from the delayed start of the paving season, the overly heavy cost structure in certain businesses and the integration challenges related to the businesses acquired in Norway.

The financial result of the review period was improved in Finland by residential and commercial development in the Helsinki metropolitan area and ongoing major infrastructure construction projects. The number of units completed in Lemminkäinen's residential development and construction was higher than in the comparison period. The mild winter and business efficiency measures improved the profitability of the paving business in nearly all of Lemminkäinen's operating countries. Especially in Norway, the result improved significantly year-on-year. In Russia, the company has some 950 units under construction, half of which are estimated to be completed during this year. Housing sales in Russia have proceeded as expected in the first quarter.

Order book

Order book by segment, continuing operations		30 June 2014	30 June 2013	Change	31 December 2013
Finland, Building construction	M€	653.0	667.8	-14.8	544.3
Finland and the Baltic countries, Infrastructure construction	M€	590.0	413.4	176.6	510.0
Russia	M€	310.8	353.8	-43.0	322.2
Scandinavia	M€	533.0	538.5	-5.5	356.7
Group, total	M€	2,086.8	1,973.5	113.3	1,733.2
- of which unsold	M€	313.1	460.0	-146.9	346.5

The order book grew 6% from the comparison period and stood at EUR 2,086.8 million (1,973.5). 50 % of the order book was attributable to year 2014. Of the order book, 47% originated from infrastructure construction and 53% from building construction. The order book by country was 56% from Finland, 25% from Scandinavia, 15% from Russia and 4% from the Baltic countries.

In the infrastructure construction project business, growth was focused on Finland. At the end of the review period, Lemminkäinen was building three West Metro stations, the Rantaväylä tunnel in Tampere, the underground parking facility in Oulu and the Turvesolmu graded interchange in Espoo, among other projects. The paving order book was also at a good level in all of the company's operating countries.

The order book was impaired by the decrease in building construction contracting in Finland and Russia and by the weak infrastructure construction project business in Sweden.

Balance sheet, cash flow and financing

New financing programmes during the review period

In order to strengthen its capital structure, Lemminkäinen issued a EUR 70 million hybrid bond in March. The bond carries an interest rate of 8.75% per annum, and the company is entitled to redeem the bond in 2018. In addition, Lemminkäinen has another EUR 70 million hybrid bond that was issued in 2012 with an interest rate of 10.00% per annum. The company is entitled to redeem this bond in 2016.

In June 2014, the Company issued a EUR 100 million unsecured senior five-year bond to refinance the EUR 60 million bond maturing in October 2014 of which EUR 44.8 million was outstanding on 30 June 2014. The 5-year bond matures on 6 July 2019 and carries a fixed annual coupon at the rate of 7.375 per cent payable semi-annually. The terms and conditions of the company's EUR 100 million senior bond issued in June 2014 include two financial incurrence-based covenants: an equity ratio and net debt to EBITDA. If the equity ratio covenant is not met, the Company is restricted from making certain payments, including repurchases of its own shares and redemption of its capital securities. If the net debt to EBITDA covenant is not met, the Company is restricted in its ability to raise additional debt.

Measures to strengthen the balance sheet

Lemminkäinen has launched measures to strengthen its balance sheet and to improve its financial position. On 14 May 2014, the company announced the divestment of its technical building services business. The debt free purchase price was EUR 60 million, of which Lemminkäinen will record a preliminary capital gain of EUR 23.7 million.

In addition, Lemminkäinen has committed to strengthen its balance sheet with approximately EUR 100 million. The company is continuing the divestment of non-core assets and operations. In the second quarter of 2014, the company divested Lemcon Networks' businesses in Norway and Sweden as well as its software business. Furthermore, Lemminkäinen is planning to carry out an equity issue in autumn 2014. The company will not pay any dividends for 2014 without the consent of certain lenders.

The management expects that the company's contemplated and launched profitability and financial position improvement actions will insure a sufficient level of working capital for the following 12 months and extend the maturity distribution of the company's debt portfolio.

Balance sheet and cash flow for the period

On 30 June 2014, the balance sheet total was EUR 1,463.4 million (1,461.8), of which shareholders' equity accounted for EUR 397.8 million (373.0). Shareholders' equity includes EUR 138.4 million of hybrid bond. At the end of the review period, Lemminkäinen's net working capital was EUR 431.9 million (454.7).

The equity ratio stood at 32.1% (29.2) and gearing stood at 85.4% (108.6). Lemminkäinen's return on investment (rolling 12 months) was 0.2% (5.7).

Interest-bearing debt amounted to EUR 442.0 million (494.5) at the end of the review period. Short-term interest-bearing liabilities in the balance sheet stood at EUR 296.5 million (331.5) and long-term liabilities at EUR 145.4 million (163.0). Short-term interest-bearing liabilities include project loans, i.e. borrowings of residential and commercial properties under construction, totalling EUR 117.4 million (71.4), which will for the most part be transferred to the buyers of the co-op and property company shares when the premises are handed over. The increase in the project loans resulted from the increasing investment costs in Lemminkäinen's residential development and construction and from the slowdown in housing sales. Lemminkäinen's residential development and construction is increasingly focused on the Helsinki metropolitan area where the plot prices, for instance, are clearly higher than in other parts of Finland. Lemminkäinen's short-term liabilities subject to repayment or refinancing were EUR 185.1 million. Of all interest-bearing debt, 44% (30) was at a fixed interest rate. At the end of the review period, the Group's liquid funds stood at EUR 102.0 million (89.3) and interest-bearing net debt totalled EUR 339.9 million (405.2).

Of the company's interest-bearing debt, 2% (18) comprises loans from financial institutions, 24% (37) commercial papers, 26% (14) project loans related to residential and commercial development, 2% (7) pension loans, 13% (12) finance lease liabilities, and 33% (12) bonds. At the end of the review period, the company had committed, unused credit limits amounting to EUR 185.0 million (210.0) and overdraft limits amounting to EUR 30.6 million (41.0). In the second quarter, the company bought back EUR 15 million of the existing EUR 60 million bond that expires in autumn 2014. Lemminkäinen's EUR 185.0 million credit facility and pension loan guarantees include two financial covenants that are monitored quarterly: the ratio of net debt to EBITDA and the equity ratio. The terms of the net debt/EBITDA covenant were not met in the first quarter. Consequently, the company started negotiations with its lenders, which were completed on 21 May 2014. Due to the negotiations, the company has committed to strengthen its balance sheet with approximately EUR 100 million and will not pay any dividends for 2014 without the consent of certain lenders.

Net finance costs increased and amounted to EUR 14.6 million (11.8), representing 1.9% (1.6) of net sales. The credit limits renegotiated in May 2014, increasing currency hedging costs, particularly with regard to the rouble, and valuation of interest rate derivatives, among other factors, contributed to the increase in finance costs. The interest expenses of the hybrid bond are not recorded under the finance costs in the income statement; instead, their impact can be seen in the earnings per share as well as in equity.

Cash flow from operations totalled EUR -126.9 million (-78.2). The cash flow was impaired by the damages paid during the review period (approximately EUR 60 million) and capital tied up in ongoing residential development and construction.

Deliver 2014 programme

In early 2014, Lemminkäinen launched the Deliver 2014 programme, which aims to secure the 2014 result, to strengthen the trust that capital markets', shareholders' and customers' have in Lemminkäinen and to improve the company's competitiveness. The Deliver 2014 programme is managed in a centralised manner and consists of three modules: operational efficiency improvement in both Norway and Russia and the streamlining of the cost structure in all countries. The programme is the number-one priority within the company, and the company has also utilised external expertise in its implementation.

As part of the Deliver 2014 programme, Lemminkäinen began personnel negotiations or other similar measures in all of its operations in May 2014. In addition, other cost saving measures were initiated. The aim of these measures is to save approximately EUR 30 million in fixed costs annually. For 2014, the savings target is EUR 10 million. The personnel impact of the efficiency measures is approximately 500 full-time equivalents. The company estimates that the set savings targets will be achieved.

Business segments

From the beginning of 2014, Lemminkäinen's business was organised into five business segments: Finland, Building construction; Finland and the Baltic countries, Infrastructure construction; Finland, Technical building services; Russia; and Scandinavia. On 13 June 2014, Lemminkäinen completed the divestment of its technical building services business to Are Group. Technical building services was classified as discontinued operations.

