



EUR 100,000,000 6.875 percent Notes due 2021
Issue price: 100 percent

On 23 March 2016, SRV Group Plc (the “**Issuer**” or the “**Company**”) issued EUR 100,000,000 6.875 percent notes due 2021 (the “**Notes**”). The Notes will be redeemed at their principal amount on 23 March 2021 (the “**Final Maturity Date**”), unless previously redeemed or purchased and cancelled. The Issuer may redeem the Notes, in whole but not in part, at any time from and including 23 March 2019, but excluding 23 March 2020, at an amount equal to 100 percent of their nominal principal amount plus fifty (50) percent of the annual interest rate together with any accrued but unpaid interest and at any time from and including 23 March 2020, but excluding 23 March 2021, at an amount equal to 100 percent of their nominal principal amount plus twenty-five (25) percent of the annual interest rate together with any accrued but unpaid interest, as described in “*Terms and Conditions of the Notes—Redemption and repurchase of the Notes—Voluntary total redemption (call option)*”.

Each Note will bear interest from, and including, 23 March 2016 at the rate of 6.875 percent per annum to, but excluding, the Final Maturity Date or such earlier date on which the Note is redeemed or purchased and cancelled. Interest will be payable annually in arrear on 23 March commencing on 23 March 2017, as described in “*Terms and Conditions of the Notes—Interest*”.

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, see “*Terms and Conditions of the Notes*”. The Notes were issued in the book-entry securities system of Euroclear Finland Ltd (“**Euroclear Finland**”) in dematerialised form under the Finnish Act on Book-Entry System and Clearing Activities (749/2012, as amended). The Notes may be held by holders of the Notes (the “**Noteholders**”) directly through book-entry accounts with Euroclear Finland. The Notes are not evidenced by any physical note or document of title other than statements of account made by Euroclear Finland or its account operator and cannot be physically delivered. The Notes were issued in denominations of EUR 1,000.

Application will be made to have the Notes listed on Nasdaq Helsinki Ltd (the “**Helsinki Stock Exchange**”). Application will also be made to include the Notes to trading on the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange (unregulated market segment).

The Notes are not currently rated by any rating agency.

See “*Risk Factors*” for a discussion of certain risks associated with an investment in the Notes.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state of the United States, and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person (as such terms are defined in Regulation S under the Securities Act (“Regulation S”)), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Joint Lead Managers

Pohjola

Danske Bank

Co-manager

Dero Bank

IMPORTANT INFORMATION

In this Listing Prospectus, the “**Issuer**” and the “**Company**” refer to SRV Group Plc and “**SRV**” to the Company together with its consolidated subsidiaries, except where the context may otherwise require. Pohjola Bank plc (“**Pohjola**”) and Danske Bank A/S (“**Danske Bank**”) acted as joint lead managers (the “**Joint Lead Managers**”) and Dero Bank AG (“**Dero Bank**”), and together with the Joint Lead Managers, the “**Managers**”) as a co-manager in relation to the offering and issue of the Notes.

This document (this listing prospectus and the documents incorporated by reference herein are jointly referred to as the “**Listing Prospectus**”) has been prepared in accordance with the Finnish Securities Markets Act (746/2012, as amended, the “**Finnish Securities Markets Act**”), the Finnish Ministry of Finance Decree on prospectuses referred to in Chapters 3 to 5 of the Finnish Securities Markets Act (1019/2012), the Commission Regulation (EC) No. 809/2004 of April 29, 2004, as amended, (Annexes IV, V and XXII) implementing Directive 2003/71/EC of the European Parliament and of the Council, as amended, as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (the “**Prospectus Directive**”) and the regulations and guidelines issued by the Finnish Financial Supervisory Authority (the “**FIN-FSA**”) solely for the purpose of listing the Notes on the Helsinki Stock Exchange. The FIN-FSA has approved this Listing Prospectus, but assumes no responsibility for the correctness of the information contained herein. The registration number of the FIN-FSA’s approval decision is FIVA 16/02.05.04/2016.

This Listing Prospectus should be read in conjunction with all documents that are incorporated by reference herein. This Listing Prospectus shall be read and construed on the basis that such documents are incorporated into and form part of this Listing Prospectus. See “*Documents Incorporated by Reference into this Listing Prospectus*”.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Listing Prospectus or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been so authorised by the Issuer or any Manager. No representation or warranty, express or implied, is made by any Manager as to the accuracy, completeness or verification of the information contained in this Listing Prospectus, and nothing contained in this Listing Prospectus is, or shall be relied upon as, a promise or representation by any Manager in this respect, whether as to the past or the future. The Managers assume no responsibility for the accuracy, completeness or verification of the information and, accordingly, disclaim to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise, which they might otherwise be found to have in respect of this Listing Prospectus or any such statement.

The information contained herein is current as at the date of this Listing Prospectus. In addition, the Issuer will supplement this Listing Prospectus when required in accordance with the mandatory provisions of Finnish law. Otherwise, neither the delivery of this Listing Prospectus, nor the offer, sale or delivery of the Notes mean that no adverse changes have occurred or events have happened that may or could result in an adverse effect in SRV’s business, financial condition, results of operations or future prospects and/or the market price of the Notes. Nothing contained in this Listing Prospectus constitutes, or shall be relied upon as, a promise or representation by the Issuer or any Manager as to the future.

In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Issuer and the terms of the Notes, including the risks and merits involved. Neither the Issuer, any of the Managers nor any of their respective affiliated parties or representatives, is making any representation to any offeree or purchaser of the Notes regarding the legality of the investment by such person. Investors are required to make their independent assessment of the legal, tax, business, financial and other consequences of an investment in the Notes.

The Managers are acting exclusively for the Issuer and no one else in connection with the issue and listing of the Notes and will not be responsible to anyone other than the Issuer for providing the protections afforded to their respective clients nor for giving any investment or other advice in relation to the Notes.

The distribution of this Listing Prospectus and the offering or sale of the Notes in certain jurisdictions is restricted by law. Persons into whose possession this Listing Prospectus may come are required by the Issuer and the Managers to inform themselves of and observe all such restrictions. This Listing Prospectus may not be distributed in the United States, Australia, Canada, Hong Kong or Japan or such other countries or otherwise in such circumstances in which the offering of the Notes would be unlawful or require measures other than those required under the Finnish laws. This Listing Prospectus does not constitute an offer to sell or a solicitation of an offer to buy or subscribe any of the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. None of the Issuer, the Managers or any of their respective affiliates or representatives accepts any legal responsibility for any such violations, whether or not a prospective purchaser of the Notes is aware of such restrictions.

In the United Kingdom, this Listing Prospectus may be distributed only to, and may be directed at (a) persons who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”) or (b) high net worth entities falling within article 49(2)(a) to (d) of the Order, and other persons to whom it may be lawfully communicated, falling within article 49(1) of the Order (all such persons together being referred to as “**relevant persons**”). Any person who is not a relevant person should not act or rely on this document or any of its contents.

The Notes have not been and will not be registered under the Securities Act, and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions in reliance on Regulation S under the Securities Act.

Any dispute arising out of the listing of the Notes shall be settled exclusively by Finnish courts in accordance with Finnish law.

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SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A–E (A.1–E.7).

This summary contains all the Elements required to be included in the summary for this type of securities and the issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and the issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the summary with the mention of “not applicable”.

Section A – Introduction and warnings

Element	Disclosure requirement	Disclosure
A.1	Introduction	<i>This summary should be read as an introduction to this Listing Prospectus. Any decision to invest in the Notes should be based on a consideration of this Listing Prospectus as a whole by prospective investors. Where a claim relating to the information contained in this Listing Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states, have to bear the costs of translating this Listing Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Listing Prospectus or if it does not provide, when read together with the other parts of this Listing Prospectus, key information in order to aid investors when considering whether to invest in the Notes.</i>
A.2	Consent for subsequent resale or final placement of securities/offer period/conditions of the consent	Not applicable.

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Element	Disclosure requirement	Disclosure
B.1	Legal and commercial name	SRV Group Plc.
B.2	Domicile/legal form/legislation/ country of incorporation	The Company is domiciled in Espoo, Finland. The Company is a public limited liability company incorporated in Finland and organised under the laws of Finland.
B.4b	Known trends of the issuer and its industry	<p>The outlook for the global economy is slightly optimistic. The Chinese economy is still growing, and the United States is leading an upswing in Western economies. Europe is recovering at a slower pace. (<i>Sources: Bank of Finland, Bulletin 4/2015, Economic Outlook</i>) Forecasts for economic growth in Finland in 2015 are close to zero (<i>Source: Bank of Finland, Bulletin 5/2015, Economic Outlook</i>), but growth is predicted to get off the ground this year (<i>Sources: Bank of Finland, Bulletin 5/2015, Economic Outlook</i>). An upswing is also expected in the total volume of construction (<i>Source: Confederation of Finnish Construction Industries RT, February 2016</i>). The rise in building costs continues to be moderate (<i>Sources: Statistics Finland and Confederation of Finnish Construction Industries RT, February 2016</i>).</p> <p>According to a recent VTT Technical Research Centre of Finland Ltd (“VTT”) report, urbanisation and immigration will increase demand for housing in Finnish growth centres by up to 29,000 new homes per annum over the coming years. In the Helsinki region, this means 50 percent more homes over the next 25 years in comparison to the city’s current housing stock. (<i>Source: VTT: Demand for new dwelling production in Finland 2015–2040, January 2016</i>)</p> <p>A slight rise is expected in housing construction start-ups this year. Rental</p>

Section B – Issuer

Element	Disclosure requirement	Disclosure
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apartments are being built and smaller apartments are selling in growth centres, but sales are more subdued in other areas. Demand for housing is still being affected by major uncertainty factors. (Source: Confederation of Finnish Construction Industries RT, February 2016)

A slight year-on-year decrease is forecast for business construction start-ups in 2016 after the launch of large-scale projects last year (Source: Confederation of Finnish Construction Industries RT, February 2016). A prolonged period of weak economic growth has kept the number of empty offices high, and the need for additional retail space has remained low (Source: Newsec Property Outlook Spring 2016, January 2016). Start-ups in industrial, warehouse and public-sector service construction are expected to remain at around the same level as last year (Source: Confederation of Finnish Construction Industries RT, February 2016).

Steady annual growth of about 2.0–2.5 percent is expected in renovation construction (Source: Confederation of Finnish Construction Industries RT, February 2016). Infrastructure construction is still being weakened by the decline in new construction work and the contraction in investments in highway construction and maintenance.

The Ukrainian crisis combined with the low price of oil and the weak rouble have led to difficulties in the Russian economy. The future is extremely uncertain (Source: Bank of Finland, Bofit, Forecast for Russia 2015–2017, September 2015). Russia’s total economic growth for 2016 is forecast at around zero, but the situation could significantly worsen if the price of oil remains low or even continues to fall (Source: East Office of Finnish Industries Oy, January 2016). The situation in Russia also brings significant uncertainty factors to Estonia’s economy, although slight growth is predicted this year.

B.5 Group structure

The Company is the parent company of SRV. The following table sets forth the subsidiaries that the Company owned directly or indirectly, as at 31 December 2015, excluding project companies:

	Domicile	The Company’s share of share capital	The Company’s share of voting rights
		(percent)	
SRV Construction Ltd	Espoo, Finland	100.00	100.00
SRV Investments S.à r.l	Luxembourg	100.00	100.00
Rakennusliike Purmonen Oy	Joensuu, Finland	65.00	65.00
SRV Kalusto Oy	Vihti, Finland	100.00	100.00
SRV Infra Oy	Kerava, Finland	100.00	100.00
Kiinteistö Oy Nummelanrinne.....	Vihti, Finland	100.00	100.00
SRV Voima Oy.....	Espoo, Finland	100.00	100.00
SRV Russia Ltd	Espoo, Finland	100.00	100.00
OOO SRV Development	St. Petersburg, Russia	100.00	100.00
SRV Stroi OOO	Moscow, Russia	100.00	100.00
OOO SRV 360	St. Petersburg, Russia	100.00	100.00
SRV Ehituse AS	Tallinn, Estonia	100.00	100.00
SRV Realty B.V	Amsterdam, the Netherlands	100.00	100.00
Jupiter Realty B.V	Amsterdam, the Netherlands	100.00	100.00

Project companies are housing and real estate companies that are developed, constructed and sold. The ownership of such companies is short-term and they are intended to be further transferred.

B.9 Profit forecast

The following is included in the Company’s financial statement release published on 18 February 2016:

In addition to general economic trends, SRV’s revenue and result will be affected by several factors in 2016, such as: SRV’s own projects are recognised as income upon delivery; the part of the order backlog that is continuously recognised as income mainly consists of low-margin contracting; trends in the

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Element	Disclosure requirement	Disclosure
		<p>order backlog’s profit margins; the sales volume of developer-contracted housing and the completion schedules of the properties; and the launch of new contracts and development projects. SRV’s largest project is the REDI project in the Kalasatama district of Helsinki, which was launched in April 2015. Based on current schedules, SRV estimates that a total of 503 developer-contracted residential units will be completed during 2016.</p> <p>SRV’s revenue for 2016 is expected to grow and operating profit to improve compared to 2015 (revenue of EUR 719 million and operating profit of EUR 24.4 million in 2015). Due to the completion schedules of developer-contracted housing production, a significant part of operating profit will be realised in the second half of 2016. The financing costs are expected to increase due to additional financing needed for increasing order backlog.</p> <p><i>The above statements include forward-looking statements. These statements are not guarantees of future financial performance of SRV. SRV’s actual results and financial position could differ materially from those expressed or implied by these forward-looking statements as a result of many factors. The Company cautions prospective investors not to place undue reliance on these forward-looking statements.</i></p>
B.10	Nature of any qualifications in the audit report on the historical financial information	Not applicable. There are no qualifications in the audit reports on the historical financial information.
B.12	Selected historical key financial information	The following tables set forth selected consolidated financial and other information for the Company as at and for the years ended 31 December 2015 and 2014. The selected consolidated financial information set forth below has been derived from the Company’s audited consolidated financial statements as at and for the year ended 31 December 2015, including audited comparative financial information as at and for the year ended 31 December 2014. The Company’s consolidated financial information has been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (the “EU”).

	For the year ended 31 December	
	2015	2014
	(audited)	
	(EUR in millions, unless otherwise indicated)	
CONSOLIDATED INCOME STATEMENT		
Revenue	719.1	684.4
Other operating income	1.8	4.9
Change in inventories of finished goods and work in progress	24.7	(54.6)
Use of materials and services	(639.1)	(533.2)
Employee benefit expenses	(64.6)	(63.2)
Share of profits of associated and joint venture companies	(0.1)	1.0
Depreciation and impairments	(3.5)	(2.0)
Other operating expenses	(13.8)	(12.5)
Operating profit	24.4	24.9
Financial income	5.0	2.8
Financial expenses	(11.8)	(9.2)
Financial income and expenses, total	(6.8)	(6.4)
Profit before taxes	17.6	18.5
Income taxes	(3.6)	(3.2)
Net profit for the financial year	<u>14.0</u>	<u>15.4</u>
Attributable to		
Equity holders of the parent company	14.0	15.2
Non-Controlling interests	0.0	0.2
Earnings per share attributable to equity holders of the parent company, EUR	0.25	0.30
Earnings per share attributable to equity holders of the parent company (diluted), EUR	0.25	0.30

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	As at 31 December	
	2015	2014
	(audited)	
	(EUR in millions)	
CONSOLIDATED BALANCE SHEET		
ASSETS		
Non-current assets		
Property, plant and equipment	10.7	11.3
Goodwill	1.7	1.7
Other intangible assets	1.9	0.7
Shares in associated and joint venture companies	206.6	100.0
Other financial assets	11.7	9.2
Receivables	0.7	0.9
Loan receivables from associated companies and joint ventures	31.2	30.0
Deferred tax assets	7.3	7.0
Non-current assets, total	271.9	160.8
Current assets		
Inventories	336.6	312.8
Trade and other receivables	111.9	82.6
Loan receivables from associated companies and joint ventures	5.6	1.1
Current tax receivables	1.6	0.3
Cash and cash equivalents	35.0	18.4
Current assets, total	490.8	415.2
ASSETS TOTAL	<u>762.6</u>	<u>576.1</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent company		
Share capital	3.1	3.1
Invested free equity fund	141.2	92.3
Translation differences	(7.2)	(5.3)
Fair value reserve	(1.4)	(0.9)
Hybrid Bond	45.0	45.0
Retained earnings	95.7	90.3
Equity attributable to equity holders of the parent company, total	276.4	224.4
Non-controlling interests	0.8	0.8
Equity, total	277.2	225.2
Non-current liabilities		
Deferred tax liabilities	2.3	1.5
Provisions	6.3	6.5
Interest-bearing liabilities	163.2	147.0
Other liabilities	4.0	0.0
Non-current liabilities, total	175.8	155.1
Current liabilities		
Trade and other payables	201.4	111.5
Current tax payable	0.8	2.7
Provisions	4.8	4.0
Interest-bearing liabilities	102.6	77.6
Current liabilities, total	309.6	195.8
Liabilities, total	<u>485.4</u>	<u>350.9</u>
EQUITY AND LIABILITIES, TOTAL	<u>762.6</u>	<u>576.1</u>

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	As at and for the year ended 31 December	
	2015	2014
	(audited)	
	(EUR in millions)	
CONSOLIDATED CASH FLOW STATEMENT		
Cash flow from operating activities		
Net profit for the year	14.0	15.4
Adjustments:		
Depreciation and impairments	3.5	2.0
Non-cash transactions	1.6	1.2
Financial income and expenses	6.8	6.4
Income taxes	<u>3.6</u>	<u>3.2</u>
Adjustments, total	15.5	12.8
Changes in working capital		
Change in loan receivables	(1.0)	(0.8)
Change in trade and other receivables	(29.3)	(8.3)
Change in inventories	(24.6)	50.8
Change in trade and other payables	<u>95.1</u>	<u>(7.1)</u>
Changes in working capital, total	40.2	34.7
Interest and other financial costs paid	(14.7)	(14.7)
Interest received	0.0	0.2
Income taxes paid	<u>(5.3)</u>	<u>(1.5)</u>
Net cash from operating activities	49.7	47.0
Cash flow from investing activities		
Property, plant and equipment	(2.4)	(2.5)
Intangible assets	(1.6)	(0.1)
Other financial assets	(110.1)	(31.1)
Sale of property, plant and equipment and intangible assets	–	0.1
Change in associated and joint venture companies' loan receivables	<u>(4.5)</u>	<u>–</u>
Net cash used in investing activities	(118.5)	(33.7)
Cash flow from financing activities		
Proceeds from loans	29.6	10.7
Repayments of loans	(58.2)	(10.2)
Change in housing corporation loans	13.1	(15.8)
Change in credit limits	56.6	(65.4)
Net cash from share issue	48.6	–
Purchase of treasury shares	0.0	0.2
Dividends paid	<u>(4.3)</u>	<u>(4.3)</u>
Net cash from financing activities	<u>85.5</u>	<u>(84.8)</u>
Net change in cash and cash equivalents	16.6	(71.5)
Cash and cash equivalents at the beginning of financial year	18.4	90.0
Effects on exchange rate fluctuations on cash held	<u>0.0</u>	<u>(0.0)</u>
Cash and cash equivalents at the end of financial year	<u>35.0</u>	<u>18.4</u>

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	As at and for the year ended 31 December	
	2015	2014
	(audited)	
	(EUR in millions, unless otherwise indicated)	
GROUP KEY FIGURES		
Revenue	719.1	684.4
Operating profit	24.4	24.9
Financial income and expenses, total	(6.8)	(6.4)
Profit before taxes	17.6	18.5
Order backlog ⁽¹⁾	1,583.4	860.4
New agreements ⁽²⁾	1,393.5	700.3
Operating profit, percent	3.4	3.6
Net profit, percent	1.9	2.2
Equity ratio, percent ⁽³⁾	42.5	43.0
Net interest bearing debt ⁽⁴⁾	230.8	206.1
Gearing ratio, percent ⁽⁵⁾	83.3	91.6
Return on investment, percent ⁽⁶⁾	5.9	5.4
Return on equity, percent ⁽⁷⁾	5.6	6.9
Earnings per share, EUR	0.25	0.30
Equity per share (without the hybrid bond), EUR ⁽⁸⁾	3.90	4.51
Share price at the end of period EUR	3.10	2.83
Weighted average number of shares outstanding, millions	42.6	39.8

(1) A construction project is included in the order backlog when a construction contract of a project has been signed or a decision to start construction has been made, and a contract agreement has been signed in developer-contracting projects. The order backlog consists of the share of the projects not yet recognised as revenue (including the plot).

(2) Includes new contract agreements that have been signed during the financial period and have been added to the order backlog.

(3) Equity ratio, percent = $\frac{\text{Total equity}}{\text{Total assets} - \text{advances received}} \times 100$

(4) Net interest bearing debt = Interest bearing debt – cash and cash equivalents

(5) Gearing ratio, percent = $\frac{\text{Interest-bearing debt}}{\text{Total equity}} \times 100$

(6) Return on investment, percent = $\frac{\text{Result before taxes} + \text{interest and other financial expenses (excluding exchange rate gains and losses)}}{\text{Invested capital, average}} \times 100$

(7) Return on equity, percent = $\frac{\text{Net result for the financial year}}{\text{Total equity, average}} \times 100$

(8) Equity per share = $\frac{\text{Equity attributable to equity holders of the parent company}}{\text{Number of shares outstanding at the end of the period}}$

There has been no significant change in the financial or trading position of the Company or SRV since 31 December 2015, which is the end of the financial period in respect of which the most recently audited financial statements of the Company have been published.

Since 31 December 2015, the last day of the financial period in respect of which the most recently audited financial statements of the Company have been prepared, there has been no material adverse change in the prospects of the Company.

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Element	Disclosure requirement	Disclosure
B.13	Recent events relevant to the evaluation of the Issuer's solvency	Not applicable. There are no recent events particular to the Issuer, which are to a material extent relevant to the evaluation of the Issuer's solvency.
B.14	Dependence upon other entities within the group	Not applicable. The Company is not dependent upon other entities within SRV.
B.15	Principal activities	SRV is a provider of end-to-end solutions in real estate and area development projects as well as a developer-contractor of housing, acting as both the real estate developer and the builder in projects. Additionally, SRV acts as contractor particularly in different business premises construction projects based on a contractual relationship with customers. SRV is responsible for development, commercialisation and/or construction of projects in accordance with the contracts it has entered into, and also acts as investor in many of its own development projects and as early-stage operator of shopping centres. In Finland, SRV operates in the Helsinki Metropolitan Area as well as in other selected growth centres Turku, Tampere, Oulu, Jyväskylä and Joensuu. In addition to Finland, SRV operates in Russia mainly in St. Petersburg and Moscow as well as in Estonia. SRV's business segments are Operations in Finland, International Operations and Other Operations. The Operations in Finland consist of Finnish business premises and housing construction led by SRV Construction Ltd and rock and earthworks construction performed by SRV Infra Oy. The International Operations consist of SRV's business in Russia (SRV Russia Ltd with its subsidiaries) and Estonia (SRV Ehituse AS with its subsidiaries). The Other Operations business segment mainly consists of group functions of the Company, the parent company of SRV, the project development unit implementing real estate and project development operations in Finland as well as the operations of SRV Kalusto Oy that manages the equipment used at construction sites in Finland.
B.16	Controlling interests	<p>Not applicable. To the extent known to the Company, the Company is not directly or indirectly owned or controlled by any person.</p> <p>On 23 March 2016, the Chairman of the Board of Directors of the Company Ilpo Kokkila owned 21.5 percent of the shares in the Company (the "Shares"). In addition to his direct ownership, Ilpo Kokkila owned 19.0 percent of the Shares through Kolpi Investments Oy, which is under his control. Moreover, a member of the Board of Directors Timo Kokkila owned 12.6 percent of the Shares on 23 March 2016.</p>
B.17	Credit ratings	Not applicable. No credit ratings have been assigned to the Company or its debt securities.

Section C – Securities

Element	Disclosure requirement	Disclosure
C.1	Type and class of the securities being admitted to trading	Senior unsecured notes with the principal amount of EUR 100,000,000. The principal amount of each book-entry unit is EUR 1,000. The ISIN code of the Notes is FI4000198122.
C.2	Currency of the securities issue	Euro.
C.5	Restrictions on the free transferability of the securities	Each Note will be freely transferable after it has been registered into the respective book-entry account.
C.8	Rights attached to securities/ranking	The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer ranking <i>pari passu</i> and without any preference among them.
C.9	Interest/repayment/yield	<p>The Notes bear interest from, and including, 23 March 2016 at the rate of 6.875 percent per annum to, but excluding, the Final Maturity Date. Interest will be payable annually in arrears on each 23 March commencing on 23 March 2017.</p> <p>The Notes shall be repaid in full at their principal amount on 23 March 2021 (the Final Maturity Date), unless the Issuer has repurchased the Notes.</p> <p>As at 23 March 2016 (the “Issue Date”), the annual yield to maturity at the issue price of 100 percent was 6.875 percent.</p> <p>The Issuer has the right to redeem the Notes , in whole but not in part, at any time from and including 23 March 2019, but excluding 23 March 2020, at an amount equal to 100 percent of their nominal principal amount plus fifty (50) percent of the annual interest rate together with any accrued but unpaid interest and at any time from and including 23 March 2020, but excluding 23 March 2021, at an amount equal to 100 percent of their nominal principal amount plus twenty-five (25) percent of the annual interest rate together with any accrued but unpaid interest.</p> <p>In addition, the Issuer may redeem the Notes, in whole but not in part, at any time at their nominal principal amount together with any accrued but unpaid interest if it is or becomes unlawful for the Issuer to perform its obligations under the terms and conditions of the Notes. Upon the occurrence of a change of control, the Noteholders may require the Issuer to redeem their Notes at 101 percent of their nominal principal amount together with accrued but unpaid interest, and if Notes representing more than seventy-five (75) percent of the aggregate nominal principal amount of the Notes have been so repurchased, the Issuer is entitled to repurchase also the remaining outstanding Notes. In addition, upon a publication of a plan to carry out a demerger by the Issuer, the Noteholders may require the Issuer to redeem their Notes at 100 percent of their nominal principal amount together with accrued but unpaid interest, and if Notes representing more than seventy-five (75) percent of the aggregate nominal principal amount of the Notes have been so repurchased, the Issuer is entitled to repurchase also the remaining outstanding Notes.</p> <p>Nordic Trustee Oy acts as the agent for the Noteholders.</p>
C.10	Derivative component	Not applicable. The Notes have no derivative component in the interest payment.
C.11	Admission to trading	Application will be made to have the Notes listed on the Helsinki Stock Exchange and the Open Market (<i>Freiverkehr</i>) of the Frankfurt Stock Exchange.

Section D – Risks

Element	Disclosure requirement	Disclosure
D.2	Key risks that are specific to the issuer	<p>Risks relating to macroeconomic conditions include, but are not limited to:</p> <ul style="list-style-type: none"> • uncertain global and national economic and financial market conditions as well as economic changes in customers’ operating environments could adversely affect SRV’s business, order backlog, results of operations, financial condition, liquidity and capital resources; and • adverse economic developments and conditions in SRV’s main geographical business areas in Finland and Russia may affect SRV’s business operations. <p>Risks relating to SRV’s strategy include, but are not limited to:</p> <ul style="list-style-type: none"> • failure by SRV to successfully define and implement its business strategy may have an adverse effect on SRV’s growth and profitability in the future; • SRV may not be able to successfully manage several development projects and construction contracts simultaneously; • SRV may not succeed in realisation of new or ongoing developer-contracting or co-development projects; • demand in the Finnish housing market may decrease; and • SRV’s operations in Russia may entail risks related to political changes and changes in legislation as well as inconsistent interpretations or practices relating to legislation, zoning, construction and/or availability of legal protection. <p>Risks relating to SRV’s business operations include, but are not limited to:</p> <ul style="list-style-type: none"> • SRV is exposed to sales, price and rental income risk associated with development projects; • variations in supply and demand on property market may affect SRV’s business and ability to sell constructed properties profitably or at all; • lower profitability of individual projects, construction contracts’ competitive situation as well as decrease in sales of business premises properties and housing units may have an adverse effect on SRV; • SRV may not be able to increase or keep its volume of business operations or profit margin; • SRV’s prerequisites for operations are dependent on available systems and working premises that may be damaged by external or internal factors; • major labour disputes or strikes in the construction sector or other operations essentially linked to construction may have an adverse effect on SRV’s operability; • possibility to fraudulent behaviour and misuse of classified information or position in organisation by personnel may have an adverse effect on SRV’s operability; • failure to attract qualified personnel and loss of key employees as well as implementation partners’ problems with resources may have an adverse effect on SRV’s operability; • SRV is exposed to risks relating to subcontractors and procurement in

Section D – Risks

Element	Disclosure requirement	Disclosure
		<p>the project management;</p> <ul style="list-style-type: none"> • large development projects and construction contracts may include larger and additional risks; • SRV’s participation in project management of the construction of Fennovoima Ltd’s (“Fennovoima”) nuclear power plant project and SRV’s investment in Fennovoima involve risks; • SRV conducts some of its business operations through joint ventures over which it has limited control; • acquisitions that SRV may seek in the future may involve a number of inherent risks, any of which could cause SRV not to realise the anticipated benefits; • SRV is exposed to risks associated with both increase in construction costs and weak economic cycle; • severe weather conditions may affect the progress of SRV’s projects; • SRV is exposed to risks related to customers’ or implementation partners’ claims; • SRV’s business operations may involve legal and regulatory risks; • materialisation of a risk not covered by SRV’s insurance policies may have an adverse effect on SRV; and • changes in the space requirements and operating environments of SRV’s business to consumer (b-to-c) customers may have an adverse effect on the demand for new business premises and business premises construction. <p>Risks relating to financing include, but are not limited to:</p> <ul style="list-style-type: none"> • SRV may not receive financing at competitive terms or at all; • SRV’s equity ratio may adversely affect the availability of financing for SRV; • fluctuation in interest rate may adversely affect SRV’s results; • fluctuations in currency exchange rates may adversely affect SRV’s earnings and balance sheet; • SRV is exposed to credit risk and counterparty risk through all of SRV’s accounts receivables and receivables associated with financial intermediaries; and • a possible impairment of SRV’s assets could have adverse effects on SRV’s financial condition and results of operations.
D.3	Key risks that are specific to the securities	<p>Risks relating to the Notes include, but are not limited to:</p> <ul style="list-style-type: none"> • the Notes may not be a suitable investment for all investors; • investors may lose their investment in the Notes; • the Notes are not guaranteed or covered by any security; • there is no public market for the Notes and if an active trading market for the Notes does not develop or is not maintained, it could have a material adverse effect on the market price of the Notes;

Section D – Risks

<u>Element</u>	<u>Disclosure requirement</u>	<u>Disclosure</u>
		<ul style="list-style-type: none">• the fixed interest rate of the Notes exposes the investors in the Notes to the risk that the market price of such security could decrease as a result of changes in the market interest rate;• the Notes or the Issuer are not currently rated by any rating agency;• the right to receive payments on the Notes is subject to time limitations;• the completion of transactions relating to the Notes is reliant on Euroclear Finland's operations and systems;• the rights of the Noteholders depend on the agent's actions and financial standing;• legislative amendments may take place during the term of the Notes;• legal investment considerations may restrict certain investments;• the Issuer may issue additional debt and/or grant security;• the Notes carry no voting rights at general meetings of shareholders of the Issuer;• withholding tax may be levied on the Notes;• the Notes may be subject to early redemption; and• the terms and conditions of the Notes may be subject to amendments.

Section E – Offer

Element	Disclosure requirement	Disclosure
E.2b	Reasons for the offer/use of proceeds	The proceeds from the issue, less the costs and expenses incurred by the Company in connection with the issue of the Notes, are intended to be used to secure SRV's financing needs for the increasing construction volumes, especially the developer-contracting projects that require equity and financing and for general corporate purposes.
E.3	Terms and conditions of the offer	<p>Principal amount: EUR 100,000,000.</p> <p>Form of the Notes: Book-entries in Euroclear Finland's Infinity system.</p> <p>Interest: 6.875 percent per annum.</p> <p>Interest payment dates: Annually in arrears commencing on 23 March 2017 and thereafter on each 23 March until the Final Maturity Date.</p> <p>Issue Date: 23 March 2016.</p> <p>Final Maturity Date: 23 March 2021.</p> <p>Redemption: On the Final Maturity Date.</p> <p>Early redemption (Issuer call option): At any time from and including 23 March 2019, but excluding 23 March 2020, at an amount equal to 100 percent of the nominal principal amount of the Notes plus fifty (50) percent of the annual interest rate together with any accrued but unpaid interest and at any time from and including 23 March 2020, but excluding 23 March 2021, at an amount equal to 100 percent of the nominal principal amount of the Notes plus twenty-five (25) percent of the annual interest rate together with any accrued but unpaid interest. In addition, the Issuer may redeem the Notes, in whole but not in part, at any time at their nominal principal amount together with any accrued but unpaid interest if it is or becomes unlawful for the Issuer to perform its obligations under the terms and conditions of the Notes. Upon the occurrence of a change of control, the Noteholders may require the Issuer to redeem their Notes at 101 percent of their nominal principal amount together with accrued but unpaid interest, and if Notes representing more than seventy-five (75) percent of the aggregate nominal principal amount of the Notes have been so repurchased, the Issuer is entitled to repurchase also the remaining outstanding Notes. In addition, upon a publication of a plan to carry out a demerger by the Issuer, the Noteholders may require the Issuer to redeem their Notes at 100 percent of their nominal principal amount together with accrued but unpaid interest, and if Notes representing more than seventy-five (75) percent of the aggregate nominal principal amount of the Notes have been so repurchased, the Issuer is entitled to repurchase also the remaining outstanding Notes.</p> <p>Covenants: Cross acceleration, negative pledge, restriction on mergers, restriction on asset disposal, adjusted equity to total assets ratio and interest coverage ratio.</p> <p>Issue price: 100 percent.</p> <p>Minimum subscription amount: EUR 100,000.</p> <p>Principal amount of each book-entry unit: EUR 1,000.</p> <p>Governing law: Finnish.</p>
E.4	Interests material to the issue/conflicting interests	Interest of the Managers and the agent: Business interest customary in the financial markets.
E.7	Estimated expenses charged to the investor	No expenses will be directly charged to investors by the Company in respect of the Notes.

TIIVISTELMÄ

Tiivistelmät koostuvat sääntelyn edellyttämistä tiedoista, joita kutsutaan nimellä ”osatekijät”. Nämä osatekijät on numeroitu jaksoittain A–E (A.1–E.7).

Tämä tiivistelmä sisältää kaikki ne osatekijät, jotka kyseessä olevasta arvopaperista ja sen liikkeeseenlaskijasta tulee esittää. Osatekijöiden numerointi ei välttämättä ole juokseva, koska kaikkia osatekijöitä ei arvopaperin tai liikkeeseenlaskijan luonteen vuoksi ole esitettävä tässä tiivistelmässä.

Vaikka arvopaperin tai liikkeeseenlaskijan luonne edellyttäisi jonkin osatekijän sisällyttämistä tiivistelmään, on mahdollista, ettei kyseistä osatekijää koskevaa merkityksellistä tietoa ole lainkaan. Tällöin osatekijä on kuvattu lyhyesti ja sen yhteydessä mainitaan ”ei sovellu”.

Jakso A – Johdanto ja varoitukset

Osatekijä	Tiedonantovelvollisuus	Tiedonanto
A.1	Johdanto	<i>Tätä tiivistelmää on pidettävä tämän Listalleottoesitteen johdantona. Mahdollisten sijoittajien on perustettava Velkakirjoja koskeva sijoituspäätöksensä tähän Listalleottoesitteeseen kokonaisuutena. Jos tuomioistuimessa pannaan vireille tähän Listalleottoesitteeseen sisältyviä tietoja koskeva kanne, kantajana toimiva sijoittaja voi jäsenvaltioiden kansallisen lainsäädännön mukaan joutua ennen oikeudenkäynnin vireillepanoa vastaamaan tämän Listalleottoesitteen käänköskustannuksista. Siviilioikeudellista vastuuta sovelletaan henkilöihin, jotka ovat jättäneet tiivistelmän, sen käänkö mukaan luettuna, mutta vain jos tiivistelmä on harhaanjohtava, epätarkka tai epäjohdonmukainen suhteessa tämän Listalleottoesitteen muihin osiin tai jos siinä ei anneta yhdessä tämän Listalleottoesitteen muiden osien kanssa keskeisiä tietoja sijoittajien auttamiseksi, kun he harkitsevat Velkakirjoihin sijoittamista.</i>
A.2	Suostumus arvopapereiden edelleenmyyntiin ja lopulliseen sijoittamiseen/ tarjousaika/ suostumuksen ehdot	Ei sovellu.

