

Interim Report January-March 2012



Picture: Karolinska University Hospital
Stockholm, Sweden

Building Services
Northern Europe



Picture: Berlin-Brandenburg International
Airport, Berlin, Germany

Building Services
Central Europe



Picture: Levi Chalets,
Kittilä, Finland

Construction Services
Finland



Picture: Vilnius University of Science
and Communication and
the Information Centre, Vilnius, Lithuania

International
Construction Services

YIT'S INTERIM REPORT JANUARY 1 – MARCH 31, 2012: Good residential sales continued, order backlog strengthened further

- The operating profit of the segments increased by 4 percent on the previous year to EUR 52.3 million (1–3/2011: EUR 50.4 million). The operating profit of Building Services Northern Europe was burdened by tight price competition, low utilisation rates of resources and loss-making Industrial Services. Operating profit increased in Building Services Central Europe as the result of successful profit improvement measures. Construction Services Finland's operating profit increased as the result of continued favourable residential sales and strong development in the construction of business premises and infrastructure. Operating profit remained at the previous year's level in International Construction Services.
- The revenue of the segments was 7 percent higher than in the previous year, increasing to EUR 1,098.3 million (1–3/2011: EUR 1,026.9 million). Revenue grew in Building Services Northern Europe, Construction Services Finland and International Construction Services. The growth in revenue was supported by a slight revival in the demand for building services, continued favourable residential sales in Finland and the favourable development of business premises construction and the infrastructure business.
- The order backlog of the segments was 18 percent higher than a year earlier, amounting to EUR 3,965.5 million (3/2011: EUR 3,355.6 million). The order backlog was 6 percent higher than at the end of 2011.
- The Group's profit before taxes based on segment reporting remained at the previous year's level and was EUR 47.1 million (1–3/2011: EUR 45.9 million).
- The Group's earnings per share based on segment reporting increased by 8 percent from the year before, amounting to EUR 0.28 (1–3/2011: EUR 0.26).

GUIDANCE: The Group's revenue based on segment reporting will remain on a par with 2011 and operating profit will increase compared to 2011.

YIT Corporation reiterates its estimate issued in connection with the financial statements for 2011 and according to which, in 2012, revenue will remain at the level of 2011 and operating profit will increase compared to 2011. The profit outlook is based on the segment-level reporting, i.e. recognition of income based on the percentage of completion.

With the improvement of profitability with the progress of the efficiency improvement programme, the Building Services Northern Europe business segment will support the growth of YIT's revenue for 2012, especially during the last two quarters of the year.

The high uncertainty over the general macroeconomic development may have a negative effect also on decision-making by YIT's customers and thereby the development and performance of YIT's business operations.

Juhani Pitkääkoski, President and CEO, in conjunction with the review:

Development in the first quarter met with our expectations. Residential sales remained favourable in both Finland and Russia. In Russia, we responded to the continued favourable demand by starting up the construction of more than 1,500 residential units. In addition to residential sales, strong development in business premises construction and infrastructure construction contributed to the favourable development in Construction Services Finland. With regard to Building Services Central Europe, demand picked up compared to the fourth quarter of 2011, and we continued to improve the profitability of the segment with measures aimed at improving operational efficiency.

We will continue to focus on improving the profitability of Building Services Northern Europe; there are extensive efficiency improvement measures under way in the segment, and we expect their impact to be visible during the latter half of 2012. Our order backlog strengthened compared to the end of 2011, which provides a favourable starting point for the Group for the rest of the year.

Our aim is to utilise the opportunities presented by the market situation and continue residential start-ups and plot investments. Low interest rates typically support residential demand. In fact, we aim to increase the number of residential development projects and start up the construction of approximately 700 residential units as development projects in Finland during the second quarter.

KEY FIGURES

Development of the Group based on segment reporting (percentage of completion, POC)

Revenue, EUR million	1-3/12	1-3/11	Change
Building Services Northern Europe	513.1	476.2	8%
Building Services Central Europe	159.4	177.1	-10%
Construction Services Finland	329.5	289.5	14%
International Construction Services	107.9	100.3	8%
Other items	-11.6	-16.2	
Group, total	1,098.3	1,026.9	7%

Operating profit, EUR million	1-3/12	1-3/11	Change
Building Services Northern Europe	14.6	17.1	-15%
Building Services Central Europe	5.2	4.0	30%
Construction Services Finland	29.7	25.6	16%
International Construction Services	8.5	8.4	1%
Other items	-5.7	-4.7	
Group, total	52.3	50.4	4%

Operating profit margin, %	1-3/12	1-3/11
Building Services Northern Europe	2.9	3.6
Building Services Central Europe	3.3	2.3
Construction Services Finland	9.0	8.8
International Construction Services	7.9	8.4
Group, total	4.8	4.9

Order backlog, EUR million	3/12	3/11	Change	3/12	12/11	Change
Building Services Northern Europe	969.4	804.9	20%	969.4	913.1	6%
Building Services Central Europe	500.5	573.2	-13%	500.5	449.5	11%
Construction Services Finland	1,428.0	1,176.0	21%	1,428.0	1,493.6	-4%
International Construction Services	1,142.9	862.7	32%	1,142.9	962.5	19%
Other items	-75.3	-61.2		-75.3	-66.0	
Group, total	3,965.5	3,355.6	18%	3,965.5	3,752.7	6%

Key ratios of segment reporting (percentage of completion, POC)

	1-3/12	1-3/11	Change
Profit before taxes, EUR million	47.1	45.9	3%
Profit for the review period, EUR million ¹⁾	34.6	32.7	6%
Earnings/share, EUR	0.28	0.26	8%
Operating cash flow after investments, EUR million	-9.0	16.1	
Personnel at the end of period	25,703	25,748	0%

¹⁾ attributable to equity holders

INFORMATION SESSION, WEBCAST AND CONFERENCE CALL

YIT will hold a news conference on the interim report on Friday, April 27, 2012, at 10:00 a.m. (Finnish Time, EEST). The news conference will be held in English. The news conference will be held at YIT's head office at Panuntie 11, 00620 Helsinki, Finland. The event is intended for analysts, portfolio managers and the media.

The news conference and the presentation, given by the company's President and CEO, Juhani Pitkääkoski, can be viewed live on YIT's website at www.yitgroup.com/webcast. The live webcast will start at 10:00 a.m. The webcast replay will be available at the same address starting at approximately 12:00 noon.

It is also possible to participate in the event through a conference call. Participants are requested to call the assigned number +44 (0)20 7162 0077 at least five minutes before the conference call begins, at 9:55 a.m. (Finnish time, EEST) at the latest.

During the webcast and conference call, questions must be asked in English. After the session, there will also be an opportunity for the media to ask questions in Finnish.