During the review period, Lemminkäinen's net sales were EUR 789.8 million, distributed among business segments as follows: Finland, Building construction 32%; Finland and the Baltic countries, Infrastructure construction 30%; Scandinavia 32%; and Russia 6%.

Finland, Building construction

Key figures		4–6/2014	4–6/2013	Change	1–6/2014	1–6/2013	Change	1–12/2013
Net sales	M€	135.2	116.4	18.8	251.1	239.5	11.6	592.9
Operating profit	M€	5.9	-2.0	7.9	12.0	2.1	9.9	5.0 1)
% net sales	*%*	*4.4*	*-1.7*		*4.8*	*0.9*		*0.8*
Order book at end of period	M€				653.0	667.8	-14.8	544.3

1) includes write-downs worth EUR 14.1 million

In building construction in Finland, net sales increased and totalled EUR 251.1 million (239.5) during the review period. Residential and non-residential development and construction in the Helsinki metropolitan area increased net sales.

The operating profit for the period improved significantly and was EUR 12.0 million (2.1). The profit was increased by residential and commercial projects in the Helsinki metropolitan area, the revision of project margins and lightened cost structure. The number of low-margin and unprofitable projects has also decreased clearly. Due to the strong start to the year, the 2014 result for building construction will be weighted to the first half of the year.

The number of units started in Lemminkäinen's residential development and construction during the review period was lower than in the comparison period. The slowdown in housing sales increased cautiousness especially outside urban growth centres. In many areas, the company has tightened reservation level requirements for starting residential construction, and plot investment decisions are more strongly based on good location. The number of units sold was approximately 25%lower than last year. However, housing sales in the comparison period were accelerated by the asset transfer tax change. The number of unsold completed residential units increased, amounting to 195 (149) at the end of the review period. A total of 362 (154) new residential units were completed during the review period. The company estimates that this is approximately a half of the total number of residential units under construction to be completed in 2014.

On 30 June 2014, the order book stood at EUR 653.0 million (667.8), 45% attributable to 2014. Significant new orders included the Finnish Parliament Building renovation contract (EUR 89 million – not included in the order book of the review period) and the contracts for the last three phases of S Group's logistics centre (EUR 74 million).

Lemminkäinen's residential development and construction, Finland		4–6/2014	4–6/2013	Change	1–6/2014	1–6/2013	Change	1–12/2013
Started	units	152	290	-138	410	576	-166	1,058
Completed	units	259	28	231	362	154	208	875
Sold	units	190	169	21	400	540	-140	1,050
- of which sales to investors	*%*	*25*	*22*		*23*	*22*		*25*
Under construction[1)]	units				1,050	1,279	-229	1,040
- of which unsold[1)]	units				535	600	-65	557
Unsold completed[1)]	units				195	149	46	164
Started, negotiated construction contracting	*units*	*287*	*100*	*187*	*363*	*153*	*210*	*292*
Unused residential building rights[1)]	sq.m				236,704	296,000	-59,296	288,434
Land bank[1)]	M€				99.0	96.7	2.3	109.1

1) at the end of period

Finland and the Baltic countries, Infrastructure construction

Key figures		4–6/2014	4–6/2013	Change	1–6/2014	1–6/2013	Change	1–12/2013
Net sales	M€	172.0	156.2	15.8	240.6	212.5	28.1	687.3
Operating profit	M€	7.0	4.2	2.8	0.7	-8.6	9.3	16.3[1)]
% net sales	*%*	*4.1*	*2.7*		*0.3*	*-4.0*		*2.4*
Order book at end of period	M€				590.0	413.4	176.6	510.0

1) includes write-downs worth EUR 3.0 million

In infrastructure construction, the net sales for the review period grew 13% and totalled EUR 240.6 million (212.5). The January–June operating profit improved clearly year-on-year, amounting to EUR 0.7 million (-8.6). The profit for the period includes a write-down of approximately EUR 3 million with regard to profits lost as one of its´ clients, Lappland Goldminers Oy, went bankrupt.

Profitability of nearly all infrastructure business operations improved year-on-year. The profit development was promoted by ongoing major infrastructure projects. The efficiency of Lemminkäinen's paving and mineral aggregate operations has been improved and costs have been reduced through the streamlining of the regional organisation, fleet optimisation and the sale of certain assets, for instance. At the same time, the company has also increased the volume of its paving business and maintained its leading position in the declining market. In the Baltic countries, net sales and profit as a whole remained at last year's level. Thanks to the mild winter, the paving season started earlier than last year.

On 30 June 2014, the infrastructure construction order book stood at EUR 590.0 million (413.4), 50% attributable to 2014. During the review period, Lemminkäinen and Destia agreed on a tendering consortium concerning the public–private partnership project of the E18 Hamina-Vaalimaa road. The Finnish Transport Agency has a contract authorisation of EUR 660 million for the project. Tenders are to be submitted in February 2015.

Russia

Key figures		4–6/2014	4–6/2013	Change	1–6/2014	1–6/2013	Change	1–12/2013
Net sales	M€	34.1	40.1	-6.0	50.1	59.3	-9.2	164.5
Operating profit	M€	0.4	0.5	-0.1	-1.0	-3.1	2.1	-0.3
% net sales	*%*	*1.2*	*1.2*		*-2.0*	*-5.2*		*-0.2*
Order book at end of period	M€				310.8	353.8	-43.0	322.2

In Russia, the net sales for the review period decreased 16%, but the result improved year-on-year. The main reason for this was the decision to decrease the building construction contracting that showed a low margin level last year. In January–June, the impact of exchange rate changes on the euro-denominated net sales was EUR -8.6 million compared to the comparison period. In the review period, Lemminkäinen sold 191 residential units as well as some individual commercial properties and parking spaces. The average price of units sold was EUR 2,900–3,200 per square metre.

Thus far, the uncertain economic situation in Russia has not been reflected in the demand for apartments, at least in the St Petersburg city centre. Nevertheless, if the political or economic situation grows tenser, the circumstances may change quickly. Lemminkäinen has prepared for this by enhancing its housing sales and actively seeking alternatives to consumer sales. The capital tied up in Russian operations amounted to EUR 85 million (91) at the end of the review period.

Lemminkäinen's infrastructure construction in Russia during the review period was clearly more active than last year. The company's infrastructure business is concentrated in European Russia and consists mainly of paving and special surfacing.

On 30 June 2014, the order book for Russia stood at EUR 310.8 million (353.8), 60% attributable to 2014.

Lemminkäinen's residential development and construction, Russia		4–6/2014	4–6/2013	Change	1–6/2014	1–6/2013	Change	1–12/2013
Started	units	0	0	0	0	0	0	753
Completed	units	0	0	0	0	0	0	222
Sold	units	92	0	92	191	0	191	165
Under construction[1)]	units				959	1,182	-223	963
- of which unsold	units				683	1,106	-423	812
Unsold completed[1)]	units				68	17	51	134

1) at the end of period

Scandinavia

Key figures		4–6/2014	4–6/2013	Change	1–6/2014	1–6/2013	Change	1–12/2013
Net sales	M€	175.5	164.2	11.3	257.0	235.6	21.4	611.9
Operating profit	M€	7.6	-6.2	13.8	-4.1	-27.0	22.9	-29.4[1)]
% net sales	*%*	*4.3*	*-3.8*		*-1.6*	*-11.5*		*-4.8*
Order book at end of period	M€				533.0	538.5	-5.5	356.7

1) includes write-downs worth EUR 2.7 million

Lemminkäinen

In Scandinavia, net sales grew nearly 10% in January–June and totalled EUR 257.0 million (235.6). The impact of exchange rate changes on the euro-denominated net sales was EUR -16.0 million compared to the comparison period. The profit for the period remained negative; however, the loss decreased significantly year-on-year. The profit for the comparison period was impaired mainly by problems experienced in Norway and losses in the telecommunications network business. 60% of the net sales of the Scandinavia business segment originated from paving and mineral aggregate operations, 21% from infrastructure construction project work and 19% from building construction.

The profit development was promoted by higher paving volumes. In Norway, the cost structure and operational efficiency have been improved through organizational changes and by closing down unprofitable sites and business operations, among other measures. Particular attention has also been paid to project management. In Sweden, the building construction progressed well, but in the infrastructure construction the company had fewer ongoing projects than before Paving operations in Denmark performed well.