Jakso B – Liikkeeseenlaskija

Osatekijä	Tiedonantovelvollisuus	Tiedonanto
B.1	Virallinen nimi	SRV Yhtiöt Oyj.
B.2	Kotipaikka/ oikeudellinen muoto/ sovellettava laki/ perustamismaa	Yhtiön kotipaikka on Espoo. Yhtiö on Suomessa perustettu julkinen osakeyhtiö, johon sovelletaan Suomen lakia.
B.4b	Suuntauokset, jotka vaikuttavat liikkeeseenlaskijaan ja sen toimialaan	Maailmantalouden kokonaisnäkömät ovat lievästi optimistisia. Kiinan talous on edelleen kasvussa ja länsimaiden talouden piristyminen etenee Yhdysvaltojen johdolla. Euroopan alueella elpyminen on hitaampaa. (Lähteet: Suomen Pankki, Euro & talous 4/2015, Talouden näkömät) Arviot Suomen vuoden 2015 talouskasvusta ovat lähellä nollaa (Lähde: Suomen Pankki, Euro & talous 5/2015, Talouden näkömät), mutta kasvun ennustetaan käynnistyvän tänä vuonna (Lähteet: Suomen Pankki, Euro & talous 5/2015, Talouden näkömät). Rakentamisen kokonaismäärän arvioidaan myös lähtevän nousuun (Lähde: Rakennusteollisuus RT ry, helmikuu 2016). Rakennuskustannusten kasvu on edelleen maltillista (Lähteet: Tilastokeskus ja Rakennusteollisuus RT ry, helmikuu 2016). Tuoreen Teknologian tutkimuskeskus VTT Oy:n (”VTT”) raportin mukaan kaupungistumiskehitys ja maahanmuutto lisäävät tulevana vuosina asuntojen tarvetta Suomen kasvavissa keskuksissa jopa lähes 29 000 uuden asunnon

Jakso B – Liikkeeseenlaskija

Osatekijä	Tiedonantovelvollisuus	Tiedonanto																																																												
		<p>verran vuosittain. Helsingin seudulla tämä tarkoittaa seuraavien 25 vuoden aikana 50 prosenttia lisää asuntoja sen nykyiseen asuntokantaan verrattuna (Lähde: VTT: Asuntotuotantotarve 2015–2040, tammikuu 2016).</p> <p>Asuntorakentamisen aloitusmäärien ennustetaan lisääntyvän hieman tänä vuonna. Vuokra-asuntoja rakennetaan ja pienemmät kerrostaloasunnot myyvät kasvukeskuksissa, mutta niiden ulkopuolella kaupankäynti on hiljaisempaa. Asuntokysyntään liittyy edelleen merkittäviä epävarmuustekijöitä. (Lähde: Rakennusteollisuus RT ry, helmikuu 2016)</p> <p>Toimitilarakentamisen aloitusten ennakoidaan tänä vuonna vähenevän kokonaisuudessaan hieman viime vuoden suurten hankkeiden käynnistysten jälkeen (Lähde: Rakennusteollisuus RT ry, helmikuu 2016). Pitkään jatkunut heikko taloustilanne on pitänyt tyhjän toimistotilan määrän korkealla, ja kaupan lisätilojen tarve on pysynyt vähäisenä (Lähde: Newsec Property Outlook Spring 2016, tammikuu 2016). Julkisten palvelurakennusten sekä teollisuus- ja varastorakennusten aloitusten arvioidaan pysyvän lähellä viime vuoden tasoa (Lähde: Rakennusteollisuus RT ry, helmikuu 2016).</p> <p>Korjausrakentamisen odotetaan lisääntyvän edelleen melko tasaisesti noin 2,0 - 2,5 prosenttia vuodessa (Lähde: Rakennusteollisuus RT ry, helmikuu 2016). Infrarakentamisen tilannetta heikentää vielä uudistuotantoon liittyvien töiden vähentyminen sekä väylärakentamisen investointi- ja kunnossapitopanostusten supistuminen.</p> <p>Ukrainan kriisin vaikutukset sekä öljyn alhainen hinta ja heikko ruplan kurssi ovat tuoneet vaikeuksia Venäjän taloudelle. Tulevaisuuteen liittyy edelleen suuria epävarmuuksia (Lähde: Suomen Pankki, Bofit Venäjä-ennusteet vuosiksi 2015–2017, syyskuu 2015). Venäjän vuoden 2016 kokonaistalouden kasvun arvioidaan olevan lähellä nollassa, mutta tilanne voi heikentyä vielä merkittävästi öljyn hinnan pysyessä alhaisella tasolla tai mahdollisesti laskiessa edelleen (Lähde: East Office of Finnish Industries Oy, tammikuu 2016). Venäjän tilanne tuo merkittäviä epävarmuustekijöitä myös Viron talouteen, jonka ennustetaan kuitenkin kasvavan tänä vuonna.</p>																																																												
B.5	Konsernirakenne	<p>Yhtiö on SRV:n emoyhtiö. Seuraavassa taulukossa esitetään Yhtiön suoraan tai välillisesti omistamat tytäryhtiöt 31.12.2015 lukuun ottamatta vaihto-omaisuusyhtiöitä:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 15%; text-align: center;">Kotipaikka</th> <th style="width: 20%; text-align: center;">Yhtiön osuus osakepääomasta</th> <th style="width: 25%; text-align: center;">Yhtiön osuus äänivallasta (prosenttia)</th> </tr> </thead> <tbody> <tr> <td>SRV Rakennus Oy</td> <td>Espoo</td> <td style="text-align: right;">100,00</td> <td style="text-align: right;">100,00</td> </tr> <tr> <td>SRV Investments S.à r.l</td> <td>Luxemburg</td> <td style="text-align: right;">100,00</td> <td style="text-align: right;">100,00</td> </tr> <tr> <td>Rakennusliike Purmonen Oy</td> <td>Joensuu</td> <td style="text-align: right;">65,00</td> <td style="text-align: right;">65,00</td> </tr> <tr> <td>SRV Kalusto Oy</td> <td>Vihti</td> <td style="text-align: right;">100,00</td> <td style="text-align: right;">100,00</td> </tr> <tr> <td>SRV Infra Oy</td> <td>Kerava</td> <td style="text-align: right;">100,00</td> <td style="text-align: right;">100,00</td> </tr> <tr> <td>Kiinteistö Oy Nummelanrinne</td> <td>Vihti</td> <td style="text-align: right;">100,00</td> <td style="text-align: right;">100,00</td> </tr> <tr> <td>SRV Voima Oy</td> <td>Espoo</td> <td style="text-align: right;">100,00</td> <td style="text-align: right;">100,00</td> </tr> <tr> <td>SRV Russia Oy</td> <td>Espoo</td> <td style="text-align: right;">100,00</td> <td style="text-align: right;">100,00</td> </tr> <tr> <td>OOO SRV Development</td> <td>Pietari</td> <td style="text-align: right;">100,00</td> <td style="text-align: right;">100,00</td> </tr> <tr> <td>SRV Stroi OOO</td> <td>Moskova</td> <td style="text-align: right;">100,00</td> <td style="text-align: right;">100,00</td> </tr> <tr> <td>OOO SRV 360</td> <td>Pietari</td> <td style="text-align: right;">100,00</td> <td style="text-align: right;">100,00</td> </tr> <tr> <td>SRV Ehituse AS</td> <td>Tallinna</td> <td style="text-align: right;">100,00</td> <td style="text-align: right;">100,00</td> </tr> <tr> <td>SRV Realty B.V.</td> <td>Amsterdam</td> <td style="text-align: right;">100,00</td> <td style="text-align: right;">100,00</td> </tr> <tr> <td>Jupiter Realty B.V.</td> <td>Amsterdam</td> <td style="text-align: right;">100,00</td> <td style="text-align: right;">100,00</td> </tr> </tbody> </table> <p>Vaihto-omaisuusyhtiöitä ovat asunto- ja kiinteistöosakeyhtiöt, joita kehitetään, rakennetaan ja myydään. Näiden yhtiöiden omistus on lyhytaikaista ja ne ovat tarkoitettu edelleen luovutettavaksi.</p>		Kotipaikka	Yhtiön osuus osakepääomasta	Yhtiön osuus äänivallasta (prosenttia)	SRV Rakennus Oy	Espoo	100,00	100,00	SRV Investments S.à r.l	Luxemburg	100,00	100,00	Rakennusliike Purmonen Oy	Joensuu	65,00	65,00	SRV Kalusto Oy	Vihti	100,00	100,00	SRV Infra Oy	Kerava	100,00	100,00	Kiinteistö Oy Nummelanrinne	Vihti	100,00	100,00	SRV Voima Oy	Espoo	100,00	100,00	SRV Russia Oy	Espoo	100,00	100,00	OOO SRV Development	Pietari	100,00	100,00	SRV Stroi OOO	Moskova	100,00	100,00	OOO SRV 360	Pietari	100,00	100,00	SRV Ehituse AS	Tallinna	100,00	100,00	SRV Realty B.V.	Amsterdam	100,00	100,00	Jupiter Realty B.V.	Amsterdam	100,00	100,00
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B.9	Tulosennuste	<p>Seuraava ennuste sisältyy Yhtiön 18.2.2016 julkaisemaan tilinpäätöstiedotteeseen:</p> <p>Liikevaihdon ja tuloksen kehitykseen vuonna 2016 vaikuttavat yleisen</p>																																																												

Jakso B – Liikkeeseenlaskija

<u>Osatekijä</u>	<u>Tiedonantovelvollisuus</u>	<u>Tiedonanto</u>
		<p>talouskehityksen lisäksi muun muassa SRV:n omien hankkeiden luovutuksenmukainen tuloutus, jatkuvasti tuloutuvan tilauskannan koostuminen pääosin matalakatteisesta urakoinnista, tilauskannan katteiden kehittyminen, omaperusteisen asuntotuotannon myynnin määrä ja kohteiden valmistusajankohta sekä uusien urakoiden ja omien hankkeiden käynnistyminen. Suurin hankkeista on huhtikuussa 2015 käynnistynyt Kalasataman REDI-hanke. Tämänhetkisten valmistumisaikataulujen perusteella SRV arvioi, että koko vuoden 2016 aikana valmistuu 503 omaperusteista asuntoa.</p> <p>SRV:n liikevaihdon odotetaan kasvavan ja liikevoiton parantuvan vuonna 2016 vuoteen 2015 verrattuna (vuonna 2015 liikevaihto oli 719 miljoonaa euroa ja liikevoitto 24,4 miljoonaa euroa). Merkittävä osa liikevoitosta toteutuu vuoden 2016 toisella vuosipuoliskolla omaperusteisten asuntohankkeiden valmistumisaikatauluista johtuen. Kasvavan tilauskannan vaatiman lisärahoituksen vuoksi rahoituskustannusten odotetaan kasvavan vuoteen 2015 verrattuna.</p> <p><i>Edellä esitetyt lausumat sisältävät tulevaisuutta koskevia lausumia, eivätkä ne ole takeita SRV:n tulevasta taloudellisesta suorituskyvystä. SRV:n todellinen liiketoiminnan tulos ja taloudellinen asema saattaa poiketa merkittävästi tulevaisuutta koskevissa lausumissa ilmaistusta johtuen monista tekijöistä. Yhtiö kehottaa mahdollisia sijoittajia suhtautumaan varauksella tällaisiin tulevaisuutta koskeviin lausumiin.</i></p>
B.10	Historiallisia taloudellisia tietoja koskevassa tilintarkastuskertomuksessa mahdollisesti esitettyjen muistutusten luonne	Ei sovellu. Historiallisia taloudellisia tietoja koskevissa tilintarkastuskertomuksissa ei ole esitetty muistutuksia.

Jakso B – Liikkeeseenlaskija

Osatekijä	Tiedonantovelvollisuus	Tiedonanto
B.12	Valikoidut historialliset keskeiset taloudelliset tiedot	Seuraavissa taulukoissa esitetään Yhtiön valikoituja konsernitilinpäätöstietoja ja muita tietoja 31.12.2015 ja 31.12.2014 päättyneiltä tilikausilta. Alla esitettävät valikoidut konsernitilinpäätöstiedot ovat peräisin Yhtiön 31.12.2015 päättyneeltä tilikaudelta laaditusta tilintarkastetusta konsernitilinpäätöksestä, mukaan lukien vertailutietoina esitetyt tilintarkastetut konsernitilinpäätöstiedot 31.12.2014 päättyneeltä tilikaudelta. Yhtiön konsernitilinpäätöstiedot on laadittu Euroopan Unionin ("EU") käyttöönottamien kansainvälisten tilinpäätösstandardien ("IFRS") mukaisesti.

	1.1.–31.12.	
	2015	2014
	(tilintarkastettu)	
	(miljoonaa euroa, ellei toisin ilmoitettu)	
KONSERNIN TULOSLASKELMA		
Liikevaihto	719,1	684,4
Liiketoiminnan muut tuotot.....	1,8	4,9
Valmiiden ja keskeneräisten tuotteiden varastojen muutos	24,7	-54,6
Aineiden ja palveluiden käyttö.....	-639,1	-533,2
Työsuhde-etuuksista aiheutuneet kulut.....	-64,6	-63,2
Osuus osakkuusyhtiöiden tuloksista	-0,1	1,0
Poistot ja arvonalentumiset	-3,5	-2,0
Liiketoiminnan muut kulut.....	-13,8	-12,5
Liikevoitto	24,4	24,9
Rahoitustuotot.....	5,0	2,8
Rahoituskulut.....	-11,8	-9,2
Rahoitustuotot ja -kulut yhteensä	-6,8	-6,4
Voitto ennen veroja	17,6	18,5
Tuloverot	-3,6	-3,2
Tilikauden voitto	<u>14,0</u>	<u>15,4</u>
Jakautuminen		
Emoyhtiön osakkeenomistajille kuuluva osuus.....	14,0	15,2
Määräysvallattomille omistajille kuuluva osuus.....	0,0	0,2
Emoyhtiön omistajille kuuluva osakekohtainen tulos, euroa	0,25	0,30
Emoyhtiön omistajille kuuluva osakekohtainen tulos (laimennettu), euroa	0,25	0,30

Jakso B – Liikkeeseenlaskija

	31.12.	
	2015	2014
	(tilintarkastettu) (miljoonaa euroa)	
KONSERNITASE		
VARAT		
Pitkäaikaiset varat		
Aineelliset hyödykkeet	10,7	11,3
Liikearvot	1,7	1,7
Muut aineettomat hyödykkeet	1,9	0,7
Osuudet osakkuus- ja yhteisyrityksissä	206,6	100,0
Muut rahoitusvarat	11,7	9,2
Saamiset	0,7	0,9
Lainasaamiset osakkuus-/yhteisyrityksiltä	31,2	30,0
Laskennalliset verosaamiset	7,3	7,0
Pitkäaikaiset varat yhteensä	271,9	160,8
Lyhytaikaiset varat		
Vaihto-omaisuus	336,6	312,8
Myyntisaamiset ja muut saamiset	111,9	82,6
Lainasaamiset osakkuus-/yhteisyrityksiltä	5,6	1,1
Tilikauden verotettavaan tuloon perustuvat verosaamiset	1,6	0,3
Rahavarat	35,0	18,4
Lyhytaikaiset varat yhteensä	490,8	415,2
VARAT YHTEENSÄ	762,6	576,1
OMA PÄÄOMA JA VELAT		
Emoyhtiön omistajille kuuluva oma pääoma		
Osakepääoma	3,1	3,1
Sijoitetun vapaan oman pääoman rahasto	141,2	92,3
Muuntoerot	-7,2	-5,3
Arvonmuutosrahasto	-1,4	-0,9
Oman pääoman ehtoinen laina	45,0	45,0
Kertyneet voittovarot	95,7	90,3
Emoyhtiön omistajille kuuluva oma pääoma yhteensä	276,4	224,4
Määräysvallattomien omistajien osuus	0,8	0,8
Oma pääoma yhteensä	277,2	225,2
Pitkäaikaiset velat		
Laskennalliset verovelat	2,3	1,5
Varaukset	6,3	6,5
Korolliset velat	163,2	147,0
Muut velat	4,0	0,0
Pitkäaikaiset velat yhteensä	175,8	155,1
Lyhytaikaiset velat		
Ostovelat ja muut velat	201,4	111,5
Tilikauden verotettavaan tuloon perustuvat verovelat	0,8	2,7
Varaukset	4,8	4,0
Korolliset velat	102,6	77,6
Lyhytaikaiset velat yhteensä	309,6	195,8
Velat yhteensä	485,4	350,9
OMA PÄÄOMA JA VELAT YHTEENSÄ	762,6	576,1

Jakso B – Liikkeeseenlaskija

	31.12. ja 1.1.–31.12.	
	2015	2014
	(tilintarkastettu) (miljoonaa euroa)	
KONSERNIN RAHAVIRTALASKELMA		
Liiketoiminnan rahavirrat		
Tilikauden voitto	14,0	15,4
Oikaisut:		
Poistot ja arvonalentumiset	3,5	2,0
Liiketoimet joihin ei liity maksutapahtumaa	1,6	1,2
Rahoitustuotot ja -kulut	6,8	6,4
Verot	<u>3,6</u>	<u>3,2</u>
Oikaisut yhteensä	15,5	12,8
Käyttöpääoman muutokset		
Lainasaamisten muutos	-1,0	-0,8
Myynti- ja muiden saamisten muutos	-29,3	-8,3
Vaihto-omaisuuden muutos.....	-24,6	50,8
Osto- ja muiden velkojen muutos	<u>95,1</u>	<u>-7,1</u>
Käyttöpääoman muutokset yhteensä	40,2	34,7
Maksetut korot ja muut rahoituskulut	-14,7	-14,7
Saadut korot.....	0,0	0,2
Maksetut verot	<u>-5,3</u>	<u>-1,5</u>
Liiketoiminnan nettorahavirta	49,7	47,0
Investointien rahavirrat		
Investoinnit aineellisiin hyödykkeisiin	-2,4	-2,5
Investoinnit aineettomiin hyödykkeisiin	-1,6	-0,1
Investoinnit sijoituksiin	-110,1	-31,1
Aineellisten ja aineettomien hyödykkeiden myynti.....	-	0,1
Osakkuus- ja yhteisyritysten lainasaamisten muutos.....	<u>-4,5</u>	<u>-</u>
Investointien nettorahavirta	-118,5	-33,7
Rahoituksen rahavirrat		
Lainojen nostot	29,6	10,7
Lainojen takaisinmaksut	-58,2	-10,2
Yhtiölainojen muutos	13,1	-15,8
Lyhytaikaisten lainojen nettomuutos	56,6	-65,4
Nettotuotot osakeannista	48,6	-
Omien osakkeiden hankinta/luovutus	0,0	0,2
Maksetut osingot	<u>-4,3</u>	<u>-4,3</u>
Rahoituksen nettorahavirta	<u>85,5</u>	<u>-84,8</u>
Rahavarojen muutos	16,6	-71,5
Rahavarat tilikauden alussa	18,4	90,0
Valuuttakurssimuutosten vaikutus rahavaroihin.....	<u>0,0</u>	<u>-0,0</u>
Rahavarat tilikauden lopussa	<u>35,0</u>	<u>18,4</u>

Jakso B – Liikkeeseenlaskija

	31.12. ja 1.1.–31.12.	
	2015	2014
	(tilintarkastettu) (miljoonaa euroa, ellei toisin ilmoitettu)	
KONSERNIN AVAINLUVUT		
Liikevaihto.....	719,1	684,4
Liikevoitto.....	24,4	24,9
Rahoitustuotot ja -kulut, yhteensä.....	-6,8	-6,4
Tulos ennen veroja.....	17,6	18,5
Tulouttamaton tilauskanta ⁽¹⁾	1 583,4	860,4
Uudet sopimukset ⁽²⁾	1 393,5	700,3
Liikevoitto, prosenttia.....	3,4	3,6
Katsauskauden voitto, prosenttia.....	1,9	2,2
Omavaraisuusaste, prosenttia ⁽³⁾	42,5	43,0
Korollinen nettovelka ⁽⁴⁾	230,8	206,1
Velkaantumisaste, prosenttia ⁽⁵⁾	83,3	91,6
Sijoitetun pääoman tuotto, prosenttia ⁽⁶⁾	5,9	5,4
Oman pääoman tuotto, prosenttia ⁽⁷⁾	5,6	6,9
Tulos per osake, euroa.....	0,25	0,30
Osakekohtainen oma pääoma (ilman oman pääoman ehtoista lainaa), euroa ⁽⁸⁾	3,90	4,51
Osakekurssi kauden lopussa, euroa.....	3,10	2,83
Osakkeiden osakeantioikaistun lukumäärän painotettu keskiarvo tilikauden aikana, miljoonaa kappaletta.....	42,6	39,8

- (1) Rakennushanke sisällytetään tilauskantaan siinä vaiheessa, kun hanketta koskeva sopimus rakentamisesta on allekirjoitettu tai rakentamisen aloituspäätös on tehty ja urakkasopimus allekirjoitettu omaperusteisissa hankkeissa. Tilauskantana on esitetty hankkeiden (mukaan lukien tontin) tulouttamaton osa.
- (2) Sisältää tilikauden aikana allekirjoitetut uudet urakkasopimukset, jotka on lisätty tilauskantaan.
- (3)
$$\text{Omavaraisuusaste, prosenttia} = \frac{\text{Oma pääoma yhteensä}}{\text{Taseen loppusumma} - \text{saadut ennakot}} \times 100$$
- (4)
$$\text{Korollinen nettovelka} = \text{Korolliset velat} - \text{rahat ja pankkisaamiset}$$
- (5)
$$\text{Velkaantumisaste, prosenttia} = \frac{\text{Korolliset nettovelat}}{\text{Oma pääoma yhteensä}} \times 100$$
- (6)
$$\text{Sijoitetun pääoman tuotto, prosenttia} = \frac{\text{Tulos ennen veroja} + \text{korko- ja muut rahoituskulut (ilman valuuttakurssivoittoja ja -tappioita)}}{\text{Sijoitettu pääoma keskimäärin}} \times 100$$
- (7)
$$\text{Oman pääoman tuotto, prosenttia} = \frac{\text{Tilikauden tulos}}{\text{Oma pääoma yhteensä, keskimäärin}} \times 100$$
- (8)
$$\text{Osakekohtainen oma pääoma} = \frac{\text{Emoyhtiön osakkeenomistajille kuuluva oma pääoma}}{\text{Osakkeiden osakeantioikaistu kappalemäärä tilikauden lopussa}}$$

Yhtiön tai SRV:n taloudellisessa tai liiketoiminnallisessa asemassa ei ole tapahtunut merkittäviä muutoksia 31.3.2015 jälkeen, joka on viimeisen taloudellisen tietojen kattaman jakson, jolta tilintarkastettu tilinpäätös on julkistettu, päättymispäivämäärä.

Yhtiön viimeisen tilintarkastetun tilinpäätöksen kattaman tilikauden viimeisen päivän, 31.12.2015, jälkeen Yhtiön kehitysnäkymissä ei ole tapahtunut merkittäviä kielteisiä muutoksia.

Jakso B – Liikkeeseenlaskija

<u>Osatekijä</u>	<u>Tiedonantovelvollisuus</u>	<u>Tiedonanto</u>
B.13	Viimeaikaiset tapahtumat, jotka ovat ratkaisevia arvioitaessa Liikkeeseenlaskijan maksukykyä	Ei sovellu. Ei ole olemassa Liikkeeseenlaskijaan liittyviä viimeaikaisia tapahtumia, jotka ovat ratkaisevia arvioitaessa Liikkeeseenlaskijan maksukykyä.
B.14	Riippuvuus muista konserniin kuuluvista yksiköistä	Ei sovellu. Yhtiö ei ole riippuvainen muista SRV:hen kuuluvista yksiköistä.
B.15	Päätoimialat	SRV on kiinteistö- ja aluekehityshankkeiden kokonaistoteuttaja ja asuntojen perustajaurakoitsija, joka toimii hankkeissa sekä kiinteistökehittäjänä että rakentajana. Lisäksi SRV toimii sopimussuhteessa tilaajiin erityisesti erilaisten toimitilahankkeiden urakoitsijana. SRV vastaa tekemiensä sopimusten mukaisesti kohteiden kehittämisestä, kaupallistamisesta ja/tai rakentamisesta sekä toimii monissa omissa kehityshankkeissa sijoittajana ja kauppakeskusten alkuvaiheen operoijana. SRV toimii Suomessa Helsingin metropolialueella sekä muissa valituissa kasvukeskuksissa Turussa, Tampereella, Oulussa, Jyväskylässä ja Joensuussa. Suomen lisäksi SRV toimii Venäjällä pääasiassa Pietarissa ja Moskovassa sekä Virossa. SRV:n liiketoimintasegmentit ovat Suomen liiketoiminta ja Kansainvälinen liiketoiminta sekä Muut toiminnot. Suomen liiketoiminta koostuu SRV Rakennus Oy:n johtamasta Suomen toimitila- ja asuntorakentamistoiminnasta sekä louhinta- ja maanrakennustöitä tekevästä SRV Infra Oy:stä. Kansainvälisen liiketoiminnan muodostavat SRV:n liiketoiminnot Venäjällä (SRV Russia Oy tytäryhtiöineen) ja Virossa (SRV Ehituse AS tytäryhtiöineen). Liiketoimintasegmentti Muut toiminnot muodostuu pääosin Yhtiön sisältämistä konsernitoiminnoista, Suomen kiinteistö- ja hankekehitystoimintaa toteuttavasta hankekehitysyksiköstä sekä Suomen työmaiden kalustopalvelun, SRV Kalusto Oy:n toiminnoista.
B.16	Määräysvalta	Ei sovellu. Siltä osin kuin Yhtiö on tietoinen, Yhtiö ei ole suoraan tai välillisesti kenenkään omistuksessa tai määräysvallassa. Yhtiön hallituksen puheenjohtaja Ilpo Kokkila omisti 21,5 prosenttia Yhtiön osakkeista ("Osakkeet") 23.3.2016. Suoran omistuksensa lisäksi Ilpo Kokkila omisti 19,0 prosenttia Osakkeista määräysvallassaan olevan Kolpi Investments Oy:n kautta. Lisäksi Yhtiön hallituksen jäsen Timo Kokkila omisti 12,6 prosenttia Osakkeista 23.3.2016.
B.17	Luottoluokitukset	Ei sovellu. Yhtiölle tai sen velka-arvopapereille ei ole annettu luottoluokituksia.

Jakso C – Arvopaperit

Osatekijä	Tiedonantovelvollisuus	Tiedonanto
C.1	Kaupankäynnin kohteeksi otettavien arvopapereiden tyyppi ja laji	Senior-statuksinen vakuudeton velkakirjalaina, jonka pääoman määrä on 100 000 000 euroa. Kunkin arvo-osuuden yksikkökoko on 1 000 euroa. Velkakirjojen ISIN-tunnus on FI4000198122.
C.2	Arvopapereiden liikkeeseenlaskun valuutta	Euro.
C.5	Arvopapereiden vapaata luovutettavuutta koskevat rajoitukset	Kukin Velkakirja on vapaasti luovutettavissa sen jälkeen, kun se on kirjattu asianomaiselle arvo-osuustilille.
C.8	Arvopapereihin liittyvät oikeudet/ etuoikeusjärjestys	Velkakirjat ovat Liikkeeseenlaskijan suoria, ehdottomia, alistamattomia ja vakuudettomia sitoumuksia, ja niillä on sama etuoikeusjärjestys toistensa kanssa ilman mitään etusijajärjestystä keskenään.
C.9	Korko/takaisinmaksu/ tuotto	<p>Velkakirjoille maksetaan korkoa 6,875 prosenttia vuodessa 23.3.2016 alkaen (kyseinen päivä mukaan lukien) Lopulliseen erääntymispäivään asti (kyseinen päivä pois lukien). Korko maksetaan vuosittain takautuvasti 23.3. kunakin vuonna alkaen 23.3.2017.</p> <p>Velkakirjat maksetaan takaisin täysimääräisesti nimellisarvostaan 23.3.2021 (Lopullinen erääntymispäivä), ellei Liikkeeseenlaskija ole ostanut Velkakirjoja takaisin.</p> <p>Velkakirjojen vuotuinen tuotto eräpäivään asti 100 prosentin emissiokursilla oli 6,875 prosenttia 23.3.2016 (Liikkeeseenlaskupäivä).</p> <p>Liikkeeseenlaskijalla on oikeus lunastaa Velkakirjat kokonaan, muttei osittain, milloin tahansa alkaen, ja mukaan lukien, 23.3.2019, mutta pois lukien 23.3.2020, 100 prosentin nimellisarvostaan lisättyä viidelläkymmenellä (50) prosentilla vuosittaisen koron määrästä mukaan lukien kertynyt, mutta maksamaton, korko ja milloin tahansa alkaen, ja mukaan lukien, 23.3.2020, mutta pois lukien 23.3.2021, 100 prosentin nimellisarvostaan lisättyä kahdelläkymmenelläviidellä (25) prosentilla vuosittaisen koron määrästä, mukaan lukien kertynyt, mutta maksamaton, korko.</p> <p>Lisäksi Liikkeeseenlaskija voi lunastaa Velkakirjat kokonaan, muttei osittain, milloin tahansa niiden nimellisarvosta, mukaan lukien kertynyt, mutta maksamaton, korko, mikäli se, että Liikkeeseenlaskija täyttää Velkakirjojen ehtojen mukaiset velvollisuutensa on tai siitä tulee lainvastaista. Määräysvallan vaihtumisen yhteydessä Velkakirjojen haltijat voivat vaatia Liikkeeseenlaskijaa lunastamaan heidän Velkakirjansa 101 prosentin nimellisarvostaan, mukaan lukien kertynyt, mutta maksamaton, korko, ja mikäli Velkakirjat, jotka edustavat yli seitsemänkymmentäviisi (75) prosenttia Velkakirjojen yhteenlasketusta nimellisarvosta, on ostettu takaisin, Liikkeeseenlaskijalla on oikeus ostaa takaisin myös loput ulkona olevat Velkakirjat. Lisäksi Liikkeeseenlaskijan jakautumissuunnitelman julkistamisen yhteydessä Velkakirjojen haltijat voivat vaatia Liikkeeseenlaskijaa lunastamaan heidän Velkakirjansa 100 prosentin nimellisarvostaan, mukaan lukien kertynyt, mutta maksamaton, korko, ja mikäli Velkakirjat, jotka edustavat yli seitsemänkymmentäviisi (75) prosenttia Velkakirjojen yhteenlasketusta nimellisarvosta, on ostettu takaisin, Liikkeeseenlaskijalla on oikeus ostaa takaisin myös loput ulkona olevat Velkakirjat.</p> <p>Nordic Trustee Oy toimii Velkakirjojen haltijoiden agenttina.</p>
C.10	Yhteys johdannaiseen	Ei sovellu. Velkakirjoista maksettava korko ei ole yhteydessä johdannaiseen.
C.11	Kaupankäynnin kohteeksi ottaminen	Hakemus tehdään Velkakirjojen listaamiseksi Helsingin pörssiin ja Frankfurtin pörssiin Open Market -segmentille (<i>Freiverkehr</i>).

Jakso D – Riskit

<u>Osatekijä</u>	<u>Tiedonantovelvollisuus</u>	<u>Tiedonanto</u>
D.2	Keskeiset liikkeeseenlaskijaan liittyvät riskit	<p>Makrotaloudellisiin olosuhteisiin liittyviä riskejä ovat muun muassa seuraavat:</p> <ul style="list-style-type: none">• maailmantalouden, kansantalouksien ja finanssimarkkinoiden epävarmat olosuhteet sekä taloudelliset muutokset asiakkaiden toimintaympäristöissä voivat vaikuttaa haitallisesti SRV:n liiketoimintaan, tilauskantaan, liiketoiminnan tulokseen, taloudelliseen asemaan, maksuvalmiuteen ja pääomalähteisiin; ja• epäsuotuisa talouskehitys ja tilanne SRV:n keskeisillä maantieteellisillä liiketoiminta-alueilla Suomessa ja Venäjällä voivat vaikuttaa SRV:n liiketoimintaan. <p>SRV:n strategiaan liittyviä riskejä ovat muun muassa seuraavat:</p> <ul style="list-style-type: none">• SRV:n epäonnistumisella liiketoimintastrategian määrittämisessä ja toteuttamisessa voi olla haitallinen vaikutus SRV:n tulevaan kasvuun ja kannattavuuteen;• SRV ei välttämättä kykene hallitsemaan onnistuneesti useita samanaikaisia kehityshankkeita ja rakennusurakoita;• SRV ei välttämättä onnistu toteuttamaan uusia tai meneillään olevia omaperusteisia tai omakehitteisiä hankkeita;• kysyntä Suomen asuntomarkkinoilla voi vähentyä; ja• SRV:n toimintaan Venäjällä voi kohdistua riskejä liittyen poliittisiin ja lainsäädännön muutoksiin sekä lainsäädäntöön, kaavoitukseen tai rakentamiseen liittyvien tulkintojen tai käytäntöjen epäyhtenäisyyteen ja/tai oikeudellisen suojan saatavuuteen. <p>SRV:n liiketoimintaan liittyviä riskejä ovat muun muassa seuraavat:</p> <ul style="list-style-type: none">• SRV altistuu kehityshankkeissaan myyntiin, hintaan ja vuokratuottoon liittyville riskeille;• kysynnän ja tarjonnan vaihtelu kiinteistömarkkinoilla voi vaikuttaa SRV:n liiketoimintaan ja kykyyn myydä rakennettuja kiinteistöjä kannattavasti tai lainkaan;• yksittäisten hankkeiden heikommalla kannattavuudella, rakennusurakoiden kilpailutilanteella sekä toimitilakiinteistöjen ja asuntojen myynnin vähentymisellä saattaa olla haitallinen vaikutus SRV:hen;• SRV ei välttämättä pysty kasvattamaan tai säilyttämään liiketoimintansa volyyymiä tai katetta;• SRV:n toimintaedellytykset ovat riippuvaisia käytössä olevista järjestelmistä ja työskentelytiloista, jotka voivat vahingoittaa ulkopuolisista tai sisäisistä tekijöistä johtuen;• suuret työriidat tai lakot rakennusalalla tai muissa rakentamiseen keskeisesti liittyvissä toiminnoissa saattavat vaikuttaa haitallisesti SRV:n toimintakykyyn;• mahdollisella henkilöstön vilpillisellä toiminnalla tai luottamuksellisten tietojen tai aseman väärinkäytöllä organisaatiossa saattaa olla haitallinen vaikutus SRV:n toimintakykyyn;• epäonnistumisella houkuttelemaan osaavaa henkilöstöä, avainhenkilöiden menetyksellä sekä toteutuskumppaneiden resurssiongelmilla saattaa olla haitallinen vaikutus SRV:n

Jakso D – Riskit

<u>Osatekijä</u>	<u>Tiedonantovelvollisuus</u>	<u>Tiedonanto</u>
		toimintakykyyn;
		<ul style="list-style-type: none">• SRV altistuu projektinjohtamisessa aliurakoitsijoihin ja hankintoihin liittyville riskeille;• suuriin kehityshankkeisiin ja rakennusurakoihin saattaa liittyä suurempia ja uusia riskejä;• SRV:n osallistumiseen Fennovoima Oy:n (”Fennovoima”) ydinvoimalahankkeen rakentamisen projektinjohtoon ja SRV:n sijoitukseen Fennovoimaan liittyä riskejä;• SRV harjoittaa osaa liiketoiminnastaan yhteisyrityksissä, joissa sillä on rajoitettu määräysvalta;• SRV:n mahdollisiin tuleviin yritysostoihin voi liittyä riskejä, joista mitkä tahansa saattavat estää SRV:tä saavuttamasta odotettuja hyötyjä;• SRV altistuu sekä rakennuskustannusten nousuun että heikkoon suhdannetilanteeseen liittyville riskeille;• ankarat sääolosuhteet saattavat vaikuttaa SRV:n hankkeiden etenemiseen;• SRV altistuu asiakkaiden tai toteutuskumppaneiden esittämiin korvausvaatimuksiin liittyville riskeille;• SRV:n liiketoimintaan saattaa liittyä oikeudellisia tai sääntelyyn liittyviä riskejä;• SRV:n vakuutussuojan ulkopuolelle jäävien riskien toteutumisella saattaa olla haitallinen vaikutus SRV:hen; ja• SRV:n kuluttajakauppaa (<i>b-to-c</i>) harjoittavien asiakkaiden tilantarpeen ja toimintaympäristön muutoksilla voi olla haitallinen vaikutus uusien toimitilojen ja toimitilarakentamisen kysyntään.
		Rahoituksen liittyviä riskejä ovat muun muassa seuraavat:
		<ul style="list-style-type: none">• SRV ei välttämättä saa rahoitusta kilpailukykyisin ehdoin tai lainkaan;• SRV:n omavaraisuusasteella saattaa olla haitallinen vaikutus SRV:n rahoituksen saatavuuteen;• korkojen vaihtelulla saattaa olla haitallinen vaikutus SRV:n tulokseen;• valuuttakurssien vaihtelulla saattaa olla haitallinen vaikutus SRV:n tulokseen ja taseeseen;• SRV altistuu luotto- ja vastapuoliriskille SRV:n kaikkien asiakassaamisten ja rahoituksen välittäjiin liittyvien saamisten yhteydessä; ja• SRV:n omaisuuserien mahdollisilla arvonalentumisilla saattaa olla haitallinen vaikutus SRV:n taloudelliseen asemaan ja liiketoiminnan tulokseen.

Jakso D – Riskit

Osatekijä	Tiedonantovelvollisuus	Tiedonanto
D.3	Tärkeimmät arvopapereille ominaiset riskit	Velkakirjoihin liittyviä riskejä ovat muun muassa seuraavat: <ul style="list-style-type: none">• Velkakirjat eivät välttämättä ole sopiva sijoituskohteet kaikille sijoittajille;• sijoittajat voivat menettää Velkakirjoihin tekemänsä sijoituksen;• Velkakirjoista ei ole annettu takausta, eikä niitä ole katettu millään vakuudella;• Velkakirjat eivät ole olleet aikaisemmin julkisen kaupankäynnin kohteena, ja jos Velkakirjoille ei kehity aktiivista kaupankäyntimarkkinaa tai jos sitä ei ylläpidetä, sillä voi olla olennaisen haitallinen vaikutus Velkakirjojen markkinahintaan;• Velkakirjojen kiinteä korko altistaa Velkakirjoihin sijoittaneet riskille siitä, että tällaisen arvopaperin hinta voi laskea markkinakorkojen muutoksen seurauksena;• mikään luottoluokittaja ei ole tällä hetkellä luokitellut Velkakirjoja tai Liikkeeseenlaskijaa;• oikeus saada suoritus Velkakirjoista on ajallisesti rajoitettu;• Velkakirjoihin liittyvien transaktioiden toteuttaminen riippuu Euroclear Finlandin toiminnoista ja järjestelmästä;• Velkakirjojen haltijoiden oikeudet riippuvat agentin toimista ja taloudellisesta asemasta;• lainsäädännössä voi tapahtua muutoksia Velkakirjojen liikkeessäolajakson aikana;• oikeudelliset seikat voivat rajoittaa tiettyjä sijoituksia;• Liikkeeseenlaskija voi laskea liikkeeseen lisää velkaa ja/tai antaa vakuuden;• Velkakirjat eivät anna oikeutta äänestää Liikkeeseenlaskijan yhtiökokouksissa;• Velkakirjoista voidaan tehdä ennakonpidätys;• Velkakirjat voidaan lunastaa etukäteen; ja• Velkakirjojen ehtoja voidaan muuttaa.

Jakso E – Tarjous

<u>Osatekijä</u>	<u>Tiedonantovelvollisuus</u>	<u>Tiedonanto</u>
E.2b	Syyt tarjoamiseen/ varojen käyttö	Liikkeeseenlaskusta saatavat varat, vähennettynä Yhtiölle Velkakirjojen liikkeeseenlaskusta aiheutuneilla kuluilla, on tarkoitus käyttää SRV:n rahoitustarpeiden, jotka johtuvat lisääntyneistä rakentamisen määristä, etenkin omaperusteisista hankkeista, jotka vaativat pääomaa ja rahoitusta, turvaamiseen sekä yleisiin liiketoimintatarpeisiin.
E.3	Tarjouksen ehdot	<p>Pääoman määrä: 100 000 000 euroa.</p> <p>Velkakirjojen muoto: Euroclear Finlandin Infinity-järjestelmän arvo-osuuksia.</p> <p>Korko: 6,875 prosenttia vuodessa.</p> <p>Koronmaksupäivät: Vuosittain takautuvasti 23.3.2017 alkaen ja tämän jälkeen 23.3. kunakin vuonna Lopulliseen erääntymispäivään asti.</p> <p>Liikkeeseenlaskupäivä: 23.3.2016.</p> <p>Lopullinen erääntymispäivä: 23.3.2021.</p> <p>Takaisinmaksu: Lopullisena erääntymispäivänä.</p> <p>Ennenaikainen lunastus (Liikkeeseenlaskijan oikeus ennenaikaiseen takaisinmaksuun): Milloin tahansa alkaen, ja mukaan lukien, 23.3.2019, mutta pois lukien 23.3.2020, 100 prosentin nimellisarvostaan lisättyinä viidelläkymmenellä (50) prosentilla vuosittaisen koron määrästä mukaan lukien kertynyt, mutta maksamaton, korko ja milloin tahansa alkaen, ja mukaan lukien, 23.3.2020, mutta pois lukien 23.3.2021, 100 prosentin nimellisarvostaan lisättyinä kahdellakymmenelläviidellä (25) prosentilla vuosittaisen koron määrästä, mukaan lukien kertynyt, mutta maksamaton, korko. Lisäksi Liikkeeseenlaskija voi lunastaa Velkakirjat kokonaan, muttei osittain, milloin tahansa niiden nimellisarvosta, mukaan lukien kertynyt, mutta maksamaton, korko, mikäli se, että Liikkeeseenlaskija täyttää Velkakirjojen ehtojen mukaiset velvollisuutensa on tai siitä tulee lainvastaista. Määräysvallan vaihtumisen yhteydessä Velkakirjojen haltijat voivat vaatia Liikkeeseenlaskijaa lunastamaan heidän Velkakirjansa 101 prosentin nimellisarvostaan, mukaan lukien kertynyt, mutta maksamaton, korko, ja mikäli Velkakirjat, jotka edustavat yli seitsemänkymmentäviisi (75) prosenttia Velkakirjojen yhteenlasketusta nimellisarvosta, on ostettu takaisin, Liikkeeseenlaskijalla on oikeus ostaa takaisin myös loput ulkona olevat Velkakirjat. Lisäksi Liikkeeseenlaskijan jakautumissuunnitelman julkistamisen yhteydessä Velkakirjojen haltijat voivat vaatia Liikkeeseenlaskijaa lunastamaan heidän Velkakirjansa 100 prosentin nimellisarvostaan, mukaan lukien kertynyt, mutta maksamaton, korko, ja mikäli Velkakirjat, jotka edustavat yli seitsemänkymmentäviisi (75) prosenttia Velkakirjojen yhteenlasketusta nimellisarvosta, on ostettu takaisin, Liikkeeseenlaskijalla on oikeus ostaa takaisin myös loput ulkona olevat Velkakirjat.</p> <p>Kovenantit: Ristiin eräännyttäminen, panttaamattomuussitoutumus, sulautumisrajoitus, omaisuuden luovuttamisrajoitus, oikaistu omavaraisuusaste ja koronmaksukyky.</p> <p>Emissiokurssi: 100 prosenttia.</p> <p>Vähimmäismerkintämäärä: 100 000 euroa.</p> <p>Kunkin arvo-osuuden yksikkökoko: 1 000 euroa.</p> <p>Sovellettava laki: Suomi.</p>
E.4	Liikkeeseenlaskuun liittyvät olennaiset intressit/ eturistiriidat	Pääjärjestäjien ja agentin intressi: Tavanomainen liiketoimintaintressi rahoitusmarkkinoilla.