Schedule in different time zones:

	Interim Report published	The analyst, portfolio manager and media event, conference call and live webcast	Recorded webcast available
EEST (Helsinki)	8.00	10.00	12.00
CEST (Paris, Stockholm)	7.00	9.00	11.00
BST (London)	6.00	8.00	10.00
US EDT (New York)	1.00	3.00	5.00

Financial reports and other investor information are available at YIT's website, www.yitgroup.com/investors. The materials may be ordered via the website, by sending e-mail to InvestorRelations@yit.fi or by telephone on +358 20 433 2257.

YIT Corporation

Juhani Pitkääkoski
President and CEO

For further information, please contact:

Timo Lehtinen, Chief Financial Officer, YIT Corporation, tel. +358 45 670 0626, timo.lehtinen@yit.fi
Hanna-Maria Heikkinen, Vice President, Investor Relations, YIT Corporation, tel. +358 40 826 2172, hanna-maria.heikkinen@yit.fi

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INTERIM REPORT JANUARY 1 – MARCH 31, 2012

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GROUP'S FINANCIAL DEVELOPMENT BASED ON SEGMENT REPORTING

Accounting principles applied in the interim report

YIT Corporation's management follows the development of the company's business according to percentage of completion-based segment reporting. Therefore, the descriptive part of the interim report focuses on describing the company's performance according to this reporting. YIT also reports on its operations in accordance with the IFRS guidelines, in connection with which the company applies the IFRIC 15 guidelines, for example. The effects of the differences of the recognition principles are presented in detail in the tables to the interim report.

Continued favourable development in Construction Services Finland supported the development of revenue

Revenue, EUR million	1-3/12	1-3/11	Change
Building Services Northern Europe	513.1	476.2	8%
Building Services Central Europe	159.4	177.1	-10%
Construction Services Finland	329.5	289.5	14%
International Construction Services	107.9	100.3	8%
Other items	-11.6	-16.2	
Group, total	1,098.3	1,026.9	7%

The revenue of YIT's segments increased by 7 percent in January–March compared to the previous year, amounting to EUR 1,098.3 million (1–3/2011: EUR 1,026.9 million). Revenue grew in Building Services Northern Europe, Construction Services Finland and International Construction Services. The growth in revenue was supported by a slight revival in the demand for building services, continued favourable residential sales in Finland and the favourable development of business premises construction and the infrastructure business in Finland. Changes in foreign exchange rates reduced the segments' revenue for January–March by EUR 5.5 million compared to the previous year.

In January–March, Finland accounted for 42 percent (1–3/2011: 41%) of the Group's revenue according to the segment reporting, Sweden for 16 percent (1–3/2011: 15%), Norway for 13 percent (1–3/2011: 12%), Germany for 11 percent (1–3/2011: 14%), Russia for 8 percent (1–3/2011: 9%), Denmark for 3 percent (1–3/2011: 4%), Austria for 3 percent (1–3/2011: 2%), the Baltic countries for 2 percent (1–3/2011: 1%) and other countries for 2 percent (1–3/2011: 2%)

Profitability at the previous year's level

Operating profit, EUR million	1-3/12	1-3/11	Change
Building Services Northern Europe	14.6	17.1	-15%
Building Services Central Europe	5.2	4.0	30%
Construction Services Finland	29.7	25.6	16%
International Construction Services	8.5	8.4	1%
Other items	-5.7	-4.7	
Group, total	52.3	50.4	4%

Operating profit margin, %	1-3/12	1-3/11
Building Services Northern Europe	2.9	3.6
Building Services Central Europe	3.3	2.3
Construction Services Finland	9.0	8.8
International Construction Services	7.9	8.4
Group, total	4.8	4.9

YIT's operating profit based on segment reporting increased by 4 percent compared to the previous year, amounting to EUR 52.3 million in January–March (1–3/2011: EUR 50.4 million). The operating profit margin based on segment reporting was 4.8 percent (1–3/2011: 4.9%). The operating profit for the review period includes EUR -2.9 million of borrowing costs according to IAS 23 (1-3/2011: EUR -2.0 million). The IAS 23 standard defines the recording method of borrowing costs in long-term construction projects.

The first quarter operating profit margin of Building Systems Northern Europe fell short of the previous year due to strict price competition, especially in project operations, the low utilisation rate of resources and the industrial services business showing a loss. The profitability of Building Services Central Europe improved from the previous year as the result of successful profitability improvement measures.

Growth of the order backlog supports performance during the rest of the year

Order backlog, EUR million	3/12	3/11	Change	3/12	12/11	Change
Building Services Northern Europe	969.4	804.9	20%	969.4	913.1	6%
Building Services Central Europe	500.5	573.2	-13%	500.5	449.5	11%
Construction Services Finland	1,428.0	1,176.0	21%	1,428.0	1,493.6	-4%
International Construction Services	1,142.9	862.7	32%	1,142.9	962.5	19%
Other items	-75.3	-61.2		-75.3	-66.0	
Group, total	3,965.5	3,355.6	18%	3,965.5	3,752.7	6%

The order backlog of YIT's segments was EUR 3,965.5 million at the end of March (3/2011: EUR 3,355.6 million); 18 percent more than at the end of March the previous year. The order backlog increased by 6 percent from the end of December 2011, at which time it stood at EUR 3,752.7 million.

The order backlog of Building Systems increased on the previous year as the result of a slight revival in the demand for building services. The order backlog of Construction Services increased as a result of residential start-ups. In addition, the order backlog of infrastructure construction doubled from the previous year and improved the order backlog of Construction Services Finland.

Capital expenditure and acquisitions

Gross capital expenditure on non-current assets included on the balance sheet totalled EUR 13.6 million (1–3/2011: EUR 8.7 million) during January–March, representing 1.2 percent (1–3/2011: 0.9%) of revenue. Investments in construction equipment amounted to EUR 2.8 million (1-3/2011: EUR 3.8 million) and investments in information technology to EUR 2.4 million (1-3/2011: EUR 1.8 million). Other investments, including acquisitions, amounted to EUR 8.3 million (1–3/2011: EUR 3.1 million).

During the review period, YIT made two acquisitions in the Building Services Northern Europe segment. In Sweden, YIT acquired Elektriska Installationer i Finspång AB, a company specialising in electricity, telecommunications, data, alarm and low voltage installations, and its subsidiary Kraftmontage i Finspång

AB, specialising in electrical installations. The combined annual revenue of the companies amounts to approximately EUR 2 million.

A more detailed description of acquisitions made during the review period can be found in the tables to the interim report.

Negative cash flow during the first quarter

The Group's operating cash flow after investments amounted to EUR -9.0 million in January–March (1–3/2011: EUR 16.1 million). The operating cash flow was particularly affected by plot investments in Construction Services and the increase in working capital in Building Services Central Europe; in Building Services Northern Europe, the operating cash flow for the review period was good.

At the end of March, the Group's invested capital amounted to EUR 1,848.7 million (12/2011: EUR 1,855.8 million). Of the Group's invested capital, 29 percent (12/2011: 26%), or EUR 528.7 million (12/2011: EUR 485.7 million) was invested in Russia. Exchange rate changes of the ruble increased the capital invested in Russia by EUR 27.4 million in January–March.