On 30 June 2014, the order book for Scandinavia stood at EUR 533.0 million (538.5), 50% attributable to 2014. The growth was due to building construction in Sweden and road maintenance contracts in Norway.

Investments

Gross investments during the review period amounted to EUR 23.9 million (42.9), representing 3.0% (5.8) of the company's net sales. They were mainly replacement investments in infrastructure construction. Acquisitions increased investments in the comparison period. As part of its efficiency programme, Lemminkäinen has imposed stricter criteria involving investments, and more effective monitoring processes have been introduced.

Personnel

At the end of the review period, the Group employed 6,488 people (6,887), a decrease of 399 people from the comparison period. The number of employees was reduced as a result of the personnel reduction negotiations or similar activities carried out in late 2013. Lemminkäinen began new personnel reduction negotiations in 2014. These negotiations have been mainly concluded, but their results are expected to be visible in the number of personnel only in the second half of 2014.

The divestment of Lemminkäinen Talotekniikka Oy to Are was completed on 13 June 2014. In connection with the divestment, the personnel employed by Lemminkäinen Talotekniikka Oy was transferred to the employment of the new owner.

Personnel by business segment		30 June 2014	30 June 2013	Change
Finland, Building construction	persons	1,236	1,571	-335
Finland and the Baltic countries, Infrastructure construction	persons	2,790	2,942	-152
Russia	persons	812	779	33
Scandinavia	persons	1,375	1,274	101
Parent company	persons	*275*	*321*	*-46*
Group, total	persons	6,488	6,887	-399

Personnel by country		30 June 2014	30 June 2013	Change
Finland	persons	3,432	3,927	-495
Russia	persons	812	779	33
Sweden, Norway and Denmark	persons	1,333	1,297	36

Baltic countries	persons	872	861	11
Other countries	persons	39	23	16
Group, total	persons	6,488	6,887	-399

Changes in management

In April 2014, President and CEO Timo Kohtamäki and CFO Robert Öhman left the company. The Chairman of Lemminkäinen's Board of Directors, Berndt Brunow, is acting as interim President and CEO of the company.

Lemminkäinen's deputy CEO, M.Sc. (Econ.) and MBA Casimir Lindholm has been appointed Lemminkäinen Corporation's President and CEO and Chairman of the Executive Team as of 1 August 2014. Lindholm is currently EVP, Building Construction in Finland. He will continue in this role until a new EVP has been found. Casimir Lindholm started as EVP, Building Construction in Finland and member of Lemminkäinen's Executive Team on 1 January 2013. He was appointed as the Group's deputy CEO on 2 April 2014.

Ilkka Salonen, M.Sc. (Econ), who had acted as the interim CFO of Lemminkäinen Corporation, was appointed CFO and member of Lemminkäinen Group's Executive Team as of 1 July 2014. Salonen was appointed Lemminkäinen's interim CFO on 7 April 2014. Salonen reports to interim CEO Berndt Brunow and, as of 1 August 2014, to CEO Casimir Lindholm.

Lemminkäinen Corporation's EVP, Procurement, Jouni Pekonen left the company on 9 June 2014. In the Group's Executive Team, Harri Kailasalo will be responsible for the development of procurement and the realisation of cost savings. Jouni Pekonen was appointed EVP, Procurement, and member of the Executive Team at Lemminkäinen in 2012.

Also, Tiina Mellas, EVP, HR, and member of the Executive Team left the company on 19 June 2014. Tiina Mellas was appointed EVP, HR, and member of the Executive Team at Lemminkäinen in 2009.

The Technical building services business was transferred to Are on 13 June 2014. At the same time, Marcus Karsten, EVP, Technical building services Finland, resigned from his position as member of Lemminkäinen Group's Executive Team.

The members of the Executive Team of Lemminkäinen were on 30 June 2014 as follows: Interim CEO Berndt Brunow, CFO Ilkka Salonen, business segments' EVPs Casimir Lindholm (Finland, Building construction), Harri Kailasalo (Finland and the Baltic countries, Infrastructure construction), Maaret Heiskari (Russia) and Timo Vikström (Scandinavia) as well as Tiina Mikander, Chief Strategy Officer. The recruiting processes for the EVPs of the Building construction segment and HR are ongoing.

Shares

The company has one share class. Each share carries one vote at a general meeting of shareholders and confers an equal right to a dividend. Lemminkäinen's share capital is EUR 34,042,500 and the total number of shares was 19,650,176 at the end of the review period.

Trading with shares

At the end of the review period, the market capitalisation of Lemminkäinen's shares stood at EUR 265.1 million (288.5). The price of Lemminkäinen Corporation's share on the NASDAQ OMX Helsinki was EUR 15.20 (14.28) at the beginning of the period and EUR 13.50 (14.71) at the end. In addition to the NASDAQ OMX Helsinki, Lemminkäinen's share is also traded on alternative markets. A total of 446,210 shares (1,310,490) were traded during the review period, of which alternative markets accounted for 16% (12). (Source: Fidessa Fragmentation Index, http://fragmentation.fidessa.com).

Treasury shares

Lemminkäinen Corporation announced on 7 February 2013 that Lemminkäinen Corporation's shares were issued conditionally in connection with the redemption of minority holdings in subsidiaries in 2010. The minority holdings were redeemed by a directed share issue and share exchange. Of the 34,406 shares returned to Lemminkäinen in February 2013, a total of 18,228 were erroneously received, and they were returned on 30 May 2014.

At the end of the review period, Lemminkäinen owned 16,687 of its own shares.

Shareholders

At the end of the review period, the company had 4,608 shareholders (5,004). Nominee-registered and non-Finnish shareholders held 13% (13) of all Lemminkäinen Corporation shares and voting rights. Information on company ownership and division by segment and scale, major shareholders, and share ownership of Executive Team members and the Board of Directors is available on the company's website, www.lemminkainen.com/Investors/Owners.

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

The company did not receive any flagging notifications during the review period.

Legal proceedings

Damages related to the asphalt cartel

On 28 November 2013, the District Court of Helsinki issued its decisions concerning damages related to the asphalt cartel. In line with the decisions, Lemminkäinen recorded approximately EUR 66 million in expenses in its 2013 result. Of this, approximately EUR 60 million consisted of damages ordered only to Lemminkäinen, Lemminkäinen's share of the damages ordered to it and other asphalt industry companies to be paid jointly and severally, as well as interest and legal expenses related to the damages. This amount was paid by the company in January 2014. In addition, Lemminkäinen made a EUR 6 million provision for pending claims in 2013.

Lemminkäinen has appealed against all 35 decisions, where the plaintiffs' claims were upheld, to the Helsinki Court of Appeal. In Lemminkäinen's opinion, there are some judicial aspects in the decisions of the District Court, where the conclusions of the District Court differ from previous legal practices. Such judicial aspects are related to the questions of prescriptions and value added tax, for example. The main oral hearing is expected to take place during 2015.

The Finnish state and 12 municipalities have also submitted their appeals to the Helsinki Court of Appeal.

More information on the asphalt cartel, related damages and related communications can be found on the company's website http://www.lemminkainen.com/Lemminkainen/Investors/Lemminkainen-as-an-investment/Asphalt-cartel-issue/.

Risks and uncertainties

Risk management is an essential part of Lemminkäinen's business operations ensuring achievement of strategic and operational targets and continuity of the operations under changing conditions. Lemminkäinen's risk management is based on the risk management policy approved by the Board of Directors.

Uncertainty in the global economy and financial markets may have a negative effect on Lemminkäinen's operations, performance, financial position and sources of capital. Lemminkäinen's business operations are sensitive to new construction cycles in Finland in particular. The company manages the risk structurally by distributing its business operations throughout Scandinavia, the Baltic countries and Russia. However, there can be unforeseen problems with Lemminkäinen's ability to adapt business strategies in response to changes in the operating environment, whilst the company is also undergoing organisational changes.

In Russia, the differing political culture, legislation, its interpretation and procedures of the authorities compared to Finland and the uncertainty of the legal system, administrative procedures and interpretation of law enforcement mechanisms as well as changes in them may result in significant risks to Lemminkäinen. The prolonged political and economic uncertainty could, in the worst case scenario, culminate in a standstill of housing sales. In order to avoid the risk, Lemminkäinen has increased the efficiency of its housing sales and actively sought alternatives to consumer sales.