Jakso E – Tarjous

Osatekijä	Tiedonantovelvollisuus	Tiedonanto
E.7	Arvioidut kustannukset, jotka veloitetaan sijoittajilta	Yhtiö ei veloita sijoittajilta mitään kuluja Velkakirjoihin liittyen.

RISK FACTORS

An investment in the Notes involves a number of risks, many of which are inherent to SRV's business and could be of a substantial nature. Investors considering investment in the Notes should carefully review the information contained in this Listing Prospectus and, in particular, the risk factors described below. The following description of risk factors is based on information known and assessed on the date of this Listing Prospectus and, therefore, is not necessarily exhaustive. Potential investors should note that the order in which the risk factors are presented does not reflect the probability of their realisation or order of importance. Should one or more of the risk factors described herein materialise, it could have a material adverse effect on SRV's business, financial condition, results of operations and future prospects, and, therefore, the Company's ability to fulfil its obligations under the Notes as well as the market price of the Notes. SRV also faces many of the risks inherent to the construction industry as well as SRV's customers and co-operation partners and additional risks not currently known or not currently deemed material that could also have a material adverse effect on SRV's business, financial condition, results of operations and future prospects. The market price of the Notes could decline due to the realisation of these risks, and investors could lose a part or all of their investment.

This Listing Prospectus also contains forward-looking statements that involve risks and uncertainties. SRV's actual results could materially differ from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this Listing Prospectus. See "General Information—Forward-looking Statements".

Risks Relating to Macroeconomic Conditions

Uncertain global and national economic and financial market conditions as well as economic changes in customers' operating environments could adversely affect SRV's business, order backlog, results of operations, financial condition, liquidity and capital resources.

During the last few years, the uncertain global economic and financial market conditions have had an adverse effect on general business conditions, increased unemployment and lowered business and consumer confidence. The general economic and financial market conditions in Europe have repeatedly undergone significant turmoil due to, among other things, the on-going sovereign debt crisis in certain European countries. Particularly any adverse development of the situation in Greece as well as Russia and Ukraine may strongly affect the economic development in Europe. In particular, the developments of the economic crisis in Greece, the related political environment and the possibility of Greece's exit from the European Monetary Union may have an adverse effect on the economic recovery in Europe. In addition, the strong migration of refugees into Europe may have a material effect on economies of different European countries. Despite austerity and other measures taken by various governmental and regulatory authorities as well as central banks around the world, the economic situation remains unstable. Austerity measures, which aim to balance the public finances in the euro area, are causing a general decline of economic activity in Europe, which is dampening growth prospects in the region. Adverse changes in the economic cycle or in the operating environment of SRV's customers can have an adverse impact on SRV's business operations and, thereby, on its financial condition and results of operations.

It is difficult to make predictions as to how the market conditions will develop, as they are impacted by macro movements of the financial markets and many other factors, including the stock, bond and derivatives markets, raw material markets as well as measures taken by various governmental and regulatory authorities and central banks, over which SRV has no control. For example, fluctuations in construction material prices or problems with the availability of construction materials used by SRV may affect SRV's ability to estimate project costs or timetables. Uncertainty continues in the global market and there can be no assurance that the global economy or the national economies in which SRV operates could not fall back into a recession, or even a depression, that could be deeper and longer lasting than the recession experienced in the past years.

General economic trends and changes in customers' operating environments have an immediate or prolonged effect on the construction and property markets; they may impact on the development of SRV's order backlog and operational profitability, and lengthen the duration of processes and increase the amount of SRV's capital invested in projects. The current uncertainty in the financial markets and macroeconomic conditions have in general adversely affected access to financing and increased the cost of capital. Also the increased regulation in the banking sector has an adverse effect on lending. Both the availability of financing and changes in the terms of financing have a direct impact on business as well as real estate property and housing market. When the market conditions are adverse, it is difficult to secure financing and its cost increases, especially in the case of higher-risk projects. Any potential further adverse developments in macroeconomic conditions and continued uncertainty in the financial markets may have an adverse effect on SRV's business, financial condition, results of operations and future prospects.

Adverse economic developments and conditions in SRV's main geographical business areas in Finland and Russia may affect SRV's business operations.

Construction operations depend on companies' confidence in the general trends in the economy and consumers' confidence in their own finances. When the cyclical outlook weakens, demand for housing and business premises declines. As a result, the prices and rents of business premises and housing can go into a decline. Market prices of real estate are affected by, among other things, changes in investor yield requirements for real estate investments. Any increase in yield requirements decreases the value of the real estate, and the construction volume decreases and competition for projects heats up. Both the Finnish and especially Russian business have been adversely affected by the uncertain economic and financial market conditions.

Finland's gross domestic product ("GDP") declined between 2012 and 2014 and, according to preliminary estimates for 2015, increased slightly in 2015. The general economic situation in Finland is still unstable and may vary significantly from time to time as the Finnish economy has been adversely affected by the uncertain global economic and financial market conditions. The cyclical nature of new construction in Finland may result in a decrease in demand in the Finnish construction and property markets in both housing and business premises construction. For example, in Finland, consumers' confidence for the future, among others, is an important factor having effect on the demand for new housing. Increasing unemployment, changes in taxation, cuts in national and regional governmental spending as well as increase of interest rates on housing loans and difficulties in obtaining housing loans may have an adverse effect on the demand for new housing in Finland. In addition, the slow pace of economic growth has kept the amount of vacant business premises high and also the need for new business premises has remained low in Finland. Furthermore, a prolonged adverse development of the public sector's financial condition on both the national and the municipal level may reduce public construction.

Since spring 2014, the crisis in Ukraine and the financial sanctions against Russia imposed as a consequence of it as well as the counter sanctions against the EU, the United States, Canada and other Western countries imposed by Russia have significantly complicated real estate business in Russia. Western banks and investors have withdrawn from the Russian market, and the ability of Russian banks to obtain refinancing from the international financial markets has been adversely affected. Therefore, finding co-investors and arranging financing for new and existing projects in Russia has become difficult. The decline in the Russian rouble's ("RUB" or "rouble") exchange rates has increasingly moved business to rouble economy and lowered the Russian consumers' purchasing power and may weaken the rent-paying capacity of tenants in shopping centres. Market prices of real estate in Russia have also decreased, which increases the loan to value ratio and, therefore, owners may be required to invest additional capital. In addition, the owners could be forced to do write-downs in case the book value of the real estate is considered to be overvalued compared to the market price of the real estate. Further, decreased oil prices have weakened the Russian public economy. Future development of the Russian economy and availability of Russian business opportunities depends significantly also on the development of the geopolitical situation in the area.

Continuing economic slowdown or a recession, regardless of its depth, or any other adverse economic developments in Finland and/or Russia may affect business in a number of ways, including among other things, the income, assets, liquidity, business and/or financial condition of SRV, its customers, and its co-operation partners in implementation. Furthermore, SRV may not be able to utilise the business opportunities created by the economic fluctuations and SRV may not be able to adapt to a long-term economic recession or stagnation. Variations in macroeconomic factors and delay in the expected recovery in the economy in the countries where SRV operates may have an adverse effect on SRV's business, financial condition, results of operations and future prospects.

Risks Relating to SRV's Strategy

Failure by SRV to successfully define and implement its business strategy may have an adverse effect on SRV's growth and profitability in the future.

SRV is seeking long-term growth and profitability in Finland's selected growth centres as well as profitable real estate business in Moscow and St. Petersburg in Russia, for which SRV is dependent on the continued development of these areas. SRV has set financial targets for the period between 2016 and 2020 as discussed in more detail in "*Business—Business Strategy—Key Financial Objectives of the Strategy*". SRV's strategy is to increase its own development projects especially in housing production in Finland and to develop and manage shopping centres in Russia. This is considered to include a higher implied risk by SRV. Economic situation and business environment, real estate investment and construction market as well as political and legislative circumstances can change in SRV's countries of business operations and effect adversely the implementation of SRV's strategy.

SRV has a substantial number of own projects under development, which supports SRV's aim to increase its development project volume. These projects may be developed together with external parties. Joint development projects can be more complex to implement, since co-operation partners need to agree, for example, on construction costs, total investment costs, financing and sales price as well as other key features of the project and the estate. Development

projects are conducted in several phases and particularly development contracts in their early phases are more based on loosely-binding letter of intents and similar documents rather than legally binding final contracts. Continuance of a project may require legally binding contracts to be concluded between relevant parties and also in many cases with local authorities. Many projects require and can be initiated only after obtaining zoning and several other authority decisions, which are also subject to appeals. SRV may at its own discretion terminate a project in the development phase due to commercial reasons. If the relevant parties are unable to agree on the terms of a project or relevant administrative decisions and authority approvals cannot be obtained, this would have an adverse effect on SRV's business operations.

The successful implementation of SRV's strategy will depend upon a number of factors, many of which are at least in part outside of SRV's control. In addition, even if SRV successfully implements its business strategy, this may not improve its results of operations. SRV may also decide to amend its business strategy and/or adopt supplementary strategies in response to changes in its operating environment. SRV may not be able to define or implement its business strategy successfully or amend its business strategy, as the case may be. A failure by SRV to implement or amend its business strategy successfully could have an adverse effect on SRV's business, financial condition, results of operations and future prospects as a result of which SRV may not be able to reach its financial targets.

SRV may not be able to successfully manage several development projects and construction contracts simultaneously.

As at the date of this Listing Prospectus, SRV is responsible for the management of approximately 100 construction contracts and near future development projects in Finland as well as construction of two shopping centre projects and management of two shopping centre projects in Russia. All development projects and construction contracts contain technical and operational risks and they require continuous planning, steering and supervision of the operations as well as management of quality, schedule and costs. In addition, SRV's project management based business model is dependent on implementation by its co-operation partner network. As a result, management of several projects requires SRV's project management processes to work efficiently in order to be able to manage multiple overlapping internal teams as well as co-operation partner network in, among others, engineering, design and construction simultaneously. There can be no assurance that SRV will be able to successfully manage several projects simultaneously in the future, which may have an adverse effect on SRV's reputation, business, financial condition, results of operations and future prospects.

SRV may not succeed in realisation of new or ongoing developer-contracting or co-development projects.

SRV has both in Finland and Russia a number of large projects under development and construction, which require, among other things, co-investor(s) and financing resources. Co-investor(s) and financing resources often are limited in time and in amount. Particularly, the market situation in Russia is currently very difficult, and any failures in the development of projects and failures to obtain or maintain co-investor(s) and financing may lead to development projects to delay, discontinue or reduce their size.

In developer-contracting projects, SRV's recognition of revenue is based mainly on the completed contract method, and recognition depends on the percentage of sold premises in delivered projects. The delivery schedule of developer-contracting projects can have an adverse or very volatile effect on the development of revenue and profit for any financial year and financial quarter. Project sales are affected by factors such as the availability of financing for buyer, location and other aspects of the relevant real estate as well as rent levels and occupancy rate. The prices of real estate are affected by changes in investor yield requirements for real estate investments. Any increase in yield requirements decreases the sales value of the real estate. Particularly in Russia, but also in Finland, investor yield requirements may change substantially and affect negatively the sales value of SRV's development projects. When sales are delayed, SRV's recognition of revenue and operating profit (if any) is delayed correspondingly. Postponed start-ups of development projects increase development expenses, which are recognised as costs by SRV.

Besides land acquisition risks, property projects are subject to other uncertainties and challenges, such as those related to the outcome of zoning, authority approvals, soil conditions and possible contamination, financing, availability of adequate funding resources to meet SRV's financing commitments, commercialisation of projects and achieving a sufficient occupancy rate for the premises, implementation schedules and agreements, partners, building structures and materials of the estate as well as the type and geographical location of project. In line with the IFRS requirements, SRV measures its land reserves at acquisition cost. The value of the land is reduced, if the fair value of the planned project does not exceed the sum of acquisition cost and construction costs. In accordance with its strategy, SRV has focused on development projects and increased its land acquisition especially in Finland. If any of the above-mentioned risks materialise, it could have an adverse effect on SRV's business, financial condition, results of operations and future prospects.

Demand in the Finnish housing market may decrease.

An important part of SRV's strategy is to increase development projects especially in housing production in Finland. Availability of bank financing to home buyers in Finland has reduced due to banking sector's more stringent lending policies. The margins of bank financing to Finnish real estate companies that own the housing property have been increasing and bank financing may not be available at all in more remote areas of Finland due to insufficient collateral

value. In the future, loan margins may rise for both home buyers and real estate companies as well as other investors. More limited tax deductibility of housing loans may also reduce home buyers' willingness to invest in housing. Key risks affecting housing unit demand in Finland include adverse developments in consumer confidence, poor availability and cost of financing, and increases in interest rate levels. Furthermore, the activity of housing investors has grown up significantly during the past years. In case these investors are compelled to divest a large amount of housing units for sale at the same time in a certain area, the prevailing price level in the market may decrease due to an increase in supply. Any decreases in demand in the Finnish housing market could have an adverse effect on SRV's business, financial condition, results of operations and future prospects.

SRV's operations in Russia may entail risks related to political changes and changes in legislation as well as inconsistent interpretations or practices relating to legislation, zoning, construction and/or availability of legal protection.

In Russia, the strategy of SRV is to develop shopping centres and also be the owner or the co-owner of the projects for a reasonable period of time after the construction phase in order to find a suitable timing for the sale. Business risks in Russia are greater than in Finland or Estonia, and the operating environment is generally less stable. Particularly, the crisis in Ukraine and financial sanctions against Russia as well as the counter sanctions against the EU, the United States, Canada and other Western countries imposed by Russia has increased the political risks. These political risks can result in potential losses arising from government interference, including but not limited to direct losses of assets upon expropriation, arbitrary cancellation of government licenses or concessions, exchange restrictions preventing extraction of profits or proceeds on sale, costs and distractions of litigation and losses arising from the inability to manage sequestered assets during dispute resolution procedures. The differences of Russian legislation, its interpretation and official practices when compared to western countries, such as Finland, as well as amendments in legislation and deficiencies in the legal system, administrative proceedings and mechanisms of legal enforcement in Russia, may also result in significant risks for SRV. SRV is exposed to risks caused by possible amendments to or revocations of decisions of regional and local administrative authorities on the federal level, or amendments to regional legislation to correspond the federal legislation.

The process for zoning of land is slow in Russia and the land areas attractive for future use as commercial real estate are, to a large extent, in land categories the intended use of which requires the land category or permitted use to be reconsidered by authorities at different levels of administration. In addition, any construction, reconstruction or extension of real estate objects can be carried out only in accordance with the regulations concerning city plans applicable to each territorial zone. If any of the risks described above materialise, this may have an adverse effect on SRV's business, financial condition, results of operations and future prospects.

Risks Relating to SRV's Business Operations

SRV is exposed to sales, price and rental income risk associated with development projects.

SRV's strategic aim is to increase the share of development projects in Finland. In developer-contracting and co-development projects, SRV seeks to identify the needs of customers, looks for suitable properties or land with development potential and defines the available sources of funding for major construction projects. SRV is often also responsible for finding sufficient amount of tenants for the business premises in the development projects. Customers are then offered complete solutions where SRV develops, organises and carries out the whole project.

Own development projects carry specific risks compared to other types of construction projects. Project development can take years and, in the case of a cancellation of a project, substantial amount of expenses have been incurred. In case of change in economic climate during project development, tenants, investors and buyers may not be able to fulfil their commitments to SRV. Own projects are also exposed to risks relating to increase in land prices, currency rates and changes in building regulations, among others. Furthermore, rental levels and occupancy rates have a direct effect on the rental income SRV is able to generate from the projects. Rental income contributes to the value of the development project during the project and when the project is sold. At the time when a project is sold, a purchaser may require a commitment from SRV to take the responsibility for rent payments for a certain period of time for the premises that are not leased.

SRV has developed shopping centre management operations in Russia to support project development and rental income growth in projects. Rental income and occupancy rate in shopping centres are affected by many factors, and they can be negatively affected by reasons that are beyond SRV's control. SRV may fail to manage successfully shopping centres, which can affect adversely the rental incomes and SRV's results of operations.

Due to the uncertain development of demand, SRV is exposed to the sales, price and rental income risk relating to the own housing and business premises development projects. When SRV completes a housing project, all units are not necessarily sold or rented. Unsold units tie SRV's capital, which may have an adverse effect to its financial condition. SRV may fail in achieving a sufficient occupancy rate for its business premises projects or its tenants may face financial difficulties or even become insolvent. This could lead to insufficient rental income, which can affect SRV's possibilities

to sell the property as planned. Because of these factors, SRV may be required to decrease the sale prices, which may adversely affect its results of operations.

SRV's investments in shares of associated companies and joint ventures totalled EUR 109.8 million in Finland and EUR 96.9 million in International Operations for the year ended 31 December 2015. If any of the sales, price, currency rate or rental income risk or any other financial risk described above materialises in development projects, this may have an adverse effect on SRV's business, financial condition, results of operations and future prospects.

Variations in supply and demand on property market may affect SRV's business and ability to sell constructed properties profitably or at all.

The property market is sensitive to fluctuations in supply and demand. Property values are affected by a number of factors, including interest rates, inflation, economic growth, business environment, availability of financing, property taxation, demographical factors, level of construction activity, and availability of leasable space. Changes in supply and demand in local markets, resulting from new construction, investor demand or supply and/or other factors, may also materially affect property values regardless of the overall development in the local real property market. For example, completion of large housing projects may result in a situation where significant new housing volumes become available on the market at the same time in a certain area, which could have an adverse effect on SRV's ability to sell part of the completed project's housing units in a timely manner and/or at satisfactory prices. The asset transfer tax on the transfer of either shares in a real estate corporation or a real estate affects both housing and business premises developments.

The tightened financial and economic situation has reflected also on the investment activity in the real estate sector in Finland. The number and volume of real estate transactions in business premises was low from 2009 to 2013. From 2014 onwards, the activity has increased slightly. However, property values in Finland are under pressure because of the general economic uncertainty and the low number of property transactions and, in particular, because new large-scale project start-ups have decreased due to difficulties in securing financing. Demand for property investments has remained weak though low interest rates have slightly improved investments.

Continuing weakness in the property market may increase the amount and lengthen the time of SRV's capital invested in projects. There can be no assurance that SRV will succeed in the sales of constructed property in a profitable way or that such sales will be possible on acceptable terms or at all, if the property market functions poorly or changes illiquid, which in turn could result in operational losses and increased needs for capital for SRV in a potentially difficult market conditions. These factors, either alone or together, may have an adverse effect on SRV's business, financial condition, results of operations and future prospects.

Lower profitability of individual projects, construction contracts' competitive situation as well as decrease in sales of business premises properties and housing units may have an adverse effect on SRV.

A part of SRV's revenue is generated by development projects that may be substantial in size compared to SRV's size and financial condition and, therefore, SRV's result to a large extent depends on the profitability of individual projects as well as their progress. Fierce competition for new orders in construction sector in Finland may affect the volume and profitability of SRV's new order backlog.

SRV aims to improve its operational profitability by increasing the effectiveness of the implementation of development projects. SRV's aim in raising capital is to undertake short-term commitments as well as to line up users and owners before starting construction. In developer-contracting projects, recognition of revenue by SRV is based mainly on the completed contract method. Revenue recognition depends on the percentage of sold premises in the completed projects. The completion schedule of developer-contracting projects can materially affect the development of revenue and profit for the financial year and the financial quarters. Project sales are affected by factors such as the availability of financing for the buyer and occupancy rate. When sales are delayed, the recognition of revenue and operating profit (if any) is delayed correspondingly. Particularly in the case of projects of business premises, agreeing on additional and alteration works may involve financial risks that increase particularly when the economic situation is poor.

Postponed start-ups of development projects increase the level of development expenses, which are recorded as costs. A slowdown in housing sales increases sales and marketing costs and interest expenses as well as general costs in developer-contracting housing production. Economic uncertainty and tax increases, both implemented and potential further tax increases, weaken the outlook and volume for housing sales. Rise in interest rates and/or weakening in consumer confidence create a significant risk relating to housing demand. During the last two years, the volume of new apartment building projects in the Helsinki region has been fairly good, but fluctuating, and outside the urban growth centres of Finland demand has mainly been modest.

In fixed price construction contracting, the main contractor is chosen in a tender process that may be highly competitive depending on available projects and market situation. In both development projects and fixed price construction contracting, it is possible that SRV may implement unexpectedly difficult projects or construction can take place in disadvantageous economic cycle, which may lead to unprofitability or even losses. SRV aims to take measures to

maintain its project management expertise and cost-effectiveness continuously. However, there can be no assurance that SRV succeeds in these measures. Failure by SRV to implement profitable projects, fierce competition and decreased sales may have an adverse effect on SRV's business, financial condition, results of operations and future prospects.

SRV may not be able to increase or keep its volume of business operations or profit margin.

SRV may lose some of its volume of business operations or profit margin, for example, due to highly competitive market. Some of SRV's competitors benefit from a larger size and stronger economic resources than SRV and will be able to undertake larger projects and take additional financial and other risks. SRV's larger competitors may also have, among other things, more marketing resources and benefit more from economies of scale as compared to SRV. Additionally, it is possible that new companies enter the market.

Although quality and expertise in project management and know-how affect customer's decisions, price continues to be an important factor for a number of SRV's customers. This causes a strong price competition among construction companies, which may adversely affect SRV's profit margins. It is also possible that SRV fails in estimating its costs when entering into project agreements, which may cause losses in profit or in absolute terms.

SRV's operational profitability may also decrease due to changes in general economic development, changes in customers' operating environments and changes in construction and property markets. SRV can fail in implementing its aim to increase the share of development projects and, thus, the operational profitability. This can also extend the time that SRV's capital is tied to projects.

Failure by SRV to increase or keep its volume of business operations or profit margin may have an adverse effect on SRV's business, financial condition, results of operations and future prospects.

SRV's prerequisites for operations are dependent on available systems and working premises that may be damaged by external or internal factors.

SRV's operational risks also include risks associated with the dependency on the functionality of SRV's information systems and technology as well as serviceability of working premises. SRV is increasingly dependent on information technology systems that support a wide variety of key business processes as well as internal and external communication. There can be no assurance that these systems will not require repair or that they will not be subject to technical or other failure, including damage caused by viruses or hackers. In addition, any major fire or other accident in SRV's working premises could cause obstructions and losses for business. Significant disruption of these prerequisites for operations can, despite all safety measures, cause a loss of data and/or disruption of business processes. Furthermore, SRV's business operations may be adversely affected by any possible loss of value of SRV's brand. Failure by SRV to maintain its functional infrastructure may have an adverse effect on SRV's business, financial condition, results of operations and future prospects.

Major labour disputes or strikes in the construction sector or other operations essentially linked to construction may have an adverse effect on SRV's operability.

Any major labour disputes or strikes in the construction sector affecting SRV's personnel or its important subcontractors, material suppliers or other operations linked to construction, such as, for example, transportation, and their personnel may prevent or delay the progress of SRV's construction projects or weaken their profitability. There can be no assurance that collective bargaining agreements that apply to SRV's employees will prevent strikes or work stoppages or that such agreements will be renewed on substantially similar terms and conditions in the future. Furthermore, labour disputes or strikes concerning SRV's important co-operation partners or other essential operations linked to construction may also have an adverse effect on SRV's business operations. Labour disputes or strikes may, thus, have an adverse effect on SRV's business, financial condition, results of operations and future prospects.

Possibility to fraudulent behaviour and misuse of classified information or position in organisation by personnel may have an adverse effect on SRV's operability.

SRV may not be able to ensure that its internal control policies and procedures will protect it from fraudulent behaviour and misuse of classified information or position in organisation involving personnel of SRV or its customers and co-operation partner network, and there can be no assurance that SRV will not suffer losses from any failure of these internal control procedures. Fraud and misuse of classified information or position in organisation may have an adverse effect on SRV's business, financial condition, results of operations and future prospects.

Failure to attract qualified personnel and loss of key employees as well as implementation partners' problems with resources may have an adverse effect on SRV's operability.

The most significant risks for SRV's own organisation relate to retaining its present skilled staff and recruiting new, skilled employees. SRV aims to attract qualified employees through a sound human resources policy that emphasises

systematic training and a good working environment, active co-operation with educational institutions as well as maintaining a positive and competitive employer image. Other important resources necessary for SRV's business operations include the special experts, designers, subcontractors and material suppliers in the co-operation network that implements projects. Failure by SRV to attract or retain skilled personnel or occurrence of problems with availability of resources or proficiency in implementation partners may have an adverse effect on SRV's business, financial condition, results of operations and future prospects.

SRV is exposed to risks relating to subcontractors and procurement in the project management.

All construction projects contain technical and operational risks and require continuous planning, steering and supervision of design and engineering, procurement and implementation. SRV's project management based business model is dependent on execution of its co-operation partners in implementation. SRV carries risks also related to subcontractors' quality of work and ability to follow schedules effectively.

Construction is subject to significant cost risks relating to subcontracting and procurements. Long-term planning is vital in keeping these risks under control. SRV's operating model requires an adequate supply of skilled and competent personnel and subcontractors as well as good quality and cost effective construction materials. A weak economic cycle increases the risk of financial difficulties and bankruptcies relating to subcontractors and material suppliers. The Finnish construction sector is subject to a reverse value added tax policy in which the value added tax is paid to the Finnish state by the main contractor as the purchaser instead of the traditional approach where the value added tax is paid by the seller, which, as a method, requires greater accuracy from SRV's administration. In addition, according to the general conditions for construction contracts, the warranty period related to construction is two years, and after the warranty period, the contractor's liability for errors and omissions is subject to contractor's gross negligence or wilful misconduct. In certain building components the warranty period can extend up to ten years. SRV seeks to avoid dependence on individual subcontractors and material suppliers and to secure the continuity of services provided by partners, by regularly identifying few eligible subcontractor and material supplier for each important part of work and construction materials. However, there can be no assurance that eligible subcontractors and material suppliers will always be available when needed. Further, by using subcontractors and material suppliers, SRV is exposed to a number of risks relating to these entities and mutual business relationships. For example, SRV may not be able to enter into agreements with its subcontractors or material suppliers on acceptable terms, the quality, timing and cost-effectiveness of the work carried out by them or the quality and delivery times of the materials provided by them may be inadequate and may result in defects or the subcontractors and material suppliers may experience financial or other difficulties, such as labour shortage, which may affect their ability to provide services. In addition, SRV is exposed to a reputational risk if a subcontractor or a material supplier would not comply with applicable laws and regulations in its operations or otherwise acts contrary to generally accepted norms.

Construction projects are also exposed to risks related to safety, so-called grey economy and environmental issues, which may cause, for example, personal injuries, additional costs and/or damage to SRV's reputation, even if SRV has not caused the matter. Grey economy may include, among others, neglecting the employers' statutory social insurance contributions of wages and payment of taxes imposed to employers. Occupational safety is essential for construction companies. Construction work on sites is very accident-prone, and particularly complicated infrastructure and high-rise construction as well as other demanding construction works or conditions may cause serious accidents. SRV has its own organised safety and environmental functions and the management of its subcontractor information is based on a register developed by SRV, which also supports close co-operation with the authorities. If any of the risks described above materialise, it may have an adverse effect on SRV's business, financial condition, results of operations and future prospects.

Large development projects and construction contracts may include larger and additional risks.

Large part of SRV's revenue is generated by development projects and construction contracts that may be substantial in size compared to SRV's size and financial condition and, therefore, SRV's result to a large extent depends on the profitability of these individual projects as well as their progress. Large development projects and construction contracts carry same risks as other, smaller projects, but the risks may be substantially larger and may concentrate as uncertainties in project outcome and liabilities as well as also public interest increase with size of the project. Risks involved with large projects may also be more material due to new features or greater complexity of the projects. For example, in April 2015, SRV started constructing the largest development project in its history, namely the REDI project in Kalasatama, Helsinki. The REDI project includes new features, such as high-rise tower buildings. The total value of the first part of the project, consisting of a shopping centre and a parking facility, is EUR 480 million, of which EUR 390 million will be required for the construction. Of the first part of the project, EUR 240 million will be financed by capital investments of SRV (40 percent) and the co-owners' of the project (60 percent). The remainder of the financing for the first part of the project will be covered by project loans. An EUR 225 million project loan agreement was entered into on 24 March 2015 among the REDI project's shopping centre and parking facility companies and a bank syndicate consisting of Pohjola, Nordea Bank Finland Plc, Helaba Landesbank Hessen-Thüringen, Danske Bank Plc and Swedbank AB. The shopping centre and the parking facility are expected to be completed in 2018. SRV is responsible for the design, construction, and

leasing of the REDI shopping centre project. In addition to the shopping centre and the parking facility, SRV plans to build six residential towers, an office tower and a hotel tower. As a whole, the REDI project is currently expected to be completed in 2023, the time of completion being dependent on the market situation.

Large development projects and construction contracts may also include additional risks due to factors, such as design, engineering and construction complexity, various important interest groups' influence on the project, availability of vital resources and financing as well as safety and environmental factors. If SRV would experience problems in its large development projects and construction contracts, it could have a material adverse effect on SRV's reputation, business, financial condition, results of operations and future prospects.

SRV's participation in project management of the construction of Fennovoima's nuclear power plant project and SRV's investment in Fennovoima involve risks.

On 5 August 2015, SRV announced that it has decided to participate in Fennovoima's Hanhikivi 1 nuclear power plant project as a project manager of construction and as an investor. SRV has signed an agreement with CJSC Concern Titan-2 ("Titan-2") and Rusatom Overseas OAO's ("Rusatom") subsidiaries on co-operation among the parties in the construction project of Hanhikivi 1 nuclear power plant.

Possible risks, such as delays, cancellation of the project, non-completion of the project (for external or internal reasons), technical risks (such as tightening of authority approvals and nuclear power regulation in the future), cost estimate overruns (such as non-competitive pricing of energy or increase in production costs), financing risks (including cost and availability of financing), political risks (including trade restrictions and risks related to public approval), construction implementation risks and risks related to reputation and environmental issues are associated with Hanhikivi 1 nuclear power plant project. There can be no assurance that one or several of the risks related to Hanhikivi 1 nuclear power plant would not materialise, in which case part or all of the project management based construction work expected to be implemented by SRV may not materialise, or that SRV's share of project financing would not increase due to insolvency of other shareholders of Fennovoima. When the power plant starts operating, the shareholders of Fennovoima will get electricity at cost against payment of their pro rata share of operating expenses of the power plant. There can be no assurance that no financial loss will occur for SRV if it is unable to sell its share of electricity at a sufficient price.

SRV conducts some of its business operations through joint ventures over which it has limited control.

The Company is, directly or through its subsidiaries, party to several joint ventures, some of which are a significant part of SRV's current and prospective revenue. SRV may in the future enter into additional joint ventures as a part of its business. SRV cannot fully control the operations or the assets of these entities, nor can it unilaterally make major decisions with respect to such entities. This constrains SRV's ability to cause such entities to take an action that would be in the best interests of SRV or refrain from taking an action that would be adverse to the interests of SRV, which could have an adverse effect on SRV's business, financial condition, results of operations and future prospects. See "Business—Material Contracts—Material Agreements Concerning the Construction of REDI Project's Shopping Centre and Parking Facility—Joint Venture Agreement between Owners".

Acquisitions that SRV may seek in the future may involve a number of inherent risks, any of which could cause SRV not to realise the anticipated benefits.

SRV may seek in the future to expand its operations through selective acquisitions. However, there can be no assurance that SRV will be able to identify attractive targets or that it will be able to acquire them on acceptable terms. Moreover, potential acquisitions pose risks to SRV's existing business operations, placing additional demands on its management, which is also responsible for managing SRV's on-going business operations. SRV may also be unable to integrate the business operations of the acquired business or to achieve identified operating and financial benefits anticipated to result from the acquisition. In addition, acquisitions may result in a significant increase in SRV's indebtedness. Any failure in successfully executing such acquisitions may have an adverse effect on SRV's business, financial condition, results of operations and future prospects.

SRV is exposed to risks associated with both increase in construction costs and weak economic cycle.

Construction is subject to significant cost risks relating to subcontracting and procurement, and the control of these cost risks requires successful long-term planning. In overheated construction market, construction costs can rise significantly and adversely affect the profitability of a construction project. On the other hand, financial risks relating to subcontractors and construction material suppliers increase in a weak economic cycle. Particularly in the case of business premises construction projects, implementation of additional works and alterations may involve financial risks that increase particularly when the economic situation is poor. In some cases, it may also be possible that SRV is not able to estimate subcontract or procurement prices accurately enough beforehand and enters into agreements that ultimately result in higher costs than SRV's cost calculations estimated, which may cause losses in SRV's profit in the project or the project may become unprofitable. If construction costs rise significantly, costs are estimated below the actually incurred

prices, or financial disputes arise from implementation of subcontracts or procurement, these may have an adverse effect on SRV's business, financial condition, results of operations and future prospects.

Severe weather conditions may affect the progress of SRV's projects.

In the construction business, weather conditions are of special importance. Depending on the stage of a construction project, harsh weather conditions may suspend or substantially delay the progress of SRV's projects and result in increases in construction costs. For example, cold and particularly snowy winters as well as extremely rainy weathers may cause problems especially during the foundation and outdoor construction stages of a project. Severe weather conditions may result in an adverse effect on SRV's business, financial condition, results of operations and future prospects.

SRV is exposed to risks related to customers' or implementation partners' claims.

SRV's business exposes SRV to potential liability, which is based on defects in the construction, materials or workmanship. This is particularly the case in large and/or demanding projects, including technically challenging and/or new structures. In addition, a failure by SRV to meet customers' expectations in connection with claims that are based on defects, may have an adverse effect on SRV's business and reputation. SRV's projects are designed to meet the customers' expectations as relating to standard and quality as well as the applicable legal and regulatory requirements and standards. However, there can be no assurance that SRV will in all circumstances meet all of the aforementioned expectations and/or requirements. SRV is also responsible towards its customers for defects caused by subcontractors, even though SRV would have filled all the necessary monitoring obligations. As a result, errors or omissions concerning planning, procurement and/or quality of work may be claimed from SRV during the construction period, the warranty period and, in the case of certain building structures, the period following the warranty period up to ten years.

SRV seeks to cover the risk of claims through subcontractor and material supplier obligations and different project provision reserves. However, there can be no assurance that such measures would be sufficient to cover any or all warranty or other compensation claims partly or in full.

SRV's customers' or implementation partners' claims against SRV may result in legal proceedings, which, in turn, may result in SRV being obligated to pay damages. Claims, even if unfounded, would also tie up time of SRV's management and other employees. Such potential litigation could also have an adverse effect on SRV's reputation from the perspective of its existing and potential customers and implementation partners. Furthermore, contracts with certain of SRV's customers or implementation partners are based on new contract structures, such as so-called alliance approach contracts, and may include clauses with untested contractual obligations. Given the lack of precedents on point, there can be no assurance how such clauses would be interpreted by Finnish courts, and SRV may face adverse consequences if contractual obligations were not interpreted by such courts as intended or they were to be enforced in a manner adverse to SRV.

SRV's construction contracts may be of substantial monetary value. Their terms and conditions require, for example, all parties to achieve the agreed targets on time, and to adhere to agreed working methods. In particular, the contracting parties may not be able to agree upon additional works and alterations in advance. Project receivables may then contain invoicing of additional work and alterations conducted, and these may result to complaints or be the subject to disputes over payment obligation. SRV makes provisions to the projects according to managements' estimates, but they may prove to be insufficient. If a mutual agreement on payment liability is not reached during the final financial settlement of a project, SRV may have to initiate legal proceedings against the customer or implementation partner. The outcomes of legal proceedings involve uncertainties and such legal proceedings may have a material adverse effect on the relationship of SRV and the relevant customer.

Any such claim, litigation or failure to enforce or interpret contractual obligations or rights may have an adverse effect on SRV's reputation, business, financial condition, results of operations and future prospects.

SRV's business operations may involve legal and regulatory risks.

SRV has to comply with a wide variety of laws and regulations enacted on both European and national level, most notably building regulations and instructions, health and safety regulations, environmental regulations, labour regulations, competition regulations and corporate, accounting and tax laws. The level and detail of regulation in these areas is also continuously increasing. Changes in the regulatory framework, the interpretation thereof and/or the loss of benefits associated with a status or an authorisation could require SRV to adapt its business activities, its assets or its strategy, possibly leading to an adverse effect on its results or brand value, an increase in its expenses, and/or a slowing or even halting of the development of certain investment activities. In the normal course of its business activities, SRV could be involved in legal proceedings (e.g., regarding contractual responsibilities, employers' liabilities, occupational accidents at construction sites, fraud, anti-trust and anti-corruption matters, penal issues and/or housing transaction or consumer law violations, the latter which may be litigated by individual parties or by the Finnish Consumer Ombudsman on behalf of a consumer group) and is subject to tax and administrative audits. Should SRV need to adjust its operations

to changing regulatory framework or be ordered to sanctions, it may have an adverse effect on SRV's business, financial condition, results of operations and future prospects.

Materialisation of a risk not covered by SRV's insurance policies may have an adverse effect on SRV.

SRV's insurance policies are subject to exclusions of liability of insurance companies and limitations of liability both in amount and with respect to the insured loss events. SRV does not have insurance coverage for certain types of losses, which are not insurable or for which insurance is unavailable on reasonable economic terms. Materialisation of any risk not covered by SRV's insurance policies may have an adverse effect on SRV's business, financial condition, results of operations and future prospects.

Changes in the space requirements and operating environments of SRV's business to consumer (b-to-c) customers may have an adverse effect on the demand for new business premises and business premises construction.

E-commerce is becoming increasingly important to many b-to-c businesses. Some of SRV's customers could in the future move part or all of their b-to-c business online, which would decrease customers' need for business premises and, thus, have an adverse effect on the demand for commercial business premises. In addition, the increasing number of open-plan offices and remote work has decreased the demand for office space. Any decreases in demand for new business premises and business premises construction could have an adverse effect on SRV's business, financial condition, results of operations and future prospects.

Risks Relating to Financing

SRV may not receive financing at competitive terms or at all.

Uncertainty in the financial market may mean that the price of the financing needed to carry out SRV's business will increase or that the financing will be less readily available. SRV aims to reduce the risk relating to the availability of financing by maintaining liquidity by means of efficient management of cash flows and solutions linked to it, such as committed credit lines. For example, in December 2014, SRV agreed on a long-term liquidity arrangement of EUR 100 million with a Nordic banking syndicate, which will mature in January 2018. As at the date of this Listing Prospectus, the loan is undrawn. As at 31 December 2015, SRV's financing reserves totalled EUR 175.3 million with SRV's cash and cash equivalents amounting to EUR 35.0 million, and open-ended account limits and committed undrawn financing reserves and loans to EUR 140.3 million. As at 31 December 2015, SRV's equity ratio was 42.5 percent and gearing 83.3 percent.

Some of SRV's debt financing agreements contain standard covenants that relate, among other things, to certain key financial indicators, and the use of collateral by SRV. One of the most important financial covenants in SRV's loan agreements is related to equity ratio. These covenants can affect the future funding of SRV and/or require negotiations with lenders, if a covenant breach were to take place. SRV's ability to meet these financial covenants can be affected also by events beyond its control such as changes in the property, equity and debt finance markets and cyclical fluctuations in the economy. There can be no assurance that SRV will be able to meet its financial covenants. The level of SRV's leverage may affect its ability to refinance its existing indebtedness. There can be no assurance that the current terms of financing, including financial covenants, are acceptable for financial institutions in the future. New terms of financing requested or demanded by financial institutions might be more stringent and include stricter financing covenants and additional commitments or guarantees may be demanded, which in turn might affect SRV's ability to access financing and impose limitations on its business operations. The financing available to SRV may not be adequate to finance development projects or financing commitments.