The amount of capital invested in Russia increased during the first quarter as a result of increasing the volume of residential production. Smaller project sizes, sales of residential units at an earlier construction phase, improved terms of payment and an increased share of mortgage deals all increase capital efficiency in the segment.

The Group's return on investment based on segment reporting amounted to 14.8 percent for the last 12 months (1–12/2011: 14.8%). Only operational items are taken into account in calculating the segments' invested capital.

Profit before taxes at the previous year's level

Profit before taxes based on segment reporting remained at the previous year's level and amounted to EUR 47.1 million in January–March (1–3/2011: EUR 45.9 million).

Earnings per share based on segment reporting increased by 8 percent from the year before in January–March, amounting to EUR 0.28 (1–3/2011: EUR 0.26).

DEVELOPMENT BY BUSINESS SEGMENT

Development by business segment is presented using figures compliant with segment reporting.

BUILDING SERVICES NORTHERN EUROPE

	1-3/12	1-3/11	Change
Revenue, EUR million	513.1	476.2	8%
Operating profit, EUR million	14.6	17.1	-15%
Operating profit margin, %	2.9	3.6	

	4/11-3/12	1-12/11
Return on operative invested capital (last 12 months), %	24.5	23.8

	3/12	3/11	Change	3/12	12/11	Change
Operative invested capital, EUR million	339.4	282.8	20%	339.4	372.9	-9%
Order backlog, EUR million	969.4	804.9	20%	969.4	913.1	6%

Revenue, EUR million	1-3/12	1-3/11	Change
Finland	142.2	139.8	2%
Sweden	178.5	155.7	15%
Norway	147.1	127.4	15%
Denmark	34.0	41.4	-18%
Russia and the Baltic countries	11.2	11.9	-5%
Total	513.1	476.2	8%

The revenue of Building Services Northern Europe increased by 8 percent in January–March compared to the previous year, amounting to EUR 513.1 million (1–3/2011: EUR 476.2 million). Changes in foreign exchange rates reduced the revenue for the review period by EUR 4.8 million compared to the previous year. Revenue increased in Sweden and Norway in particular.

The segment's operating profit fell short of the previous year due to strict price competition, especially in the project business, the low utilisation rate of resources and industrial services showing a loss. The demand for industrial services strengthened during the review period, but tight price competition continued.

The restructuring of operations underway in all countries where Building Services Northern Europe operates proceeded according to plan during the review period. During 2011, decisions were made on the reduction of a total of approximately 800 employees as the result of restructuring efforts. These efforts are estimated to result in annual savings of approximately EUR 40 million from 2013 onwards. The aim is to improve the segment's profitability also through rearrangement of the branch office network, more selective project acquisition and making procurement more efficient. In addition, material logistics, the invoicing process and servicing capacity planning will all be made more efficient, the service culture will be strengthened and the organisation structure will be adjusted to make servicing activity more efficient.

The order backlog at the end of March increased by 20 percent on the previous year, amounting to EUR 969.4 million (3/2011: EUR 804.9 million). In particular, large energy-saving projects continued to increase their share of the order backlog during the first quarter. Compared to the end of December 2011, the order backlog increased by 6 percent (12/2011: EUR 913.1 million).

Service and maintenance revenue continued to grow

Service and maintenance operations generated EUR 328.1 million (1–3/2011: EUR 302.5 million), or 64 percent (1–3/2011: 64%) of the segment's total revenue in January–March.

YIT concluded several service and maintenance agreements in Sweden during the review period. YIT will supply building system services to Alfa Laval AB's production plant in Sweden and energy efficiency services to, for example, the Diocese of Luleå and its 57 parishes. In Denmark, YIT signed during the review period a maintenance agreement with the department in charge of palaces and cultural facilities. The agreement covers electrical, heating and ventilation installations in 42 buildings with a total floor area of approximately 400,000 m². In Norway, the service and maintenance agreement between YIT and Oslo Lufthavn AS (the Oslo airport) was extended.

Level of new investments was relatively low

New investments in building systems recovered slightly during the first quarter, but still remained at a relatively low level. During the review period, YIT signed an agreement on the delivery of electric installations in the Danish Aabenraa hospital in connection with its renovation. The agreement covers approximately 26,000 m².

BUILDING SERVICES CENTRAL EUROPE

	1-3/12	1-3/11	Change
Revenue, EUR million	159.4	177.1	-10%
Operating profit, EUR million	5.2	4.0	30%
Operating profit margin, %	3.3	2.3	

	4/11-3/12	1-12/11
Return on operative invested capital (last 12 months), %	59.7	53.8

	3/12	3/11	Change	3/12	12/11	Change
Operative invested capital, EUR million	96.5	18.9	410%	96.5	72.0	34%
Order backlog, EUR million	500.5	573.2	-13%	500.5	449.5	11%

Revenue, EUR million	1-3/12	1-3/11	Change
Germany	124.7	141.1	-12%
Austria	30.0	21.9	37%
Poland, the Czech Republic and other countries	4.7	14.1	-67%
Total	159.4	177.1	-10%

The revenue of Building Services Central Europe decreased by 10 per cent in January–March compared to the previous year, amounting to EUR 159.4 million (1–3/2011: EUR 177.1 million). The decrease in revenue was due to the postponement of customers' investment decisions towards the end of 2011 in Germany, the low level of activity in Central Eastern Europe and the discontinuation of international projects.

The operating profit for January–March increased by 30 percent compared to the previous year as the result of successful profitability improvement measures, amounting to EUR 5.2 million (1–3/2011: EUR 4.0 million).

The demand in the German and Austrian building services markets was good in the review period. The order backlog amounted to EUR 500.5 million at the end of March (3/2011: EUR 573.2 million). The order backlog at the end of March decreased by 13 percent compared to the previous year, but compared to the end of December 2011, the order backlog increased by 11 percent (12/2011: EUR 449.5 million).

Service and maintenance revenue is growing

Service and maintenance operations generated EUR 45.6 million (1–3/2011: EUR 45.3 million), or 29 percent (1–3/2011: 26%) of the segment's total revenue in January–March. The share of service and maintenance was significantly lower in Building Services Central Europe (29%) than in Building Services Northern Europe (64%), and therefore the opportunities for increasing it in Building Services Central Europe are good.

YIT signed several service and maintenance agreements during the review period, and the share of agreements pursuant to the YIT-developed ServiFlex concept is increasing. For example, YIT signed with the German Automobile Association ADAC a long-term agreement on the supply of maintenance services to the tallest skyscraper in Munich.

Demand for new investments increased

The demand for new building system investments increased during the review period in Central Europe, and YIT secured several significant projects during the review period. In Germany, YIT will supply building system solutions to the BMW plant, a medical centre in Berlin, the German intelligence service (BND) and Airbus paint plant as well as a clean air complex for GlaxoSmithKline. In Austria, YIT will deliver the technical building systems to a shopping centre to be built in Salzburg and the Interspar hypermarket in Meidling, which is being renovated.