Lemminkäinen's financial performance depends largely on successful project management, which, among other things, includes the correct pricing of the project, reasonable use of resources, careful planning and scheduling, ability to procure raw materials at competitive prices, cost control, appropriate change requests as well as efficient and timely handling of claims for damages.

In the residential and commercial development and construction projects, Lemminkäinen is exposed to price and sales risks due to the full responsibility over the entire project, starting with plot acquisition. As unsold projects tie up capital, the company only starts new housing construction if a sufficient number of units have been reserved in advance. The aim is to keep the number of unsold completed apartments at a minimum. 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.

Lemminkäinen's business operations are also exposed to project risks related to delays, changes in the earlier agreed scope of projects, disputes concerning the implementation of additional work and alterations, or projects being cancelled altogether. Lemminkäinen aims to manage these risks through advanced planning and coordinated management of changes and claims. Lemminkäinen is continually developing its contractual expertise and project management practices during the tender and implementation stage. Project monitoring systems and steering models are being renewed and more attention has been paid to the personnel's competence development.

In the construction industry, fluctuations in the price of raw materials may have a impact on financial performance. Lemminkäinen's biggest individual outsourced raw material is bitumen, and its price depends on the world market price of oil. Lemminkäinen manages the bitumen price risk with contractual terms and oil derivatives.

The business operations of Lemminkäinen are exposed to financial risks, the major ones being liquidity, interest rates, foreign exchange rates, and credit and funding risks. Management of financial risks is based on the treasury policy, which defines the operating principles and division of responsibility in financial risk management and funding activities. Lemminkäinen seeks to protect itself from currency exchange risks primarily through operative means and, if necessary, transaction risks are hedged with the aid of foreign currency loans and currency derivatives. The company does not hedge translation risk. About 63 % of Lemminkäinen's net sales were generated in functional currencies other than the Euro, the major currencies being 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 on the company website, the listing prospectus of the bond in June 2014 and the basis of preparation of this interim report. A more detailed account of the financial risks is also provided in the notes to the annual financial statements.

Outlook

In Finland, the total volume of construction is not expected to increase this year. Increased difficulty in obtaining mortgages and longer sales times of old apartments/houses weaken consumers' intentions to purchase an apartment. The focus of demand is on small centrally located apartments in urban growth centres. The few commercial construction projects are also concentrated to urban growth centres and the Helsinki metropolitan area in particular. Building construction renovation will continue its steady growth.

The outlook for infrastructure construction is more encouraging now that the Governmental programme on housing and infrastructure was communicated in June. The programme intends to forward the extension of the e.g. West Metro, City Rail Loop (Pisararata) and the tram in Tampere.

In Norway, Sweden and Denmark, multi-year, state-funded traffic infrastructure development plans are currently underway, and the private sector will most likely continue to invest in infrastructure construction. These countries are also investing in the development of energy production. Large-scale road and rail projects are being planned around urban growth centres over the coming years, which will increase demand for infrastructure construction in Scandinavia.

In Russia, the outlook continues to be uncertain, and it is possible that the rouble will weaken. The current slowdown characterised by subdued domestic demand and economic activity together with low investment activity by the state may weaken the demand for housing. The prolonged crisis in Ukraine increases uncertainty globally. Efforts to develop infrastructure in Russia are increasing, and, for example, numerous projects to expand and repair federal and municipal road networks are currently underway across Russia.

In the Baltic countries, ongoing road construction and basic improvement projects will keep demand for infrastructure construction at a reasonable level this year. The launch of the Rail Baltica traffic project would boost the infrastructure construction market situation in all of the Baltic countries.

Profit guidance for 2014

Lemminkäinen estimates that its 2014 net sales will be slightly lower than in 2013 but its operating profit will improve clearly on 2013 (excluding non-recurring items). In 2013, net sales were EUR 2,020.1 million and operating profit excluding non-recurring items was EUR -3.9 million. The profit guidance remains unchanged for continuing operations. The impact of Technical building services has been eliminated from the 2013 figures.

Helsinki, 30 July 2014

LEMMINKÄINEN CORPORATION
Board of Directors

Lemminkäinen

TABULATED SECTIONS OF THE INTERIM REPORT

BASIS OF PREPARATION

This interim report complies with IAS 34 - Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with IFRSs. The information contained in the interim report is not audited.

Going concern

This interim report has been prepared on a going concern basis taking into account the Company's project forecasts and financial projections as well as reasonably possible changes in the demand for building construction in Finland, Sweden and Russia and infrastructure construction in all of the Company's operating countries.

The Company experienced operational challenges in 2013, which were mainly related to delayed start of the paving season, project margin decreases in a few major projects in Scandinavia and Russia as well as challenges in Russian authorities' permit processing for residential projects. The result was further weakened by large non-recurring items related to the District Court´s decisions on damages in the asphalt cartel case, write-downs mainly from old commercial property projects, expenses from the divestment of parts of the telecommunications network business and the efficiency improvement program for 2013. The Company is taking a number of measures described below which will materialise partly over the following six months and fully in 2015.

The Company has launched Deliver 2014 programme that aims at, among others, strengthening the Company's project management, streamlining cost structure and improving capital turnover. Through a lighter operating model, the Company aims to save approximately EUR 30 million in fixed costs annually. For the year 2014, the savings target is EUR 10 million. The personnel impact of the measures will be up to 500 full-time equivalents. In the second quarter of 2014, the Company divested Lemminkäinen Talotekniikka Oy, which formed its technical building services business in Finland. The impact of the Technical Building Services to the consolidated operating profit was EUR -0.5 million for the six months period ended 30 June 2014 and EUR -1.5 million for the financial year 2013 before classification as a discontinued operation. The divestment clarified the Company's business portfolio and enables the Company to focus on its core businesses – infrastructure construction and building construction.

On 30 June 2014, the Company's interest-bearing liabilities totalled EUR 442.0 million. Out of the interest-bearing liabilities, EUR 145.4 million are classified as non-current interest-bearing liabilities and EUR 296.5 million as current interest bearing liabilities. Current interest-bearing liabilities include project loans, i.e. borrowings of residential and commercial properties under construction, totalling EUR 117.4 million, which will for the most part be transferred to the buyers of the co-op and property company shares when the premises are handed over. In addition, the Company has two outstanding hybrid bonds with a value recorded in the equity of EUR 138.4 million on 30 June 2014.

The Company has renegotiated its EUR 185 million revolving credit facility with the lenders in May 2014. The revolving credit facility was undrawn at 30 June 2014. The revolving credit facility includes two financial covenants: equity ratio and net debt to EBITDA. The Company will not pay any dividends for 2014 without the consent of certain lenders. The Company has also committed to strengthen its balance sheet with approximately EUR 100 million by the end of 2014 by continuing the disposals of non-core assets and operations and by planning to carry out an equity issue in accordance with the authorisation granted to the Board of Directors by the Annual General Meeting on 9 April 2014. Furthermore, in June 2014 the net debt to EBITDA covenant levels were renegotiated for the second and third quarters of 2014.

In June 2014, the Company issued a EUR 100 million unsecured senior five-year bond to refinance the EUR 60 million bond maturing in October 2014 of which EUR 44.8 million was outstanding on 30 June 2014. The terms and conditions of the Company's EUR 100 million senior bond issued in June 2014 include two financial incurrence-based covenants: an equity ratio and net debt to EBITDA. If the equity ratio covenant is not met, the Company is restricted from making certain payments, including repurchases of its own shares and redemption of its capital securities. If the net debt to EBITDA covenant is not met, the Company is restricted in its ability to raise additional debt. The terms and conditions of the bond also include a cross-default provision, based on which the bond in certain circumstances may become due and payable if the Company is in default with regard to its other material payment obligations or if material parts of its other debt becomes due and payable prematurely.

The management expects that the Company's contemplated and launched profitability and financial position improvement actions described above will insure a sufficient level of working capital for the following 12 months and extend the maturity distribution of the Company's debt portfolio. If the above mentioned measures do not occur as planned, there is no guarantee that the Company will, in all circumstances, meet its covenants. This may impact the availability of the revolving credit facility and result in premature repayment of loans as well as in a shortage of working capital and impact on the Company's ability to meet its commitments falling due. The Company's Board of Directors believes that the above mentioned measures will be carried out as planned and that the Company has sufficient working capital for at least 12 months from the date of this interim report.