Due to the uncertainties in the financial markets and tightening of bank regulation, the availability of financing from financial institutions to SRV's customers has decreased to some extent, and loan margins have risen, which are adversely affecting the property markets. The availability of property financing affects the progress and start-up decisions of development projects. SRV's goal is to carry out large development projects with project funding and in cooperation with real estate investors. The decline in the availability of investor and project funding may increase SRV's own share of project funding, lowering SRV's equity ratio, reducing SRV's liquidity, and hindering the availability of other funding. In addition, for example, the housing projects for consumers must be realised in compliance with the Finnish Housing Transaction Act (843/1994, as amended). If the availability of bank financing for those projects decreases, the interest of the consumers towards such projects may diminish, and this could have an adverse effect on the quantity of housing construction.

Despite the prevailing extremely low interest rate level, financing costs may grow if loan margins continue to rise. If the situation in international financial markets deteriorates, it may continue to increase the cost of financing and weaken its availability. If the availability of financing for customers continues to weaken, customer receivables may grow, posing challenges to SRV's liquidity.

SRV has several large development projects in Finland and Russia relative to SRV's financial resources. Any difficulties in one or in several such large projects to receive new financing or raise financing from agreed financing sources may limit SRV's overall possibilities to receive financing at competitive price or at all. The difficulties in receiving new financing or raise financing or other uncertainty in the financial market may also affect project companies' ability to pay back their loans to SRV. It is possible that SRV could, at any given point in time, encounter difficulties in raising funds and, as a result, lack the access to liquidity that it needs, which in turn may have an adverse effect on SRV's business, financial condition, results of operations and future prospects.

SRV's equity ratio may adversely affect the availability of financing for SRV.

The availability of financing for SRV may be adversely affected if SRV's equity ratio falls too low. SRV does not have a public issuer or instrument-specific credit rating issued by a credit rating institution. In order to maintain its capital structure, SRV may adjust its dividend payment, or issue new shares or bonds. In order to maintain a sufficient equity ratio, SRV issued in December 2012 a EUR 45 million domestic hybrid bond. The hybrid bond has no maturity, but SRV has the right to redeem it on the first reset date in December 2016. The interest payable on the hybrid bond will increase after such first reset date. On 7 March 2016, the Company announced an invitation to holders of the EUR 45 million hybrid bond to tender their holdings for cash. The completion of the tender offer was conditional upon a successful completion of an issue of new EUR 45 million hybrid bond. On 22 March 2016, the Company purchased a total nominal value of EUR 28.3 million of the outstanding hybrid bonds validly tendered in the tender offer and issued a new EUR 45 million hybrid bond. As a result, as at the date of this Listing Prospectus, a total nominal value of EUR 16.7 million is still outstanding of the hybrid bond issued in 2012. The EUR 45 million hybrid bond issued on 22 March 2016 has similar terms as the hybrid bond issued in 2012 with the first reset date being 22 March 2020. It is possible that SRV may not be able to issue new shares, refinance or issue new hybrid bonds or otherwise adjust its capital structure to support SRV's equity ratio, when such support is required for the availability of debt financing. In order to maintain its equity ratio, SRV may also be forced to make changes in its business operations or use of capital. Profit investments, the profitability of business operations, delays in selling or turning over developer-contracting projects, and other increases in the balance sheet value each affect the equity ratio. Failure to maintain the equity ratio on an acceptable level may have an adverse effect on SRV's business, financial condition, results of operations and future prospects.

Fluctuation in interest rate may adversely affect SRV's results.

Interest rates are currently at historically low levels, but there can be no assurance that interest rate levels would remain on the current levels for a longer period of time. Changes in interest rate levels have direct impact on both SRV's own financing costs and SRV customers' investment decisions and, therefore, to SRV's operational cash flow. Higher interest rates would lead to increased cost of financing for SRV and SRV's customers. Increase of interest rates would, therefore, be likely to reduce demand for properties and housing and likely exert pressure on the prevailing price levels of the properties and housing.

The cash flows and fair values of SRV's debts and receivables subject to interest are susceptible to changes in interest rates. Interest rate risk is composed primarily of the short- and long-term loans connected with the funding of business operations as well as receivables sold to financing companies. Majority of SRV's interest-bearing debt is servicing short-term financing need for the construction period of SRV's on-going projects. Due to the reasons described above, increase in the market interest rates may have an adverse effect on SRV's business, financial condition, results of operations and future prospects.

Fluctuations in currency exchange rates may adversely affect SRV's earnings and balance sheet.

SRV is exposed to currency risks relating to the international business' commercial cash flows, financing of the on-going projects during the construction period and equity and other investments in foreign subsidiaries and project companies. Currency risks are divided into transaction risk and translation risk. Transaction risk relates to business (sales and purchases) and financing (loans) cash flows in foreign currencies. Translation risk relates to investments in foreign subsidiaries and project companies and the effect is shown in translation differences in SRV's consolidated equity. SRV is exposed to rouble risk in those entities where the functional currency is not euro. SRV is exposed to translation risk in rouble in monetary items if the functional currency is euro. It is also possible that SRV cannot maintain euro as a functional currency in all those entities that are presently using euro as such currency, which may result in further currency exposure. In SRV's Russian shopping mall projects with euro as the functional currency, debt financing has been raised on a euro-based bank financing and majority of SRV's rental agreements have been entered into on a euro-basis. Adverse exchange rate development may have an adverse effect on SRV's shopping mall tenants' ability to pay rents on a euro-basis, which may have an adverse effect on SRV's lease income through temporary or permanent rent concessions, which could impair SRV's ability to service its current debt financing. In addition, some of the rental agreements in Russian shopping malls have been entered into on a rouble-basis, which may have an adverse effect on SRV's profitability if the rouble declines against the euro and if the rents paid by the tenants are not increased with a corresponding amount.

Changes in foreign exchange rate levels have an impact relating to commercial cash flows in projects and local operations and affect SRV's profitability and SRV's customers' investment decisions. Permanent loss of value in completed Russian properties through adverse exchange development may also trigger impairment changes. As a result, changes in foreign exchange rate levels between the euro and the rouble may have an adverse effect on SRV's business, financial condition, results of operations and future prospects.

SRV is exposed to credit risk and counterparty risk through all of SRV's accounts receivables and receivables associated with financial intermediaries.

SRV is exposed to credit risk relating to receivables from on-going projects, accounts receivables, loan receivables, rent receivables, cash investments and receivables from derivative instrument counterparties. Possible weakening of the economy may put additional financial stress on SRV's customers, which may negatively impact SRV's ability to collect its receivables fully or in a timely manner.

In case a financial counterparty of SRV would encounter financial difficulties in the future, that could restrict or remove the capability of the counterparty to honour its agreed-upon lending arrangements or to permit withdrawal of deposits. In order to minimise the counterparty risk in financing operations, SRV enters into agreements only with such banks and other financial institutions that it believes to be credit-worthy. In the case of default by a counterparty, SRV could lose all or part of its deposits or may lose the benefit from hedging agreements agreed with such counterparties. Furthermore, if a counterparty to a hedge defaults or is otherwise unable to comply with its obligations towards SRV, SRV may lose the protection provided by the hedge and the possible positive market value, which may lead to a financial loss and increased costs for SRV and may then result in an increase in interest rate or currency exposure. Materialisation of a credit or a counterparty risk may have an adverse effect on SRV's business, financial condition, results of operations and future prospects.

A possible impairment of SRV's assets could have adverse effects on SRV's financial condition and results of operations.

As at 31 December 2015, SRV's balance sheet included EUR 336.6 million of inventories, EUR 111.9 million of trade and other receivables, EUR 206.6 million of shares in associated and joint venture companies and EUR 36.8 million of loan receivables from associated companies and joint ventures. SRV estimates the need for asset impairments for intangible assets and property plant and equipment annually at every balance sheet date and whenever events or changes in circumstances indicate that the carrying value of an asset exceeds its recoverable amount. If the carrying amount of an asset item exceeds its estimated recoverable amount, the carrying amount is lowered to correspond the recoverable amount.

Impairment loss in loans and other receivables, including trade receivables is recognised if there is objective evidence of impairment and that SRV will not recover the receivable in full or in part according to the original terms, for example due to debtor's serious financial problems, the probability that a debtor will end up in bankruptcy or is subjected to other financial arrangements as well as payment delinquency. The amount of the impairment is the difference between the receivable in the balance sheet and the present value of estimated future cash flows.

SRV's inventories are valued at the lower of cost and net realisable value. In ordinary business, net realisable value is the estimated selling price which is obtainable, less the estimated costs incurred in bringing the product to its present condition and selling expenses. Key items in SRV's inventories include work in progress, land areas and plot-owning companies, shares in completed housing corporations and real-estate companies. In particular, residential apartments, business premises and land plots are sensitive to market risk. The geographic location of such assets both on a national and regional level may affect the level of associated market risk, as there can be significant divergence in demand and market growth patterns between different regions and locations. If the value of SRV's assets is impaired, it could have an adverse effect on SRV's business, financial condition, results of operations and future prospects.

Risks Relating to the Notes

The Notes may not be a suitable investment for all investors.

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that investment in the Notes is consistent with its financial needs, objectives and condition, complies and is consistent with the investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the material risks inherent in investing in or holding the Notes.

A prospective investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or referred to in this Listing Prospectus;

- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact that the Notes can have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- (iv) understand fully the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either on its own or with the help of its financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Investors may lose their investment in the Notes.

Investors in the Notes are exposed to credit risk in respect of the Issuer. Should the Issuer become insolvent during the term of the Notes, investors may lose interest payable on, and the principal amount of, the Notes in whole or in part.

The Notes are not guaranteed or covered by any security.

The Notes are not obligations of anyone other than the Issuer and they are not guaranteed by any person or entity. No one other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes.

The Notes are unsecured debt instruments and the Noteholders would be unsecured creditors in the event of the Issuer's bankruptcy or other insolvency proceeding. Accordingly, the prospects of the Issuer may negatively impact the liquidity and the market price of the Notes and may increase the risk that the Noteholders will not receive prompt and full payment, when due, for interest, principal and/or any other amounts payable to the Noteholders pursuant to the Notes from time to time.

There is no public market for the Notes and if an active trading market for the Notes does not develop or is not maintained, it could have a material adverse effect on the market price of the Notes.

The Notes constitute a new issue of securities by the Issuer. Prior to the listing of the Notes on the Helsinki Stock Exchange and the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange, there is no public market for the Notes. Although applications will be made to list the Notes on the Helsinki Stock Exchange and the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange, no assurance can be given that such applications will be approved. In addition, the listing of the Notes will not guarantee that a liquid public market for the Notes will develop, and even if such a market were to develop, neither the Issuer nor the Managers are under any obligation to maintain such market. The liquidity and the market prices of the Notes can be expected to vary with changes in market and economic conditions, the financial condition and prospects of the Issuer and many other factors that generally influence the market prices of securities. Such factors may significantly affect the liquidity and the market prices of the Notes, which may trade at a discount to the price at which the Noteholders purchased the Notes.

If an active trading market for the Notes does not develop or is not maintained, it could have a material adverse effect on the market price of the Notes. Further, Noteholders may not be able to sell their Notes at all or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Moreover, if additional and competing products are introduced in the markets, it could have a material adverse effect on the market price of the Notes.

The fixed interest rate of the Notes exposes the investors in the Notes to the risk that the market price of such security could decrease as a result of changes in the market interest rate.

The Notes will bear interest on their outstanding principal at a fixed interest rate. A holder of a security with a fixed interest rate is exposed to the risk that the market price of such security could decrease as a result of changes in the market interest rate. While the nominal compensation rate of a security with a fixed interest rate is fixed during the life of such security or during a certain period of time, the current interest rate on the capital market (market interest rate) typically changes on a daily basis. If the market interest rate increases, the market price of such a security typically decreases until the yield of such security is approximately equal to the market interest rate. If the market interest rate decreases, the price of a security with a fixed interest rate typically increases until the yield of such a security is approximately equal to the market interest rate. Consequently, prospective investors in the Notes must be aware that movements in the market interest rate can adversely affect the price of the Notes and can lead to losses for Noteholders if they sell the Notes.

The Notes or the Issuer are not currently rated by any rating agency.

The Notes or the Issuer are not currently rated by any rating agency. Accordingly, investors are not able to refer to any independent credit rating when evaluating factors that may affect the value of the Notes.

The right to receive payments on the Notes is subject to time limitations.

Under the terms and conditions of the Notes, if any payment under the Notes has not been claimed by the respective Noteholder within three (3) years from the relevant due date thereof, the right to such payment shall become permanently forfeited. Such forfeiture to receive payment may cause financial losses to such Noteholders who have not claimed payment under the Notes within the time limit of three (3) years.

The completion of transactions relating to the Notes is reliant on Euroclear Finland's operations and systems.

The Notes are issued in the book-entry securities system of Euroclear Finland. Pursuant to the Finnish Act on Book-Entry System and Clearing Operations (749/2012, as amended), the Notes will not be evidenced by any physical note or document of title other than statements of account made by Euroclear Finland or its account operators. The Notes are dematerialised securities and title to the Notes is recorded and transfers of the Notes are effected only through the relevant entries in the Finnish book-entry securities system and registers maintained by Euroclear Finland and its account operators. Therefore, timely and successful completion of transactions relating to the Notes, including but not limited to transfers of, and payments made under, the Notes, depend on the Finnish book-entry securities system being operational when transactions are executed. Any malfunction or delay in the Finnish book-entry securities system may result in the transaction not to take place as expected or to be delayed, which may cause financial losses or damage to the Noteholders whose rights depended on the timely and successful completion of the transaction.

Neither the Issuer nor any other third party will assume any responsibility for the timely and full functionality of the Finnish book-entry securities system. Payments under the Notes will be made in accordance with the laws governing the Finnish book-entry securities system, the rules of Euroclear Finland and the terms and conditions of the Notes. For purposes of payments under the Notes, it is the responsibility of each Noteholder to maintain with its respective book-entry account operator up to date information on applicable bank accounts.

The rights of the Noteholders depend on the agent's actions and financial standing.

By subscribing for, or accepting the assignment of, any Note, each Noteholder will accept the appointment of an agent (being on the Issue Date Nordic Trustee Oy) to act on its behalf and to perform administrative functions relating to the Notes. The agent will have, among other things, the right to represent the Noteholders in all court and administrative proceedings in respect of the Notes. However, the rights, duties and obligations of the agent as the representative of the Noteholders will be subject to the provisions of the terms and conditions and the Agency Agreement (as defined in the terms and conditions of the Notes), and there is no specific legislation or market practice in Finland that would govern the agent's performance of its duties and obligations relating to the Notes. A failure by the agent to perform its duties and obligations properly or at all may adversely affect the enforcement of the rights of the Noteholders. Under the terms and conditions of the Notes, the funds collected by the agent as the representative of the Noteholders must be held separately from the funds of the agent and be treated as escrow funds to ensure that in the event of the agent's bankruptcy, such funds can be separated for the benefit of the Noteholders. In the event the agent would fail to separate the funds in an appropriate manner, the funds could be included in the agent's bankruptcy estate. The agent may be replaced by a successor agent in accordance with the terms and conditions of the Notes. Generally, the successor agent has the same rights and obligations as the retired agent. It may be difficult to find a successor agent with commercially acceptable terms or at all. Further, there can be no assurance that the successor agent would not breach its obligations under the Agency Agreement or that insolvency proceedings would not be initiated against it.

Nordic Trustee Oy being the agent on the Issue Date has a professional indemnity insurance, but; however, there can be no assurance whether this insurance will be maintained/renewed until the maturity of the Notes or whether any successor agent will have a liability insurance. If any of the above-mentioned risks materialise, it could have a material adverse effect on the enforcement of the rights of the Noteholders and the rights of the Noteholders to receive payments under the Notes.

Legislative amendments may take place during the term of the Notes.

The Notes are governed by the laws of Finland, as in force from time to time. Finnish laws and regulations, including, but not limited to, tax laws and regulations, governing the Notes may change during the term of the Notes and new judicial decisions can be given and new administrative practices can be implemented. The Issuer makes no representations as to the impact of any such changes of laws or regulations, or new judicial decisions or administrative practices after the date of this Listing Prospectus.

Legal investment considerations may restrict certain investments.

The investment activities of certain Noteholders are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential Noteholder should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any of the Notes. Financial institutions should

consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

The Issuer may issue additional debt and/or grant security.

Except for as set out in Condition 10.2 “Negative pledge” and Condition 10.6 “Limitation on indebtedness” of the terms and conditions of the Notes, the Issuer is not prohibited from issuing further notes or incurring other debt ranking *pari passu* or senior to the Notes or restricted from granting any security on any existing or future debts. Such issuance or incurrence of further debt or granting of security may reduce the amount recoverable by the Noteholders upon the winding-up or insolvency of the Issuer.

The Notes carry no voting rights at general meetings of shareholders of the Issuer.

The Notes carry no voting rights with respect to general meetings of shareholders of the Issuer. Consequently, in the Issuer’s general meetings of shareholders, the Noteholders cannot influence any decisions by the Issuer to redeem the Notes or any decisions by the Issuer’s shareholders concerning, for example, the capital structure of the Issuer.

Withholding tax may be levied on the Notes.

If withholding taxes are imposed in respect of payments to Noteholders on amounts due pursuant to the Notes, the Issuer is neither obliged to gross-up or otherwise compensate Noteholders for the differences in the amount that the Noteholders will receive as a result of the imposition of withholding taxes, nor are Noteholders entitled to a premature redemption of the Notes.

The Notes may be subject to early redemption.

As specified in the terms and conditions of the Notes, Noteholders are entitled to demand premature repayment of the Notes in cases specified in Condition 8.5 “Mandatory repurchase due to a Change of Control Event”, Condition 8.6 “Mandatory repurchase due to a Demerger Event (put option)” and Condition 11 “Acceleration of the Notes” of the terms and conditions of the Notes. Such premature repayment may adversely affect the ability of the Issuer to repay the Notes of such Noteholders who elect not to exercise their right to have their Notes prematurely repaid. Noteholders are also exposed to the risk that several debt obligations of the Issuer may become due simultaneously, as a result of which the Noteholder may have to wait for payment until the Issuer has paid the other debts that rank senior to the Notes.

Furthermore, if more than seventy-five (75) percent of the aggregate nominal principal amount of the Notes has been repurchased pursuant to demands by Noteholders owing to a change of control of the Issuer, the Issuer is entitled to repurchase also the remaining outstanding Notes at a price per Note equal to 101 percent of the nominal amount of the Note together with accrued but unpaid interest by notifying the relevant Noteholders of such repurchase. Also, if more than seventy-five (75) percent of the aggregate nominal principal amount of the Notes has been repurchased pursuant to demands by Noteholders owing to a demerger of the Issuer, the Issuer is entitled to repurchase also the remaining outstanding Notes at a price per Note equal to 100 percent of the nominal amount of the Note together with accrued but unpaid interest by notifying the relevant Noteholders of such repurchase. Moreover, the Issuer may redeem the Notes, in whole but not in part, at any time from and including 23 March 2019, but excluding 23 March 2020, at an amount equal to 100 percent of their nominal principal amount plus fifty (50) percent of the annual interest rate together with any accrued but unpaid interest and at any time from and including 23 March 2020, but excluding 23 March 2021, at an amount equal to 100 percent of their nominal principal amount plus twenty-five (25) percent of the annual interest rate together with any accrued but unpaid interest. In addition, the Issuer may redeem the Notes, in whole but not in part, at any time at an amount equal to 100 percent of their nominal principal amount together with any accrued but unpaid interest if it is or becomes unlawful for the Issuer to perform its obligations under the terms and conditions of the Notes. Any early redemption of the Notes triggers a so-called re-investment risk as the Noteholder cannot necessarily re-invest the prematurely returned principal amount with a yield as high as the Noteholder was to be paid under the Notes.

The terms and conditions of the Notes may be subject to amendments.

The terms and conditions of the Notes may be amended in certain circumstances, with the required consent of a defined majority of the Noteholders. The terms and conditions of the Notes contain provisions for calling Noteholders’ meetings and the Noteholders to attend Noteholders’ meetings to consider and vote upon matters affecting their interests generally. Resolutions passed at such Noteholders’ meetings will bind all Noteholders, including Noteholders who did not attend and vote at the relevant Noteholders’ meeting and Noteholders who voted against the requisite majority.

GENERAL INFORMATION

Issuer

SRV Group Plc
Tarvonsalmenkatu 15
FI-02600 Espoo
Finland

Joint Lead Managers for the Issue of the Notes

Pohjola Bank plc
Teollisuuskatu 1
FI-00510 Helsinki
Finland

Danske Bank A/S
2-12 Holmens Kanal
DK-1092 Copenhagen
Denmark

Co-manager for the Issue of the Notes

Dero Bank AG
Herzog-Wilhelm-Str. 26
80331 Munich
Germany

Legal Counsel to the Issuer

White & Case LLP
Eteläranta 14
FI-00130 Helsinki
Finland

Legal Counsel to the Joint Lead Managers

Hannes Snellman Attorneys Ltd
Eteläesplanadi 20
FI-00130 Helsinki
Finland

Auditor

PricewaterhouseCoopers Oy
Itämerentori 2
FI-00180 Helsinki
Finland
Auditor with the principal responsibility Samuli Perälä, Authorised Public Accountant

Agent for the Noteholders

Nordic Trustee Oy
Mikonkatu 1 B
FI-00100 Helsinki
Finland

Responsibility Statement

The Issuer accepts responsibility regarding the information included in this Listing Prospectus. Having taken all reasonable care to ensure that such is the case, the information included in this Listing Prospectus is, to the best of knowledge of the Issuer, in accordance with the facts and contains no omission likely to affect the import of such information.

Forward-looking Statements

This Listing Prospectus contains forward-looking statements about SRV that are not historical facts, but statements about future expectations. When used in this Listing Prospectus, the words “aims”, “anticipates”, “assumes”, “believes”, “could”, “estimates”, “expects”, “intends”, “may”, “plans”, “should”, “will”, “would” and similar expressions as they relate to SRV or SRV’s management, identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements are set forth in a number of places in this Listing Prospectus, including in the sections “*Summary*”, “*Tiivistelmä*”, “*Risk Factors*”, “*Business*”, and wherever this Listing Prospectus includes information on the future results, plans and expectations with regard to SRV, the future growth and profitability of SRV and the future general economic conditions to which SRV is exposed.

These forward-looking statements are based on SRV’s present plans, estimates, projections and expectations. They are based on certain expectations, which even though they seem to be reasonable at present, may turn out to be incorrect. Such forward-looking statements are based on assumptions and are subject to various risks and uncertainties. Prospective investors should not unduly rely on these forward-looking statements. Numerous factors may cause SRV’s actual results, realised revenues or performance to differ materially from the results, revenues and performance expressed or implied in the forward-looking statements. See “*Risk Factors*” for information on factors that could cause SRV’s actual results of operations, performance or achievements to differ materially.

SRV does not intend and does not assume any obligation to update any forward-looking statements contained herein unless required by applicable legislation.

Market Information

This Listing Prospectus contains information about the markets and industries in which SRV operates and SRV’s competitive position therein. Where such information contained in this Listing Prospectus has been derived from third party sources, the name of the source is given therein.

While the Company has accurately reproduced such third party information, the Company has not verified the accuracy of such information, market data or other information on which third parties have based their studies. As far as the Company is aware and is able to ascertain from information published by these third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Moreover, market studies are frequently based on information and assumptions that may not be exact or appropriate, and their methodology is by nature forward-looking and speculative.

This Listing Prospectus also contains estimates regarding the market position of SRV that cannot be gathered from publications by market research institutions or any other independent sources. In many cases, there is no publicly available information on such data, for example from industry associations, public authorities or other organisations and institutions. SRV believes that its internal estimates of market data and information derived therefrom and included in this Listing Prospectus are helpful in order to give investors a better understanding of the industry in which SRV operates as well as its position within this industry. Although the Company believes that its internal market estimates are fair, they have not been reviewed or verified by any external experts and the Company cannot guarantee that a third-party expert using different methods would obtain or generate the same results.

Availability of Documents

This Listing Prospectus will be published on SRV’s website at www.srv.com/investors on or about 24 March 2016. In addition, this Listing Prospectus will be available on request from OP Financial Group Debt Capital Markets unit and Danske Bank’s Debt Capital Markets unit.

No Incorporation of Website Information

This Listing Prospectus together with the documents incorporated by reference herein are available on SRV’s website at www.srv.com/investors. However, other contents of SRV’s website or any other website do not form a part of this Listing Prospectus (excluding the documents incorporated by reference into this Listing Prospectus as set forth in “*Documents Incorporated by Reference into this Listing Prospectus*”, which can be found on SRV’s website at www.srv.com/investors), and prospective investors should not rely on such information in making their decision to purchase the Notes.

Certain Other Information

Financial information set forth in this Listing Prospectus has been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total figure given for that column or row.

All references in this Listing Prospectus to “euro” and “EUR” refer to the currency of Economic and Monetary Union of the EU and all references to “rouble” or “RUB” refer to the currency of Russian Federation.

Notice to Investors in the EEA

This Listing Prospectus has been prepared on the basis that all offers of the Notes in the European Economic Area (the “EEA”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in the member states of the EEA, from the requirement to produce a prospectus under the Prospectus Directive for offers of securities. Accordingly, any person making or intending to make any offer of the Notes within the EEA should only do so in circumstances in which no obligation arises for the Issuer or the Managers to publish a prospectus under the Prospectus Directive for such offer. Neither the Issuer nor the Managers have authorised, nor do they authorise, the making of any offer of securities through any financial intermediary. In relation to each member state of the EEA that has implemented the Prospectus Directive (each a “Relevant Member State”), an offer to the public of any Notes may not be made in that Relevant Member State, except that an offer of the Notes to the public in that Relevant Member State may be made at any time under the following exemptions from the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to any legal entity that is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100, or if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive (Directive 2010/73/EU), 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Notes shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive by the Issuer or any of the Managers.

For the purposes of this provision, the expression an “offer to the public” in relation to any of the Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer of the Notes to be offered so as to enable an investor to decide to purchase any of the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

TERMS AND CONDITIONS OF THE NOTES

**TERMS AND CONDITIONS FOR
SRV GROUP PLC
EUR 100,000,000
SENIOR UNSECURED CALLABLE FIXED RATE NOTES**

ISIN: FI4000198122

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1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

In these terms and conditions (the “**Terms and Conditions**”):

“**Accounting Principles**” means international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC on the application of international accounting standards (or as otherwise adopted or amended from time to time, except where specifically stated to refer to such standards as in force on the Issue Date).

“**Adjusted Equity**” means, at any time, the aggregate of (i) the consolidated shareholders’ equity of the Group, (ii) minority interests, (iii) the principal amount drawn under any hybrid loan or capital loan (Fin: *pääomalaina*) by any Group Company and (iv) any profit from sold, unfinished construction projects (minus tax liability), each without double counting, if applicable.

“**Adjusted Nominal Amount**” means the Total Nominal Amount less the Nominal Amount of all Notes owned by a Group Company or an Affiliate of the Issuer, irrespective of whether such Group Company or an Affiliate of the Issuer is directly registered as owner of such Notes.

“**Affiliate**” means, in relation to any specified Person, another Person directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purpose of this definition, “control” when used with respect to any Person means the power to direct the management or policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**Agency Agreement**” means the agency agreement entered into on or before the Issue Date, between the Issuer and Nordic Trustee Oy, or any replacement agency agreement entered into after the Issue Date between the Issuer and a replacing Agent.

“**Agent**” means Nordic Trustee Oy, incorporated under the laws of Finland with corporate registration number 2488240-7, acting for and on behalf of the Noteholders in accordance with these Terms and Conditions, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

“**Book-Entry Securities System**” means the Infinity system being part of the book-entry register maintained by the CSD or any other replacing book-entry securities system.

“**Book-Entry System Act**” means the Finnish Act on Book-Entry System and Clearing Operations (Fin: *Laki arvo-osuusjärjestelmästä ja selvitystoiminnasta 749/2012*, as amended).

“**Business Day**” means a day on which the deposit banks are generally open for business in Helsinki and any TARGET Day.

“**Business Day Convention**” means the first following day that is a CSD Business Day.

“**Change of Control Event**” means the occurrence of an event or series of events whereby

- (a) any person (other than any Specified Person, as defined below) acting solely or any person (other than any Specified Person) and any company controlled by or under common control with such person acting together or any group of persons (other than any Specified Person) acting in concert acquires or acquire Control (as defined below) of the Issuer; or
- (b) any Specified Person acting solely or any group of Specified Persons hold or holds at least 90 (ninety) percent of the voting rights (being votes which are capable of being cast generally at meetings of shareholders) of the Issuer.

For the purposes of this definition:

- (c) “**acting in concert**” means a group of persons who, pursuant to an agreement or understanding (formal or informal), actively co-operate, through the acquisition and/or possession by any of them, either directly or indirectly, of shares in the Issuer, to obtain or consolidate Control of the Issuer.

- (d) “**Control**” means either (i) ownership of shares of the Issuer representing more than 50 (fifty) percent of the total voting rights represented by the shares of the Issuer; or (ii) capability of appointing the majority of the board of directors of the Issuer.
- (e) “**Specified Person**” means each of Ilpo Kokkila (born 1947, Republic of Finland), any of Ilpo Kokkila’s lineal descendants and any company controlled by or under common control of Ilpo Kokkila or any of Ilpo Kokkila’s lineal descendants.

“**Consolidated EBITDA**” means, in respect of a Relevant Period, the number set out under the heading “Operating Profit” (or any equivalent line item) in the consolidated financial statements of the Issuer plus the number set out under the heading “Depreciation and impairments” (or any equivalent line item) in the consolidated financial statements of the Issuer, both on a basis of twelve month rolling averages.

“**Consolidated Net Income**” means, for any Relevant Period, the net profit of the Group for the Relevant Period, determined on a consolidated basis in accordance with the Accounting Principles.

“**CSD**” means Euroclear Finland Oy, business identity code 1061446-0, Urho Kekkosen katu 5 C, P.O. Box 1110, 00101 Helsinki, Finland or any entity replacing the same as a central securities depository.

“**CSD Business Day**” means a day on which the Book-Entry Securities System is open in accordance with the regulations of the CSD.

“**Demerger**” means a demerger pursuant to Chapter 17 of the Finnish Companies Act (624/2006 as amended from time to time).

“**Demerger Event**” means that the Issuer applies for a registration of the draft terms of Demerger (in Finnish: *jakautumissuunnitelma*) according to Chapter 17 Section 5 of the Finnish Companies Act (21.7.2006/624).

“**Euro**” and “**EUR**” means the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.

“**Event of Default**” means an event or circumstance specified in paragraphs (a) to (f) of Clause 11.1.

“**Final Maturity Date**” means 23 March 2021.

“**Finance Charges**” means, for a Relevant Period, the aggregate of interest expenses accrued (whether in cash or capitalised) in respect of Financial Indebtedness of the Issuer or any other Group Company during that Relevant Period, calculated on a consolidated basis (other than interest on Financial Indebtedness between the Issuer and any other Group Company).

“**Financial Indebtedness**” means:

- (a) moneys borrowed;
- (b) the amount of any liability under any lease or hire purchase contracts which would, in accordance with the Accounting Principles be treated as a finance lease or a capital lease;
- (c) receivables sold or discounted, other than on a non-recourse basis provided that the requirements for de-recognition under the Accounting Principles are met;
- (d) any amount raised pursuant to any note purchase facility or the issue of any bond or note or similar instrument;
- (e) any other transaction, including the obligation to pay deferred purchase price, having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;
- (f) the marked-to-market value of derivative transactions entered into in connection with protection against, or in order to benefit from, the fluctuation in any rate or price and if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead; and
- (g) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and

- (h) liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (g) above, without double counting if applicable.

“**First Call Date**” means 23 March 2019.

“**Force Majeure Event**” has the meaning set forth in Clause 22.1.

“**Group**” means the Issuer and its Subsidiaries from time to time (each a “**Group Company**”).

“**Group Project Company**” means any company established by a Group Company for the purposes of project development and/or construction (in Finnish: *hankekehitys ja/tai rakentaminen*) and being a Subsidiary of the Issuer.

“**Incurrence Test**” means the financial test defined in Clause 10.5.

“**Insolvent**” means, in respect of a relevant Person, that it (i) is deemed to be insolvent within the meaning of Section 1 of Chapter 2 of the Finnish Bankruptcy Act (Fin: *Konkurssilaki* 120/2004, as amended) (or its equivalent in any other jurisdiction), (ii) admits inability to pay its debts as they fall due, (iii) suspends making payments on any of its debts, (iv) by reason of actual financial difficulties commences negotiations with its creditors (other than the Noteholders) with a view to rescheduling any of its indebtedness (including company reorganisation under the Finnish Act on Company Reorganisation (Fin: *Laki yrityksen saneerauksesta* 47/1993, as amended) (or its equivalent in any other jurisdiction)) or (v) is subject to involuntary winding-up, dissolution or liquidation.

“**Interest**” means the interest on the Notes calculated in accordance with Clauses 7.1 to 7.3.

“**Interest Cover Ratio**” means the ratio of Consolidated EBITDA to Net Finance Charges on a Group consolidated basis for the Relevant Period ending on the last day of the period covered by the most recent consolidated financial statements published by the Issuer in accordance with Clause 9.1.1.

“**Interest Payment Date**” means 23 March of each year or, to the extent such day is not a CSD Business Day, the CSD Business Day following from the application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 23 March 2017 and the last Interest Payment Date shall be the relevant Redemption Date.

“**Interest Period**” means (i) in respect of the first Interest Period, the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date (or a shorter period if relevant). An Interest Period shall not be adjusted by application of the Business Day Convention.

“**Interest Rate**” means 6.875 per cent. per annum.

“**Issue Date**” means 23 March 2016.

“**Issuer**” means SRV Group Plc, a public limited liability company incorporated under the laws of Finland with business identity code 1707186-8.

“**Issuing Agency Agreement**” means the agreement dated 9 March 2016 regarding services related to the Notes entered into by and between the Issuer and the Issuing Agent in connection with the issuance of the Notes (as amended and restated from time to time).

“**Issuing Agent**” means Pohjola Bank plc acting as issue agent (Fin: *liikkeeseenlaskijan asiamies*) and paying agent of the Notes for and on behalf of the Issuer, or any other party replacing the same as Issuing Agent in accordance with the regulations of the CSD.

“**Material Group Company**” means any Subsidiary of the Issuer consolidated in accordance with the financial reporting standards applied to the Issuer in the last annual consolidated financial statement (i) whose net revenues or total assets pursuant to its most recent audited nonconsolidated financial statements (or, if the relevant subsidiary itself prepares consolidated financial statements, whose consolidated net revenues or consolidated total assets pursuant to its most recent audited consolidated financial statements), which were used for the preparation of the most recent consolidated financial statements of the Issuer, amounts to at least 10 per cent. of the consolidated total net revenues and/or 10 per cent. of the consolidated total assets of the Group, and (ii) which is directly or indirectly majority-owned by the Issuer.

“**Net Finance Charges**” means, for the Relevant Period, the Finance Charges during that period less interest income during that period (other than interest income on Financial Indebtedness between the Issuer and any other Group Company).

“**Nominal Amount**” has the meaning set forth in Clause 2.4.

“**Non-Group Project Company**” means any company, other than a Group Project Company, of whose shares Group Companies own 50 per cent. or less and which is not considered as Subsidiary of the Issuer, for the purposes of project development (in Finnish: *hankekehitys*).

“**Noteholder**” means the Person who is registered in the register maintained by the CSD pursuant to paragraph 2 of Section 3 of Chapter 6 of the Book-Entry System Act as direct registered owner (Fin: *omistaja*) or nominee (Fin: *hallintarekisteröinnin hoitaja*) with respect to a Note.

“**Noteholders’ Meeting**” means a meeting among the Noteholders held in accordance with Clause 15 (Noteholders’ Meeting).

“**Notes**” means debt instruments, each for the Nominal Amount and of the type referred to in paragraph 1 of Section 34 of the Act on Promissory Notes (Fin: *Velkakirjalaki 622/1947*, as amended) (Fin: *joukkovelkakirja*) and which are governed by and issued under these Terms and Conditions.

“**Other Market**” means the unregulated market segment of the Frankfurt Stock Exchange (*Freiverkehr*).

“**Permitted Disposal**” means any sale, lease, transfer or other disposal that:

- (a) is a lawful payment of dividends or other distribution of funds in compliance with applicable company law;
- (b) is carried out at fair market value and on terms and conditions customary for such transactions; or
- (c) is arising under a sale of receivables on a non-recourse basis and on arms-length terms.

“**Permitted Guarantee**” means:

- (a) any guarantee given by a Group Company to or for the benefit of another Group Company, including but not limited to Group Project Companies, in the ordinary course of business;
- (b) any guarantee given by a Group Company for the benefit of a Non-Group Project Company as security for the rent obligations (in Finnish: *vuokratakaus*) of such Non-Group Project Company in the ordinary course of business, provided that the annual net guarantee liability of the Group for the rent obligations of all Non-Group Project Companies (annual net guarantee liability meaning the aggregate guarantee related negative cash flow less the aggregate amount of lease income related positive cash flow) does not exceed EUR 10,000,000 in any financial year; and
- (c) any guarantee given by a Group Company guaranteeing any Financial Indebtedness of a Non-Group Project Company provided that the aggregate amount of such guarantees does not at any time exceed EUR 30,000,000.

“**Permitted Loan**” means:

- (a) any trade credit extended by any Group Company to its customers in the ordinary course of business;
- (b) any loan granted by a Group Company to any other Group Company in the ordinary course of business; and
- (c) any loan granted by a Group Company to a Project Company in the ordinary course of business.

“**Permitted Security**” means:

- (a) any Security over the shares in and Permitted Loans owed by a Project Company securing any Project Debt of any Project Company relating to the same project;

- (b) any Security over or affecting any asset of a Project Company securing any Project Debt of any Project Company relating to the same project;
- (c) any Security over or affecting any land plot acquired by a Group Company securing Financial Indebtedness incurred by that Group Company to finance the acquisition cost of such land plot in the ordinary course of business;
- (d) any Security over or affecting any asset acquired by a Group Company after the Issue Date where such asset was already affected by such Security prior to the acquisition of the asset;
- (e) any credit support or close out netting or set-off arrangement arising under a derivative agreement entered into by a Group Company in connection with protection against fluctuation in currency or interest rates or price, provided that derivative transactions are carried out for hedging of actual or projected real exposures and not for speculative purposes;
- (f) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having a similar effect in respect of goods supplied to a Group Company in the ordinary course of trading;
- (g) any Security issued for any Financial Indebtedness incurred under paragraph (c) of Clause 10.6.4 (*Limitations on indebtedness*);
- (h) any Security securing Financial Indebtedness the principal amount of which (when aggregated with the principal amount of any other Financial Indebtedness which has the benefit of Security given by a Group Company other than any permitted under items (a) – (g) above) does not exceed EUR 7,500,000; and
- (i) any Security required under Finnish law governing such debt.

”**Person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality.

”**Project Companies**” means all Group Project Companies and Non-Group Project Companies together, each being a “**Project Company**”.

”**Project Debt**” means any Financial Indebtedness incurred by a Project Company in relation to any assets or projects solely for the purposes of financing the whole or any part of the acquisition, creation, construction or development of such assets or projects, to the extent that the financial institutions to which such Financial Indebtedness is owed have recourse solely to the assets or to the shares of that Project Company or its affiliated company, which is also a Project Company (for the avoidance of doubt, such Project Debt may be secured by a Permitted Security).

”**Record Time**” means:

- (a) in relation to a payment of Interest, default interest and/or redemption of the Notes when such payment is made through the Book-Entry Securities System, the end of the first CSD Business Day prior to, as applicable, (i) an Interest Payment Date, (ii) the day on which default interest is paid, (iii) a Redemption Date or (iv) a date on which a payment to the Noteholders is to be made under Clause 12 (*Distribution of proceeds*); and
- (b) in relation to a Noteholders’ Meeting and Written Procedure, the end of the CSD Business Day specified in the communication pursuant to Clause 15.3 or Clause 16.3, as applicable; and
- (c) otherwise, the end of the fifth CSD Business Day prior to another relevant date.