CONSTRUCTION SERVICES FINLAND

	1-3/12	1-3/11	Change
Revenue, EUR million	329.5	289.5	14%
Operating profit, EUR million	29.7	25.6	16%
Operating profit excluding IAS 23 adjustment, EUR million	31.4	27.1	16%
Operating profit margin, %	9.0	8.8	
Operating profit margin excluding IAS 23 adjustment, %	9.5	9.4	

	4/11-3/12	1-12/11
Return on operative invested capital (last 12 months), %	24.6	24.0

	3/12	3/11	Change	3/12	12/11	Change
Operative invested capital, EUR million	552.1	436.1	27%	552.1	558.4	-1%
Order backlog, EUR million	1,428.0	1,176.0	21%	1,428.0	1,493.6	-4%

Revenue amounted to EUR 329.5 million (1-3/2011: EUR 289.5 million) and it increased in January–March by 14 percent from the previous year as the volume of residential and business premises construction was at a good level. Also, the volume of infrastructure services was higher in January–March than in the corresponding period the previous year.

The segment's operating profit increased by 16 percent in January–March compared to the previous year, amounting to EUR 29.7 million (1–3/2011: EUR 25.6 million). The operating profit for the review period includes EUR -1.7 million of borrowing costs according to IAS 23 (1–3/2011: EUR -1.5 million). The operating profit margin for the review period was on a par with the previous year. The operating profit was improved by continued favourable residential sales and good development in business premises construction and infrastructure services.

The order backlog amounted to EUR 1,428.0 million at the end of March (3/2011: 1,176.0). The order backlog increased by 21 percent from the previous year, especially due to the doubling of the order backlog in infrastructure construction. Compared to the end of December 2011, the order backlog decreased by 4 percent (12/2011: EUR 1,493.6 million).

The segment's capital tied into plot reserves totalled EUR 297.0 million (3/2011: EUR 272.5 million) at the end of March. The plot reserves included 1,652,000 m² of floor area of residential plots (3/2011: 1,549,000) and 634,000 m² of floor area of plots for business premises (3/2011: 1,036,000).

Residential sales to consumers remained favourable

Residential sales continued at a good level in the first quarter. The demand focused particularly on residential units in the final stages of construction and completed residential units. Housing prices remained stable during the first quarter. Residential sales to consumers have continued at a good level in April.

Residential construction in Finland, number of residential units

	1-3/12	1-3/11	Change		10-12/11	7-9/11	4-6/11
Sold	775	592	31%		962	456	755
- of which directly to consumers	453	535	-15%		449	396	513
Start-ups	559	662	-16%		1,021	621	917
- of which directly to consumers	237	605	-61%		508	561	675
Completed	616	918	-33%		543	869	1,344
- of which directly to consumers	499	563	-11%		543	580	791
Under construction at the end of the period	4,049	4,302	-6%		4,105	3,627	3,875
- of which sold at the end of the period	2,398	2,660	-10%		2,208	1,743	2,127
For sale at the end of the period	1,966	1,794	10%		2,180	2,121	1,956
- of which completed	315	152	107%		283	237	208

Changes in the number of residential units may take place after the start of construction due to the division or combination of residences.

The focus of YIT's housing construction is on residential development projects aimed directly at consumers in accordance with market demand. During the first quarter, YIT started up the construction of 237 residential units as development projects. In addition, YIT started up the construction of approximately 220 student flats for KOAS (Central Finland Student Housing Foundation) and the construction of approximately 100 residential units as tender-based projects. During the second quarter, YIT aims to start up the construction of approximately 700 residential units as development projects in Finland.

YIT has actively replenished its plot reserves by acquiring plots and making preliminary agreements on plots in order to ensure good opportunities for residential start-ups also in the future.

The number of completed but unsold residential units has remained at a relatively low level. Of the residential units under construction, 59 percent have been sold (3/2011: 62%), which reduces YIT's sales risk. The merchandise inventory is focused on medium-priced residential production: approximately 75 percent of the residential units for sale are priced at less than EUR 300,000.

YIT is well prepared to adjust its residential production according to the market situation. The costs of completing the current residential and business premises development projects for sale amounted to EUR 294.0 million at the end of March 2012.

Favourable development in the business premises market continued

The development of the business and office premises market continued to be favourable in the first quarter, and the order backlog of YIT's business and office premises operations remained at a favourable level. The leasing of business and office premises under construction proceeded well in January–March: lease agreements were signed on approximately 6,400 m² of premises. Rents for business premises and investors' yield requirements remained unchanged in the first quarter.

Development of infrastructure construction remained favourable

Demand for infrastructure construction continued to be good in the first quarter, and the order backlog of infrastructure services at the end of March 2012 was double the order backlog of the previous year.

During the review period, YIT was selected to implement the interior contract of the Aviapolis railway station, which is part of the Ring Railway project. The value of the contract is approximately EUR 37.5 million, and construction is estimated to take approximately two years.

INTERNATIONAL CONSTRUCTION SERVICES

	1-3/12	1-3/11	Change
Revenue, EUR million	107.9	100.3	8%
Operating profit, EUR million	8.5	8.4	1%
Operating profit excluding IAS 23 adjustment, EUR million	9.7	8.9	9%
Operating profit margin, %	7.9	8.4	
Operating profit margin excluding IAS 23 adjustment, %	9.0	8.9	

	4/11-3/12	1-12/11
Return on operative invested capital (last 12 months), %	6.1	6.5

	3/12	3/11	Change	3/12	12/11	Change
Operative invested capital, EUR million	651.8	720.0	-9%	651.8	602.2	8%
Order backlog, EUR million	1,142.9	862.7	32%	1,142.9	962.5	19%

Revenue for January–March increased by 8 percent compared to the previous year, which was particularly attributable to revenue growth in the Baltic countries and Central Eastern Europe, amounting to EUR 107.9 million (1–3/2011: EUR 100.3 million).

Operating profit for the first quarter remained on a par with the previous year, amounting to EUR 8.5 million (1–3/2011: EUR 8.4 million). The segment's operating profit for January–March includes EUR -1.2 million of borrowing costs according to IAS 23 (1–3/2011: EUR -0.5 million). The sale of projects at a stage of construction even earlier than before had an effect on the recognition of revenue and operating profit: only a limited amount of revenue is recognised at the time of the sale for projects that are sold in their early stage of construction. In addition, the harsh winter in Russia slowed down the progress of construction and therefore the revenue recognition of the projects. The weaker profitability of competitive tendering compared to residential development projects and its continued high share of the revenue in the Baltic countries in particular continued to impair the segment's profitability further during the first quarter.

As the result of residential start-ups begun during the first quarter, the order backlog at the end of March increased by 32 percent on the previous year and 19 percent compared to the end of December 2011, amounting to EUR 1,142.9 million (3/2011: EUR 862.7 million, 12/2011: EUR 962.5 million). The segment's order backlog was partially improved by the strengthening of the ruble, which had an impact of EUR 58.5 million in January–March.