Deferred tax assets

The company regularly assesses the realizability of its deferred tax assets, and consistent with the prior period end has recorded the deferred tax asset from tax losses to the amount it considers, based on its profit forecasts, to be utilizable in the future. On 30 June 2014 the Company had a deferred tax asset amounting to EUR 44.9 million arising primarily from tax losses in Finland and Norway. The Company considers that the losses arise from identifiable causes unlikely to recur. Major part of the tax losses in Finland arise from the damages ordered by the District Court related to the asphalt cartel. The Finnish tax losses expire in 2023. Norwegian tax losses can be carried forward indefinitely and actions have been taken to address the Company's financial performance in Norway.

Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2013.

ACCOUNTING PRINCIPLES

The same IFRS recognition and measurement principles have been applied in the preparation of this interim report as in the 2013 consolidated financial statements, except for the changes mentioned below.

Operating segments

From the beginning of 2014, Lemminkäinen's business operations are organised into five operating segments:

- Finland, Building construction
- Finland and the Baltic countries, Infrastructure construction
- Finland, Technical building services
- Russia
- Scandinavia

New standards and interpretations applied by the Company in 2014

The following standards have been adopted by the Company for the first time for the financial year beginning on 1 January 2014 and have an impact on the Company's financial statements:

IFRS 10 consolidated financial statements -standard changed the criteria for classifying an investee as a subsidiary. An investee is considered a subsidiary when a parent company controls the investee. The criteria for control are fulfilled, when the parent company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Adoption of the standard had no impact on the figures in the Company's consolidated financial statements but it affected the Company's accounting principles as described above.

IFRS 11 Joint Arrangements –standard defines the accounting treatment of arrangements under the joint control of two or more parties. According to the standard, a joint arrangement is either a joint operation or a joint venture. The participating parties of a joint operation have the rights to the assets, and obligations for the liabilities, relating to the arrangement. In this case the Company consolidates its share of the joint operation's assets, liabilities, revenues and expenses. The participating parties of a joint venture have the right to the joint arrangement's net assets. The Company consolidates joint ventures using the equity method. Adoption of the standard had no impact on the figures in the Company's consolidated financial statements but it affected the Company's accounting principles as described above.

There are no other IFRSs or IFRIC interpretations adopted by the Company for the first time for the financial year beginning on 1 January 2014 that have had an impact on the Company's consolidated financial statements.

Standards and interpretations applied by the Company after 2014

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing this interim report. None of these is expected to have a significant effect on the consolidated financial statements of the Company, except the following set out below:

IFRS 15 Revenue from Contracts with Customers was issued in May 2014 and applies to an annual reporting period beginning on or after 1 January 2017. An EU endorsement is required for the standard to become effective in the EU. The standard specifies how and when to recognize revenue. The Company examines the effects of the standard to the consolidated financial statements.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company's consolidated financial statements.

FINANCIAL STATEMENTS AND NOTES

1) CONSOLIDATED INCOME STATEMENT

EUR mill.	1-6/ 2014	4-6/ 2014	1-6/ 2013	4-6/ 2013	1-12/ 2013
Net sales	**789.8**	**510.5**	**736.0**	**470.8**	**2,020.1**
Other operating income	6.9	4.4	7.6	1.7	16.2
Change in inventories of finished goods and work in progress	97.3	63.3	75.7	70.5	50.1
Production for own use	1.1	0.5	0.8	0.3	1.5
Use of materials and services	657.8	425.3	599.6	409.5	1,545.8
Employee benefit expenses	153.9	89.8	169.6	93.8	361.7
Depreciation and impairment	17.3	11.3	18.3	12.6	44.6
Other operating expenses	68.5	37.6	80.3	38.7	225.7
Share of the profit of associates and joint ventures	-0.1	0.0	-1.0	-0.5	0.6
Operating profit	**-2.5**	**14.8**	**-48.8**	**-11.9**	**-89.3**
Finance costs	25.9	11.8	20.3	13.5	44.9
Finance income	11.3	4.3	8.5	6.7	18.2
Profit before taxes	**-17.1**	**7.3**	**-60.5**	**-18.7**	**-116.1**
Income taxes	2.2	-2.0	13.1	2.5	19.9
Profit from continuing operations	**-14.9**	**5.3**	**-47.4**	**-16.2**	**-96.2**
Profit from discontinued operations	**23.2**	**22.9**	**-1.5**	**-0.4**	**2.7**
Profit for the accounting period	**8.3**	**28.2**	**-48.9**	**-16.7**	**-93.5**
Profit for the accounting period attributable to					
Equity holders of the parent company	8.4	28.1	-48.8	-16.6	-93.7
Non-controlling interests	-0.1	0.1	-0.1	0.0	0.2
Basic earnings per share attributable to equity holders of the parent company					
From continuing operations	-0.97	0.14	-2.55	-0.89	-5.19
From discontinued operations	1.18	1.17	-0.08	-0.02	0.14
From profit for the accounting period	0.21	1.30	-2.63	-0.91	-5.06
Diluted earnings per share attributable to equity holders of the parent company					
From continuing operations	-0.97	0.14	-2.55	-0.89	-5.19
From discontinued operations	1.18	1.16	-0.08	-0.02	0.14
From profit for the accounting period	0.21	1.30	-2.63	-0.91	-5.06

2) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR mill.	1-6/ 2014	1-6/ 2013	1-12/ 2013
Profit for the accounting period	**8.3**	**-48.9**	**-93.5**
Items that will not be reclassified to profit or loss			
Pension obligations	0.0	0.6	2.4
Items that may be reclassified subsequently to profit or loss			
Translation difference	-1.5	-4.0	-7.7
Cash flow hedge	0.1	0.2	0.4
Change in fair value of available-for-sale financial assets	0.0	0.0	0.0
Other comprehensive income, total	-1.5	-3.2	-4.9
Comprehensive income for the accounting period	**6.8**	**-52.1**	**-98.4**
Comprehensive income for the accounting period attributable to			
Equity holders of the parent company	6.9	-52.0	-98.6
Non-controlling interests	-0.1	-0.1	0.2
Comprehensive income attributable to equity holders of the parent company arises from			
Continuing operations	-16.3	-50.5	-101.3
Discontinued operations	23.2	-1.5	2.7

3) CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR mill.	6/2014	6/2013	12/2013
ASSETS			
Non-current assets			
Property, plant and equipment	201.2	208.8	201.1
Goodwill	54.7	80.8	80.1
Other intangible assets	27.3	27.5	29.2
Holdings in associates and joint ventures	8.1	8.2	8.8
Available-for-sale financial assets	3.5	4.0	3.8
Deferred tax assets	44.9	32.7	38.5
Other non-current receivables	2.4	1.1	0.9
Total	**342.3**	**363.0**	**362.5**
Current assets			

Inventories	595.1	536.2	504.4
Trade and other receivables	420.5	466.9	391.2
Income tax receivables	3.5	6.4	3.5
Available-for-sale financial assets	58.3	65.0	30.0
Cash and cash equivalents	43.8	24.3	51.1
Total	**1,121.2**	**1,098.8**	**980.2**
Total assets	**1,463.4**	**1,461.8**	**1,342.7**
EQUITY AND LIABILITIES			
Share capital	34.0	34.0	34.0
Share premium account	5.7	5.7	5.7
Hedging reserve		-0.2	-0.1
Fair value reserve	0.0	0.0	
Invested non-restricted equity fund	63.8	63.8	63.8
Hybrid bonds	138.4	69.1	69.1
Translation differences	-4.7	0.5	-3.1
Retained earnings	151.7	248.6	247.8
Profit for the period	8.4	-48.8	-93.7
Equity attributable to shareholders of the parent company	397.3	372.7	323.5
Non-controlling interests	0.6	0.2	0.6
Total equity	**397.8**	**373.0**	**324.0**
Non-current liabilities			
Deferred tax liabilities	14.4	17.8	13.2
Pension obligations	0.9	4.7	0.9
Interest-bearing liabilities	145.4	163.0	61.3
Provisions	18.2	12.3	19.9
Other liabilities	2.9	4.7	3.0
Total	**181.8**	**202.5**	**98.4**
Current liabilities			
Interest-bearing liabilities	296.5	331.5	346.3
Provisions	7.5	7.0	7.2
Trade and other payables	578.4	545.9	564.9
Income tax liabilities	1.4	1.9	1.9
Total	**883.8**	**886.3**	**920.3**
Total liabilities	**1,065.6**	**1,088.8**	**1,018.6**
Total equity and liabilities	**1,463.4**	**1,461.8**	**1,342.7**