”**Redemption Date**” means the date on which the relevant Notes are to be redeemed or repurchased in accordance with Clause 8 (*Redemption and repurchase of the Notes*).

”**Reference Date**” means the last day of each financial quarter as reported by the Issuer under paragraphs (a) and (b) of Clause 9.1.1.

”**Relevant Market**” means the Helsinki Stock Exchange maintained by Nasdaq Helsinki Ltd.

”**Relevant Period**” means each period of twelve (12) consecutive calendar months.

”**Second Call Date**” means 23 March 2020.

“**Security**” means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any Person, or any other agreement or arrangement having a similar effect.

“**Subsidiary**” means, in relation to any Person, any Finnish or foreign legal entity (whether incorporated or not), in respect of which such Person, directly or indirectly, (i) owns shares or ownership rights representing more than fifty (50) per cent. of the total number of votes held by the owners, (ii) otherwise controls more than fifty (50) per cent. of the total number of votes held by the owners, (iii) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body, or (iv) exercises control as determined in accordance with the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC on the application of international accounting standards (or as otherwise adopted or amended from time to time).

“**Total Assets**” means the consolidated balance sheet total of the Group, less (i) advance payments received and (ii) net project periodization adjustments.

“**Total Nominal Amount**” means the aggregate Nominal Amount of all the Notes outstanding at the relevant time.

“**Written Procedure**” means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 16 (*Written Procedure*).

1.2 Construction

1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) an Event of Default is continuing if it has not been remedied or waived;
- (d) a provision of law is a reference to that provision as amended or re-enacted;
- (e) words denoting the singular number shall include the plural and vice versa; and
- (f) a time of day is a reference to Helsinki time.

1.2.2 When ascertaining whether a limit or threshold specified in Euro has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Euro for the previous Business Day, as published by the European Central Bank on its website (www.ecb.int). If no such rate is available, the most recent rate published by the European Central Bank shall be used instead.

1.2.3 No delay or omission of the Agent or of any Noteholder to exercise any right or remedy under these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

2. ISSUANCE AND STATUS OF THE NOTES

2.1 The Notes are denominated in Euro and each Note is constituted by these Terms and Conditions.

2.2 The Notes are offered for subscription in a minimum amount of EUR 100,000 by way of a private placement.

2.3 By subscribing for Notes, each initial Noteholder, and, by acquiring Notes, each subsequent Noteholder (i) agrees that the Notes shall benefit from and be subject to these Terms and Conditions and (ii) agrees to be bound by these Terms and Conditions.

2.4 The nominal amount (Fin: *arvo-osuuden yksikkökoko*) of each Note is EUR 1,000 (the “**Nominal Amount**”). The aggregate nominal amount of the Notes is EUR 100,000,000. All Notes are issued on the Issue Date on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.

2.5 The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them.

- 2.6 Each Note is freely transferable after it has been registered into the respective book-entry account of a Noteholder but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.

3. USE OF PROCEEDS

The proceeds from the issue, less the costs and expenses incurred by the Company in connection with the Issue of the Notes, are intended to be used to secure SRV's financing needs for the increasing construction volumes, especially the developer-contracting projects that require equity and financing and general corporate purposes.

4. CONDITIONS FOR DISBURSEMENT

- 4.1 The Issuing Agent shall pay the net proceeds from the issuance of the Notes to the Issuer on the later of (i) the Issue Date and (ii) the day on which the Agent notifies the Issuing Agent that it has received the following, in form and substance satisfactory to it:
- (a) the Issuing Agency Agreement and the Agency Agreement, duly executed by the parties thereto;
 - (b) a copy of a resolution from the board of directors of the Issuer (i) approving the issue of the Notes and these Terms and Conditions, the terms of the Issuing Agency Agreement and the Agency Agreement, and resolving to enter into such documents and any other documents necessary in connection therewith and (ii) authorising specified Persons to approve and execute any documents and take any other action necessary to consummate such issue; and
 - (c) evidence that the Persons who have signed the Issuing Agency Agreement, the Agency Agreement and any other documents in connection therewith on behalf of the Issuer are duly authorised to do so.
- 4.2 The Agent may assume that the documentation delivered to it pursuant to Clause 4.1 is accurate, correct and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation.
- 4.3 The Agent shall confirm to the Issuing Agent when it has received the documents and evidence referred to in Clause 4.1.

5. NOTES IN BOOK-ENTRY FORM

- 5.1 The Notes will be issued in dematerialised form in the Book-Entry Securities System in accordance with the Book-Entry System Act and regulations of the CSD and no physical notes will be issued.
- 5.2 Each Noteholder consents to the Issuer having a right to obtain information on the Noteholders, their contact details and their holdings of the Notes registered in the Book-Entry Securities System, such as information recorded in the lists referred to in paragraphs 2 and 3 of Section 3 of Chapter 6 of the Book-Entry System Act kept by the CSD in respect of the Notes and the CSD shall be entitled to provide such information upon request. At the request of the Agent or the Issuing Agent, the Issuer shall (and shall be entitled to do so) promptly obtain such information and provide it to the Agent or the Issuing Agent, as applicable.
- 5.3 The Agent and the Issuing Agent shall have the right to obtain information referred to in Clause 5.2 from the CSD in respect of the Notes if so permitted under the regulation of the CSD. The Issuer agrees that each of the Agent and the Issuing Agent is at any time on its behalf entitled to obtain information referred to in Clause 5.2 from the CSD in respect of the Notes.
- 5.4 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent as are notified by the Agent, in order for such individuals to independently obtain information referred to in Clause 5.2 directly from the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.
- 5.5 The Issuer, the Agent and the Issuing Agent may use the information referred to in Clause 5.2 only for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions with respect to the Notes and shall not disclose such information to any Noteholder or third party unless necessary for the before-mentioned purposes.

6. PAYMENTS IN RESPECT OF THE NOTES

- 6.1 Any payments under or in respect of the Notes pursuant to these Terms and Conditions shall be made to the Person who is registered as a Noteholder at the Record Time prior to an Interest Payment Date or other relevant due date in accordance with the Finnish legislation governing the Book-Entry Securities System and book-entry accounts as well as the regulations of the CSD.
- 6.2 If, due to any obstacle affecting the CSD, the Issuer cannot make a payment, such payment may be postponed until the obstacle has been removed. Any such postponement shall not affect the Record Time.
- 6.3 The Issuer is not liable to gross-up any payments under these Terms and Conditions by virtue of any withholding tax, public levy or the similar.
- 6.4 All payments to be made by the Issuer pursuant to these Terms and Conditions shall be made without (and free and clear of any deduction for) set-off or counterclaim.

7. INTEREST

- 7.1 Each Note carries Interest at the Interest Rate from (and including) the Issue Date up to (but excluding) the relevant Redemption Date.
- 7.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.
- 7.3 Interest shall be calculated on the "actual/actual ICMA" basis as specified by the International Capital Market Association.
- 7.4 If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (and including) the due date up to (but excluding) the date of actual payment at a rate which is one (1) percentage points higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent, the Issuing Agent or the CSD, in which case the Interest Rate shall apply instead.

8. REDEMPTION AND REPURCHASE OF THE NOTES

8.1 Redemption at maturity

The Issuer shall redeem all of the outstanding Notes in full on the Final Maturity Date with an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a CSD Business Day, then the redemption shall occur on the CSD Business Day determined by application of the Business Day Convention.

8.2 Issuer's purchase of Notes

The Issuer may at any time and at any price purchase any Notes on the market or in any other way, provided that if purchases are made through a tender offer, the possibility to tender must be made available to all Noteholders on equal terms. The Notes held by the Issuer may at the Issuer's discretion be retained, sold or cancelled by the Issuer.

8.3 Voluntary total redemption (call option)

- 8.3.1 The Issuer may redeem all, but not only some, of the outstanding Notes in full:
 - (a) any time from and including the First Call Date to, but excluding, the Second Call Date at an amount per Note equal to 100 per cent. of the Nominal Amount plus fifty (50) per cent. of the Interest Rate (calculated on the Nominal Amount for one year), together with accrued but unpaid Interest; and
 - (b) any time from and including the Second Call Date to, but excluding, the Final Maturity Date at an amount per Note equal to 100 per cent. of the Nominal Amount plus twenty-five (25) per cent. of the Interest Rate (calculated on the Nominal Amount for one year), together with accrued but unpaid Interest.
- 8.3.2 Redemption in accordance with Clause 8.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Noteholders and the Agent. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent.

Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Notes in full at the applicable amounts.

8.4 Early redemption due to illegality (call option)

- 8.4.1 The Issuer may redeem all, but not only some, of the outstanding Notes at an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest on a date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under these Terms and Conditions.
- 8.4.2 The Issuer shall give notice of any redemption pursuant to Clause 8.4.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse).
- 8.4.3 A notice of redemption in accordance with Clause 8.4.1 is irrevocable and, on the date specified in such notice, the Issuer is bound to redeem the Notes in full at the applicable amounts.

8.5 Mandatory repurchase due to a Change of Control Event (put option)

- 8.5.1 Upon the occurrence of a Change of Control Event, each Noteholder shall have the right to request that all, or only some, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of twenty (20) Business Days following a notice from the Issuer of the Change of Control Event pursuant to Clause 9.1.2 (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event.
- 8.5.2 The notice from the Issuer pursuant to Clause 9.1.2 shall specify the repurchase date that is a CSD Business Day and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall, or shall procure that a Person designated by the Issuer will, repurchase the relevant Notes and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 9.1.2. The repurchase date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 8.5.1.
- 8.5.3 The Issuer shall comply with the requirements of any applicable securities laws and regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 8.5, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 8.5 by virtue of the conflict.
- 8.5.4 Any Notes repurchased by the Issuer pursuant to this Clause 8.5 may at the Issuer's discretion be retained, sold or cancelled.
- 8.5.5 If Notes representing more than seventy-five (75) per cent of the aggregate nominal principal amount of the Notes have been repurchased pursuant to this Clause 8.5, the Issuer is entitled to repurchase all the remaining outstanding Notes at the price stated in Clause 8.5.1 above by notifying the remaining Noteholders of its intention to do so no later than twenty (20) Business Days after the latest possible repurchase date pursuant to Clause 8.5.2. Such prepayment may occur at the earliest on the tenth CSD Business Day following the date of such notice.

8.6 Mandatory repurchase due to a Demerger Event (put option)

- 8.6.1 Upon the publication of a plan to carry out a Demerger Event, the Issuer shall notify the Noteholders of the planned Demerger Event in accordance with Clause 9.1.3.
- 8.6.2 Each Noteholder shall have the right to request that all, or only some, of its Notes be repurchased at a price per Note equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of twenty (20) Business Days following a notice from the Issuer of the Demerger Event pursuant to Clause 9.1.3 (after which time period such right shall lapse).
- 8.6.3 The notice from the Issuer pursuant to Clause 9.1.3 shall specify the repurchase date that is a CSD Business Day and include instructions about the actions that a Noteholder needs to take

if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall, or shall procure that a Person designated by the Issuer will, repurchase the relevant Notes and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 9.1.3. The repurchase date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 8.6.2.

- 8.6.4 The Issuer shall comply with the requirements of any applicable securities laws and regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 8.6, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 8.6 by virtue of the conflict.
- 8.6.5 Any Notes repurchased by the Issuer pursuant to this Clause 8.6 may at the Issuer's discretion be retained, sold or cancelled.
- 8.6.6 If Notes representing more than seventy-five (75) per cent of the aggregate nominal principal amount of the Notes have been repurchased pursuant to this Clause 8.6, the Issuer is entitled to repurchase all the remaining outstanding Notes at the price stated in Clause 8.6.2 above by notifying the remaining Noteholders of its intention to do so no later than twenty (20) Business Days after the latest possible repurchase date pursuant to Clause 8.6.2. Such prepayment may occur at the earliest on the tenth CSD Business Day following the date of such notice.
- 8.6.7 Any Noteholder, whether or not it elects to exercise the right to require prepayment in the case of a Demerger Event, is deemed to have waived any and all statutory rights under applicable Finnish law to oppose the Demerger in its capacity as a Noteholder. The Noteholders have by these terms and conditions irrevocably authorised the Issuer to represent them with respect to the Finnish Trade Register in order to withdraw any notices opposing the Demerger.

9. INFORMATION TO NOTEHOLDERS

9.1 Information from the Issuer

- 9.1.1 The Issuer will make the following information available to the Noteholders by publication on the website of the Issuer:
 - (a) as soon as the same become available, but in any event within four (4) months after the end of each financial year, its audited consolidated financial statements for that financial year and annual report;
 - (b) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, its consolidated financial statements or the year-end report (Fin: *tilinpäätöstiedote*) (as applicable) for such period;
 - (c) as soon as practicable following an acquisition or disposal of Notes by a Group Company, the aggregate Nominal Amount held by the Group Companies, or the amount of Notes cancelled by the Issuer; and
 - (d) any other information required to be disclosed under the Finnish Securities Markets Act (Fin: *Arvopaperimarkkinalaki 746/2012*, as amended) and the rules and regulations of the Relevant Market and/or the Other Market.
- 9.1.2 The Issuer shall immediately notify the Noteholders and the Agent upon becoming aware of the occurrence of a Change of Control Event. Such notice may be given in advance of the occurrence of a Change of Control Event and be conditional upon the occurrence of such Change of Control Event if a definitive agreement is in place providing for a Change of Control Event.
- 9.1.3 The Issuer shall immediately notify the Noteholders and the Agent upon publishing a plan for the implementation of a Demerger Event. Such notice must be published no later than on the date that the announcement of the Demerger Event is published in the Finnish Official Gazette (in Finnish: *Virallinen Lehti*).

9.1.4 When the financial statements and other information are made available to the Noteholders pursuant to Clause 9.1.1, the Issuer shall send copies of such financial statements and other information to the Agent.

9.1.5 The Issuer shall:

- (a) together with the financial statements; and
- (b) upon the incurrence of Financial Indebtedness (other than as permitted in Clause 10.6.4),

submit to the Agent a compliance certificate in the form of Appendix 1 hereto (i) setting out calculations and figures as to compliance with Clause 10.4 (*Financial undertakings*) and Clause 10.5 (*Incurrence Test*), (ii) containing a confirmation that no Event of Default has occurred (or if an Event of Default has occurred, what steps have been taken to remedy it), and (iii) attaching copies of any notices sent to the Relevant Market and/or the Other Market.

9.1.6 The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.

9.2 Information from the Agent

9.2.1 Subject to the restrictions of a non-disclosure agreement entered into by the Agent with the Issuer, the Agent is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Agent shall notify the Noteholders of the occurrence of an Event of Default in accordance with Clause 11.3.

9.3 Publication of Terms and Conditions

The listing prospectus containing these Terms and Conditions (as well as any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.

10. GENERAL UNDERTAKINGS

10.1 Admission to trading

10.1.1 The Issuer shall use its best efforts to ensure that the loan constituted by these Terms and Conditions and evidenced by the Notes is admitted to trading on the Relevant Market within one (1) month after the Issue Date, and that it remains admitted or, if such admission to trading is not possible to obtain or maintain, admitted to trading or traded on another regulated market or multilateral trading facility (each as defined in Directive 2004/39/EC on markets in financial instruments).

10.1.2 Following an admission to trading, the Issuer shall take all actions on its part to maintain the admission for as long as any Notes are outstanding, but not longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations of the Relevant Market and the CSD, subsist.

10.1.3 Subject to admission being granted for trading the Notes on the Relevant Market, the Issuer may also apply for the inclusion to trading the Notes on the Other Market.

10.2 Negative pledge

10.2.1 The Issuer shall not (and shall procure that no other Group Company will), for so long as any of the Notes are outstanding, create or permit to subsist any Security or issue any guarantee (other than a Permitted Security or a Permitted Guarantee) to secure any interest bearing Financial Indebtedness, unless prior to or simultaneously therewith the Issuer's obligations under the Notes either (a) are secured equally and rateably therewith or (b) have the benefit of

such other Security or guarantee as shall be approved by a resolution of the Noteholders (as referred to in Clause 14).

- 10.2.2 Irrespective of what has been provided in Clause 10.2.1, above, the Issuer shall not (and shall ensure that no other Group Company will) grant any Security or issue any guarantee to secure any Project Debt other than Security granted by any Group Project Company for its own Project Debt, unless the Incurrence Test is met at the time of granting such Security or the issue of such guarantee.

10.3 Restrictions on asset disposals

- (a) The Issuer shall not (and shall procure that no other Group Company will) sell, transfer or otherwise dispose of all or a substantial part of the Group's assets (including shares or other securities in any Person) or operations (other than to the Issuer or another Group Company), unless such sale, transfer or disposal is a Permitted Disposal.
- (b) If any cash proceeds from a Permitted Disposal (whether by a single transaction or a series of transactions that can be deemed a single transaction) referred to in paragraph (a), above, exceed EUR 30,000,000 (or its equivalent in other currencies) (such cash the “**Cash Proceeds**”) the Issuer:
- (i) may within twelve (12) months after receipt thereof apply, and/or cause such Group Company to apply, such Cash Proceeds at its option only to make an investment in properties and/or assets that will be used in the business of the Group or in repayment or discharge of any Financial Indebtedness incurred by the Group Companies; and
- (ii) shall, to the extent the Cash Proceeds are not applied in accordance with sub-paragraph (i) above, apply the remaining Cash Proceeds towards repayment or discharge of any Financial Indebtedness incurred by the Group Companies without delay after the expiry of the twelve month period referred to in sub-paragraph (i) above,
- (c) As an alternative way to fulfil the requirement under paragraph (b), above, the Issuer may without undue delay after the expiry of the twelve month period referred to in paragraph (b)(i), above, offer to repurchase Notes for the higher of:
- (i) their Nominal Amount and
- (ii) the fair market value of the Notes,
- in which case the requirement under paragraph (b) shall be deemed fulfilled irrespective of whether any Notes are so repurchased.
- (d) For the avoidance of doubt, Cash Proceeds required to be applied in accordance with paragraph (b) or (c), above, shall be the entire amount of such proceeds and not only the amount in excess of EUR 30,000,000.

10.4 Financial undertaking

- (a) The Issuer undertakes that the ratio of Adjusted Equity to Total Assets shall on each Reference Date exceed twenty-six (26) per cent. calculated in accordance with the calculation principles set out in paragraph (b), below.
- (b) The ratio of Adjusted Equity to Total Assets shall be calculated in respect of each Reference Date using the percentage of completion method (in Finnish: *osatuloitus*) (not pursuant to the IFRIC 15) and determined in accordance with the Accounting Principles as in force on the Issue Date and by reference to the latest financial statements published pursuant to paragraphs (a) and (b) of Clause 9.1.1., and using Reference Date values for balance sheet items.

10.5 Incurrence Test

The Incurrence Test for the purposes of Clause 10.6 is met if the Interest Cover Ratio is no less than 2.0. determined in accordance with the Accounting Principles as in force on the Issue Date.

10.6 Limitation on indebtedness

- 10.6.1 As long as any Note remains outstanding, the Issuer shall not (and shall ensure that no other Group Company will) incur, directly or indirectly, any Financial Indebtedness unless the Incurrence Test is met at the time of incurrence of such Financial Indebtedness.
- 10.6.2 At the time of the incurrence of new Financial Indebtedness, for the purposes of calculating the Incurrence Test, (i) the aggregate pro forma interest expenses of the incurred Financial Indebtedness for the following 12 month period are added to the Net Finance Charges and (ii) to the extent such Financial Indebtedness is used to refinance existing Financial Indebtedness, the Finance Charges of that repaid Financial Indebtedness are deducted from the Net Finance Charges.
- 10.6.3 Without prejudice to Clause 10.2.2, Clause 10.6.1 does not apply to any Project Debt.
- 10.6.4 Clause 10.6.1 does not apply to any Financial Indebtedness:
- (a) arising under (i) any revolving credit facilities with financial institutions and/or (ii) any commercial paper program in a maximum aggregate principal amount at any time outstanding not exceeding EUR 100,000,000;
 - (b) arising under any bilateral overdraft facilities with credit institutions in a maximum aggregate principal amount at any time outstanding not exceeding EUR 22,000,000;
 - (c) arising under any pension loans from pension insurance companies (in Finnish: *TyEL takaisinlainaus*) in a maximum aggregate principal amount at any time outstanding not exceeding EUR 15,000,000; or
 - (d) existing as at the Issue Date and any refinancing thereof provided that the principal amount of such refinancing does not exceed the principal amount of the existing Financial Indebtedness being refinanced.

10.7 Restriction on mergers

The Issuer shall not carry out any merger or other business combination or corporate reorganisation involving the consolidation of assets and obligations with any other Person other than a Group Company and provided that the Issuer is the surviving entity.

10.8 Undertakings relating to the Agency Agreement

- 10.8.1 The Issuer shall, in accordance with the Agency Agreement:
- (a) pay fees to the Agent;
 - (b) indemnify the Agent for costs, losses and liabilities;
 - (c) furnish to the Agent all information requested by or otherwise required to be delivered to the Agent; and
 - (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.
- 10.8.2 The Issuer and the Agent shall not amend any provisions of the Agency Agreement without the prior consent of the Noteholders if the amendment would be detrimental to the interests of the Noteholders.

11. ACCELERATION OF THE NOTES

- 11.1 The Agent is entitled to, and shall following a demand in writing from a Noteholder (or Noteholders) representing at least twenty-five (25) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a Person who is a Noteholder at the end of the Business Day on which the demand is received by the Agent and shall, if made by several Noteholders, be made by them jointly) or following an instruction given pursuant to Clause 11.4, on behalf of the Noteholders (i) by notice to the Issuer, declare all, but not only some, of the outstanding Notes due and payable together with any other amounts payable under these Terms and Conditions, immediately or at such later date as the Agent determines, and/or (ii) exercise any or all of its rights, remedies, powers and discretions under these Terms and Conditions, if:

- (a) the Issuer does not pay on the due date any amount payable by it under these Terms and Conditions, unless the non-payment:
 - (i) is caused by technical or administrative error; and
 - (ii) is remedied within five (5) Business Days from the due date;
- (b) the Issuer does not comply with these Terms and Conditions, unless the non-compliance:
 - (i) is capable of remedy; and
 - (ii) is remedied within twenty (20) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance;
- (c) these Terms and Conditions become invalid, ineffective or varied, and such invalidity, ineffectiveness or variation has a detrimental effect on the interests of the Noteholders;
- (d) any Material Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent;
- (e) any attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, affects any material asset of a Material Group Company and is not discharged within fourteen (14) Business Days; or
- (f) any (i) outstanding Financial Indebtedness of the Issuer or any Material Group Company in a minimum amount of EUR 2,000,000 or its equivalent in any other currency or (ii) amount payable by the Issuer or any Material Group Company under any guarantee for any Financial Indebtedness given by the Issuer or any Material Group Company in a minimum amount of EUR 2,000,000 or its equivalent in any other currency, is accelerated prematurely because of event of default, howsoever described, or if any such Financial Indebtedness is not repaid on the due date thereof or within any applicable grace period after the due date, or if any Security given by the Issuer or any Material Group Company for any such Financial Indebtedness becomes enforceable by reason of a payment default or any other event of default.

A Noteholder shall not be entitled to demand repayment under paragraph (f), above, if the Issuer or its Material Group Company has bona fide disputed the existence of the occurrence of an event of default referred to in paragraph (f) in the relevant court or in arbitration and such dispute has not been finally and adversely adjudicated against the Issuer or its Material Group Company without a right to appeal.

- 11.2 The Agent may not accelerate the Notes in accordance with Clause 11.1 by reference to a specific Event of Default if it is no longer continuing.
- 11.3 The Agent shall notify the Noteholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, except if the Event of Default does not relate to a payment failure in respect of the Notes and the Agent considers that withholding the notice is not detrimental to the interests of the Noteholders. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing (and if the Event of Default does not relate to a payment failure in respect of the Notes, within sixty (60) Business Days, decide if the Notes shall be so accelerated. If the Agent decides not to accelerate the Notes, the Agent shall promptly seek instructions from the Noteholders in accordance with Clause 14 (*Decisions by Noteholders*). The Agent shall always be entitled to take the time necessary to consider carefully whether an occurred event or circumstance constitutes an Event of Default.
- 11.4 If the Noteholders instruct the Agent to accelerate the Notes or any part thereof, the Agent shall promptly declare the Notes due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Noteholders under these Terms and Conditions, unless the relevant Event of Default is no longer continuing.
- 11.5 If the right to accelerate the Notes is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 11.6 In the event of an acceleration of the Notes in accordance with this Clause 11, the Issuer shall redeem all Notes at an amount per Note equal to 100 per cent. of the Nominal Amount plus accrued and unpaid interest.

12. DISTRIBUTION OF PROCEEDS

12.1 All payments by the Issuer relating to the Notes and these Terms and Conditions following an acceleration of the Notes in accordance with Clause 11 (*Acceleration of the Notes*) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:

- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Noteholders) and/or the Issuing Agent in accordance with the Issuing Agency Agreement, (ii) other costs, expenses and indemnities relating to the acceleration of the Notes, or the protection of the Noteholders' rights in each case as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 18.2.7, and (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 14.12;
- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date) and default interest payable pursuant to Clause 7.4;
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under these Terms and Conditions.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall be paid to the Issuer.

12.2 If a Noteholder or another party has with the consent of the Agent paid any fees, costs, expenses or indemnities referred to in Clause 12.1(a), such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 12.1(a).

12.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes constitute escrow funds and must be held on a separate interest-bearing account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 12 as soon as reasonably practicable.

12.4 If the Issuer or the Agent shall make any payment under this Clause 12, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Time, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Time specified in Clause 6.1 shall apply.

13. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER

13.1 If any Person other than a Noteholder wishes to exercise any rights specifically allocated to Noteholders under these Terms and Conditions, it must obtain a power of attorney from the Noteholder or a successive, coherent chain of powers of attorney starting with the Noteholder and authorising such Person or provide other evidence of ownership or authorisation satisfactory to the Agent.

13.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under these Terms and Conditions in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney.

13.3 The Agent shall only have to examine the face of a power of attorney or other evidence of authorisation that has been provided to it pursuant to Clause 13.1 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or is otherwise notified to the Agent.

14. DECISIONS BY NOTEHOLDERS

14.1 A request by the Agent for a decision by the Noteholders on a matter relating to these Terms and Conditions shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.

- 14.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Noteholder on the Business Day immediately preceding the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to these Terms and Conditions shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way of a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting or by way of a Written Procedure, the Agent shall have the right to decide where such matter shall be dealt with.
- 14.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Noteholders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 14.4 Only a Person who is, or who, directly or indirectly, has been provided with a power of attorney pursuant to Clause 13 (*Right to act on behalf of a Noteholder*) from a Person who is registered as a Noteholder:
- (a) at the Record Time on the CSD Business Day specified in the communication pursuant to Clause 15.3, in respect of a Noteholders' Meeting, or
 - (b) at the Record Time on the CSD Business Day specified in the communication pursuant to Clause 16.3, in respect of a Written Procedure,
- may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure in respect of Notes held by such Person at the relevant Record Time, provided that the relevant Notes are included in the Adjusted Nominal Amount.
- 14.5 The following matters shall require the consent of Noteholders representing at least 75 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3:
- (a) a change to the terms of any of Clause 2.1, and Clauses 2.5 and 2.6;
 - (b) a change to the terms for the distribution of proceeds set out in Clause 12 (*Distribution of proceeds*);
 - (c) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 14;
 - (d) a change of issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
 - (e) a mandatory exchange of the Notes for other securities; and
 - (f) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 11 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.
- 14.6 Any matter not covered by Clause 14.5 shall require the consent of Noteholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3. This includes, but is not limited to, any amendment to, or waiver of, these Terms and Conditions that does not require a higher majority (other than an amendment permitted pursuant to Clause 17.1(a) or (b)), an acceleration of the Notes.
- 14.7 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 14.5, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Noteholders' Meeting, attend the meeting in person (or appear through duly authorised representatives); or
 - (b) if in respect of a Written Procedure, reply to the request.

- 14.8 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 15.1) or initiate a second Written Procedure (in accordance with Clause 16.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Noteholders' consent. The quorum requirement in Clause 14.7 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 14.9 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under these Terms and Conditions shall be subject to the Issuer's or the Agent's consent, as applicable.
- 14.10 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 14.11 A matter decided at a duly convened and held Noteholders' Meeting or by way of a Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure.
- 14.12 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 14.13 If a decision is to be taken by the Noteholders on a matter relating to these Terms and Conditions, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by Group Companies, irrespective of whether such Person is directly registered as owner of such Notes. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Note is owned by a Group Company.
- 14.14 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Noteholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

15. NOTEHOLDERS' MEETING

- 15.1 The Agent shall convene a Noteholders' Meeting by sending a notice thereof to the CSD and each Noteholder no later than five (5) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).
- 15.2 Should the Issuer want to replace the Agent, it may convene a Noteholders' Meeting in accordance with Clause 15.1 with a copy to the Agent. After a request from the Noteholders pursuant to Clause 18.4.4, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 15.1.
- 15.3 The notice pursuant to Clause 15.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders), (iv) a specification of the CSD Business Day at the end of which a Person must be registered as a Noteholder in order to be entitled to exercise voting rights at the meeting and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 15.4 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days from the date of the notice.
- 15.5 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate.

16. WRITTEN PROCEDURE

- 16.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to the CSD and each Person who is registered as a Noteholder at the Record Time prior to the date on which the communication is sent.
- 16.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 16.1 to each Noteholder with a copy to the Agent.
- 16.3 A communication pursuant to Clause 16.1 shall include (i) each request for a decision by the Noteholders, (ii) a description of the reasons for each request, (iii) a specification of the CSD Business Day at the end of which a Person must be registered as a Noteholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 16.1). If the voting is to be made electronically, instructions for such voting shall be included in the communication.
- 16.4 When a consent from the Noteholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 14.5 or 14.6 has been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 14.5 or 14.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

17. AMENDMENTS AND WAIVERS

- 17.1 The Issuer and the Agent (acting on behalf of the Noteholders) may agree to amend these Terms and Conditions or waive a past default or anticipated failure to comply with any provision in these Terms and Conditions, provided that:
- (a) such amendment or waiver is not detrimental to the interest of the Noteholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (c) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 14 (*Decisions by Noteholders*).
- 17.2 The consent of the Noteholders is not necessary to approve the particular form of any amendment to these Terms and Conditions. It is sufficient if such consent approves the substance of the amendment.
- 17.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 17.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to these Terms and Conditions are published in the manner stipulated in Clause 9.3 (*Publication of Terms and Conditions*). The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.
- 17.4 An amendment to these Terms and Conditions shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

18. APPOINTMENT AND REPLACEMENT OF THE AGENT

18.1 Appointment of Agent

- 18.1.1 By subscribing for Notes, each initial Noteholder, and, by acquiring Notes, each subsequent Noteholder:
- (a) agrees to and accepts the appointment of the Agent to act as its agent and representative in all matters relating to the Notes and these Terms and Conditions, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder and to exercise such rights, powers, authorities and discretions as are specifically

delegated to the Agent by these Terms and Conditions together with all such rights, powers, authorities and discretions as are incidental thereto; and

(b) agrees to and accepts that, upon the Agent delivering an acceleration notice in accordance with Clause 11.1, it will be considered to have irrevocably transferred to the Agent all its procedural rights and legal authority to claim and collect any and all receivables under the Notes and to receive any funds in respect of the Notes (Fin: *prokurasiirto*) as a result of which transfer, the Agent shall be irrevocably entitled to take all such action in its own name but on behalf of and for the benefit of each Noteholder (at the expense of the Noteholders).

18.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents (in form and substance satisfactory to the Agent) that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions. The Agent is under no obligation to represent a Noteholder which does not comply with such request if due to such failure the Agent is unable to represent such Noteholder.

18.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions.

18.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in these Terms and Conditions and the Agency Agreement and the Agent's obligations as Agent under these Terms and Conditions are conditioned upon the due payment of such fees and indemnifications.

18.1.5 The Agent may act as agent or other representative for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

18.2 Duties of the Agent

18.2.1 The Agent shall represent the Noteholders in accordance with these Terms and Conditions. Except as specified in Clause 4 (*Conditions for disbursement*), the Agent is not responsible for the execution or enforceability of these Terms and Conditions.

18.2.2 When acting in accordance with these Terms and Conditions, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall carry out its duties under these Terms and Conditions in a reasonable, proficient and professional manner, with reasonable care and skill.

18.2.3 The Agent shall monitor the compliance by the Issuer with its obligations under these Terms and Conditions on the basis of information made available to it pursuant to these Terms and Conditions or received from a Noteholder. The Agent is not obligated to assess the Issuer's financial situation other than as expressly set out in these Terms and Conditions.

18.2.4 The Agent is entitled to take any step it in its sole discretion considers necessary or advisable to protect the rights of the Noteholders pursuant to these Terms and Conditions.

18.2.5 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under these Terms and Conditions.

18.2.6 The Agent shall treat all Noteholders equally and, when acting pursuant to these Terms and Conditions, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in these Terms and Conditions.

18.2.7 The Agent is entitled to engage external experts when carrying out its duties under these Terms and Conditions. The Issuer shall on demand by the Agent pay all costs reasonably incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Noteholders

under these Terms and Conditions. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under these Terms and Conditions shall be distributed in accordance with Clause 12 (*Distribution of proceeds*).

- 18.2.8 Notwithstanding any other provision of these Terms and Conditions to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 18.2.9 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 18.2.10 The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under these Terms and Conditions by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under these Terms and Conditions or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 18.2.9.

18.3 Limited liability for the Agent

- 18.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 18.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 18.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to these Terms and Conditions to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 18.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 14 (*Decisions by Noteholders*) or a demand by Noteholders given pursuant to Clause 11.1.
- 18.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, these Terms and Conditions shall not be subject to set-off against the obligations of the Issuer to the Noteholders under these Terms and Conditions.

18.4 Replacement of the Agent

- 18.4.1 Subject to Clause 18.4.7, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall in consultation with the Issuer appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of a Written Procedure initiated by the retiring Agent.
- 18.4.2 Subject to Clause 18.4.7, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent.
- 18.4.3 Any successor Agent appointed pursuant to this Clause 18.4 must be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 18.4.4 A Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Noteholder at the end of the Business Day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new

Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of a Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.

- 18.4.5 If the Noteholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Agent.
- 18.4.6 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under these Terms and Conditions.
- 18.4.7 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 18.4.8 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of these Terms and Conditions but shall, in respect of any action which it took or failed to take whilst acting as Agent, (a) remain entitled to the benefit of these Terms and Conditions and (b) remain liable under these Terms and Conditions. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under these Terms and Conditions as they would have had if such successor had been the original Agent.
- 18.4.9 In the event that there is a change of the Agent in accordance with this Clause 18.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under these Terms and Conditions and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

19. NO DIRECT ACTIONS BY NOTEHOLDERS

- 19.1 A Noteholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to these Terms and Conditions, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Fin: *yrityssaneeraus*) or bankruptcy (Fin: *konkurssi*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations of the Issuer under these Terms and Conditions.
- 19.2 Clause 19.1 shall not apply if:
 - (a) the Agent has been instructed by the Noteholders in accordance with these Terms and Conditions to take any of the actions referred to in Clause 19.1 but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 18.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take such actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under these Terms and Conditions or the Agency Agreement or by any reason described in Clause 18.2.9, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 18.2.10 before a Noteholder may take any action referred to in Clause 19.1; and
 - (b) the Noteholders have resolved pursuant to these Terms and Conditions that, upon the occurrence of a failure by the Agent referred to in (a) above, a Noteholder shall have the right to take any action referred to in Clause 19.1.
- 19.3 The provisions of Clause 19.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due to it under Clause 8.5 (*Mandatory repurchase due to a Change of Control Event (call option)*), Clause 8.6 (*Mandatory repurchase due to a Demerger Event (call option)*) or other payments which are due by the Issuer to some but not all Noteholders.

20. PRESCRIPTION

- 20.1 The right to receive payment of the principal of or interest on the Notes shall be prescribed and become void three (3) years from the date on which such payment became due.
- 20.2 If a limitation period is duly interrupted in accordance with the Finnish Act on Limitations (Fin: *Laki velan vanhentumisesta* 728/2003, as amended), a new limitation period of at least three (3) years will commence.

21. NOTICES AND RELEASES

21.1 Notices

- 21.1.1 Any notice or other communication to be made under or in connection with these Terms and Conditions:
- (a) if to the Agent, shall be given at the address registered with the Finnish Companies Registration Office on the Business Day prior to dispatch;
 - (b) if to the Issuing Agent, shall be given at the address registered with the Finnish Trade Register on the Business Day prior to dispatch and designated "To the attention of Legal Services";
 - (c) if to the Issuer, shall be given at the address registered with the Finnish Trade Register on the Business Day prior to dispatch and designated "To the attention of Group Treasury"; and
 - (d) if to the Noteholders, shall be given at their addresses as registered with the CSD, at the Record Time prior to dispatch, and by either courier delivery or letter for all Noteholders. A Notice to the Noteholders shall also be published on the websites of the Issuer and the Agent.
- 21.1.2 Any notice or other communication made by one Person to another under or in connection with these Terms and Conditions shall be in English and sent by way of courier, fax, e-mail, personal delivery or letter and will become effective, in the case of courier or personal delivery, when it has been left at the address specified in Clause 21.1.1 or, in the case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 21.1.1 or, in the case of fax or e-mail, when actually received in a readable form.
- 21.1.3 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.

21.2 Releases

- 21.2.1 Any notice that the Issuer or the Agent shall send to the Noteholders pursuant to Clauses 8.3.2, 9.1.2, 9.1.3, 15.1, 16.1 and 17.3 shall also be published
- (a) by a notice published in *Kauppa-lehti*, *Helsingin Sanomat* or any other major Finnish newspaper selected by the Issuer, or if applicable, the Agent; and/or
 - (b) by a stock exchange release on the Relevant Market; and/or
 - (c) to the extent applicable, by a stock exchange release on the Other Market.
- Any such notice shall be deemed to have been received by the Noteholders when published in any manner specified in this Clause 21.2.1.
- 21.2.2 In addition to Clause 21.2.1, if any information relating to the Notes or the Issuer contained in a notice the Agent may send to the Noteholders under these Terms and Conditions has not already been made public in accordance with these Terms and Conditions, the Agent shall before it sends such information to the Noteholders give the Issuer the opportunity to make public such information in accordance with these Terms and Conditions. If the Issuer does not promptly make public such information and the Agent considers it necessary to make such information public in accordance with Clause 21.2.1 before it can lawfully send a notice containing such information to the Noteholders, the Agent shall be entitled to do so.

22. FORCE MAJEURE AND LIMITATION OF LIABILITY

- 22.1 Neither the Issuer, the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott,

blockade or any other similar circumstance (a “Force Majeure Event”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.

- 22.2 The Issuing Agent shall have no liability to the Noteholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 22.3 Should a Force Majeure Event arise which prevents the Issuer, the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 22.4 The provisions in this Clause 22 apply unless they are inconsistent with the provisions of the Book-Entry System Act which provisions shall take precedence.

23. GOVERNING LAW AND JURISDICTION

- 23.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Finland without regard to its principles and rules on conflict of laws.
 - 23.2 The Issuer submits to the non-exclusive jurisdiction of the Finnish courts with the District Court of Helsinki (Fin: *Helsingin käräjäoikeus*) as the court of first instance.
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APPENDIX 1 (Compliance Certificate)

COMPLIANCE CERTIFICATE

To: NORDIC TRUSTEE OY as Agent

From: SRV GROUP PLC as Issuer

Place and date: In [●], on the [●] day of [●] 20[●]

Dear Madams/Sirs,

We refer to the senior, unsecured callable fixed rate notes issued by us on [●] 2016 with an aggregate nominal amount of EUR [●] (the “Notes”).