The costs of completing the current residential and business premises development projects for sale amounted to EUR 431.0 million at the end of March 2012.

The segment's capital tied into plot reserves totalled EUR 346.1 million (3/2011: EUR 353.1 million) at the end of March. The plot reserves included 2,562,000 m² of floor area of residential plots (3/2011: 2,518,000) and 689,000 m² of floor area of plots for business premises (3/2011: 712,000) in Russia, the Baltic countries, the Czech Republic and Slovakia.

The segment's return on operative invested capital for the last 12 months was 6.1 percent, which is below the Group's strategic objective for return on investment (20 percent). YIT aims to increase the segment's return on invested capital by increasing the volume of operations, improving profitability and increasing further capital efficiency.

Russian residential sales continued to be strong

Russia generated 79 percent (1–3/2011: 88%) of the revenue of International Construction Services for January–March. Revenue in Russia decreased by 3 percent from the previous year to EUR 85.6 million (1–3/2011: EUR 88.0 million).

The capital tied into plot reserves in Russia amounted to EUR 260.7 million (3/2011: EUR 274.9 million) at the end of March. The plot reserves included 2,200,000 (3/2011: 2,162,000) m² of floor area of residential plots and 546,000 (3/2011: 563,000) m² of floor area of plots for business premises.

Residential construction in Russia, number of residential units

	1-3/12	1-3/11	Change		10-12/11	7-9/11	4-6/11
Sold	955	675	41%		1,147	957	782
Start-ups	1,540	1,151	34%		1,587	665	1,089
Completed 1)	593	105	465%		694	539	238
Under construction at the end of the period 2)	8,313	5,495	51%		7,365	6,472	6,346
- of which sold at the end of the period	2,881	1,375	110%		2,632	2,164	1,762
For sale at the end of the period	5,799	4,687	24%		5,142	4,702	4,993
- of which completed	367	567	-35%		409	394	409

Under construction at the end of the period 2)	3/12	3/11	Change		12/11	9/11	6/11
St. Petersburg	2,102	1,935	9%		2,396	1,988	1,801
Moscow region	3,882	2,646	47%		3,142	3,141	3,570
Yekaterinburg, Kazan, Don Rostov and Moscow	2,329	914	155%		1,827	1,343	975

1) Completion of the projects requires commissioning by the authorities.

2) At the end of March 2012, YIT had 365 (3/2011: 365) residential units at Russian sites whose construction was suspended in the autumn of 2008. These residential units are not included in the figure for residential units under construction shown in the table. Changes in the number of residential units may take place after the start of construction due to the division or combination of residences.

In Russia, the focus of operations is on residential development projects in St Petersburg, Moscow and cities in the Moscow region, Yekaterinburg, Rostov-on-Don and Kazan. YIT actively continued plot investments in the Moscow region during the first quarter.

Typically, the first quarter is the softest quarter for the segment due to the holiday season in Russia at the beginning of the year. Residential sales continued to focus on projects at an early stage of construction in Russia during the review period, meaning that a relatively smaller amount of revenue is recognised for the sold residential units at the time of the sale. Work at YIT construction sites had to be halted due to the harsh winter early in the year, which had an impact on the progress of construction and in turn the revenue recognition for the projects. Residential sales have continued at a good level in Russia in April.

Residential sales have been supported by YIT's established position as a reliable construction company in Russia, YIT's diverse housing offering, YIT's own marketing and promotion measures and extensive housing loan cooperation with banks. The significance of loan financing has increased in Russia, and, in the first quarter, customers have taken out housing loans in 33 percent of YIT's residential sales. Residential sales were also supported by the strong growth in demand for new housing, continued favourable consumer confidence, oil prices and moderate interest rates for mortgages.

Housing prices increased at a moderate rate during the review period in Russia, and YIT increased the prices of its residential units slightly throughout Russia.

Based on the favourable demand, YIT has actively started up new residential projects in Russia, and start-ups were begun in the first quarter particularly in Moscow, the Moscow region and Yekaterinburg.

The number of residential units for sale has been increased in a controlled manner, and the merchandise inventory at the end of March was geographically balanced. The number of completed but unsold residential units decreased from the previous year. Of the residential units under construction, 35 percent had been sold (3/2011: 25%).

After the handover of residential projects, YIT offers its customers service and maintenance. At the end of March 2012, YIT was responsible for the service and maintenance of almost 11,000 residential units.

YIT's volume in the Russian business premises market remained at a low level during the first quarter of the year.

Revival of the residential market is slow in the Baltic countries and Central Eastern Europe

Estonia, Latvia, Lithuania, the Czech Republic and Slovakia accounted for 21 percent of the revenue of International Construction Services for January–March (1–3/2011: 12%). Revenue generated in these countries increased by 82 percent compared to the year before to EUR 22.3 million (1–3/2011: EUR 12.3 million). The capital tied into plot reserves in the Baltic countries, the Czech Republic and Slovakia totalled EUR 85.4 million at the end of March (3/2011: EUR 78.2 million). The plot reserves included 362,000 m² of floor area of residential plots (3/2011: 356,000) and 143,000 m² of floor area of plots for business premises (3/2011: 149,000).

The weaker profitability of competitive tendering compared to residential development projects and its continued high share of the revenue in the Baltic countries in particular continued to impair the segment's profitability further during the first quarter. YIT aims to shift the focus of operations from tender-based production to residential development projects in order to improve profitability as residential demand is reviving.

Residential construction in the Baltic countries and Central Eastern Europe, number of residential units

	1-3/12	1-3/11	Change		10-12/11	7-9/11	4-6/11
Sold	75	57	32%		97	111	99
Start-ups	0	135	-100%		58	152	181
Completed	232	81	186%		147	60	0
Under construction at the end of the period	378	430	-12%		614	698	611
- of which sold at the end of the period	104	47	121%		171	183	108
For sale at the end of the period	526	527	0%		611	645	609
- of which completed	252	144	75%		168	130	106

Residential sales were at a relatively low level in the first quarter, and housing prices remained stable in the Baltic countries and Central Eastern Europe.

YIT's residential sales inventory in the Baltic countries, the Czech Republic and Slovakia is approximately 500 residential units, and YIT aims to increase the number of residential units for sale in accordance with demand. Acquisition of new residential plots was continued during the review period.