4) CONSOLIDATED CASH FLOW STATEMENT

EUR mill. Including discontinued operations	1-6/ 2014	1-6/ 2013	1-12/ 2013
Profit before taxes	6.0	-62.4	-117.5
Depreciation and impairment	17.5	18.6	45.3
Other adjustments	-11.9	11.8	21.4
Cash flows before change in working capital	11.6	-31.9	-50.8
Change in working capital	-120.3	-30.2	83.2
Financial items	-15.6	-14.7	-25.6
Direct taxes paid	-2.6	-1.4	1.5
Cash flows from operating activities	**-126.9**	**-78.2**	**8.3**
Cash flows provided by investing activities	98.1	67.4	141.0
Cash flows used in investing activities	-77.8	-96.7	-147.7
Cash flows from investing activities	**20.3**	**-29.4**	**-6.7**
Change in non-current receivables	-1.6	-0.2	-0.2
Drawings of loans	416.1	405.2	792.0
Repayments of borrowings	-384.4	-294.4	-762.7
Hybrid bond	69.3		
Dividends paid		-11.8	-11.7
Cash flow from financing activities	**99.4**	**98.8**	**17.3**
Change in cash and cash equivalents	**-7.2**	**-8.7**	**18.8**
Cash and cash equivalents at the beginning of period	51.1	34.9	34.9
Translation difference of cash and cash equivalents	-0.1	-1.9	-2.7
Cash and cash equivalents at the end of period	**43.8**	**24.3**	**51.1**

5) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A = Share capital

B = Share premium account

C = Hedging reserve

D = Fair value reserve

E = Invested non-restricted equity fund

F = Hybrid bond

G = Translation difference

H = Retained earnings

I = Parent company shareholders' equity

J= Non-controlling interest

K= Total equity

EUR mill.	A	B	C	D	E	F	G	H	I	J	K
Equity 1.1.2013	**34.0**	**5.7**	**-0.4**	**0.0**	**63.6**	**69.1**	**4.5**	**264.9**	**441.4**	**0.4**	**441.8**
Profit for the accounting period								-48.8	-48.8	-0.1	-48.9
Items that will not be reclassified to profit or loss											
Pension obligations								0.6	0.6		0.6
Items that may be reclassified subsequently to profit or loss											
Translation difference							-4.0		-4.0		-4.0
Cash flow hedge			0.2						0.2		0.2
Change in fair value of available-for-sale financial assets				0.0					0.0		0.0
Comprehensive income, total			**0.2**	**0.0**			**-4.0**	**-48.2**	**-52.0**	**-0.1**	**-52.1**
Direct entries, acquisition of non-controlling interest								-0.3	-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		-0.5
Share-based incentive schemes					0.2			-0.8	-0.7		-0.7
Contingent shares returned to the company								-0.8	-0.8		-0.8
Hybrid bond interests								-2.6	-2.6		-2.6
Dividends paid								-11.8	-11.8		-11.8
Transactions with owners, total					**0.2**			**-16.8**	**-16.7**	**0.0**	**-16.7**
Equity 30.6.2013	**34.0**	**5.7**	**-0.2**	**0.0**	**63.8**	**69.1**	**0.5**	**199.8**	**372.7**	**0.2**	**373.0**

EUR mill.	A	B	C	D	E	F	G	H	I	J	K
Equity 1.1.2013	**34.0**	**5.7**	**-0.4**	**0.0**	**63.6**	**69.1**	**4.5**	**264.9**	**441.4**	**0.4**	**441.8**
Profit for the accounting period								-93.7	-93.7	0.2	-93.5
Items that will not be reclassified to profit or loss											
Pension obligations								2.4	2.4		2.4
Items that may be reclassified subsequently to profit or loss											
Translation difference							-7.7		-7.7		-7.7
Cash flow hedge			0.4						0.4		0.4
Change in fair value of available-for-sale financial assets				0.0					0.0		0.0
Comprehensive income, total			**0.4**	**0.0**			**-7.7**	**-91.3**	**-98.6**	**0.2**	**-98.4**
Direct entries, acquisition of non-controlling interest								-0.3	-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		-0.5
Share-based incentive schemes					0.2			-0.8	-0.7		-0.7
Contingent shares returned to the company								-0.8	-0.8		-0.8
Hybrid bond interests								-5.3	-5.3		-5.3
Dividends paid								-11.8	-11.8		-11.8
Transactions with owners, total					**0.2**			**-19.5**	**-19.3**	**0.0**	**-19.3**
Equity 31.12.2013	**34.0**	**5.7**	**-0.1**		**63.8**	**69.1**	**-3.1**	**154.1**	**323.5**	**0.6**	**324.0**

EUR mill.	A	B	C	D	E	F	G	H	I	J	K
Equity 1.1.2014	**34.0**	**5.7**	**-0.1**		**63.8**	**69.1**	**-3.1**	**154.1**	**323.5**	**0.6**	**324.0**
Profit for the accounting period								8.4	8.4	-0.1	8.3
Items that will not be reclassified to profit or loss											
Pension obligations								0.0	0.0		0.0
Items that may be reclassified subsequently to profit or loss											
Translation difference							-1.5		-1.5		-1.5
Cash flow hedge			0.1						0.1		0.1
Change in fair value of available-for-sale financial assets				0.0					0.0		0.0
Comprehensive income, total			**0.1**	**0.0**			**-1.5**	**8.3**	**6.9**	**-0.1**	**6.8**
Shares returned by the company, acquisition of non-controlling interest by share exchange in 2010								0.4	0.4		0.4
Change in non-controlling interest										0.1	0.1
Hybrid bond interests								-2.8	-2.8		-2.8
Transactions with owners, total								**-2.4**	**-2.4**	**0.1**	**-2.3**
Hybrid bonds						69.3			69.3		69.3
Equity 30.6.2014	**34.0**	**5.7**		**0.0**	**63.8**	**138.4**	**-4.6**	**160.0**	**397.3**	**0.6**	**397.8**

6) SEASONALITY OF BUSINESS

Seasonality of certain businesses of the Company affects the amount and timing of the Company's profits. Paving and mineral aggregates working season takes place mostly in the second and third quarters of a year to which quarters most of the revenues are recognised. Weather conditions influence the lengths of the paving and mineral aggregates working seasons, which also affects the amount and timing of the Company's profits. Other infrastructure projects, e.g., rock engineering and earthworks, are generally less seasonal in nature, but there is some seasonality in foundation engineering due to the timing of building construction projects.

Revenue from residential development and construction is recognised, for the sold proportion, on completion which causes seasonal fluctuations to the Company's profit. The Company seeks to offset this fluctuation by launching new housing projects evenly throughout the year in which case the projects will be completed and revenue from them is recognised as evenly as possible throughout the year.