1. We refer to the Terms and Conditions of the Notes. This is a compliance certificate. Terms defined in the Terms and Conditions of the Notes have the same meaning when used in this compliance certificate unless given a different meaning in this compliance certificate.
2. [On [] [we [intend to]/[have] incur[red] Financial Indebtedness in the form of []].]
3. [We confirm that in respect of relevant the Relevant Period, the Interest Cover Ratio is [●]].]
4. [We confirm that on the applicable Reference Date, the Adjusted Equity to Total Assets is [●].]
5. [We confirm that no Event of Default is continuing.]*]
6. This compliance certificate is governed by Finnish law.

SRV GROUP PLC
as Issuer

Name:

(*) If this statement cannot be made, the certificate shall identify any Event of Default that is continuing and the steps, if any, being taken to remedy it.

ADDITIONAL INFORMATION ON THE ISSUE OF THE NOTES

Decisions and authorisations.....	Authorisation of the Board of Directors of the Issuer dated 7 March 2016.
Type of issue.....	The Notes were offered for subscription mainly to institutional investors. The maximum principal amount of the Notes (EUR 100,000,000) was issued on 23 March 2016.
Interest of the Managers of the issue of the Notes and the agent for the Noteholders	Business interest customary in the financial markets.
Listing	Applications will be made to have the Notes listed on the Helsinki Stock Exchange and the Open Market (<i>Freiverkehr</i>) of the Frankfurt Stock Exchange.
Estimated time of listing.....	On or about 29 March 2016.
Yield and duration	As at the Issue Date, the duration of the Notes was 4.4 years, and their annual yield to maturity at the issue price of 100 percent was 6.875 percent.
Expenses	The Issuer's estimated expenses relating to the issue of the Notes are approximately EUR 1.2 million.
Reasons for the issue and use of proceeds...	The proceeds from the issue, less the costs and expenses incurred by the Company in connection with the issue of the Notes, are intended to be used to secure SRV's financing needs for the increasing construction volumes, especially the developer-contracting projects that require equity and financing and for general corporate purposes.
Address of Euroclear Finland.....	Urho Kekkosen katu 5 C, FI-00100 Helsinki, Finland.

SELECTED FINANCIAL INFORMATION

The following tables set forth selected consolidated financial and other information for the Company as at and for the years ended 31 December 2015 and 2014. The selected consolidated financial information set forth below has been derived from the Company's audited consolidated financial statements as at and for the year ended 31 December 2015, including audited comparative financial information as at and for the year ended 31 December 2014. The Company's consolidated financial information has been prepared in accordance with IFRS as adopted by the EU.

	For the year ended 31 December	
	2015	2014
	(audited)	
	(EUR in millions, unless otherwise indicated)	
CONSOLIDATED INCOME STATEMENT		
Revenue	719.1	684.4
Other operating income	1.8	4.9
Change in inventories of finished goods and work in progress	24.7	(54.6)
Use of materials and services	(639.1)	(533.2)
Employee benefit expenses	(64.6)	(63.2)
Share of profits of associated and joint venture companies	(0.1)	1.0
Depreciation and impairments	(3.5)	(2.0)
Other operating expenses	<u>(13.8)</u>	<u>(12.5)</u>
Operating profit	24.4	24.9
Financial income	5.0	2.8
Financial expenses	(11.8)	(9.2)
Financial income and expenses, total	<u>(6.8)</u>	<u>(6.4)</u>
Profit before taxes	17.6	18.5
Income taxes	<u>(3.6)</u>	<u>(3.2)</u>
Net profit for the financial year	<u>14.0</u>	<u>15.4</u>
Attributable to		
Equity holders of the parent company	14.0	15.2
Non-Controlling interests	0.0	0.2
Earnings per share attributable to equity holders of the parent company, EUR	0.25	0.30
Earnings per share attributable to equity holders of the parent company (diluted), EUR	0.25	0.30

	As at 31 December	
	2015	2014
	(audited)	
	(EUR in millions)	
CONSOLIDATED BALANCE SHEET		
ASSETS		
Non-current assets		
Property, plant and equipment	10.7	11.3
Goodwill	1.7	1.7
Other intangible assets	1.9	0.7
Shares in associated and joint venture companies	206.6	100.0
Other financial assets	11.7	9.2
Receivables	0.7	0.9
Loan receivables from associated companies and joint ventures	31.2	30.0
Deferred tax assets	7.3	7.0
Non-current assets, total	271.9	160.8
Current assets		
Inventories	336.6	312.8
Trade and other receivables	111.9	82.6
Loan receivables from associated companies and joint ventures	5.6	1.1
Current tax receivables	1.6	0.3
Cash and cash equivalents	35.0	18.4
Current assets, total	490.8	415.2
ASSETS TOTAL	<u>762.6</u>	<u>576.1</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent company		
Share capital	3.1	3.1
Invested free equity fund	141.2	92.3
Translation differences	(7.2)	(5.3)
Fair value reserve	(1.4)	(0.9)
Hybrid Bond	45.0	45.0
Retained earnings	95.7	90.3
Equity attributable to equity holders of the parent company, total	276.4	224.4
Non-controlling interests	0.8	0.8
Equity, total	277.2	225.2
Non-current liabilities		
Deferred tax liabilities	2.3	1.5
Provisions	6.3	6.5
Interest-bearing liabilities	163.2	147.0
Other liabilities	4.0	0.0
Non-current liabilities, total	175.8	155.1
Current liabilities		
Trade and other payables	201.4	111.5
Current tax payable	0.8	2.7
Provisions	4.8	4.0
Interest-bearing liabilities	102.6	77.6
Current liabilities, total	309.6	195.8
Liabilities, total	485.4	350.9
EQUITY AND LIABILITIES, TOTAL	<u>762.6</u>	<u>576.1</u>

As at and for the
year ended 31 December

	2015	2014
	(audited)	
	(EUR in millions)	
CONSOLIDATED CASH FLOW STATEMENT		
Cash flow from operating activities		
Net profit for the year	14.0	15.4
Adjustments:		
Depreciation and impairments	3.5	2.0
Non-cash transactions	1.6	1.2
Financial income and expenses	6.8	6.4
Income taxes	<u>3.6</u>	<u>3.2</u>
Adjustments, total	15.5	12.8
Changes in working capital		
Change in loan receivables	(1.0)	(0.8)
Change in trade and other receivables	(29.3)	(8.3)
Change in inventories	(24.6)	50.8
Change in trade and other payables	<u>95.1</u>	<u>(7.1)</u>
Changes in working capital, total	40.2	34.7
Interest and other financial costs paid	(14.7)	(14.7)
Interest received	0.0	0.2
Income taxes paid	<u>(5.3)</u>	<u>(1.5)</u>
Net cash from operating activities	49.7	47.0
Cash flow from investing activities		
Property, plant and equipment	(2.4)	(2.5)
Intangible assets	(1.6)	(0.1)
Other financial assets	(110.1)	(31.1)
Sale of property, plant and equipment and intangible assets	-	0.1
Change in associated and joint venture companies' loan receivables	<u>(4.5)</u>	<u>-</u>
Net cash used in investing activities	(118.5)	(33.7)
Cash flow from financing activities		
Proceeds from loans	29.6	10.7
Repayments of loans	(58.2)	(10.2)
Change in housing corporation loans	13.1	(15.8)
Change in credit limits	56.6	(65.4)
Net cash from share issue	48.6	-
Purchase of treasury shares	0.0	0.2
Dividends paid	<u>(4.3)</u>	<u>(4.3)</u>
Net cash from financing activities	85.5	(84.8)
Net change in cash and cash equivalents	16.6	(71.5)
Cash and cash equivalents at the beginning of financial year	18.4	90.0
Effects on exchange rate fluctuations on cash held	<u>0.0</u>	<u>(0.0)</u>
Cash and cash equivalents at the end of financial year	<u>35.0</u>	<u>18.4</u>

**As at and for the
year ended 31 December**

	2015	2014
	(audited)	
	(EUR in millions, unless otherwise indicated)	

GROUP KEY FIGURES

Revenue	719.1	684.4
Operating profit	24.4	24.9
Financial income and expenses, total	(6.8)	(6.4)
Profit before taxes	17.6	18.5
Order backlog ⁽¹⁾	1,583.4	860.4
New agreements ⁽²⁾	1,393.5	700.3
Operating profit, percent	3.4	3.6
Net profit, percent	1.9	2.2
Equity ratio, percent ⁽³⁾	42.5	43.0
Net interest bearing debt ⁽⁴⁾	230.8	206.1
Gearing ratio, percent ⁽⁵⁾	83.3	91.6
Return on investment, percent ⁽⁶⁾	5.9	5.4
Return on equity, percent ⁽⁷⁾	5.6	6.9
Earnings per share, EUR	0.25	0.30
Equity per share (without the hybrid bond), EUR ⁽⁸⁾	3.90	4.51
Share price at the end of period EUR	3.10	2.83
Weighted average number of shares outstanding, millions	42.6	39.8

(1) A construction project is included in the order backlog when a construction contract of a project has been signed or a decision to start construction has been made, and a contract agreement has been signed in developer-contracting projects. The order backlog consists of the share of the projects not yet recognised as revenue (including the plot).

(2) Includes new contract agreements that have been signed during the financial period and have been added to the order backlog.

(3)
$$\text{Equity ratio, percent} = \frac{\text{Total equity}}{\text{Total assets – advances received}} \times 100$$

(4)
$$\text{Net interest bearing debt} = \text{Interest bearing debt – cash and cash equivalents}$$

(5)
$$\text{Gearing ratio, percent} = \frac{\text{Interest-bearing debt}}{\text{Total equity}} \times 100$$

(6)
$$\text{Return on investment, percent} = \frac{\text{Result before taxes + interest and other financial expenses (excluding exchange rate gains and losses)}}{\text{Invested capital, average}} \times 100$$

(7)
$$\text{Return on equity, percent} = \frac{\text{Net result for the financial year}}{\text{Total equity, average}} \times 100$$

(8)
$$\text{Equity per share} = \frac{\text{Equity attributable to equity holders of the parent company}}{\text{Number of shares outstanding at the end of the period}}$$

BUSINESS

General

The Company is a Finnish public limited liability company organised under the laws of Finland and domiciled in Espoo, Finland. The Company was registered in the trade register maintained by the Finnish Patent and Registration Office (the “**Finnish Trade Register**”) on 31 October 2001, and its business identity code is 1707186-8. The Company’s registered address is Tarvonsalmenkatu 15, FI-02600 Espoo, Finland, and its telephone number is +358 (0)201 455 200. The Company is the parent company of SRV.

According to Article 2 of the Company’s Articles of Association, the company’s field of business is to conduct construction activities, such as construction planning, construction, developing buildings, and project management, as well as ownership, brokerage and selling of real estates and shares in housing companies, and leasing of equipment, as well as other activities related thereto which may also be exercised within subsidiaries. The line of business of the Company also constitutes construction-related activities abroad, in addition to which the Company acts as the parent company within the group, the subsidiaries of which may have also lines of business deviating from the primary line of business. The Company may, on behalf of the group, arrange for the administration, strategic management and supervision of the group companies as well as for other joint responsibilities in relation to the administration of the group. The Company may also exercise trade in securities and own and govern shares.

SRV is a provider of end-to-end solutions in real estate and area development projects as well as a developer-contractor of housing, acting as both the real estate developer and the builder in projects. Additionally, SRV acts as contractor particularly in different business premises construction projects based on a contractual relationship with customers. SRV is responsible for development, commercialisation and/or construction of projects in accordance with the contracts it has entered into, and also acts as investor in many of its own development projects and as early-stage operator of shopping centres. In Finland, SRV operates in the Helsinki Metropolitan Area as well as in other selected growth centres Turku, Tampere, Oulu, Jyväskylä and Joensuu. In addition to Finland, SRV operates in Russia mainly in St. Petersburg and Moscow as well as in Estonia. SRV’s business segments are Operations in Finland, International Operations and Other Operations. The Operations in Finland consist of Finnish business premises and housing construction led by SRV Construction Ltd and rock and earthworks construction performed by SRV Infra Oy. The International Operations consist of SRV’s business in Russia (SRV Russia Ltd with its subsidiaries) and Estonia (SRV Ehituse AS with its subsidiaries). The Other Operations business segment mainly consists of group functions of the Company, the parent company of SRV, the project development unit implementing real estate and project development operations in Finland as well as the operations of SRV Kalusto Oy that manages the equipment used at construction sites in Finland.

The following table sets forth the net sales of SRV’s business segments for the periods indicated:

	For the year ended 31 December	
	2015	2014
	(audited)	
	(EUR in millions)	
Operations in Finland	654.1	627.9
International Operations	65.1	56.9
Other Operations	14.4	19.5
Eliminations	<u>(14.6)</u>	<u>(19.9)</u>
Total	<u>719.1</u>	<u>684.4</u>

History

The origins of SRV date back to 1987 when SRV Viitokset Oy was founded by six entrepreneurs, among them the current major shareholder in the Company, Mr. Ilpo Kokkila. In addition to Finland, the focus of SRV’s operations has, since the beginning, been in the Baltic countries and Russia, where its business operations started already during the Soviet era. SRV was involved in the establishment of one of the first international joint ventures in the Soviet Union to develop and renovate the Palace Hotel in Tallinn, Estonia. In 2012, SRV decided to concentrate its Baltic operations to Estonia and to exit from the Latvian real estate market.

From the outset, SRV’s business strategy has been based on its expertise as a developer of real estate and construction projects and project management implementer. SRV’s approach (the “**SRV Approach**”) (see “—*Key Strengths—SRV Approach*” below) identifies customer needs and integrates them to one functional entirety. According to what is agreed, SRV can assume responsibility for an entire project from the development phase until the end of the warranty period of the construction. Moreover, SRV’s diverse land reserve in central city areas and next to public transport connections enables both versatile production of housing for private consumers and also construction catering for the needs of housing investors. SRV divides the construction phase of a project into several subcontracts and material deliveries, and is responsible to the customer for the project delivery as the main contractor. SRV’s management believes that the SRV

Approach has enabled SRV to be a forerunner in the development of new innovative solutions and concepts for the construction of, among others, different office premises, shopping centres and logistics sites. In addition, SRV has acted as the contractor in a number of significant construction projects both in the public and private sectors. SRV's management believes that SRV's focus on efficient project management by carrying out the construction work with the help of extensive co-operation partner network (see "*—Key Strengths—Implementation Partner Network*" below), coupled with a competitive and entrepreneurial organisation, has enabled SRV's fast growth with a relatively small number of personnel compared to other major construction companies in Finland.

SRV carried out significant corporate and business acquisitions in the 1990s to support its growth, the most important of which were Rakennus- ja insinööritoimisto Teräsbetoni Oy and Arvo Westerlund Oy. These strategic acquisitions further enhanced SRV's growth on their part. SRV's annual net sales exceeded EUR 250 million in the end of the 1990s and EUR 480 million by 2010, and reached to EUR 719 million in 2015.

SRV has undergone a number of structural changes during its existence. In 2001, SRV Group Ltd demerged into two new companies, the Company and Pontos Baltic Holding Oy ("**Pontos**"), of which the Company continued SRV Group Ltd's business operations, and Pontos was established as a separate investment company. The Shares were listed on the official list of the Helsinki Stock Exchange in 2007. In 2011, the Company's two largest Finnish subsidiaries, SRV Business Premises Ltd and SRV Housing Ltd, merged into SRV Construction Ltd that is responsible for most of SRV's business operations in Finland. In 2014, SRV consolidated its earthworks operations by transferring its rock engineering activities from SRV Construction Ltd to Maanrakennus Oy Laatumyö, a company owned by the Company, and renamed as SRV Infra Oy.

Over the past few years, SRV has participated in a number of co-operation arrangements in Russia, such as the real estate fund established for Russian market in 2009 by SRV Kalusto Oy (later replaced by SRV Investments S.a.r.l.), both companies wholly owned by the Company, VTB Capital and Deutsche Bank (later replaced by Ashmore Group Plc) and in which Ilmarinen Mutual Pension Insurance Company ("**Ilmarinen**") and Etera Mutual Pension Insurance Company ("**Etera**") are also investors. The Company's subsidiaries act as both investors and project management contractors in the fund. Currently, the investment period of the fund has expired, but the fund owns a logistics and office centre in Moscow, Russia. In 2010, the Chinese investor Shanghai Industrial Investment (Holdings) Co Ltd ("**SIIC**") and SRV established a joint venture to build a shopping centre called Pearl Plaza in St. Petersburg, Russia. SRV's share in the joint venture is 50 percent. The shopping centre was opened to public in 2013. In September 2011, SRV, Etera, Ilmarinen, Sponda Plc ("**Sponda**") and Onvest Oy ("**Onvest**") signed an agreement to establish a real estate investment company called Russia Invest B.V. ("**Russia Invest**"). Russia Invest aims to invest in real estate development projects in Moscow and St. Petersburg in Russia. SRV is responsible for the development of projects and acts as a project management contractor in projects approved by Russia Invest. In June 2013, Russia Invest acquired from SRV a 55 percent holding in a shopping centre project named Okhta Mall to be carried out in St. Petersburg. Approximately 78,000 square metres of leasable space will be built to the Okhta Mall shopping centre and it is planned to be opened in 2016. The current total budget of the Okhta Mall investment is approximately EUR 205 million.

In April 2015, SRV started its largest construction project to date, the REDI project in Kalasatama in Helsinki, Finland, which it has prepared since 2011. The project comprises a shopping centre, a parking facility, six residential towers to be located on top of the shopping centre as well as an office tower and a hotel tower. SRV's share of the investments in the shopping centre and parking facility is 40 percent. The REDI project is estimated to be fully completed during year 2023, depending on the market situation. SRV's management estimates that SRV's cumulative net sales from the construction of the shopping centre, the parking facility and the towers will exceed EUR 1 billion between 2015 and 2023.

For further information on SRV's key projects and co-operation arrangements in Finland and Russia since 2010, see "*—Business Operations—Operations in Finland*" and "*—Business Operations—International Operations—Material Development Projects in Russia*" below.

Key Strengths

SRV believes that the following are among its key strengths:

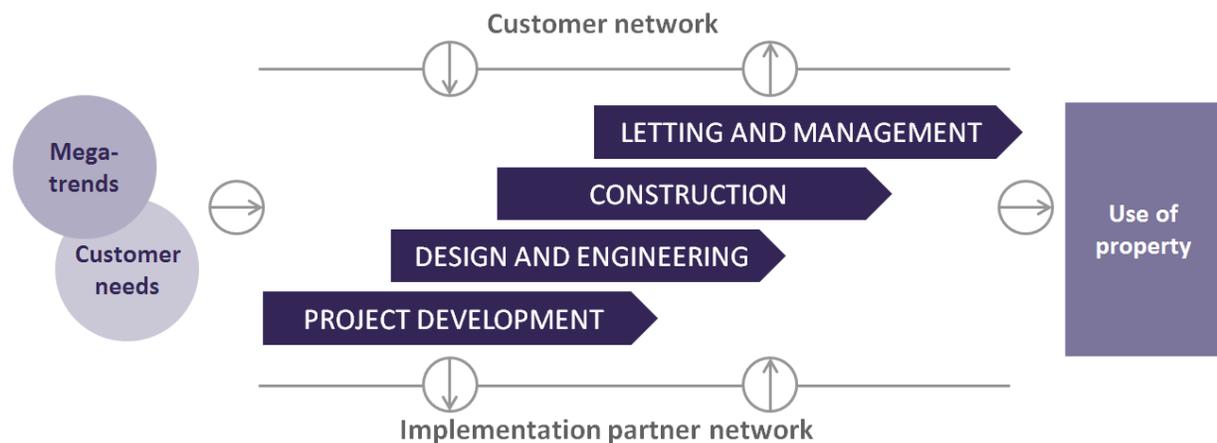
SRV Approach

The SRV Approach is an operating model developed by SRV for its project implementation. SRV's management believes that the competitive advantage of SRV is based both on strong project development expertise as well as on customer-driven and efficient implementation of projects by means of the SRV Approach. In the real estate and construction businesses, SRV can have its own development projects either based on developer-contracting or in co-operation with customers as partners, or it can act as the main contractor in construction in accordance with the project management model. SRV can also be the temporary owner and/or manager of the properties. With the operating model, SRV's management believes that SRV has been a forerunner as a developer of new innovative concepts and solutions as well as a contractor in significant construction projects both in the public and private sectors.

According to the SRV Approach, a construction project is divided into four phases that are: (i) project development; (ii) design and engineering; (iii) construction; and (iv) letting and management. All phases can be implemented flexibly and they may overlap. In the project development phase, SRV analyses the operating environment and customers' needs and develops these into well-functioning projects. In the design and engineering phase, SRV's key task is to steer the entire design and engineering process in accordance with the set parameters and customer demands. The work in the construction phase is implemented according to the project management model and includes construction preparation, actual construction, and delivery of site to the customer and warranty period phases. SRV can also take responsibility of letting and management of shopping centres, if necessary.

SRV's management believes that the key strengths of the SRV Approach include cost efficiency, and a faster overall implementation of projects compared with the conventional model for implementing construction projects as well as a better realisation of customer needs. The SRV Approach is based on innovative development and implementation of a construction project in co-operation with customers, and driven by customer needs. The SRV Approach combines the whole construction project into a consistent and flexible process and allows customers to participate in the decision-making concerning the projects. SRV is responsible for the management of a project whereas specific tasks, such as architectural design, building systems engineering, construction work and construction material deliveries, are divided into parts, most of which are subjected to competitive bidding and assigned to SRV's specialised partners. SRV assumes responsibility for the completion of the project according to price, timetable and quality requirements agreed with the customer. SRV also assumes the main contractor's responsibility for the construction.

The following chart sets forth a project process in accordance with the SRV Approach:



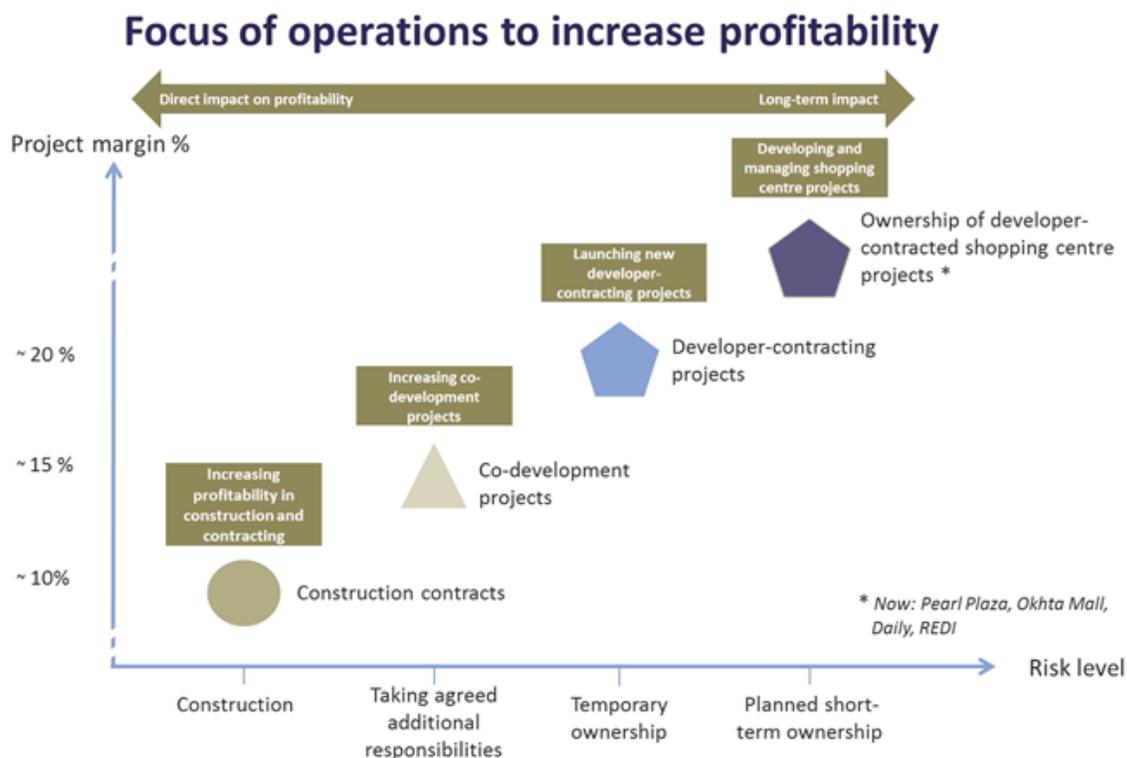
According to SRV's management, the advantages of the SRV Approach are at their best in extensive and multi-faceted projects where part of the end users and features of the real estate are attached to the project at a relatively late stage and where substantial time and cost savings can be achieved by overlapping different phases of the project.

SRV's management believes that the main factors improving the cost efficiency in SRV Approach are:

- shorter lead-time for the whole investment;
- wide competition of partial deliveries to decrease the costs;
- flexible scalability for different markets and work situations; and
- steering of the whole project based on the customer's needs.

SRV's construction projects are divided into (i) developer-contracting projects, (ii) co-development projects and (iii) construction contracts implemented based on the project management model. The first two project types commence at the beginning of the process and utilise the SRV Approach in its entirety. In these implementation forms, SRV may participate in the project also as an investor and owner and in a shopping centre project as a manager, if necessary. In developer-contracting projects, SRV as a rule also arranges financing for the project, whereas co-development projects are implemented in co-operation with investor partners to their ownership. Construction contracts implemented based on the project management model are initiated by customers, and SRV acts as the main contractor for the sites in them as per agreement. The construction phases of SRV's developer-contracting projects and co-development projects are also carried out in accordance with the principles of SRV's project management implementation model as agreed. Features of the SRV Approach can be utilised in all different construction project types, but SRV's management believes that customers benefit the most by implementing their project in co-operation with SRV right from the beginning.

The following chart sets forth an overview of SRV's different types of projects and their risk levels and expected profit margins:



Competent Personnel

In the SRV Approach, SRV's professionals who are responsible for project management exploit SRV's extensive and competent partner network in project implementation. SRV has further developed this customer-driven operating approach, with which it can establish an organisation specifically suited for the given project's characteristics to implement the project cost-efficiently, in high quality and on time schedule and, first and foremost, according to customer needs. As a result of this project management implementation model, the number of SRV's personnel in relation to its revenue is substantially smaller than that of conventional construction companies and, therefore, SRV's management believes that SRV is able to operate efficiently and that its cost structure and resource needs have more flexibility in different economic cycles. According to SRV's management, SRV's focus on project development and efficient project management by outsourcing construction work to partners, coupled with the competent and entrepreneurial organisation, has enabled SRV's fast growth with a relatively small number of personnel compared with other major construction companies in Finland. Approximately 80 percent of SRV's personnel are white-collar employees. The members of SRV's Corporate Executive Team have substantial work experience with SRV or in SRV's main areas of operation.

Implementation Partner Network

In addition to in-house personnel, one of SRV's key resources is the extensive implementation partner network. Partners of the early phase of a project include, among others, special experts, designers and engineers in different fields related to the development of the project, whereas subcontractors and material suppliers are involved in the implementation of the construction phase. The projects are divided into partial deliveries. High quality and cost-efficient implementation partners and construction materials are selected for each project with the aid of SRV's procurement process. During the project, SRV both guides and supports its partners' operations continuously in order to reach the goals set by the customers. As at the date of this Listing Prospectus, there are approximately 3,500 partners in SRV's implementation partner network that fulfil SRV's operational policies and qualitative requirements. The partners are not only Finland-based, but also from other countries, such as the Baltic countries. The most significant part of the total volume of procurement consists of approximately 300 key subcontractors and material suppliers with whom SRV co-operates closely.

Business Strategy

General

The Company's Board of Directors has specified SRV's strategic financial targets for the period between 2016 and 2020. The updated strategy was published on 18 February 2016.

SRV Has Concentrated its Operations to Develop Its Own Expertise and Local Knowledge

In accordance with its strategy, SRV concentrates its operations in the Helsinki Metropolitan Area and in other selected growth centres in Finland where it focuses on developer-contracting housing projects in central areas, development of business premises projects and project management construction in accordance with the co-operation model. In Russia, SRV concentrates its operations in St. Petersburg and Moscow where it focuses on development, construction and management of shopping centres as well as business relating to owned real estate. In Estonia, SRV's focus is on developing its own plots.

SRV's Goal Is to Grow Faster than the Industry by Focusing on Extensive Housing and Shopping Centre Projects

SRV has a number of significant multi-year projects underway in Finland to support future growth and profitability, such as the REDI project in Kalasatama in Helsinki and the Niittykumpu and Keilaniemi projects in Espoo. SRV aims to achieve economies of scale with extensive projects by utilising diverse plot reserve and plot reservations granted by municipalities and the benefits of the SRV Approach in full.

SRV has large shopping centre projects underway also in Russia, such as the Okhta Mall and Pearl Plaza projects in St. Petersburg and the Daily project in Moscow. The net sales of SRV's International Operations for the year ended 31 December 2015 were EUR 65.1 million. As at 31 December 2015, 39.9 percent of SRV's invested capital was tied up in International Operations and particularly in real estate projects and real estate development projects in Russia.

SRV's Goal Is to Improve Its Long-term Profitability by Increasing the Number of Developer-contracting and Co-development Projects

Although construction contracting accounts for a substantial part of SRV's business, the increase in projects based on own development is expected to support both SRV's profitability and growth. In addition to extensive construction projects, SRV also has a number of other significant developer-contracting and co-development projects underway in the Helsinki Metropolitan Area as well as in other growth centres in Finland. SRV's management believes that by utilising SRV's expertise in identification of customer needs and project development, the levels of return from projects can be improved substantially. In order to improve the real estate business, SRV has also developed its own expertise in investing and financing and also started to manage shopping centres in Russia.

The above strategic goals include forward-looking statements that are not guarantees of actual future course of events. SRV may amend its strategic goals during the strategic period due to various factors, such as changes in the operating environment and customers.

Key Financial Objectives of the Strategy

Increasing the Return on Equity by Optimising the Project Portfolio

SRV's goal is to improve the return on equity by both improving its results of operations and employing the capital more efficiently. SRV aims to increase the efficiency of its capital use by optimising both the amount of capital tied up in projects and the timing of capital investments. The aim is to reduce the amount of tied up capital by seeking for investor partners to share the risks and by utilising off-balance sheet financing mechanisms. The well-planned timing and scheduling of projects are important in addition to having suitable forms and sources of financing available. Besides generally available financing, the project loans support the availability of financing and speed up the turnover of SRV's capital. An example of such partnership arrangements is the real estate investment company Russia Invest that SRV established together with Etera, Ilmarinen, Sponda and Onvest in 2011 to finance, among others, the Okhta Mall project under construction in Russia.

The planned strategic measures are essentially intended to improve SRV's return on equity and the return on investment of the international business operations at least to 15 percent by the end of the strategic period and to maintain the equity ratio at over 35 percent. The Company intends to pay 30 to 50 percent of its annual result as dividends, taking into account the capital needs of business operations.

Key Financial Objectives

The general economic development, the demographics changes, consumers' and companies' confidence in the future as well as employment and financial markets have a material effect on housing transactions and the commercial real estate market and, hence, also on need for construction projects and order volume of construction contracts.

Achieving SRV's set strategic goals is based on an underlying assumption of weak, but steady, economic growth in Finland and stabilising and slightly strengthening Russian economy. In addition, for the targets to be achieved, the number of SRV's developer-contracting projects must increase substantially. When the financial objectives for the strategic period were being determined, they were based on the underlying key assumptions of low annual GDP growth of approximately 0 to 2 percent in Finland, modest interest rate levels and an unemployment rate at a level of 8 to 9 percent in Finland.

The summary of the financial objectives for the period between 2016 and 2020, based on SRV's strategy is as follows:

- Aim to grow faster than the industry with large projects.
- The operating profit EBIT margin will increase to over 8 percent by the end of the strategic period.
- The return on equity will be at least 15 percent by the end of the strategic period.
- The return on investment in International Operations will increase to at least 15 percent by the end of the strategic period.
- The equity ratio will remain at over 35 percent.
- Aim to pay out dividends regularly, taking into account the capital needs of business operations.

The financial targets set forth above include forward-looking statements and are not guarantees of SRV's future financial performance. SRV's actual results of operations and financial position could differ materially from those expressed in the forward-looking statements as a result of many factors, including but not limited to those described under "General Information—Forward-looking Statements" and "Risk Factors". The Company advises prospective investors to consider such forward-looking statements with caution.

SRV's operating profit margin was 3.4 percent for the year ended 31 December 2015 (3.6 percent for the year ended 31 December 2014), return on equity 5.6 percent for the year ended 31 December 2015 (6.9 percent for the year ended 31 December 2014), return on investment in International Operations 2.1 percent for the year ended 31 December 2015 (1.3 percent for the year ended 31 December 2014) and equity ratio 42.5 percent as at 31 December 2015 (43.0 percent as at 31 December 2014).

Profit Forecast

The following is included in the Company's financial statement release published on 18 February 2016:

In addition to general economic trends, SRV's revenue and result will be affected by several factors in 2016, such as: SRV's own projects are recognised as income upon delivery; the part of the order backlog that is continuously recognised as income mainly consists of low-margin contracting; trends in the order backlog's profit margins; the sales volume of developer-contracted housing and the completion schedules of the properties; and the launch of new contracts and development projects. SRV's largest project is the REDI project in the Kalasatama district of Helsinki, which was launched in April 2015. Based on current schedules, SRV estimates that a total of 503 developer-contracted residential units will be completed during 2016.

SRV's revenue for 2016 is expected to grow and operating profit to improve compared to 2015 (revenue of EUR 719 million and operating profit of EUR 24.4 million in 2015). Due to the completion schedules of developer-contracted housing production, a significant part of operating profit will be realised in the second half of 2016. The financing costs are expected to increase due to additional financing needed for increasing order backlog.

SRV confirms that the above information on the profit forecast has been properly prepared on the basis stated and that the basis of accounting is consistent with the accounting principles of SRV. The profit forecast is the best considered view and understanding at the time based on the forecasts and estimates received. The assumptions upon which SRV has based its conclusions and which the Company's Board of Directors and the Corporate Executive Team can influence include, for example, efficient risk management and cost management. Factors outside the control of SRV that affect the above-mentioned forward-looking statements are mostly related to macroeconomic conditions, demand for housing and business premises and raw material prices.

The statements set forth above include forward-looking statements and are not guarantees of SRV's future financial performance. SRV's actual results of operations and financial position could differ materially from those expressed in the forward-looking statements as a result of many factors. The Company advises prospective investors to consider such forward-looking statements with caution.

Recent Events

Advance marketing for the first REDI residential tower started in January 2016. Approximately 200 of the tower's 283 apartments have already been reserved as at the date of this Listing Prospectus by non-binding reservation commitments.

In February 2016, the City of Tampere chose SRV and its partners to continue implementation of the Tampere Central Deck and Arena project worth approximately EUR 500 million. The project consists of a multi-purpose arena, commercial premises, a hotel and housing construction. SRV is carrying on negotiations with prospective investors and the final implementation decision is expected to be made in summer 2016 provided that such negotiations are successful.

SRV will participate in construction of the Aalto University's new campus building and commercial premises in the Metro Centre in Otaniemi, Espoo. The project was launched in February 2016 and SRV expects that it will be completed by June 2018. The total value of the project is EUR 101 million.

In addition, the Espoo City has made a decision to reserve an area for SRV and VVO Group plc ("VVO") to design the Kivenlahti Metro Centre in Espoo. According to the plan, a total of approximately 1,200 housing units will be built in the area, covering approximately 76,000 square metres, in addition to approximately 56,000 square metres of office, commercial and services premises, and a bus terminal and park-and-ride spaces. The construction will be launched once the Kivenlahti city plan has been finalised, most likely in 2017–2018 pursuant to SRV's current expectations.

In March 2016, the Company signed a framework agreement with Ilmarinen for the construction of approximately 500 rental housing units in the Helsinki Metropolitan Area. The framework agreement includes the construction of approximately 430 housing units in Jätkäsaari, Helsinki; Espoo, Vantaa and Kerava. In addition, the project includes 41 already completed housing units in Helsinki and Vantaa in accordance with deals concluded in the end of 2015. The total value of the agreement is approximately EUR 100 million.

See "*—Business Operations—Operations in Finland—Other Project Development—Other Development Projects*" below for a further description of the projects. In addition, SRV's Board of Directors approved SRV's updated strategy for 2016–2020 in February 2016.

On 7 March 2016, the Company announced an invitation to holders of its outstanding EUR 45 million hybrid bond issued in December 2012 to tender their holdings for cash. The completion of the tender offer was conditional upon a successful completion of an issue of new EUR 45 million hybrid bond. On 22 March 2016, the Company purchased a total nominal value of EUR 28.3 million of the outstanding hybrid bonds validly tendered in the tender offer and issued a new EUR 45 million hybrid bond. See "*—Material Contracts—Financing Agreements—Hybrid Bonds*" below for a further description of the hybrid bonds.

Recent Trends

The outlook for the global economy is slightly optimistic. The Chinese economy is still growing, and the United States is leading an upswing in Western economies. Europe is recovering at a slower pace. (*Sources: Bank of Finland, Bulletin 4/2015, Economic Outlook*) Forecasts for economic growth in Finland in 2015 are close to zero (*Source: Bank of Finland, Bulletin 5/2015, Economic Outlook*), but growth is predicted to get off the ground this year (*Sources: Bank of Finland, Bulletin 5/2015, Economic Outlook*). An upswing is also expected in the total volume of construction (*Source: Confederation of Finnish Construction Industries RT, February 2016*). The rise in building costs continues to be moderate (*Sources: Statistics Finland and Confederation of Finnish Construction Industries RT, February 2016*).

According to a recent VTT report, urbanisation and immigration will increase demand for housing in Finnish growth centres by up to 29,000 new homes per annum over the coming years. In the Helsinki region, this means 50 percent more homes over the next 25 years in comparison to the city's current housing stock. (*Source: VTT: Demand for new dwelling production in Finland 2015–2040, January 2016*)

A slight rise is expected in housing construction start-ups this year. Rental apartments are being built and smaller apartments are selling in growth centres, but sales are more subdued in other areas. Demand for housing is still being affected by major uncertainty factors. (*Source: Confederation of Finnish Construction Industries RT, February 2016*)

A slight year-on-year decrease is forecast for business construction start-ups in 2016 after the launch of large-scale projects last year (*Source: Confederation of Finnish Construction Industries RT, February 2016*). A prolonged period of weak economic growth has kept the number of empty offices high, and the need for additional retail space has remained low (*Source: Newsec Property Outlook Spring 2016, January 2016*). Start-ups in industrial, warehouse and public-sector

service construction are expected to remain at around the same level as last year (Source: Confederation of Finnish Construction Industries RT, February 2016).

Steady annual growth of about 2.0–2.5 percent is expected in renovation construction (Source: Confederation of Finnish Construction Industries RT, February 2016). Infrastructure construction is still being weakened by the decline in new construction work and the contraction in investments in highway construction and maintenance.

The Ukrainian crisis combined with the low price of oil and the weak rouble have led to difficulties in the Russian economy. The future is extremely uncertain (Source: Bank of Finland, Bofit, Forecast for Russia 2015–2017, September 2015). Russia’s total economic growth for 2016 is forecast at around zero, but the situation could significantly worsen if the price of oil remains low or even continues to fall (Source: East Office of Finnish Industries Oy, January 2016). The situation in Russia also brings significant uncertainty factors to Estonia’s economy, although slight growth is predicted this year.

Organisation Structure

The Company is the parent company of SRV, and it is responsible for the tasks related to group management and administration as well as the services related to guiding and supporting the business operations. The Company’s key group functions are finance, financing, business development, human resources, legal affairs and communications that serve all of the group’s business operations. The parent company also has SRV’s project development unit.

As at the date of this Listing Prospectus, SRV comprises the parent company and its numerous subsidiaries. SRV’s business is mainly conducted through the subsidiaries of the Company. The most important subsidiaries of the Company are SRV Construction Ltd and SRV Russia Ltd.

As at 31 December 2015, SRV had 1,046 employees, of whom 56 were employed by the Company and 990 by the Company’s subsidiaries.