PERSONNEL

Personnel by business segment	3/12	3/11	Change		3/12	12/11	Change
Building Services Northern Europe	15,640	15,712	0%		15,640	15,900	-2%
Building Services Central Europe	3,505	3,712	-6%		3,505	3,506	0%
Construction Services Finland	3,438	3,253	6%		3,438	3,429	0%
International Construction Services	2,730	2,677	2%		2,730	2,753	-1%
Corporate Services	390	394	-1%		390	408	-4%
Group, total	25,703	25,748	0%		25,703	25,996	-1%

Personnel by country/region	3/12	3/11	Change	3/12	12/11	Change
Finland	8,967	9,144	-2%	8,967	9,165	-2%
Sweden	4,690	4,484	5%	4,690	4,770	-2%
Norway	3,621	3,462	5%	3,621	3,602	1%
Germany	2,577	2,771	-7%	2,577	2,627	-2%
Russia	2,579	2,410	7%	2,579	2,498	3%
Denmark	1,169	1,357	-14%	1,169	1,218	-4%
Baltic countries	989	1,013	-2%	989	1,067	-7%
Other countries (Central Europe excluding Germany)	1,111	1,107	0%	1,111	1,049	6%
Group, total	25,703	25,748	0%	25,703	25,996	-1%

In January–March 2012, the Group employed 25,821 people on average (1–3/2011: 25,754). At the end of March, the Group employed 25,703 people (3/2011: 25,748).

The cost effect of YIT's share-based incentive scheme was about EUR 1.4 million in January–March (1–3/2011: EUR 1.4 million).

STRATEGIC OBJECTIVES

YIT Corporation's Board of Directors confirmed the Group's strategy for 2012–2014 on September 21, 2011. The key strategic objective is balanced and profitable growth. The Group's other strategic long-term target levels remain unchanged: average annual revenue growth of more than 10 percent, return on investment of 20 percent, operating cash flow after investments sufficient for dividend payout and reduction of debt, equity ratio of 35 percent and dividend payout of 40–60 percent of net profit for the period. When determining the target levels, the assumption was made that economic growth in YIT's market areas will continue.

In terms of business operations, the focus areas of YIT's growth continue to be building systems service and maintenance operations and residential construction. Growth is sought through acquisitions and organically. Building system services will be increased in the Nordic countries and Central Europe, and residential construction in Finland, Russia, the Baltic countries and Central Eastern Europe. The Group's potential new market areas are Switzerland in building system services and Poland in construction services. Particular focus areas for growth include residential construction in Russia and building system services in Germany.

YIT published a stock exchange release on the confirmation of the strategy and materials for the Capital Market Day focusing on the strategic focus areas on September 22, 2011.

GROUP'S FINANCIAL DEVELOPMENT BASED ON GROUP REPORTING (IFRS)

	1-3/12	1-3/11	Change
Revenue, EUR million	1,098.4	969.7	13%
Operating profit, EUR million	55.2	39.2	41%
Operating profit margin, %	5.0	4.0	
Profit before taxes, EUR million	49.9	34.7	44%
Profit for the review period, EUR million ¹⁾	36.5	24.8	47%
Earnings/share, EUR	0.29	0.20	45%
Operating cash flow after investments, EUR million	-9.0	16.1	

¹⁾ attributable to equity holders

	3/12	3/11	Change		3/12	12/11	Change
Order backlog, EUR million	4,385.3	3,699.0	19%		4,385.3	4,148.6	6%
Return on investment (last 12 months) %	12.8	14.0			12.8	12.0	
Equity ratio, %	28.8	28.5			28.8	30.2	
Gearing ratio, %	84.2	75.2			84.2	80.4	

Revenue based to Group reporting increased by 13 percent compared to the previous year, amounting to EUR 1,098.4 million in January–March (1–3/2011: EUR 969.7 million). The completion schedules of development projects affect the Group's revenue recognition, and therefore Group-level figures may fluctuate greatly between different quarters. The number of residential units completed during the first quarter was higher than the previous year. The number of residential units completed in Russia, the Baltic countries and Central Eastern Europe was clearly higher than the year before, while in Finland the number of residential units completed was clearly lower than the year before.

In Group-level reporting, residential development projects are only recognised as income upon project delivery. Following the IFRIC 15 adjustment, the Group's operating profit increased by 41 percent compared to the previous year, amounting to EUR 55.2 million (1–3/2011: EUR 39.2 million). Following the IFRIC 15 adjustment, the Group's operating profit margin was 5.0 percent (1–3/2011: 4.0%).

Profit before taxes based on Group reporting increased by 44 percent compared to the previous year, amounting to EUR 49.9 million in January–March (1–3/2011: EUR 34.7 million).

Earnings per share based on Group reporting increased by 45 percent from the year before in January–March, amounting to EUR 0.29 (1–3/2011: EUR 0.20).

The order backlog based on Group reporting amounted to EUR 4,385.3 million at the end of March (3/2011: EUR 3,699.0 million).

Return on investment amounted to 12.8 percent for the last 12 months (1/2011–12/2011: 12.0%). Invested capital is calculated by deducting non-interest bearing liabilities from the balance sheet total. The balance sheet total at the end of March was EUR 3,631.9 million (12/2011: EUR 3,504.5 million).

The equity ratio decreased slightly compared to the end of December 2011, amounting to 28.8 percent (12/2011: 30.2%).

Diverse capital structure and good liquidity position

YIT has a diverse capital structure and a good liquidity position. Cash reserves amounted to EUR 209.3 million at the end of March (12/2011: EUR 206.1 million). In addition, committed credit and overdraft facilities amounting to a total of EUR 357.4 million were unutilised. YIT has a total of EUR 280 million in committed credit facilities, of which EUR 50 million are valid until December 2013, EUR 30 million until December 2014 and EUR 200 million until December 2015. The committed credit facilities do not include an obligation to maintain financial key ratios, i.e. covenants.

The gearing ratio increased compared with the end of December 2011, amounting to 84.2 percent at the end of March 2012 (12/2011: 80.4%). Net financial liabilities increased from the end of December 2011 to EUR 755.8 million (12/2011: EUR 740.4 million).

Net financial expenses increased compared to the previous year's level and amounted to EUR 5.2 million (1–3/2011: EUR 4.5 million), or 0.5 percent (1–3/2011: 0.5%) of the Group's revenue. The net financial expenses include EUR 3.8 million of capitalisations in compliance with IAS 23 (1–3/2011: EUR 3.1 million). The exchange rate differences included in the net financial expenses, totalling EUR -1.0 million (1–3/2011: EUR -1.3 million), was comprised almost entirely of costs of hedging debt investments in Russia. The hedged ruble exposure has remained on the same level as in December 2011. At the end of March 2012, EUR 88.1 million of the capital invested in Russia was comprised of debt investments (12/2011: EUR 85.7 million) and EUR 440.6 million were equity investments or similar fixed net investments (12/2011: EUR 400.0 million). In accordance with YIT's hedging policy, the debt investments are hedged against exchange rate risk, while equity investments are not hedged due to their permanent nature.

Financial liabilities amounted to EUR 965.2 million at the end of March (12/2011: EUR 946.6 million), and the average interest rate was 3.2 percent (12/2011: 3.2%). Fixed-interest loans accounted for 59 percent of the Group's financial liabilities (12/2011: 50%). Of the loans, 42 percent had been raised directly from the capital and money markets (12/2011: 41%), 46 percent from banks and other financial institutions (12/2011: 45%) and 12 percent from insurance companies (12/2011: 13%). The maturity distribution of long-term loans is balanced. A total of EUR 37.4 million of long-term loans will mature during the last three quarters of 2012.