7) CONSOLIDATED INCOME STATEMENT, QUARTERLY

EUR mill.	4-6/ 2014	1-3/ 2014	10-12/ 2013	7-9/ 2013	4-6/ 2013
Net sales	**510.5**	**279.2**	**580.0**	**704.1**	**470.8**
Other operating income	4.4	2.6	5.9	2.7	1.7
Change in inventories of finished goods and work in progress	63.3	34.0	-32.7	7.1	70.5
Production for own use	0.5	0.6	0.7	0.0	0.3
Use of materials and services	425.3	232.5	434.4	511.7	409.5
Employee benefit expenses	89.8	64.1	97.0	95.2	93.8
Depreciation and impairment	11.3	6.0	10.9	15.5	12.6
Other operating expenses	37.6	30.9	115.0	30.3	38.7
Share of the profit of associates and joint ventures	0.0	-0.2	0.3	1.2	-0.5
Operating profit	**14.8**	**-17.3**	**-103.0**	**62.5**	**-11.9**
Finance costs	11.8	14.2	13.0	11.7	13.5
Finance income	4.3	7.1	5.7	3.9	6.7
Profit before taxes	**7.3**	**-24.5**	**-110.3**	**54.7**	**-18.7**
Income taxes	-2.0	4.3	19.7	-12.9	2.5
Profit from continuing operations	**5.3**	**-20.2**	**-90.6**	**41.8**	**-16.2**
Profit from discontinued operations	**22.9**	**0.3**	**4.8**	**-0.6**	**-0.4**
Profit for the accounting period	**28.2**	**-19.9**	**-85.8**	**41.2**	**-16.7**
Profit for the accounting period attributable to					
Equity holders of the parent company	28.1	-19.8	-85.8	40.9	-16.6
Non-controlling interests	0.1	-0.2	0.0	0.3	0.0

Basic earnings per share attributable to equity holders of the parent company					
From continuing operations	0.14	-1.11	-4.70	2.05	-0.89
From discontinued operations	1.17	0.01	0.24	-0.03	-0.02
From profit for the accounting period	1.30	-1.10	-4.45	2.02	-0.91
Diluted earnings per share attributable to equity holders of the parent company					
From continuing operations	0.14	-1.11	-4.70	2.05	-0.89
From discontinued operations	1.16	0.01	0.24	-0.03	-0.02
From profit for the accounting period	1.30	-1.10	-4.45	2.02	-0.91

8) SEGMENT INFORMATION

Lemminkäinen's business operations are organised into five operating segments: Finland, Building construction; Finland and the Baltic countries, Infrastructure construction; Finland, Technical building services; Russia as well as Scandinavia.

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/ 2014	1-6/ 2013	1-12/ 2013
Finland, building construction	251.1	239.5	592.9
Finland and the Baltic countries, infrastructure construction	240.6	212.5	687.3
Finland, technical building services	91.7	98.4	221.9
Russia	50.1	59.3	164.5
Scandinavia	257.0	235.6	611.9
Other operations	15.3	13.2	35.9
Group eliminations	-38.7	-30.9	-96.3
Segments total	**867.1**	**827.6**	**2,218.2**
Discontinued operations	-77.3	-91.7	-198.0
Group total, IFRS	**789.8**	**736.0**	**2,020.1**

DEPRECIATION AND IMPAIRMENT EUR mill.	1-6/ 2014	1-6/ 2013	1-12/ 2013
Finland, building construction	0.1	0.2	0.3
Finland and the Baltic countries, infrastructure construction	9.1	8.9	22.9
Finland, technical building services	0.3	0.4	0.7
Russia	0.8	0.7	1.7
Scandinavia	5.8	5.6	14.0
Other operations	1.5	2.8	5.7
Segments total	**17.5**	**18.6**	**45.3**
Discontinued operations	-0.2	-0.4	-0.7
Group total, IFRS	**17.3**	**18.3**	**44.6**

OPERATING PROFIT EUR mill.	1-6/ 2014	1-6/ 2013	1-12/ 2013
Finland, building construction	12.0	2.1	5.0
Finland and the Baltic countries, infrastructure construction	0.7	-8.6	16.3
Finland, technical building services	23.2	-1.9	-1.6
Russia	-1.0	-3.1	-0.3
Scandinavia	-4.1	-27.0	-29.4
Other operations	-10.1	-12.2	-80.8
Segments total	**20.6**	**-50.7**	**-90.9**
Discontinued operations	-23.1	1.9	1.5
Group total, IFRS	**-2.5**	**-48.8**	**-89.3**

NET SALES, QUARTERLY EUR mill.	4-6/ 2014	1-3/ 2014	10-12/ 2013	7-9/ 2013	4-6/ 2013
Finland, building construction	135.2	115.9	204.2	149.2	116.4
Finland and the Baltic countries, infrastructure construction	172.0	68.6	192.2	282.6	156.2
Finland, technical building services	42.0	49.7	68.9	54.6	54.5
Russia	34.1	16.0	40.9	64.3	40.1
Scandinavia	175.5	81.5	157.0	219.3	164.2
Other operations	8.0	7.3	7.9	14.8	3.1
Group eliminations	-21.2	-17.5	-31.8	-33.6	-13.3
Segments total	**545.6**	**321.5**	**639.5**	**751.0**	**521.2**
Discontinued operations	-35.1	-42.3	-59.5	-46.9	-50.4
Group total, IFRS	**510.5**	**279.2**	**580.0**	**704.1**	**470.8**

DEPRECIATION AND IMPAIRMENT, QUARTERLY EUR mill.	4-6/ 2014	1-3/ 2014	10-12/ 2013	7-9/ 2013	4-6/ 2013
Finland, building construction	0.0	0.1	0.0	0.1	0.1
Finland and the Baltic countries, infrastructure construction	6.1	3.0	5.6	8.4	6.0
Finland, technical building services	0.2	0.1	0.1	0.2	0.2
Russia	0.5	0.3	0.5	0.5	0.4
Scandinavia	4.1	1.7	3.2	5.2	4.2
Other operations	0.6	0.9	1.5	1.4	1.9
Segments total	**11.4**	**6.1**	**11.0**	**15.7**	**12.8**
Discontinued operations	-0.1	-0.1	-0.2	-0.2	-0.2
Group total, IFRS	**11.3**	**6.0**	**10.9**	**15.5**	**12.6**

OPERATING PROFIT, QUARTERLY EUR mill.	4-6/ 2014	1-3/ 2014	10-12/ 2013	7-9/ 2013	4-6/ 2013
Finland, building construction	5.9	6.1	-4.6	7.5	-2.0
Finland and the Baltic countries, infrastructure construction	7.0	-6.3	-4.8	29.7	4.2
Finland, technical building services	22.8	0.4	1.0	-0.7	-0.5
Russia	0.4	-1.4	-2.7	5.5	0.5
Scandinavia	7.6	-11.7	-21.2	18.8	-6.2
Other operations	-6.1	-4.0	-69.7	1.1	-8.5
Segments total	**37.6**	**-17.0**	**-102.0**	**61.8**	**-12.4**
Discontinued operations	-22.8	-0.4	-1.0	0.6	0.6
Group total, IFRS	**14.8**	**-17.3**	**-103.0**	**62.5**	**-11.9**

ASSETS EUR mill.	6/2014	6/2013	12/2013
Finland, building construction	496.4	494.5	454.6
Finland and the Baltic countries, infrastructure construction	269.8	296.5	249.7
Finland, technical building services	0.0	56.9	61.8
Russia	184.9	117.3	152.2
Scandinavia	337.0	307.1	284.2
Other operations	47.8	50.5	47.8
Segments total	**1,335.9**	**1,322.8**	**1,250.3**
Assets unallocated to segments and Group eliminations, total	127.4	139.0	92.4
Group total, IFRS	**1,463.4**	**1,461.8**	**1,342.7**

9) ECONOMIC TRENDS AND FINANCIAL INDICATORS

	6/2014	6/2013	12/2013
Return on equity, rolling 12 months, % [1)]	-10.1	2.9	-24.4
Return on investment, rolling 12 months, % [1)]	0.2	5.7	-9.4
Operating profit, % of net sales	-0.3	-6.6	-4.4
Equity ratio, %	32.1	29.2	27.3
Gearing, %	85.4	108.6	100.8
Interest-bearing net liabilities, EUR mill.	339.9	405.2	326.5
Gross investments, EUR mill.	23.9	42.9	71.2
Order book, continuing operations, EUR mill.	2,086.8	1,973.5	1,733.2
- of which orders outside Finland, EUR mill.	925.4	994.9	729.9
Personnel at the end of period, continuing operations	6,488	6,887	5,526
Net sales, EUR mill.	789.8	736.0	2,020.1

[1)] Includes the effect of discontinued operations

10) SHARE-SPECIFIC INDICATORS

	6/2014	6/2013	12/2013
Basic earnings per share, EUR	0.21	-2.63	-5.06
Diluted earnings per share, EUR	0.21	-2.63	-5.06
Equity per share, EUR	20.25	19.05	16.52
Dividend per share, EUR			0.00
Dividend per earnings, %			0.0
Market capitalisation at the end of period, EUR mill.	265.1	288.5	298.2
Share price at the end of period, EUR	13.50	14.71	15.20
Share trading (NASDAQ OMX Helsinki), 1,000 shares	374	1,155	1,758
Number of issued shares, total	19,650,176	19,650,176	19,650,176
Number of treasury shares	16,687	34,915	34,915
Weighted average number of shares outstanding	19,617,729	19,564,043	19,579,392
Diluted weighted average number of shares outstanding	19,817,863	19,564,043	19,579,392

11) ACQUIRED BUSINESSES

2014
The Company has no businesses acquired in 2014.

2013
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.