Business Operations

General

SRV implements both development projects and construction contracts in its business operations. Development projects are divided into developer-contracting projects and co-development projects. Developer-contracting projects SRV develops independently from the beginning and it carries the financial risk when the decision to start the construction is made. Co-development projects are also developed by SRV, but the project is sold before the decision to start the construction is made. Construction contracts implemented by SRV are projects of external customers where SRV acts as the builder with the responsibility of the main contractor, and where the design responsibilities are agreed on separately as required by the project. The different contract types that are mainly applied in construction contracts are conventional main contract, project management contract or alliance-based contract. All projects are carried out with the SRV Approach, an operating model developed by SRV for project management implementation that is applied in accordance with the given project’s features, customer needs and the agreement made.

Overview of Business Segments

SRV has three business segments that are (i) Operations in Finland, (ii) International Operations and (iii) Other Operations. The following table sets forth the net sales of SRV’s business segments for the years indicated:

	For the year ended 31 December	
	2015	2014
	(audited)	
	(EUR in thousands)	
Operations in Finland.....	654.1	627.9
International Operations.....	65.1	56.9
Other Operations.....	14.4	19.5
Eliminations.....	(14.6)	(19.9)
Total.....	<u>719.1</u>	<u>684.4</u>

The following chart sets forth a brief overview on SRV's focus areas in Operations in Finland and International Operations:



(1) Share of revenue from Operations in Finland for the year ended 31 December 2015.

Operations in Finland

Overview

The companies responsible for SRV's business premises and housing construction were merged in the beginning of 2011 to form SRV Construction Ltd that is responsible for most of SRV's business operations in Finland. The Operations in Finland implement housing, retail and office premises, logistics centres and hotels, hospitals and other public premises, underground rock facilities as well as other demanding special-purpose premises for SRV's customers. The projects implemented are either own development projects or construction contracts carried out by SRV's skilful personnel and the partner network with the SRV Approach.

Over the past few years, SRV has implemented a number of high-profile construction contracts for both the public and private sectors. Significant public projects entrusted for implementation by SRV include substantial renovation projects for, among others, Senate Properties, Helsingin Yliopistokiinteistöt Oy – Helsingfors Universitetsfastigheter Ab and University Properties of Finland Ltd, and hospitals, most recently the new construction contract for Tampere University Hospital (contract value approximately EUR 170 million) and the renovation of the Helsinki City Theatre (contract value approximately EUR 38 million). Many public construction projects are currently implemented by using an alliance model that emphasises co-operation between the customer and the contractor, and is supported strongly by the SRV Approach. In addition, Operations in Finland implement other business premises construction contracts as well as developer-contracting of housing projects in the Helsinki Metropolitan Area and in other selected growth centres in Finland.

SRV's project development unit acts as an innovative developer of properties and projects in Finland, and SRV's Operations in Finland assume responsibility for the construction of these sites. Over the past few years, the Company has been rewarded with a number of important construction projects based on the development work done by the project development unit, including the Derby Business Park in Espoo, Finland, Stockmann plc's (one of the largest retailers in Finland) central warehouse in Tuusula and most recently the Niittykumpu metro centre in Espoo and the REDI project in Kalasatama in Helsinki.

The Operations in Finland segment consists of SRV's construction operations in Finland. Operations in Finland are divided into housing and business premises construction, also comprising SRV's earthworks and rock construction operations. For the year ended 31 December 2015, the net sales of Operations in Finland totalled EUR 654.1 million and accounted for 91 percent of SRV's total net sales, and for the year ended 31 December 2014, the net sales of Operations in Finland were EUR 627.9 million, accounting for 92 percent of SRV's total net sales. For the year ended 31 December 2015, Operations in Finland had an operating profit of EUR 28.9 million, generating an operating profit margin of 4.4 percent, and for the year ended 31 December 2014, Operations in Finland had an operating profit of

EUR 30.0 million, generating an operating profit margin of 4.8 percent. The increase in net sales in 2015 as compared to 2014 was affected by the start of the construction of the REDI shopping centre and parking facility. Revenue from developer-contracting housing targeted at consumers increased in 2015 as the number of completed units fell below the previous year's level. The change in operating profit in 2015 was moderate. For the year ended 31 December 2014, the order backlog of Operations in Finland was EUR 723.2 million due to growth in negotiated contracts in business premises construction during 2014. For the year ended 31 December 2015, the order backlog of Operations in Finland was EUR 1.5 billion. Net sales growth in 2015 was positively affected by two large-scale project start-ups: the REDI project in Kalasatama in Helsinki and the Niittykumpu metro centre project in Espoo.

Business Premises Construction (Finland)

SRV's business premises construction includes the construction of retail and office premises, logistics centres and hotels, hospitals and other public premises, rock facilities and other demanding special-purpose premises. SRV carries out earthworks relating to special-purpose underground premises, such as parking facilities, tunnels and civil defence shelters, as well as earthworks connected to other construction.

SRV's business premises construction includes construction contracts and own development projects. All projects are completed by applying the SRV Approach, which is based on project management implementation. Currently the most substantial development project underway in business premises construction is the REDI shopping centre and parking facility in Kalasatama in Helsinki.

In business premises construction, SRV's most significant customers are currently public sector entities and pension insurance companies. Business premises construction contracts are won through public procurement procedures or through competitive bidding or negotiation procedures arranged by private companies. The agreements are prepared in accordance with general terms and conditions for building contracts and are mainly based on conventional main contractor or project management contracting. In recent times, SRV has also implemented some projects based on various types of alliance contracts. Currently the most substantial business premises construction projects underway are phase II of the Kaupunkikeskus Ainoa project in Tapiola, Espoo for Local Tapiola Group, construction contract of the Koivusaari metro station for Länsimetro Oy, the new Children's Hospital in Helsinki, construction contract of the Ring Rail Line station at Helsinki-Vantaa Airport for the Finnish Transport Agency and the Joensuu Court House and Police Building for Senate Properties.

For the year ended 31 December 2015, the net sales from business premises construction totalled EUR 434.0 million and the order backlog was EUR 952.3 million, and for the year ended 31 December 2014, the net sales from business premises construction totalled EUR 395.5 million and the order backlog was EUR 450.1 million. For the year ended 31 December 2015, new contractor agreements valued at EUR 893.7 million were signed with external customer, while for the year ended 31 December 2014, new contractor agreements valued at EUR 436.6 million were signed with external customers.

Housing Construction (Finland)

SRV's housing construction builds housing units for private consumers and investors as well as institutional investors and other developers in Finland. Housing construction is concentrated in the Helsinki Metropolitan Area and in other selected growth centres in Finland, next to good public transport connections.

In Finland, the apartment buildings are owned through housing companies that own the buildings and typically also the land plot. Individual persons own the shares in housing companies, which entitle the shareholder to possess a certain apartment determined in the housing company's articles of association. The housing company is liable for the maintenance of the land plot and the common premises in the building and for the renovation of the building, including all pipe-lines and structures. The shareholders are liable for the maintenance and upkeep of the inner surfaces of the apartment. The shareholders must pay the housing company a monthly maintenance charge to cover the costs and expenses of the housing company.

All SRV's apartments sold to consumers during the construction phase are included within the scope of a system protecting the buyers ("**RS system**"). The RS system is based on the Finnish Housing Transactions Act and it is mandatory when marketing and selling apartments to consumers. The RS system protects the buyer by requiring the builder, among other things, to provide certain collateral to safeguard the buyer's position in any problem situations experienced by the builder. The RS system also requires the builder to provide the buyer with certain financial and technical documentation regarding the housing company, the construction and the financing of the housing company prior to the transaction. According to the Finnish Housing Transactions Act, a certain builder's liability period will follow after the possession to the apartment has been passed to the buyer.

Housing companies usually take a long-term bank loan (with maturity ranging from 20 to 25 years) to finance the construction of an apartment building. Such loan amounts normally to 50 to 70 percent of the selling value of the apartments of the apartment building, and the apartment building and the plot serve as a guarantee of the loan. The loan is

divided between all the apartments in the building based on apartment sizes (*i.e.*, apartment's size in square meters is divided with the total amount of square meters of all the apartments in the building). When buying an apartment, a buyer also takes the responsibility of his/her share of the housing loan. Since SRV is the sole owner of the housing company in the beginning of the construction and, therefore, liable for the housing loan, SRV consolidates the housing companies and the housing loans to its balance sheet. After SRV completes the construction work and hands over the apartments to buyers, SRV is only liable for the part of housing loan belonging to unsold apartments (normally 80 to 90 percent of the apartments are already sold on the construction completion date). The share of unsold finished apartments is presented as a liability at SRV's balance sheet until the apartments are sold.

For the year ended 31 December 2015, the net sales from housing construction totalled EUR 220.1 million and the order backlog was EUR 554.0 million, and for the year ended 31 December 2014, the net sales from housing construction totalled EUR 232.5 million and the order backlog was EUR 273.1 million. For the year ended 31 December 2015, agreements valued at EUR 134.1 million were signed with external customers for the construction of 714 housing units, while for the year ended 31 December 2014, agreements valued at EUR 127.8 million were signed with external customers for the construction of 841 housing units.

For the year ended 31 December 2015, SRV launched the construction of 802 developer-contracting housing units within the scope of the RS system and sold a total of 873 housing units, of which 646 housing units were developer-contracting units within the scope of the RS system, and 227 units were sold to investors under negotiated contracts. For the year ended 31 December 2014, SRV launched the construction of 330 developer-contracting housing units within the scope of the RS system and sold a total of 756 housing units, of which 288 housing units were developer-contracting units within the scope of the RS system and 468 units were sold to investors under negotiated contracts.

As at 31 December 2015, SRV had a total of 1,849 units under construction, 76 percent of which, or 1,398 units, had been sold. For the consumer market 885 residential units were under construction, of which 451 had not yet been sold. The number of completed yet unsold residential units totalled 107. In addition, for the year ended 31 December 2015, 420 housing units sold to investors were completed. As at 31 December 2015, SRV had 477 housing units sold to investors under construction. In addition, SRV has made preliminary agreements concerning the sale of 49 housing units to investors. Launching the construction of these housing units is conditional upon matters, such as obtaining a building permit. As at 31 December 2014, SRV had a total of 1,625 housing units under construction, 87 percent of which, or 1,406 units, had been sold. For the consumer market 330 residential units were under construction, of which 219 had not yet been sold. The number of completed yet unsold residential units totalled 183.

Material Developer-contracting Projects

REDI – the Centre of Kalasatama (Helsinki)

REDI, the centre to be built in Kalasatama in Helsinki, is currently Finland's largest single urban construction project and the most significant change to the cityscape of Helsinki for over 200 years. SRV's innovative proposal to cover an area crossed by the Itäväylä highway and the metro line with a green deck won a design competition arranged by the City of Helsinki in 2011. The city plan of the Kalasatama centre that applies to REDI gained legal force in June 2013 and in March 2014, a building permit was granted for the REDI shopping centre and the first two residential towers to be built in conjunction with it.

REDI will consist of a shopping centre and a parking facility as well as six residential towers, a hotel tower and an office tower situated in Kalasatama in Helsinki. The shopping centre will have a total rental floor area of 64,000 square metres and a parking facility with approximately 2,000 parking spaces. The towers will have 20 to 35 stories, with the highest tower reaching 132 metres. According to the plans, the towers will have approximately 1,200 housing units for approximately 2,000 residents. The housing units will have total floor space of approximately 100,000 square metres, and there will be approximately 10,000 square metres of office space and approximately 10,000 square metres of hotel space. As part of the implementation of the Kalasatama centre, SRV and the City of Helsinki have agreed that SRV will build a health and wellness centre of approximately 18,000 square metres on the north side of the Kalasatama centre and lease it to the City of Helsinki. In August 2015, SRV sold the health and wellness centre to a German real estate investment fund WestInvest ImmoValue, which is part of the DekaBank group.

First phase of REDI-project consists of the construction of the REDI shopping centre to be built to the centre and a parking facility with a total of approximately 2,000 parking spaces, which will also serve park-and-ride commuters at Kalasatama. The shopping centre will have approximately 64,000 square metres of leasable space. According to current plans, the shopping centre, including the parking facility, will open in its entirety in the autumn of 2018. The plans for the shopping centre include two daily consumer goods stores and a wide selection of services and brands. REDI can be easily reached by different means of transport, such as, bus, metro, tram, car, bicycle and walking. Approximately 500,000 people live within a 15-minute drive from REDI and 1.1 million within a 30-minute drive. Each day, more than 100,000 cars use the three main roads that pass through Kalasatama, and Helsinki city centre is six minutes away by metro.

Leasing negotiations concerning the shopping centre are underway with a wide range of potential tenants, in addition to anchor tenants. The final and preliminary lease agreements signed to date account for more than 30 percent of all lease agreements. If ongoing lease negotiations lead to agreements, approximately 80 percent of the commercial space will be leased out.

The total value of the shopping centre and parking facility investment is approximately EUR 480 million, of which EUR 240 million is financed with capital investments from the owners. The rest of the investment will be covered with project loans. SRV is responsible for site design, construction and leasing. The contractor agreement signed by SRV for implementation of the REDI shopping centre and the parking facility is valued at around EUR 390 million, and EUR 90 million will be used mainly for acquiring the plots and covering the financing expenses in addition to marketing, planning and leasing expenses.

Launch of the REDI project developed by SRV in the metro quarter of Kalasatama in Helsinki was confirmed in March 2015, when a EUR 225 million project loan agreement was signed among REDI project's shopping centre and parking facility companies and a bank syndicate to construct shopping centre and the parking facility.

In December 2015, agreements on the plots of the REDI shopping centre, the specified shares and access right areas of the plots, divisions of possession, and leasing related to the underground parts of the parking facility were signed between the City of Helsinki and the real estate companies owning the shopping centre and the parking facility.

Advance marketing for Majakka, the first residential tower, was launched in January 2016. Approximately 200 of the tower's 283 apartments are reserved by non-binding reservation commitments as at the date of this Listing Prospectus. At a height of 132 metres, Majakka will be Finland's tallest residential building when completed in late 2018. Its apartments will be located above the shopping centre on floors 6 to 35. The apartments vary in size from 33 square metres two-room apartments to the 142.5 square metres luxury apartments on the top floor.

In the consortium developing the shopping centre and the parking facility, SRV has a 40 percent share of the total capital investment, Ilmarinen 30 percent, OP Financial Group and a fund managed by it 15 percent and Local Tapiola Group 15 percent. In addition, SRV has granted an unsecured project loan of EUR 15 million for the construction to the project company constructing the site. SRV will consolidate 40 percent of its holdings in the shopping centre and parking facility companies by applying the equity method of accounting.

SRV's management estimates that the REDI project will be fully completed during 2023, depending on the market situation. SRV's management expects the construction of the first two residential towers to begin in 2016, once the shopping centre's construction phase allows this from a technical standpoint. The first residential tower is expected to be completed by the end of 2018 and the second residential tower in 2019, depending on demand. Advance marketing of the housing units was started in January 2016. An underground waste collection station and a new metro overpass, ordered by the City of Helsinki for implementation in conjunction with REDI, reached completion in the summer of 2013. SRV's management estimates that the construction of the shopping centre, the parking facility and the towers will generate more than EUR 1 billion in net sales for SRV between 2015 and 2023.

The Centre of Niittykumpu (Espoo)

SRV has been developing the metro centre of Niittykumpu, a district of Espoo, in co-operation with SATO Corporation ("SATO") and Varma Mutual Pension Insurance Company ("Varma"). SRV is implementing the metro centre complex, consisting of a commercial centre and, in collaboration with SATO, two residential towers. The residential towers of the metro centre, to be built to the southwest side of Merituulentie and Haukilahdenkatu, will be 12- and 24-storey buildings, and the latter, named Niittyhuippu, will be the highest building in Espoo upon completion.

Construction of the commercial centre and the two residential towers, amounting to a total area of 20,000 square metres, commenced in March 2015. As part of the implementation, SRV sold the commercial centre to the OP-Vuokratuotto special investment fund on 31 March 2015. SRV's management expects the higher residential tower to be completed by autumn 2017 and the 12-storey tower that is built for SATO to be completed in summer 2017, depending on demand. Niittykumpu's existing shopping centre, owned by SRV, will remain until the new commercial centre is up and running, which is expected to take place in the autumn of 2016. SRV aims to build housing on the site of the current shopping centre.

In November 2014, SRV, SATO and Varma also acquired from the City of Espoo an area east of Haukilahdenkatu, enabling the construction of three apartment buildings with a total of approximately 180 housing units. A building permit has been obtained for the site, and SRV began the construction of the apartment buildings built for SATO and Varma in May 2015.

Other Developer-contracting Projects

In Nihtisilta, Espoo, SRV developed and built a total of six apartment buildings between 2013 and 2015. In total 264 market-financed rental housing units were built at the site for VVO, Local Tapiola Group and the Iccapital Group.

In Pähkinärinne, Vantaa, SRV developed and built a total of six apartment buildings between 2013 and 2015. In total 228 market-financed rental housing units were built at the site for VVO, Local Tapiola Group and the Iccapital Group.

In December 2015, SRV signed agreements on the construction of 101 housing units for LocalTapiola Asuntosijoitus Ky housing fund and 89 housing units for Elo Mutual Pension Insurance Company in Tikkurila, Vantaa. The housing units are built as a part of a quarter project worth approximately EUR 100 million. The quarter consisting of five housing companies situated in the centre of Tikkurila will ultimately consist of a total of 400 housing units for approximately 800 residents. Construction of the housing units commenced in December 2015 and is expected to be completed in spring 2017.

Other Project Development

Other Development Projects

SRV has several projects under development in the Finnish capital region, including those in Perkkää and Keilaniemi in Espoo and the two projects in Jätkäsaari and one in Munkkivuori in Helsinki.

SRV, Ilmarinen and SATO are making progress in their development project regarding their jointly owned land area in Perkkää, Espoo. A land use agreement has been signed with the City of Espoo, and the city plan approved by the Espoo City Council came into effect in the beginning of 2016. The project consists of residential building rights for 99,860 square metres of floor area, of which SRV's share is 26,805 square metres. SRV aims to launch housing construction there during 2016.

The Keilaniemi residential tower project in Espoo developed by SRV consists of four residential towers containing housing units with a total floor area of approximately 72,000 square metres. SRV has a planning reservation for the area, and the city plan for the site is legally valid. The progress of the project is essentially connected with the transfer of a section of Ring Road I to run in a tunnel and on the related tunnelling and traffic arrangements. SRV has been chosen as the contractor for the Ring Road I project. The project started in January 2016, and SRV Infra Ltd is implementing its street and road construction work as main contractor in cooperation with the City of Espoo, the Finnish Transport Agency, and the Uusimaa Centre for Economic Development, Transport and the Environment (ELY Centre). During the project, Ring Road I will be moved into an underground concrete tunnel and a green deck will be built above it. The tunnel will enable the construction of the new towers planned for the area. The aim is to launch construction of the first residential tower in the beginning of 2018.

Construction of the Airut eco-quarter in Jätkäsaari, Helsinki was started in the autumn of 2014 with the construction of joint parking facility. Also the construction of housing projects to be implemented with HITAS terms (HITAS is a housing price and quality control system used in Helsinki and managed by the City of Helsinki Real Estate Department's Housing Affairs Division) has been started. The project comprises approximately 22,000 square metres of floor area, including a rental apartment building for VVO and SRV's four apartment buildings of market-financed owner-occupied housing production, two of which will be built in accordance with HITAS terms. The design of the eco-quarter is based on a multi-purpose concept that seeks to offer residents a wide range of services. The site is implemented with a focus on energy efficiency and on monitoring and reporting the housing units' energy consumption, thereby enabling the residents to optimise their energy use and live in a sustainable way.

SRV and Stora Enso Oyj have a joint reservation for a quarter located in Jätkäsaari in Helsinki where they plan to build Wood City, a project showcasing industrial wood construction. The project will consist of office, hotel and commercial buildings, with a total floor area of approximately 20,000 square metres. Starting of the project requires a successful investor and lease procurement for which negotiations are currently ongoing. The Helsinki Housing Production Department (ATT) will also implement two apartment buildings in the quarter, with a total floor area of approximately 8,000 square metres. The city plan for the quarter became legally valid in July 2014. The aim is to launch construction of the office and hotels building during 2016.

SRV is developing the real estate at the address Lapinmäentie 1 in Munkkivuori in Helsinki in co-operation with the owner of the real estate. Amendment of the city plan with regard to this real estate has been initiated and the aim is to get the amendment of the city plan handled by the Helsinki City Council during 2016. A draft city plan for the area has been on display in spring 2015. The project is being developed on the basis of the winning entry of an architectural competition held in spring 2014. In accordance with the principles for changing the city plan approved by the Helsinki City Planning Committee on 27 January 2015, the site will be allocated new residential building rights for a floor area of approximately 46,000 square metres. Approximately 22,000 square metres of existing floor area will be renovated. The amendments to the city plan are expected to be confirmed in early 2017.

SRV is planning a new shopping centre and five residential buildings in the centre of Kerava, a city located in the Helsinki Metropolitan Area. In October 2015, SRV purchased a land area of approximately 1.3 hectares, and the aim is to have the city plan of the area legally valid in summer 2016. The construction of the area will proceed gradually after the city plan has become legally valid, and the shopping centre is expected to be opened to the public in 2018. The construction of residential buildings, including a total of 350 apartments, is expected to be completed by 2022.

SRV and its partners have been appointed by the City of Tampere to develop the Central Deck and Arena project in Tampere city centre. The project consists of a multi-purpose arena, commercial premises, a hotel and housing construction. The value of the project is approximately EUR 500 million, including 120,000 square meters of floor area and more than 1,000 apartments. SRV is carrying on negotiations with prospective investors and the final implementation decision is expected to be made in summer 2016 provided that such negotiations are successful. The construction work is scheduled to begin in spring 2017, and to be completed in stages during 2020–2023.

The Espoo City has made a decision to reserve an area for SRV and VVO to design the Kivenlahti Metro Centre in Espoo. The Metro Centre will be built around the entrance to the new metro station, and will include office and commercial premises and an extensive area of housing. According to the plan, a total of approximately 1,200 housing units will be built in the area, covering approximately 76,000 square metres, in addition to approximately 56,000 square metres of office, commercial and services premises, and a bus terminal and park-and-ride spaces. The first phase will include construction of the new Metro Centre, the bus terminal and the park-and-ride spaces at the same time as the Western Metro line. The construction will be launched once the Kivenlahti city plan has been finalised, most likely in 2017–2018 pursuant to SRV's current expectations, and the Metro Centre is expected to be completed in the early 2020s.

SRV expects to finance its future investments with operative cash flow, cash in hand and existing and new credit facilities. In respect of investments where a final investment decision has been made, SRV expects to finance such investments primarily with operative cash flow and also with existing and new credit facilities.

Unbuilt Land Areas, Land Acquisition Commitments and Land Development Agreements

The following table set forth the volumes of SRV's unbuilt land areas, land acquisition commitments and land development agreements as at the date:

	Building rights⁽¹⁾ as at 31 December 2015	
	Unbuilt land areas and land acquisition commitments	Land development agreements
	(square metres)	
Business construction.....	175,000	144,000
Housing construction.....	389,138	226,000
International Operations.....	<u>704,264</u>	<u>0</u>
Total.....	<u>1,268,402</u>	<u>370,000</u>

(1) Building rights also include the estimated building rights/construction volume of unzoned land reserves and land areas covered by agreements in projects that are wholly or partly owned by SRV.

International Operations

Overview

International Operations is focused on development, construction and management of shopping centres in the St. Petersburg and Moscow regions in Russia, and on development and construction of SRV's own land plots in Estonia. Currently, Russia clearly forms a larger part of net sales of this business area. SRV's Russian organisation is responsible for comprehensive development of business concepts, marketing, leasing, design and engineering, site construction and arrangement of financing for the business concept of shopping centres. In addition to this, SRV has established a shopping centre management and operating business that has already taken responsibility of the management of SRV's completed Pearl Plaza shopping centre. SRV's goal is to sell its holdings in shopping centres once the targeted level of stable rental income has been reached, normally occurring after few years of operation.

For the year ended 31 December 2015, the net sales of International Operations totalled EUR 65.1 million and accounted for 9 percent of SRV's net sales, and for the year ended 31 December 2014, they totalled EUR 56.9 million and accounted for 8 percent of SRV's net sales. Construction of the Okhta Mall shopping centre in St. Petersburg, Russia generated the majority of the net sales. For the year ended 31 December 2015, International Operations had an operating loss of EUR 0.1 million and an operating loss margin of 0.2 percent, and for the year ended 31 December 2014, International Operations had an operating profit of EUR 1.1 million, accounting for 4 percent of SRV's operating profit and generating an operating profit margin of 1.9 percent. A proportion of the profit margin for construction, equivalent to SRV's share of ownership, is eliminated from the operating profit. As at 31 December 2015, the order backlog was EUR 77.1 million.

Due to the current demand for housing in Estonia, SRV has focused on development and utilisation of its own land reserve. An apartment building project comprising 48 housing units was completed in Tartu, Estonia in November 2014, and planning of next building of 48 housing units is currently ongoing. Due to the prevailing demand situation, SRV does not participate in competitive bidding in Estonia and instead, it aims to implement negotiated projects with its customers. According to its management's estimate, SRV is not about to launch any new projects in the Estonian market in the near future. In the mid-term future, SRV aims at profitable and long-span real estate development in the Estonian market and especially utilising two sizeable land areas owned by it at Harku lake in Tallinn and in the centre of Tartu. SRV's Baltic procurement function also operates from Estonia and it supports SRV's construction operations in Finland by assisting in practical procurement arrangements and seeking new procurement channels in the area. SRV expects its procurement operations to develop positively.

Material Development Projects in Russia

Okhta Mall Shopping Centre

The Okhta Mall shopping centre is one of SRV's largest development projects, which is being built as part of St. Petersburg's central business district. In the first phase of the Okhta City project, a shopping centre of approximately 144,000 square metres with approximately 78,000 square metres of leasable space will be built on a 5.2 hectare plot in the Okhta area. The first phase of the project was launched when Russia Invest, an investment company jointly owned by five Finnish entities, reached a decision to invest in the Okhta Mall shopping centre project, and construction of the first phase began in August 2013.

SRV owns the Okhta Mall project together with Russia Invest, a real estate investment company owned by Finnish entities, in which SRV has a 27 percent holding. Under agreements signed in June 2013, Russia Invest acquired a 55 percent holding in the shopping centre from SRV. In addition, SRV directly owns 45 percent of the shopping centre. Furthermore, SRV still has a 100 percent holding in the other phases of the large Okhta City project.

Approximately EUR 80 million of the EUR 95.5 million investment capacity of Russia Invest will be invested in the Okhta Mall shopping centre project. Due to the current uncertainty associated with the Russian economy, new investment decisions are perceived as challenging in the near future, and it is unlikely for Russia Invest to make any investments in new projects during 2016.

Approximately 55 percent of the total leasable space of the Okhta Mall shopping centre has been leased or reserved, and negotiations for remaining galleria tenants are currently ongoing. The targeted stabilised annual rental income from the shopping centre is over EUR 30 million, and the investment in the first phase is currently budgeted at approximately EUR 205 million. SRV is responsible for design, development, construction and leasing in line with the project management contractor agreements, valued in total at approximately EUR 130 million. The financing plan of the investment is based on capital investments of approximately EUR 140 million from the owners, SRV and Russia Invest, and on a EUR 65 million project loan granted by Sberbank. SRV's management estimates that construction has progressed according to plan, and most of the owners' investments have already been committed to the project. On the basis of the financing plan, SRV expects to further invest approximately EUR 12 million in the project. SRV expects the shopping centre to open in August 2016.

In the next phases of the Okhta City project, SRV plans to build housing, office and business premises as well as restaurant and entertainment services in the area, thereby increasing the total area of the project to over 300,000 square metres.

Pearl Plaza Shopping Centre

The first phase of the Pearl Plaza shopping centre, with approximately 48,000 square metres of leasable space, was opened in August 2013. Visitor numbers have developed as planned, and in 2015 the shopping centre was visited by approximately 7.6 million customers, an increase of 1.1 million customers, as compared to 6.5 million customers in 2014. Over 99 percent of the premises in Pearl Plaza have been leased. Pearl Plaza has been designed in accordance with international norms, and in October 2014 it received LEED Silver certification. The shopping centre has won a number of awards, most recently the Golden Brick Award in June 2015. Currently, the expansion of Pearl Plaza, comprising approximately 28,000 square metres of leasable space, is under development. The aim is to complete the entire Pearl Plaza complex by the end of 2018. SRV has been responsible for development, marketing, design, construction and leasing in accordance with separate agreements. SRV has a 50 percent holding in the property. SRV's partner in the project is the Chinese SIIC, likewise with a 50 percent holding. SRV and SIIC have invested a total of EUR 48 million in the project.

Daily Shopping Centre

SRV is currently building a shopping centre called Daily in the city of Mytishi in the immediate vicinity of Moscow. Daily will comprise 25,000 square metres of leasable space. The majority owner of the property is the Russian Railways

Pension Fund, Blagosostoyanie, with a 55 percent holding. The second largest owner is Vicus Limited, a Finnish real estate investment company, with a 26 percent holding, and SRV's direct holding in the property is 18.7 percent and through indirect ownership in Vicus Limited SRV's total holding is 20 percent. SRV is responsible for development, design, construction and leasing. SRV expects that the Daily shopping centre will be completed in November 2016. SRV's investment in the project totals EUR 11 million, all of which has been invested.

Papula District

The City of Vyborg, Russia, and SRV have an agreement on the development of Papula district in Vyborg. The Papula district will comprise seven residential blocks with approximately 300 apartments. Two residential blocks have already been constructed and all 70 apartments of these blocks have been sold. A total of 110 apartments is currently under construction and 32 of these apartments have been reserved. SRV expects that the whole Papula district will be completed in 2020.

Other Operations

Other Operations mainly consist of SRV's management and administrative functions and services relating to guiding and supporting the business operations, the project development unit that carries out real estate and project development operations in Finland, as well as SRV Kalusto Oy, which provides the ownership and leasing of construction machinery and equipment and the procurement and sales of related services. The Company's key group functions are finance, financing, business development, human resources, legal affairs and communications that serve all of the group's business operations.

For the year ended 31 December 2015, the net sales of Other Operations were EUR 14.4 million and EUR 19.5 million for the year ended 31 December 2014. Operating loss for the year ended 31 December 2015 was EUR 4.3 million and operating loss for the year ended 31 December 2014 was EUR 6.2 million. For the year ended 31 December 2015, development expenses for SRV's projects totalled EUR 1.9 million and EUR 2.2 million for the year ended 31 December 2014.

Marketing and Communications

The target groups for SRV's corporate communications and marketing include among others, customers, consumers, investors, the media, immediate surroundings of projects, influential persons and other stakeholders. In addition to addressing the personnel and investors and discussing the financial aspects of the business, corporate communications also focus on strengthening SRV's brand by utilising various channels. The role of business-to-consumer (*b-to-c*) marketing has grown substantially over the past few years along with the growth in housing construction, and SRV has built its familiarity both through conventional marketing channels, such as advertising, fairs and exhibitions, brochures, and direct marketing, as well as increasingly via digital channels. Marketing of housing construction is based on SRV's strong brand, whereas in developer-contracting projects own brands are created for each project already at a very early stage, and in marketing, depending on the ownership base of the project, either the site's own brand (*e.g.*, REDI) or the site's brand meshed together with the SRV brand (*e.g.*, Keilaniemi) is primarily brought forward. For example, the marketing and communications concerning the REDI project primarily utilises content marketing to strengthen the project's familiarity and fascination towards it. In Russia, the emphasis in marketing is on the shopping centre projects. Marketing is targeted both at potential and existing tenants and customers of the shopping centres. SRV will further strengthen the role of digital communications and marketing in the future, and the intention is to launch marketing channels aimed at different customer segments.

Intellectual Property Rights

SRV aims to protect its brands and innovations by acquiring appropriate protection with the relevant intellectual property rights that include trademarks and domains. In protecting its products and knowhow, SRV relies on trade secret, copyright and trademark legislation and confidentiality agreements. Intellectual property rights do not have a material effect on SRV's business, financial position or results of operations.

Group Legal Structure and Subsidiaries

The Company is the parent company of SRV.

The following table set forth the subsidiaries owned directly or indirectly by the Company, excluding project companies, as at 31 December 2015:

	<u>Country</u>	<u>Company's holding</u>	<u>Company's voting rights</u>
		(percent)	
SRV Construction Ltd.....	Finland	100.00	100.00
SRV Investments S.à r.l.....	Luxembourg	100.00	100.00
Rakennusliike Purmonen Oy.....	Finland	65.00	65.00
SRV Kalusto Oy.....	Finland	100.00	100.00
SRV Infra Oy.....	Finland	100.00	100.00
Kiinteistö Oy Nummelanrinne.....	Finland	100.00	100.00
SRV Voima Oy.....	Finland	100.00	100.00
SRV Russia Ltd.....	Finland	100.00	100.00
OOO SRV Development.....	Russia	100.00	100.00
SRV Stroi OOO.....	Russia	100.00	100.00
OOO SRV 360.....	Russia	100.00	100.00
SRV Ehituse AS.....	Estonia	100.00	100.00
SRV Realty B.V.....	Netherlands	100.00	100.00
Jupiter Realty B.V.....	Netherlands	100.00	100.00

Project companies are housing and real estate companies that are developed, constructed and sold. The ownership of such companies is short-term and they are intended to be further transferred.

Personnel

As at 31 December 2015, SRV had 1,046 employees, of whom 819 were white-collar employees. The parent company had 56 employees as at 31 December 2015. As at 31 December 2015, SRV's Operations in Finland employed 31 students on work experience placements and students working on a thesis or a diploma. SRV offers diverse trainee opportunities particularly for construction students. Systematic co-operation with educational institutions and universities fosters continuity for SRV's own trainee programme, enabling young people to combine study and work as naturally as possible.

The following table sets forth SRV's personnel by business segment as at the dates indicated:

	<u>As at 31 December</u>	
	<u>2015</u>	<u>2014</u>
Operations in Finland.....	721	655
International Operations.....	235	212
Other Operations.....	90	91
Total.....	<u>1,046</u>	<u>958</u>

For the year ended 31 December 2015, SRV's personnel expenses were EUR 64.6 million, or 9.0 percent of the net sales for the period, for the year ended 31 December 2014 they were EUR 63.2 million or 9.2 percent of the net sales for the financial year.

The aim of SRV's personnel strategy is to develop personnel competencies and management on an ongoing basis and to ensure the availability and motivation of personnel. SRV's internal training activities are developed under a common brand. The aim is to provide different personnel groups with long-term and strategy-based competence development with attention to the SRV Approach, project management and occupational safety as well as co-operation, customer service, management work and business development needs. Investments in work-place well-being have been long-range and significant. SRV also supports the physical activities of its personnel in diverse ways. Management of disability risks has been made more efficient, for example by developing early-support processes and enhancing co-operation with occupational healthcare as well as pension insurance and accident insurance companies.

Insurance

SRV's management believes that SRV's liability insurance provides sufficient coverage for possible claims for damages. Moreover, SRV's management believes that the insurance coverage obtained for SRV's business and assets is sufficient and complies with the local market practice. Additionally, SRV's insurance policies generally provide coverage for liability towards third parties and include business interruption insurance. These insurance policies include normal restrictions, and with respect to business interruption insurance, restrictions may apply to the duration of interruption and the maximum amount of compensation that can be claimed, and the insurance policies do not necessarily cover SRV's entire loss of revenue arising from considerable damage to property.

Legal Proceedings

In 2013, SRV initiated legal proceedings against Auroratalo Oy and HDL-Talot Oy, both part of the Helsinki Deaconess Institute Group. The dispute between the parties concerns the construction costs and customers' payment liability incurred in a project management contract implemented by SRV. The dispute is based on the renovation and new construction contract concerning the Auroratalo building owned by the customers. SRV's claims amount to approximately EUR 3.8 million, including VAT. As at the date of this Listing Prospectus, the dispute is still pending at the Helsinki District Court.

In 2013, SRV initiated legal proceedings against real estate company Kiinteistö Oy Abraham Wetterintie 6. Keva Pension Agency (the entity responsible for funding the earnings-related pension cover of municipal and state sector employees in Finland) owns the entire share capital of the real estate company. The dispute between the parties concerns the construction costs and schedule of, and the real estate company's payment liability for, a construction contract where SRV built a site comprising a number of residential apartment buildings for the real estate company. Both parties have made claims against one another. SRV's claims amount to approximately EUR 7.1 million (excluding VAT). As at the date of this Listing Prospectus, the dispute is still pending at the Helsinki District Court.

Except as set forth above, SRV has no pending governmental, legal or arbitration proceedings which may have, or have had in the past 12 months, a significant effect on the financial position or profitability of the Company or its subsidiaries, nor is the Company aware of a threat of any such proceedings.

Material Contracts

Material Agreements Concerning the Construction of REDI Project's Shopping Centre and Parking Facility

Joint Venture Agreement between Owners

The REDI project's owner-developers of the shopping centre and the parking facility (SRV 40 percent, Ilmarinen 30 percent, OP Financial Group and funds managed by it 15 percent and Local Tapiola Group 15 percent) have entered into a joint venture agreement on 10 February 2015 for implementing the project with a capital investment totalling EUR 240 million. The joint venture agreement includes standard decision-making mechanisms relating to the project's construction, leasing, cost monitoring, financing, changing of ownership structure and selling the site. As a rule, the aim is to make decisions unanimously, but certain decisions can be made by qualified majority.

Financing Agreement with Funders

The REDI project's shopping centre and parking facility companies have on 24 March 2015 entered into a EUR 225 million project loan agreement with a syndicate of five banks. The credit facilities have a maturity period of four and a half years and include one-year extension options. The loan agreements follow standard terms and conditions for project loan, including credit withdrawal conditions linked to project advancement and occupancy rate as well as customary covenants. The shopping centre and the parking facility to be constructed serve as collateral for the loan. In addition, SRV has granted an unsecured project loan of EUR 15 million for the construction to the REDI project's shopping centre and parking facility companies.

Contract Agreement for the Construction of Shopping Centre and Parking Facility

SRV Construction Ltd and the REDI project's shopping centre and parking facility companies have on 24 March 2015 entered into a fixed-price contract agreement of EUR 390 million for the construction of the shopping centre and the parking facility. Construction is scheduled for completion in the summer of 2018, and the shopping centre and the parking facility are expected to open in the autumn of 2018. SRV is responsible for the design and engineering, construction and leasing of the project.

Material Agreements Concerning Projects in Russia

Pearl Plaza Shopping Centre

SRV and SIIC each have a 50 percent holding in the Pearl Plaza shopping centre. SRV and SIIC have on 22 March 2010 signed a shareholders' agreement according to which the project will be implemented. SRV has been responsible for the design and engineering, development, leasing, marketing and construction and operating the project based on separate agreements entered into between SRV and the project company, OOO Pearl Plaza. The shareholders' agreement specifies the most important commercial and legal terms and conditions, based on which the necessary agreements will be made. The decision-making in the project company OOO Pearl Plaza is based on proportions of ownership.

Okhta Mall Shopping Centre

SRV is a shareholder in Russia Invest with a 27 percent holding. The shareholders' agreement dated 12 September 2011 of Russia Invest specifies the most important commercial and legal principles according to which SRV will make separate project management agreements with different project companies concerning design and engineering, development, leasing, marketing and construction. Russia Invest owns 55 percent of the Okhta Mall shopping centre project and SRV owns directly 45 percent of the project. Project implementation will comply with the principles specified in the shareholders' agreement of Russia Invest, but Russia Invest has a controlling interest in the decision making.

Daily Shopping Centre

SRV has a direct 18.7 percent holding in the Daily shopping centre project and through Vicus Limited an indirect holding. SRV's total holding in the project is 20 percent. The other shareholders are the Russian Railways Pension Fund, Blagosostoyanie, with a 55 percent holding and the Finnish real estate investment company, Vicus Limited, with a 26 percent holding. The principles of project implementation have been agreed on in the shareholders' agreement dated 11 June 2014, based on which SRV is responsible for site design and engineering, development, leasing, marketing and construction in accordance with separate agreements entered into with the project company. In addition to commercial and legal terms and conditions, the shareholders' agreement also specifies the matters requiring unanimous decisions. In other respects, the decisions-making is based on proportions of ownership.