During the first quarter, YIT issued, under the company's programme for issuance of notes, a EUR 50 million bond targeted at Finnish investors. Due at August 18, 2014, the bond carries an annual interest rate of three month Euribor rate + 1.75 percent.

The total amount of construction-stage contract receivables sold to financial institutions grew from the end of December 2011, amounting to EUR 323.3 million at the end of March (12/2011: EUR 265.6 million). Of this amount, EUR 237.0 million is included in interest-bearing liabilities on the balance sheet (12/2011: EUR 221.8 million) and the remainder comprises off-balance sheet items in accordance with IAS 39. Interest expenses on receivables sold to financing companies amounted to EUR 1.4 million during the review period (1–3/2011: EUR 1.1 million) and these are fully included in the financial expenses of the review period.

Participations in the housing corporation loans of unsold completed residential units amounted to EUR 45.4 million at the end of March (12/2011: EUR 45.1 million), and it is included in interest-bearing liabilities. The interest on the participations, EUR 0.5 million (1–3/2011: EUR 0.2 million), is included in housing corporation charges and is thus booked in project expenses.

After the end of the review period, the company has paid out dividends of EUR 87.7 million for 2011 in compliance with the resolution of the Annual General Meeting.

The Group's balanced business structure and solid financial position enable the implementation of YIT's growth strategy and the acquisitions and plot investments required by it. On the other hand, the Group has also prepared for macroeconomic uncertainty by strengthening its liquidity position.

RESOLUTIONS PASSED AT THE ANNUAL GENERAL MEETING

YIT Corporation's Annual General Meeting was held on March 13, 2012. The Annual General Meeting adopted the 2011 financial statements, discharged the members of the Board of Directors and the President and CEO from liability, confirmed the dividend as proposed by the Board of Directors, decided on the Board of Directors' fees and elected the auditor. The Annual General Meeting confirmed the composition of the Board of Directors: Henrik Ehrnrooth (Chairman), Reino Hanhinen (Vice Chairman), Kim Gran, Antti Herlin, Satu Huber and Michael Rosenlew were re-elected as Board members.

At its organisational meeting on March 13, 2012, the Board elected the chairmen and members of the Audit Committee, Personnel Committee as well as the Working Committee from among its number.

YIT Corporation published stock exchange releases on the resolutions passed at the Annual General Meeting and the organisation of the Board of Directors on March 13, 2012. The stock exchange releases and a presentation of the members of the Board of Directors are available at YIT's website: www.yitgroup.com.

SHARES AND SHAREHOLDERS

The company has one series of shares. Each share carries one vote and confers an equal right to a dividend.

Share capital and number of shares

YIT Corporation's share capital and the number of shares outstanding did not change during the review period. YIT Corporation's share capital was EUR 149,216,748.22 at the beginning of 2012 (2011: EUR 149,216,748.22), and the number of shares outstanding was 127,223,422 (2011: 127,223,422).

Treasury shares and authorisations of the Board of Directors

In accordance with the Limited Liability Companies Act, the General Meeting decides on the buyback and conveyance of shares, as well as any decisions leading to changes in the share capital. The Annual General Meeting of YIT Corporation resolved on March 13, 2012, to authorise the Board of Directors to purchase the company's shares as proposed by the Board of Directors. In addition to this, the Board of Directors has a valid share issue authorisation issued by YIT's Annual General Meeting on March 10, 2010. The share issue authorisation also includes an authorisation to decide on the conveyance of treasury shares.

YIT Corporation held 1,952,414 treasury shares at the beginning of the review period purchased on the basis of the authorisation given by the General Meeting of October 6, 2008. During the review period, 4,131 shares were returned to the company in accordance with the terms and conditions of the share-based incentive scheme, after which the company held 1,956,545 treasury shares.

Trading in shares

The price of YIT's share was EUR 12.38 at the beginning of the year (January 1, 2011: EUR 18.65). The closing rate of the share on the last trading day of the review period was EUR 16.12 (March 31, 2011: EUR 20.92). The share price increased by approximately 30 percent during January–March. The highest price of the share during the review period was EUR 17.25 (1–3/2011: EUR 21.92), the lowest was EUR 12.12 (1–3/2011: EUR 17.75) and the average price was EUR 15.35 (1–3/2011: EUR 20.02). Share turnover on Nasdaq OMX in January–March amounted to 35,141 thousand shares (1–3/2011: 30,004 thousand). The value of turnover was EUR 539.9 million (1–3/2011: EUR 601.4 million), source: Nasdaq OMX.

In addition to the Helsinki Stock Exchange, YIT shares are also traded on other market places, such as Chi-X, BATS and Turquoise. The share of trade volume on alternative market places remained on a par with the previous year during the review period. During January–March, 20,874 thousand YIT Corporation shares changed hands on alternative market places (1–3/2011: 20,180 thousand), corresponding to approximately 37 percent of the total share trade (1–3/2011: 40%). Of the alternative market places, YIT shares changed hands particularly in Chi-X, source: Fidessa Fragmentation Index.

YIT Corporation's market capitalisation at the end of the review period was EUR 2,019.3 million (3/2011: EUR 2,616.6 million). The market capitalisation has been calculated excluding the shares held by the company.

Number of shareholders and flagging notifications

At the end of March 2012, the number of registered shareholders was 36,435 (3/2011: 32,278). At the end of March, a total of 31.8 percent of the shares were owned by nominee-registered and non-Finnish investors (3/2011: 39.7%).

During the review period, the company received no "flagging notifications" of change in ownership in YIT Corporation in accordance with Chapter 2, section 9 of the Securities Market Act.

MAJOR SHORT-TERM BUSINESS RISKS AND RISK MANAGEMENT

YIT has specified the major risk factors and their management from the point of view of the Group as a whole, taking the special characteristics of YIT's business operations and environment into consideration. Risks are divided into strategic, operational, financial and event risks.

YIT has developed the Group's business structure to be balanced and more tolerant of economic fluctuations. The share of steadily developing service and maintenance operations has been increased. Cash flow-generating (building system and industrial services, contracting) and capital-intensive business operations (residential and commercial development production) balance the risks related to business operations and the use of capital and enable better risk management at the Group level.

Operations have been expanded geographically so that economic fluctuations impact operations at different times in different markets. Continuous monitoring and analysis as well as alternative scenarios and action plans based on them make it possible to react quickly to changes in the operating environment and also to utilise the business opportunities provided by the changes.

The Group's aim is to grow profitably, both organically and through acquisitions. Risks associated with acquisitions are managed by selecting projects according to strict criteria and effective integration processes that familiarise new employees with YIT's values, operating methods and strategy.

YIT's typical operational risks include risks related to plot investments, sales risk of residential and commercial development projects and risks related to contract tenders, service agreements, project management and personnel. YIT manages sales risk by matching the number of housing start-ups with the estimated residential demand and the number of unsold residential units (the figures for residential production are presented under Development by business segment) and by normally securing key tenants and/or the investor prior to starting a business premises project. A strong increase in interest rates and changes in the availability of housing loans and real estate financing are key risks related to the demand for residential units.