Figures relating businesses acquired in 2013 are presented in the annual financial statements 2013.

12) PROPERTY, PLANT AND EQUIPMENT

EUR mill.	6/2014	6/2013	12/2013
Acquisition cost in the beginning of accounting period	452.4	437.2	437.2
Translation difference	-1.2	-7.4	-12.9
Increases	20.2	26.1	46.2
Acquired businesses		6.8	9.2
Disposals	-11.7	-17.8	-26.2
Discontinued operations	-3.7	-1.3	-1.2
Accumulated depreciation at the end of period	-254.8	-234.6	-251.3
Carrying amount at the end of accounting period	**201.2**	**208.8**	**201.1**

13) DISCONTINUED OPERATIONS

Lemminkäinen announced on 14 May 2014 that it has divested its Technical Building Services business by selling the entire share capital of Lemminkäinen Talotekniikka Oy. The transaction was completed on 13 June 2014 and the preliminary total purchase price is EUR 55.6 million. The Company recorded a preliminary pre-tax gain on sale of EUR 23.7 million to the second quarter of 2014. The final total purchase price is subject to final adjustments to the purchase price. The comparative consolidated income statement information for the financial period 2013 have been adjusted correspondingly. The Company's consolidated statements of financial position for the comparative year 2013 include all assets and liabilities attributable to the discontinued operations.

In 2014 the profit of operations of the sold units and the capital gains from their sale were as follows:

EUR mill.	1-6/2014	1-6/2013	1-12/2013
Profit of the discontinued operations			
Income	77.4	91.8	198.4
Expenses	77.9	93.7	199.8
Profit before taxes	**-0.5**	**-1.9**	**-1.5**
Taxes	0.1	0.4	4.1
Profit for the financial period	**-0.5**	**-1.5**	**2.7**
Pre-tax gains on sales of the businesses	**23.7**		
Taxes	0.0		
Gains on sale after taxes	**23.6**		
Profit for the period from discontinued operations	**23.2**	**-1.5**	**2.7**
Cash flows from discontinued operation			
Cash flow from business operations	-3.9		
Cash flow from investments	-0.1		
Cash flow from financing	4.3		
Cash flows total	**0.4**		

The impact of the sale to groups' financial position	
Cash consideration received	56.7
Transferred assets and liabilities	28.3
Other related items	-4.8
Gain on sale	**23.7**

In 2013, the Company did not classify any of its operations as discontinued operations.

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

EUR mill.	A	B	C	D	E	CARRYING AMOUNT	FAIR VALUE
30.6.2014							
Non-current financial assets							
Available-for-sale financial assets			3.5			3.5	3.5
Other non-current receivables		2.4				2.4	2.4
Current financial assets							
Trade and other receivables		419.1				419.1	419.1
Derivative assets	1.3					1.3	1.3
Available-for-sale financial assets			58.3			58.3	58.3
Cash and cash equivalents		43.8				43.8	43.8
Financial assets total	**1.3**	**465.3**	**61.8**			**528.5**	**528.4**
Non-current financial liabilities							
Interest-bearing liabilities [1)]				145.4		145.4	146.3
Other non-current liabilities				2.9		2.9	2.9
Current financial liabilities							
Interest-bearing liabilities [1)]				296.5		296.5	296.9
Trade payables and other financial liabilities [2)]				351.0		351.0	351.0
Derivative liabilities	2.9				0.0	2.9	2.9
Financial liabilities total	**2.9**			**795.8**	**0.0**	**798.8**	**800.0**

EUR mill.	A	B	C	D	E	CARRYING AMOUNT	FAIR 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**			**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 [2)]				353.3		353.3	353.3
Derivative liabilities	2.6				0.3	2.9	2.9
Financial liabilities total	**2.6**			**852.5**	**0.3**	**855.3**	**856.4**

[1)] The Company's long-term interest-bearing liabilities include a EUR 100 million unsecured bond issued on 26 June 2014. The bond's coupon rate is 7.375 percent and interest is paid semi-annually. The bond matures in five years, on 6 July 2019. In addition, the company has bought back EUR 15.2 million of its own bond maturing on 6 October 2014. The bond is included in the company's current interest-bearing liabilities and the purchase has been recognised as bond repayment.

[2)] 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 2013, Note 25 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
30.6.2014			
Available-for-sale financial assets			
Equity instruments		3.5	3.5
Money market investments	58.3		58.3
Derivative instruments			
Derivative assets	1.2	0.1	1.3

Derivative liabilities	2.3	0.7	2.9

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

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 1.1.2014	-1.2	3.8
Additions		0.0
Disposals		-0.3
Gains and losses recognised through profit or loss, total	0.6	
Fair values 30.6.2014	**-0.6**	**3.5**

15) RELATED-PARTY TRANSACTIONS

EUR mill.	6/2014	6/2013	12/2013
Sales to associates and joint ventures	0.2	1.1	2.9
Sales to a key management personnel or their related parties	0,3*		0.1
Total	**0.5**	**1.1**	**3.1**
Purchases from associates and joint ventures	**4.0**	**2.3**	**11.3**
Trade receivables from associates and joint ventures	0.1	0.9	0.0
Trade receivables from a key management personnel or their related parties			0.1
Total	**0.1**	**0.9**	**0.2**
Accounts payable to associates and joint ventures	**1.8**	**1.9**	**0.2**

*) Sale of a non-current asset at market price

The company recorded EUR 2.2 million in expenses to the second quarter of 2014 concerning termination benefits of the four members of Executive Board who left the company. The amount does not include social security costs.

16) GUARANTEES AND COMMITMENTS

EUR mill.	6/2014	6/2013	12/2013
Other collateral for own commitments			
Pledged deposits			0.0
Guarantees			
On behalf of associates and joint ventures	14.6	17.4	17.4
On behalf of consortiums and real estate companies	1.8	13.0	1.8
Total	**16.4**	**30.4**	**19.2**
Minimum lease payments of irrevocable lease contracts			
One year or less	11.1	13.9	12.3
Over one year but no more than five years	27.8	29.9	26.1
Over five years	1.8	8.8	6.0
Total	**40.6**	**52.6**	**44.5**
Purchase commitments of investments	3.8	2.6	7.7
Derivative contracts			
Forward foreign exchange contracts			
Nominal value	159.3	141.1	106.0
Fair value	-0.3	1.4	0.9
Interest rate swap contracts			
Nominal value	40.0	54.3	47.2
Fair value	-0.8	0.0	0.0
Commodity derivatives			
Volume, MT	47,869	99,600	58,933
Nominal value	20.1	35.2	24.4
Fair value	-0.6	-1.6	-1.2

17) CONTINGENT ASSETS AND LIABILITIES

On 28 November 2013, the District Court of Helsinki issued its decisions concerning damages related to the asphalt cartel. In line with the decisions, Lemminkäinen recorded approximately EUR 66 million in expenses in its 2013 result. Of this, approximately EUR 60 million consisted of damages ordered only to Lemminkäinen, Lemminkäinen's share of the damages ordered to it and other asphalt industry companies to be paid jointly and severally, as well as interest and legal expenses related to the damages. This amount was paid by the company in January 2014. In addition, Lemminkäinen made a EUR 6 million provision for pending claims in 2013. Lemminkäinen has appealed against all 35 decisions, where the plaintiffs' claims were upheld, to the Helsinki Court of Appeal. In Lemminkäinen's opinion, there are some judicial aspects in the decisions of the District Court, where the conclusions of the District Court differ from previous legal practices. Such judicial aspects are related to the questions of prescriptions and value added tax, for example. The main oral hearing is expected to take place during 2015. The Finnish state and 12 municipalities have also submitted their appeals to the Helsinki Court of Appeal.

In addition, the company has several other individual legal proceedings related to business operations, the outcome of which is uncertain. The company estimates that these legal proceedings will not have a material impact on the company's financial position.