Financing Agreements

Hybrid Bonds

2012 Hybrid Bond

On 18 December 2012, the Company issued a hybrid bond in the total amount of EUR 45 million. The hybrid bond has no date of maturity, but the Company has the right to redeem the hybrid bond on 28 December 2016. A fixed interest rate of 9.5 percent is paid annually on the loan until 28 December 2016, after which the interest rate will increase, if the loan has not been redeemed. The proceeds have been used on SRV's general financing needs. On 22 March 2016, the Company announced that it had purchased a total nominal value of EUR 28.3 million of the hybrid bonds validly tendered in the tender offer for the hybrid bond issued in 2012 made by the Company. As at the date of this Listing Prospectus, the total outstanding nominal amount of the hybrid bond issued in 2012 was EUR 16.7 million.

2016 Hybrid Bond

On 22 March 2016, the Company issued a new EUR 45 million hybrid bond. The hybrid bond has no date of maturity, but the Company has the right to redeem the hybrid bond on 22 March 2020. A fixed interest rate of 8.750 percent is paid annually on the loan until 22 March 2020, after which the interest rate will increase, if the loan has not been redeemed. Part of the proceeds was used to finance the tender offer for the hybrid bond issued in 2012 and the remaining part will be used to finance the repayment of the remaining outstanding nominal amount of the hybrid bond issued in 2012.

Bond

On 18 December 2013, the Company issued a bond in the total amount of EUR 75 million that matures on 18 December 2018. A fixed interest rate of 5.0 percent is paid on the bond. The proceeds have been used on SRV's general financing needs.

Syndicated Credit Facility

In December 2014, the Company agreed on a EUR 100 million syndicated credit facility with Pohjola, Nordea Bank Finland Plc, Swedbank AB (publ) and Danske Bank A/S, Helsinki Branch, which matures on 5 January 2018. The credit facility has a variable interest rate, as specified in more detail in the agreement. The credit facility is to be used on SRV's general financing needs. The credit facility is subject to customary terms and conditions for credit withdrawal as well as financial covenants, such as a covenant concerning the equity ratio. As at the date of this Listing Prospectus, the loan is undrawn.

Fennovoima

Agreement with Titan-2 and Rusatom's Subsidiaries

On 4 August 2015, the Company signed an agreement with Titan-2 and Rusatom's subsidiaries concerning the parties' co-operation in the construction project of Hanhikivi 1 nuclear power plant. Rusatom is the plant supplier of the nuclear power plant project through its subsidiary RAOS Project, and Titan-2 acts as the main contractor of the construction project. SRV will be responsible, on a project management basis, for part of the construction work, which will be defined

and agreed on in more detail in the future. SRV expects the agreements to be effected over a longer period of time. The most significant operators of the construction site will be approved by the Finnish authorities. The approval requires, among others, determined quality and safety controls and qualified personnel.

Financing Commitment

On 5 August 2015, the Company gave a financing commitment to Fennovoima's main owner Voimaosakeyhtiö SF. The Company's financing commitment corresponds to 1.8 percent stake in Fennovoima's Hanhikivi 1 nuclear power plant project. The management of SRV expects that the share of funding to be payable by SRV pursuant to such commitment will be divided over a period of several years on a back-loaded basis.

Fennovoima is planning to build a nuclear power plant unit with a thermal power of 3,220 megawatts and electric power of 1,200 megawatts as well as other nuclear plants required for its operations to the facility location of the peninsula of Hanhikivi in Pyhäjoki, Finland. The preparatory work of the facility location was started by Fennovoima in the autumn of 2014. The authorised construction of the nuclear power plant can be started only after the building permit for the nuclear power plant has been obtained. According to Fennovoima's plans, Fennovoima will apply for an operating permit for the nuclear power plant at the end of the construction phase approximately in 2021. Commercial use of the nuclear power plant has been planned to start in 2024.

BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

General

The Company is a Finnish public limited liability company incorporated and domiciled in Finland. The governing bodies of the Company (*i.e.*, the general meeting of shareholders, the Board of Directors and the President and CEO) have the ultimate responsibility for group management and group operations. The Corporate Executive Team reports to the President and CEO and is responsible for the efficient management of SRV's operations.

Shareholders participate in the control and management of the Company through resolutions passed at general meetings of shareholders of the Company. General meetings of shareholders of the Company are generally convened upon notice given by the Board of Directors. In addition, general meetings of shareholders of the Company must be convened when requested in writing by an auditor of the Company or by shareholders representing at least one-tenth of all issued and outstanding Shares. The business address of the members of the Company's Board of Directors and Corporate Executive Team and the Company's President and CEO is Tarvonsalmenkatu 15, FI-02600 Espoo, Finland.

Board of Directors and the Corporate Executive Team

Board of Directors

The tasks and responsibilities of the Board of Directors are determined on the basis of the Finnish Companies Act as well as other applicable laws. The Board of Directors has general authority to decide and act in all matters not reserved for other corporate governing bodies by law or under the provisions of the articles of association of the Company. The general task of the Board of Directors is to organise the Company's management and operations. In all situations, the Board of Directors must act in accordance with the Company's best interest.

The annual general meeting of shareholders of the Company elects the Chairman and the other members of the Board of Directors for a term expiring at the closing of the following annual general meeting of shareholders. Therefore, the entire Board of Directors is elected at each annual general meeting of shareholders of the Company. A member of the Board of Directors may be removed from office at any time by a resolution passed by a general meeting of shareholders. In accordance with the Finnish Corporate Governance Code, proposals to the annual general meeting of shareholders of the Company concerning the election of members of the Board of Directors, which have been made known to the Board of Directors prior to the annual general meeting of shareholders, will be made public if such a proposal is supported by shareholders holding a minimum of one-tenth of all the Shares and voting rights and the person being proposed has consented to such nomination.

Pursuant to the Company's articles of association, the Board of Directors is composed of at least five and at most eight members. The Board of Directors constitutes a quorum, when more than one-half of the members of the Board of Directors are present and the Chairman or the Vice Chairman is one of such present members. A decision by the Board of Directors is the opinion supported by more than one-half of the members present at a meeting. In the event of a tie, the Chairman has the casting vote. In 2015, the Board of Directors met 23 times.

On 22 March 2016, the annual general meeting of shareholders of the Company decided that the number of members of the Board of Directors shall be six. The annual general meeting of shareholders of the Company decided to re-elect Ilpo Kokkila, Olli-Pekka Kallasvuo, Minna Alitalo, Arto Hiltunen, Timo Kokkila and Risto Kyhälä as members of the Board of Directors. The annual general meeting of shareholders of the Company re-elected Ilpo Kokkila as the Chairman of the Board of Directors.

The following table sets forth the members of the Board of Directors as at the date of this Listing Prospectus:

Name	Year born	Position	Elected to the Board of Directors
Ilpo Kokkila.....	1947	Chairman	1987
Minna Alitalo.....	1962	Member	2012
Arto Hiltunen.....	1958	Member	2010
Olli-Pekka Kallasvuo	1953	Vice Chairman	2011
Timo Kokkila.....	1979	Member	2010
Risto Kyhälä	1963	Member	2013

Ilpo Kokkila has been the Chairman of the Board of Directors since 1987 (at that time SRV Viitokset Oy, the legal predecessor of the Company) and the Chairman of the Nomination and Remuneration Committee of the Board of Directors since 2007. He has been the Chairman of the Board of Directors of Afortus Oy since 2012 and a member of the Board of Directors between 2009 and 2012, the Chairman of the Supervisory Board of Pontos Capital AS since 2008, the Chairman of the Board of Directors of Etmia Oy since 2007, a member of the Board of Directors of Kolpi Investments Oy between 2005 and 2012 and the Chairman of the Board of Directors since 2012, a member of the Board of Directors

of HVS-Suojat Oy since 2003 and the Chairman of the Board of Directors of Pontos Ltd since 2001. He acted as the Chairman of the Board of Directors of the Confederation of the Finnish Industries between 2013 and 2014 and his other previous positions of trust include being the Chairman of the Board of Directors of Caprus Ltd. between 2010 and 2015, a member of the Board of Directors of Johtamistaidon Osuuskunta JTO between 2012 and 2014, the Chairman of the Board of Directors of Suomalais-Venäläinen kauppakamariyhdistys SVKK ry between 2012 and 2013 and the Vice Chairman between 2006 and 2011, a member of the Board of Directors of Somerotalo Oy between 1999 and 2009 and the Chairman of the Board of Directors between 2009 and 2014, the Chairman of the Board of Directors of JTO-Palvelut Oy between 2007 and 2012, a member of the Board of Directors of Kesko Corporation between 2006 and 2015, the Chairman of the Supervisory Board of AS Pontos Kinnisvara between 2006 and 2010, the Chairman of the Board of Directors of Russian Capital Management Ltd between 2005 and 2011 and the Chairman of the Board of Directors of PBH Invest Oy between 2004 and 2010. He acted as the Chief Executive Officer and President of the Company Plc between 1987 and 2000. Mr. Kokkila holds a Master of Science degree in Engineering.

Minna Alitalo has been a member of the Board of Directors since 2012, a member of the Audit Committee of the Board of Directors since 2012 and the Chairman of the Audit Committee of the Board of Directors since 2013. Her other positions of trust include being the Chairman of the Board of Directors of Palpa Lasi Oy since 2015 and a member of the Board of Directors of Suomen Palautuspakkaus Oy and Palpa Lasi Oy since 2014. Her previous positions of trust include being the Vice Chairman of the Board of Directors of Alko pension trust between 2009 and 2010 and a member of the Board of Directors of the Pension Fund Association (ESY) between 2009 and 2010. She has been the Executive Vice President, Purchasing and Logistics of Alko Inc since 2014. Previously, she acted as the Executive Vice President, Finance of Alko Inc between 2009 and 2014, the Senior Vice President, Finance of Isku-Yhtymä Oy between 2005 and 2009, the Senior Vice President, Finance of Indoor Group Oy between 2003 and 2005, and worked in various positions at Eimo Oyj between 1999 and 2003. Ms. Alitalo holds a Master of Science degree in Economics.

Arto Hiltunen has been a member of the Board of Directors since 2010 and a member of the Nomination and Remuneration Committee of the Board of Directors since 2010. His other positions of trust include being a member of the Board of Directors of Yliopiston Apteekki since April 2015, the Chairman of the Board of Directors of Veho Group Oy Ab since 2012, a member of the Board of Directors of Veho Group Oy Ab since 2011, the Chairman of the Board of Directors of Posti Group Corporation since 2011, a member of the Board of Directors of Jenny and Antti Wihuri Foundation since 2011, a member of the Board of Directors of Posti Group Corporation since 2010 and a member of the Board of Directors of Metsä Tissue Corporation since 2010. His other positions of trust include being a member of the Board of Directors of the Foundation for Economic Education's Supporters' Association since 2008, a member of the Board of Directors of Helsinki School of Economics Foundation since 2008 and a member of the Board of Directors of Metsäliitto Cooperative since 2007. In addition to the aforementioned, he has previously held several positions of trust, such as the Chairman of the audit committee of Metsäliitto Cooperative between 2008 and 2015, a member of the Board of Directors of Talent Partners (Talent Vectia Oy) between 2010 and 2015, the Chairman of the Board of Directors of Kaupan liitto ry in 2010, a member of the Board of Directors of the Confederation of Finnish Industries between 2005 and 2006 as well as in 2010, a member of the Supervisory Board of Suomen Messut Osuuskunta between 2007 and 2010 and a member of the Supervisory Board of Suomen Luotto-osuuskunta between 2007 and 2010. His work experience includes being the President and Chief Executive Officer of Suomen Osuuskauppojen Keskuskunta SOK between 2007 and 2009, the Managing Director of Helsingin Osuuskauppa Elanto between 2004 and 2007 and the Managing Director of Helsingin Osuuskauppa between 1998 and 2003. Mr. Hiltunen holds a Bachelor of Science degree in Economics.

Olli-Pekka Kallasvuo has been the Vice Chairman of the Board of Directors since 2011, the Chairman of the Audit Committee of the Board of Directors between 2012 and 2013 and a member of the Audit Committee of the Board of Directors since 2011. He has been a member of the Board of Directors of Peli-Integrintihtiö FRV Oy since 2015, a member of the Board of Directors of Limestone Platform AS since 2015, a member of the Board of Directors of LSR-julkaisut Oy since 2015, a member of the Board of Directors of Cleantech Industries Global N.V. since 2013, the Chairman of the Board of Directors of Zenterio AB since 2013, a member of the Board of Directors of Aperios Partners Investment Management Capital Limited since 2012, the Vice Chairman of the Board of Directors of TeliaSonera AB since 2013, a member of the Board of Directors of the Foundation for Economic Education's Supporters' Association since 2011 and the Chairman of the Board of Directors of Entrada Oy since 2006. His previous positions of trust include being the Chairman of the Council of World Design Capital Helsinki 2012 and the Chairman of the Board of Directors of Nokia Siemens Networks Oy between 2007 and 2011. Mr. Kallasvuo acted as the Chief Executive Officer of Nokia Corporation between 2005 and 2010 and in various other positions at Nokia Corporation between 1980 and 2010. Mr. Kallasvuo holds a Master of Laws degree.

Timo Kokkila has been a member of the Board of Directors since 2010 and a member of the Audit Committee of the Board of Directors since 2010. He has been a member of the Board of Directors of Pontos Ltd since 2007. His other positions of trust include being a member of the Board of Directors of Renor Ltd since 2008 and the Chairman of the Board of Directors between 2014 and 2015, a member of the Board of Directors of Afortus Oy since 2012, a member of the Board of Directors of Kolpi Investments Oy since 2012, the managing director and a member of the Board of Directors of UAB Mulga since 2011, a member of the Supervisory Board of AS Pontos Baltic since 2010 and a member

of the Board of Directors of Parmalo Invest OÜ since 2010. He has previously been an Investment Director at Pontos Group between 2011 and 2015 and acted as a member of the Supervisory Board of Pontos Capital AS between 2010 and 2015, a member of the Board of Directors of Porin Puuvilla Oy between 2010 and 2012, a member of the Board of Directors of PBH Invest Oy between 2007 and 2010, a member of the Board of Directors of Caprus Ltd. in 2015 and a member of the Supervisory Board of AS Pontos Kinnisvara between 2007 and 2010. Timo Kokkila held various positions at the Company between 2004 and 2011. Mr. Kokkila holds a Master of Science degree in Engineering.

Risto Kyhälä has been a member of the Board of Directors since 2013 and a member of the Nomination and Remuneration Committee of the Board of Directors since 2013. His other positions of trust include being a member of the Board of Directors of Stella Care Oy since 2016, the Chairman of the Board of Directors of Kh-kiinteistöpalvelut Group Oy since 2015, the Chairman of the Board of Directors of KH-KP Group Oy since 2015, the Chairman of the Board of Directors of Avara Ltd since 2012 and a member of the Board of Directors of Radium Oy since 2000. His previous positions of trust include acting as a member of the Board of Directors of Marinetek Group Oy between 2014 and 2015, the Chairman of the Board of Directors of Stella Care Oy between 2014 and 2015, a member of the Board of Directors of Kaukomarkkinat Ltd between 2012 and 2015, the Chairman of the Board of Directors of Marinetek Group Oy between 2010 and 2014, a member of the Board of Directors of Kärkimedia Oy between 2013 and 2015, the Chairman of the Board of Directors of Stella Homecare Ltd in 2014, the Chairman of the Board of Directors of Stella Turvapuuhelin ja Hoiva Oy in 2014, a member of the Board of Directors of Alekstra Ltd between 2012 and 2013, a member of the Board of Directors of Kiinteistöalan Kustannus Oy - REP Ltd between 2008 and 2012, the Chairman of the Board of Directors of SKV Kiinteistöväilytys Oy between 2007 and 2012, the Chairman of the Board of Directors of Realia Isännöinti Oy between 2007 and 2012, the Chairman of the Board of Directors of Realia Management Oy between 2006 and 2012, the Chairman of the Board of Directors of Huoneistokeskus Oy between 2006 and 2012, the Chairman of the Board of Directors of Huoneistomarkkinointi Oy between 2005 and 2012, a member of the Board of Directors of Hangon Kiinteistökehitys Oy between 2005 and 2012, a member of the Board of Directors of Neo Industrial Plc between 2009 and 2011, a member of the Board of Directors of Coor Service Management LP Oy between 2007 and 2011, a member of the Board of Directors of NLJ Invest Oy between 2006 and 2011 and a member of the Supervisory Board of Housing Fair Finland Co-op between 2007 and 2010. He has been the CEO of Regatta Resorts Oy since 2014. He acted as the Commercial Director of Sanoma News Ltd in 2013, the managing director of Realia Group Oy between 2006 and 2012, the managing director of Huoneistokeskus Oy between 2005 and 2012 and the deputy managing director of Engel Yhtymä between 1999 and 2004. Mr. Kyhälä holds a Master of Science degree in Engineering.

CEO and Deputy to the CEO

Juha Pekka Ojala is the President and Chief Executive Officer of the Company. The CEO is responsible for SRV's operational management. The CEO prepares matters on which decisions are to be taken by the Board of Directors, develops SRV's operations in line with the targets agreed with the Board of Directors, and ensures proper implementation of decisions of the Board of Directors. The CEO is also responsible for ensuring that existing legislation and applicable regulations are complied with by SRV. The CEO chairs meetings of the Corporate Executive Team. The deputy to the CEO is responsible for attending to the CEO's duties in the event that the CEO is prevented from doing so. Since 2002, Timo Nieminen has acted as the deputy to the CEO.

Corporate Executive Team

The Corporate Executive Team and its working committee assist the President and CEO in planning operations and in line management and prepare matters to be dealt with by the Company's Board of Directors. The Corporate Executive Team and its working committee deal with matters concerning business operations as well as the supervision and development of operations. The current Corporate Executive Team consists of 11 members and typically meets at least once a month. The working committee of the Corporate Executive Team meets weekly.

The following table sets forth the members of the Corporate Executive Team as at the date of this Listing Prospectus:

Name	Year Born	Position	Appointed
Juha Pekka Ojala	1963	President and CEO	2015
Timo Nieminen	1958	Executive Vice President, Project Development in Finland, Deputy to CEO	2002
Juha Toimela	1963	Senior Vice President, Business Operations in Finland	2015
Ilkka Pitkänen	1966	Chief Financial Officer	2014
Pirjo Ahanen	1958	Senior Vice President, Human Resources	2006
Katri Innanen	1960	Senior Vice President, General Counsel	2008
Päivi-Liisa Kauhanen	1975	Senior Vice President, Communications	2015
Veli-Matti Kullas	1956	Senior Vice President, Project Development in Russia	2010
Jussi Kuutsa	1964	Senior Vice President, Business Operations in Russia	2010
Antero Nuutinen	1963	Senior Vice President, Housing and Regional Offices	2011
Valteri Palin	1973	Senior Vice President, Financial Administration	2008

Juha Pekka Ojala has been the President and Chief Executive Officer of the Company since 2015. He has been a member of the Board of Directors of East Office of Finnish Industries Oy since 2015 and a member of the Board of Directors of

the Confederation of Finnish Construction Industries RT (*Rakennusteollisuus RT ry*) since 2011. He acted as the Executive Vice President, Business Operations in Finland of SRV Construction Ltd between 2010 and 2014, the Executive Vice President, SRV Business Premises Ltd between 2002 and 2010 and in various other positions in SRV Viitokset Oy between 1997 and 2002. Mr. Ojala holds a Bachelor of Science degree in Construction Engineering.

Timo Nieminen has been the Executive Vice President, Project Development in Finland and the Deputy to the President and CEO of the Company since 2002. He has a member of the Board of Directors of RYM Ltd since 2012 and been a member of the supervisory Board of Directors of Etera Mutual Pension Insurance Company since 2007. He acted as the Managing Director of SRV Viitokset Oy between 1997 and 2002. Mr. Nieminen holds a Master of Science degree in Engineering.

Juha Toimela has been the Senior Vice President, Business Operations in Finland of the Company since 2015. He acted as the Director, Project Development at the Company between 2011 and 2015 and as the Director, Business Operations in the Baltic States between 2009 and 2011. He has been a member of the Boards of Directors of Finnish House Construction Industry Association (*Talonrakennusteollisuus ry*) since 2016 and MIE Primepro Oy since 2005. Toimela acted as an entrepreneur and consultant at MIE Primepro Oy between 2007 and 2009, a Director, Business Operations in the Baltic States in Pöyry Group between 2002 and 2007, a Sales Manager, a Project Manager, an Export Manager and a Director, Project Business in the Building Products division of Rautaruukki Corporation between 1994 and 2001, a Project Manager at Hartsitekno Oy between 1993 and 1994 and a Site and Project Engineer at Polar-Rakennus Oy between 1990 and 1993. Mr. Toimela holds a Master of Science degree in Engineering and a Master of Science degree in Business Administration.

Ilkka Pitkänen has been the Chief Financial Officer of the Company since 2014. He acted as the Chief Financial Officer of Fiskars Corporation between 2012 and 2014, as the Chief Financial Officer of DNA Ltd between 2010 and 2012, as the Executive Vice President and Chief Financial Officer of Metsäliitto Cooperative between 2005 and 2010 and as the Vice President, Alliances and Acquisitions of Kone Corporation between 2003 and 2005 as well as in various other positions in Kone Corporation between 1998 and 2003. He was a member of the Board of Directors of Ferraria Oy Ab between 2013 and 2014, a member of the Board of Directors of Ab Åbo Båtvarf - Turun veneveistämö Oy between 2012 and 2014, a member of the Board of Directors of Inha Works Ltd between 2012 and 2014, the Chairman of the Board of Directors of Fiskars Garden Oy Ab between 2012 and 2014, a member of the Board of Directors of Fiskars Home Oy Ab between 2012 and 2014, a member of the Board of Directors of ImanCo Oy between 2012 and 2014, the Chairman of the Board of Directors of Fiskars Services Oy Ab between 2012 and 2014, a member of the Board of Directors of Fiskars Europe Holding Oy Ab between 2012 and 2014, a member of the Board of Directors of Forte Americas Holding Oy Ab between 2012 and 2014, a member of the Board of Directors of Forte Netservices Oy between 2011 and 2012, a member of the Board of Directors of Forte Groupservices Oy between 2011 and 2012, a member of the Board of Directors of Huuked Labs Corporation between 2010 and 2012 and a member of the Board of Directors of DNA Store Ltd between 2010 and 2012. Mr. Pitkänen holds a Master of Science degree in Economics.

Pirjo Ahanen has been the Senior Vice President, Human Resources of the Company since 2006. She acted as the Sales Director of Personec Oy between 2004 and 2006, as a Project Manager and Human Resources Consultant in WM-data Novo Oyj between 2001 and 2004 and in various human resources positions at Fortum Engineering Oy between 1984 and 2000. Ms. Ahanen holds a Master of Science degree in Economics.

Katri Innanen has been the Senior Vice President, General Counsel of the Company since 2008. She acted as the Head of Legal Affairs and Head of Human Resources and Legal Affairs at SATO Corporation between 1999 and 2008 and as a Legal Counsel of SATO Corporation between 1998 and 1999 and as a Legal Counsel of Lemminkäinen Oyj between 1987 and 1998. Ms. Innanen holds a Master of Laws degree and has completed training at the bench.

Päivi-Liisa Kauhanen has been the Senior Vice President, Communications of the Company since 2015. She acted as the Senior Vice President, Communications at Stora Enso Oyj between 2012 and 2015 and as the Director, Communications in Finland at Stora Enso Oyj between 2009 and 2012. Previously, she has held various communications positions in Metsäliitto Group between 2001 and 2006.

Veli-Matti Kullas has been the Senior Vice President, Project Development in Russia of the Company since 2010. He acted as the Executive Vice President, SRV Russia Ltd between 2004 and 2010 and in various construction management roles in Skanska East Europe Oy, Skanska Oy and Skanska Pohjois-Suomi Oy between 1994 and 2004. Mr. Kullas holds a Master of Science degree in Engineering.

Jussi Kuutsa has been the Senior Vice President, Business Operations in Russia of the Company since 2010. He has been a member of the Board of Directors of Posti Group Corporation since 2011. He acted as the Development Director of International Operations of Stockmann plc between 2006 and 2010 and in various other positions at Stockmann plc between 1996 and 2005. Mr. Kuutsa holds a Master of Science degree in Economics.

Antero Nuutinen has been the Senior Vice President, Housing in Finland of the Company since 2011. Mr. Nuutinen has acted in various positions in SRV since 1988. He has been a member of the Board of Directors of the Uusimaa district of

the Building Manufacturing Industry Qualification Committee (*Rakennustuotantoalan tutkintotoimikunta*) since 2014 and the Chairman of the Board of Directors of the Housing production group of the Building Manufacturing Industry Qualification Committee since 2015. Mr. Nuutinen has been the Chairman of the Board of Directors of Suontolan Talli Oy since 2014. Mr. Nuutinen holds a Bachelor of Science degree in Construction Engineering.

Valtteri Palin has been the Senior Vice President, Financial Administration of the Company since 2008. He acted as the Controller of SRV Business Premises Ltd between 2005 and 2008 and in various financial positions at Skanska Group between 1998 and 2005. Mr. Palin holds a Master of Science degree in Economics.

Corporate Governance

General

The Company complies with applicable Finnish legislation and the articles of association of the Company in its decision-making and governance. The Company complies with the Finnish Corporate Governance Code 2015 of the Finnish Securities Market Association and the rules issued by Helsinki Stock Exchange.

The Company does not comply with the Recommendation 15 “*Appointment of Members to Committees*” of the Corporate Governance Code 2015, according to which a committee of the Board of Directors must have no less than three members. According to the rules of the committees of the Board of Directors, a committee of the Board of Directors shall have from two to three members elected by the Board of Directors from among its members. According to the said rules, only two members may be appointed to a committee if the Board of Directors considers it appropriate in light of the structure and number of members of the Board of Directors. In 2013, 2014 and 2015, the committees of the Board of Directors have comprised three members.

According to the assessment by the Board of Directors, Minna Alitalo, Arto Hiltunen, Olli-Pekka Kallasvuo and Risto Kyhälä are independent of the Company and its significant shareholders. Ilpo Kokkila and Timo Kokkila are significant shareholders of the Company and not independent of the Company.

Board Committees

Overview

The Board of Directors has established two committees, the Audit Committee and the Nomination and Remuneration Committee. The committees function in accordance with standing rules confirmed by the Board of Directors and they report to the Board of Directors.

Audit Committee

The Audit Committee supervises the Company’s financial reporting and prepares matters for the Board of Directors relating to monitoring the financial situation, financial reporting, auditing and risk management. The Audit Committee’s tasks include overseeing the Company’s financial situation, monitoring auditing, examining drafts of the financial statements and interim reports, and monitoring the effectiveness of internal control, internal auditing and risk management systems. In addition, the Audit Committee prepares a proposal on the selection of the auditor to annual general meeting of shareholders of the Company. As at the date of this Listing Prospectus, the Audit Committee consists of Minna Alitalo (Chairman), Olli-Pekka Kallasvuo and Timo Kokkila. In 2015, the Audit Committee met four times. Of the members, Minna Alitalo and Olli-Pekka Kallasvuo are independent of the Company and its major shareholders. Timo Kokkila is a major shareholder and is not independent of the Company.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee prepares matters concerning the election of the members of the Board of Directors for consideration of the annual general meeting of shareholders of the Company. The Nomination and Remuneration Committee prepares matters concerning the remuneration of the members of the Board of Directors, the President and CEO, the Corporate Executive Team and other executives of SRV, SRV’s incentive systems and the nomination of Senior Vice-Presidents and other members belonging to Corporate Executive Team. As at the date of this Listing Prospectus, the Nomination and Remuneration Committee consists of Ilpo Kokkila (Chairman), Arto Hiltunen and Risto Kyhälä. In 2015, the Nomination and Remuneration Committee met four times. Of the members, Arto Hiltunen and Risto Kyhälä are independent of the Company and its major shareholders. Ilpo Kokkila is a major shareholder and is not independent of the Company.

Conflicts of Interest

Provisions regarding the conflicts of interest of the management of a Finnish company are set forth in the Finnish Companies Act. Pursuant to Chapter 6, Section 4 of the Finnish Companies Act, a member of the Board of Directors may not participate in the handling of a contract between himself or herself and the company, nor may he or she participate in

the handling of a contract between the company and a third party if he or she may thereby receive a material benefit, which may be in contradiction with the interests of the company. This provision also applies to any other legal act, legal proceeding or other similar matter. This provision also applies to the CEO.

Except for their legal and/or beneficial interest in the Shares, there are no (i) potential conflicts of interest between any duties to the Company of any member of the Board of Directors or the Corporate Executive Team and their private interests and/or other duties; (ii) arrangements or understandings with major shareholders, members, suppliers or others pursuant to which any member of the Board of Directors or the Corporate Executive Team was elected; or (iii) restrictions agreed by any member of the Board of Directors on the disposal of their holdings in the Company's securities within a certain time.

Timo Kokkila is Ilpo Kokkila's son. There are no other family relationships between the members of the Board of Directors, the Chairman of the Board of Directors, the President and CEO and the members of the Corporate Executive Team.

Directorships/Partnerships

The members of the Board of Directors and the Corporate Executive Team currently hold or have held the following directorships and/or have been a partner in the following partnerships in the five years prior to the date of this Listing Prospectus:

	<u>Current Directorships/Partnerships</u>	<u>Former Directorships/Partnerships</u>
Members of the Board of Directors		
Ilpo Kokkila.....	Afortus Oy Pontos Capital AS Etmia Oy Kolpi Investments Oy HVS-Suojat Oy Pontos Ltd AS Hotell Viru AS Viru Center AS Pontos Baltic OÜ Pontcap 1 OÜ Pontcap 3 OÜ Pontcap 5 Kamppi Development Ltd Parmalo Invest OÜ	Caprus Ltd. Confederation of Finnish Industries Johtamistaidon Osuuskunta JTO Suomalais-Venäläinen kauppakamariyhdistys SVKK ry JTO-Palvelut Oy Kesko Corporation Russian Capital Management Ltd AS Pontos Kinnisvara PBH Invest Oy Somerotalo Oy OÜ Pontcap 4
Minna Alitalo.....	Suomen Palautuspakkaus Oy Palpa Lasi Oy	Alkon eläkesäätiö Eläkesäätiöyhdistys ESY ry
Arto Hiltunen.....	Yliopiston Apteekki Veho Group Oy Ab Jenny ja Antti Wihurin rahasto Metsäliitto Cooperative Helsingin kaupparkeakoulun tukisäätiö Foundation for Economic Education's Supporters' Association Posti Group Corporation Metsä Tissue Corporation	Talent Vectia Oy Kaupan liitto ry Confederation of Finnish Industries Suomen Messut Osuuskunta Suomen Luotto-osuuskunta
Olli-Pekka Kallasvuori.....	Peli-Integrintyhtiö FRV Oy Limestone Platform AS LSR-julkaisut Oy Entrada Oy Cleantech Industries Global N.V. Zenterio AB Aperios Partners Investment Management Capital Limited TeliaSonera AB Foundation for Economic Education's Supporters' Association	World Design Capital Helsinki 2012 Nokia Siemens Networks Oy
Timo Kokkila.....	Afortus Oy Kolpi Investments Oy UAB Mulga Pontos Ltd AS Pontos Baltic Parmalo Invest OÜ Renor Ltd Kamppi Development Ltd Viru Väljaku Arenduse AS AS Hotell Viru AS Viru Center	Caprus Ltd. Porin Puuvilla Oy PBH Invest Oy AS Pontos Kinnisvara Pontos Capital AS

	<u>Current Directorships/Partnerships</u>	<u>Former Directorships/Partnerships</u>
Risto Kyhälä	Kh-kiinteistöpalvelut Group Oy KH-KP Group Oy Stella Care Oy Avara Ltd Radium Oy	Marinetek Group Oy Kaukomarkkinat Ltd Kärkimedia Oy Stella Homecare Ltd Stella Turvapuhelin ja Hoiva Oy Alekstra Ltd Kiinteistöalan Kustannus Oy - REP Ltd SKV Kiinteistönvälitys Oy Realia Isännöinti Oy Realia Management Oy Huoneistokeskus Oy Huoneistomarkkinointi Oy Hangan Kiinteistökehitys Oy Neo Industrial Plc Coor Service Management LP Oy NLJ Invest Oy Housing Fair Finland Co-op
Members of the Corporate Executive Team		
Juha Pekka Ojala	Finnish Construction Industries RT (<i>Rakennusteollisuus RT ry</i>) East Office of Finnish Industries Oy Jupiter Realty 1 B.V. Tempo Invest LLC	–
Timo Nieminen.....	RYM Ltd Mutual Pension Insurance Company Etera	–
Juha Toimela	Finnish House Construction Industry Association (<i>Talonrakennusteollisuus ry</i>) MIE Primepro Oy	–
Ilkka Pitkänen.....	–	Ferraria Oy Ab Ab Åbo Bätvarf - Turun veneveistäjä Oy Inha Works Ltd Fiskars Garden Oy Ab Fiskars Home Oy Ab ImanCo Oy Fiskars Services Oy Ab Fiskars Europe Holding Oy Ab Fiskars Americas Holding Oy Ab Forte Netservices Oy Forte Groupservices Oy Huuked Labs Corporation DNA Store Ltd
Pirjo Ahanen.....	–	–
Katri Innanen.....	–	–
Päivi-Liisa Kauhanen.....	–	–
Veli-Matti Kullas.....	Russia Invest B.V. Jupiter Realty 1 B.V. Tempo Invest LLC Promenad Invest B.V. Mira Invest B.V. MMSG LLC Netherlands Pearl Plaza B.V. Pearl Plaza LLC Promenad LLC Mira Development LLC	–
Jussi Kuutsa.....	Posti Group Corporation Pearl Plaza LLC	–
Antero Nuutinen	Uusimaa district of the Building Manufacturing Industry Qualification Committee Housing production group of the Building Manufacturing Industry Qualification Committee Suontolan Talli Oy	–
Valter Palin.....	–	–

Auditors

On 22 March 2016, the annual general meeting of shareholders of the Company re-elected PricewaterhouseCoopers Oy, Authorised Public Accountants, as its auditor with Samuli Perälä, Authorised Public Accountant, as the auditor with the principal responsibility. The consolidated financial statements of the Company as at and for the years ended 31 December 2015 and 31 December 2014 incorporated by reference into this Listing Prospectus have been audited by PricewaterhouseCoopers Oy, with Samuli Perälä, Authorised Public Accountant, as the auditor with the principal responsibility, who is a member of the Finnish Association of Auditors.

SHARE CAPITAL AND OWNERSHIP STRUCTURE

As at the date of this Listing Prospectus, the Company's share capital amounts to EUR 3,062,520 and the total number of Shares issued is 60,499,575. As at the date of this Listing Prospectus, the Company holds 1,174,117 of its own Shares. The Company has one share class.

The following table sets forth the five largest shareholders of the Company that appeared on the shareholder register maintained by Euroclear Finland as at 29 February 2016:

	Number of Shares	Percent of Shares and votes
Ilpo Kokkila.....	12,988,844	21.5
Kolpi Investments Oy	11,505,457	19.0
Timo Kokkila	7,617,216	12.6
Tiiviste-Group Oy	6,030,821	10.0
OP-Suomi Arvo.....	1,383,147	2.3
Other shareholders.....	<u>20,974,090</u>	<u>34.7</u>
Total.....	<u>60,499,575</u>	<u>100.0</u>

On 23 March 2016, the Chairman of the Board of Directors of the Company Ilpo Kokkila owned 21.5 percent of the Shares. In addition to his direct ownership, Ilpo Kokkila owned 19.0 percent of the Shares through Kolpi Investments Oy, which is under his control. Moreover, a member of the Board of Directors Timo Kokkila owned 12.6 percent of the Shares on 23 March 2016.

TAXATION

The following summary is based on the tax laws of Finland as in effect on the date of this Listing Prospectus, and is subject to changes in Finnish law, including changes that could have a retroactive effect. The following summary does not take into account or discuss the tax laws of any country other than Finland and does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

Finnish Resident Noteholders

Individual

If the recipient of interest paid on the Notes is an individual (natural person) residing in Finland or an undistributed estate of a deceased Finnish resident, such interest is, when paid by the Issuer or securities dealer (*i.e.*, a Finnish financial institution making the payment), subject to an advance withholding tax in accordance with the Finnish Withholding Tax Act (*Ennakkoperintälaki 1118/1996*, as amended) and final taxation as capital income in accordance with the Finnish Income Tax Act (*Tuloverolaki 1535/1992*, as amended). The current withholding tax and capital income tax rate is 30 percent. Should the amount of capital income received by a resident natural person exceed EUR 30,000 in a calendar year, the capital income tax rate is 34 percent on the amount that exceeds the EUR 30,000 threshold. However, advance tax withholdings will still be made at the rate of 30 percent.

If Notes are disposed of during the loan period, any capital gain as well as accrued interest received (secondary market compensation) is taxed as capital income. The Issuer or a securities dealer (*i.e.*, a Finnish financial institution making the payment) must deduct an advance withholding tax from the secondary market compensation paid to an individual (natural person) residing in Finland or an undistributed estate of a deceased Finnish resident.

An individual (natural person) residing in Finland or an undistributed estate of a deceased Finnish resident may deduct eventual capital losses primarily from its taxable capital gains and secondarily from its other taxable capital income in the year of disposal and in the five subsequent calendar years. If Notes are acquired in the secondary market, any accrued interest paid (secondary market compensation) is deductible from the capital income or, to the extent exceeding capital income, from earned income subject to the limitations of the Finnish Income Tax Act.

Corporate Entity or Partnership

Interest paid to Finnish corporate entities (other than non-profit associations) and to Finnish partnerships is deemed to be taxable income of the recipient of interest. Any gain or loss realised following a disposal of the Notes will be taxable income or a tax deductible loss for the relevant Noteholder. The current tax rate for corporate entities is 20 percent. Interest paid to such Noteholders is not subject to any withholding tax. Non-Finnish Resident Noteholders

Non-Finnish Resident Noteholders

Noteholders who are not resident in Finland for tax purposes and who do not engage in trade or business through a permanent establishment or a fixed place of business in Finland will not be subject to Finnish taxes on interest or gains realised on the sale or redemption of the Notes. Interest payments made by the Issuer or a securities dealer (*i.e.*, a Finnish financial institution making the payment) to Noteholders who are not resident in Finland for tax purposes may, however, be subject to Finnish withholding tax, unless the identity of the Noteholders can be appropriately established.

ADDITIONAL INFORMATION

No Significant Change in the Company's Financial or Trading Position

There has been no significant change in the financial or trading position of the Company or SRV since 31 December 2015, which is the end of the financial period in respect of which the most recently audited financial statements of the Company have been published.

No Material Adverse Change in the Prospects

Since 31 December 2015, the last day of the financial period in respect of which the most recently audited financial statements of the Company have been prepared, there has been no material adverse change in the prospects of the Company.

Documents on Display

For as long as any of the Notes are outstanding, the Agency Agreement (as defined in the terms and conditions of the Notes), the Articles of Association, extract from the Finnish Trade Register and the annual consolidated financial statements as at and for the years ended 31 December 2015 and 2014 of the Company are available for viewing at the head office of the Company, address Tarvonsalmenkatu 15, FI-02600 Espoo, Finland, on weekdays during normal business hours.

Listing and Trading of the Notes

Applications will be made for the listing of the Notes on the Helsinki Stock Exchange and the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange. The trading on the Notes is expected to begin on or about 29 March 2016.

DOCUMENTS INCORPORATED BY REFERENCE INTO THIS LISTING PROSPECTUS

The following documents have been incorporated by reference into this Listing Prospectus according to the European Commission Regulation 809/2004 Article 28 and they form a part of the financial information of the Company. The documents incorporated by reference are available on the internet at www.srv.com/investors and at the registered office of the Company located at Tarvonsalmenkatu 15, FI-02600 Espoo, Finland, on weekdays during normal business hours:

- the audited consolidated financial statements of the Company as at and for the year ended 31 December 2015; and
- the audited consolidated financial statements of the Company as at and for the year ended 31 December 2014 (included on pages 18–64 of the Company’s Annual Report 2014).

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