YIT tests the value of its plots as required by IFRS accounting principles. Plot reserves are measured at acquisition cost and the plot value is impaired when it is estimated that the building being constructed on the plot will be sold at a price lower than the sum of the price of the plot and the construction costs. No write-offs were made to plots in the review period.

Financing and financial risks include liquidity, credit and counterparty, interest rate and currency risks and risks related to the reporting process. Financing and financial risks are managed through accounting and financing policies, internal control as well as internal and external audit.

YIT's most significant currency risk is related to investments in ruble terms. Capital invested in Russia totalled EUR 528.7 million at the end of the period (12/2011: EUR 485.7 million). The amount of equity or equivalent net investments at the end of the period was EUR 440.6 million (12/2011: EUR 400.0 million). The equity investments in the Russian subsidiaries are unhedged in accordance with the treasury policy, and a potential devaluation of the ruble would have an equal negative impact on the Group's shareholders' equity. Debt investments amounted to EUR 88.1 million at the end of the period (12/2011: EUR 85.7 million), and this exposure was hedged in full. The differences in the interest rates between the euro and ruble have an effect on hedging costs and therefore net financial expenses.

Possible event risks include accidents related to personal or information security and sudden and unforeseen material damage to premises, project sites and other property, resulting from, for example, fire, collapse or theft. YIT complies with a group-wide security policy covering the different areas of security.

A more detailed account of YIT's risk management policy and the most significant risks was published in the Annual Report 2011. Financing risks were described in more detail in the notes to the Financial Statements for 2011.

PROCUREMENT AS PART OF SUSTAINABILITY

YIT aims to ensure good and ethical guidelines related to procurement. One of the focus areas has been fighting the grey economy, to which attention has been paid in Finland in particular. From the beginning of 2012, YIT required all of its Finnish subcontractors to be members of the tilaajavastuu.fi service, which aims to prevent illegal activities. Membership of the service makes it easier for sites to ensure that subcontractors have met all of their statutory obligations. Estonian subcontractors will also be required to join the service immediately when this is technically possible.

Construction Services Finland has arranged internal training related to fighting the grey economy. A total of 380 people have taken part in the training, including project managers, responsible foremen and site personnel responsible for sourcing in particular. YIT cooperates closely with the Confederation of Finnish Construction Industries RT and various authorities in order to promote the prevention of the grey economy throughout the construction industry.

Ethical and sound operating methods are also supported in several other ways. The ethical guidelines for supplier collaboration have been updated. In addition, we are working to increase the supervision of subcontractors so that we can use the level of occupational safety as one of the grounds for subcontractor selection in the future. We aim to improve the management of our supply chain further in order to minimise the risks in it.

YIT uses an anonymous reporting channel for reporting any misconduct.

OUTLOOK FOR 2012

YIT Corporation reiterates its estimate issued in connection with the financial statements for 2011 and according to which, in 2012, revenue will remain at the level of 2011 and operating profit will increase compared to 2011. The profit outlook is based on the segment-level reporting, i.e. recognition of income based on the percentage of completion.

With the improvement of profitability with the progress of the efficiency improvement programme, the Building Services Northern Europe business segment will support the growth of YIT's revenue for 2012, especially during the last two quarters of the year.

The high uncertainty over the general macroeconomic development may have a negative effect also on decision-making by YIT's customers and thereby the development and performance of YIT's business operations.

Building Services Northern Europe

The market situation in building services varies by country in the Nordic countries. According to an estimate by the construction industry's Euroconstruct expert network, the service and maintenance market is estimated to grow slightly in all Nordic countries during 2012 (November 2011 report). The increase in technology in buildings increases the need for new services. The demand for energy efficiency services is expected to remain stable. The public sector is expected to continue the outsourcing of real estate services.

According to the Euroconstruct forecast, the building system project market in Finland and Denmark is expected to remain soft in 2012. New investments have not increased much due to the continued low level of construction of business premises and offices. According to an estimate by Prognoscentret, the project market in Sweden and Norway will increase at a reasonable rate in 2012. The construction of business premises is estimated to increase both in Sweden and Norway, which will open up new opportunities for YIT. The building system market is, however, post-cyclic by nature. The public sector invests less in new buildings than the year before, with governments aiming to balance their budgets.

In the Baltic countries and Russia, both the project and service market is estimated to develop and grow at a steady rate.

An investment survey by the Confederation of Finnish Industries EK, manufacturing industry and energy sector investments in Finland will increase slightly in 2012. The investments are mainly made to replace capacity, and the amount of expansion investments is estimated to remain low. The industrial maintenance market is estimated to remain stable.

Building Services Central Europe

In Building Services Central Europe, the service and maintenance market as well as the project market, which is dependent on new investments, are expected to grow at a moderate rate. The opportunities for growth in service and maintenance are favourable, particularly in the German and Austrian maintenance markets. The building system services market in Central Eastern Europe (Poland, the Czech Republic and Romania) is developing slowly.

New investments in building systems have remained at a good level in the countries where YIT operates in Central Europe, especially in Germany, Austria and Poland. New investments in building systems are expected to remain stable.

Growth in the demand for energy-efficient services is possible over the next few years with high energy prices and tightening environmental legislation, particularly in Germany and Austria.

Construction Services Finland

With regard to Construction Services Finland, housing demand is expected to continue to be good. Residential demand continues to be supported by low interest rates, the relatively stable employment rates and migration to growth centres. Interest rates are estimated to decrease slightly further in 2012. Migration will continue to be strong in Finland, with people increasingly moving to growth centres. Furthermore, the

population and the number of household-dwelling units will increase with continued migration and the increasing number of one-person households.

According to the Confederation of Finnish Construction Industries' forecast, the construction of 28,000 residential units will start in Finland during 2012 (2011: 32,200). According to a report published by VTT Technical Research Centre of Finland in January, the annual need for the production of new residential units amounts to 24,000–29,000 residential units over the long term. YIT's goal is to strengthen its position as the leading housing developer in Finland.

YIT estimates that housing prices will remain stable in 2012. Construction costs are estimated to increase, mainly due to new energy regulations, but the increase is expected to be moderate in 2012.

According to VTT's (Technical Research Centre of Finland) estimate, the volume of office construction will decrease by approximately 8–9 percent during 2012. Underutilisation rates of offices continue to be rather high after the last recession, with the building stock also including relatively old office premises. YIT estimates that the demand will focus on modern and energy-efficient offices.

According to the VTT estimate, the volume of business premises construction will begin to decrease. The shift of the retail trade towards larger and larger business properties and the expansion of foreign retail chains in Finland maintain the volume of construction. Vacancy rates of business premises are rather low. The decrease in the willingness to take risks due to the European credit crunch may be reflected in the level of new investments in the business premises market in 2012.

According to the VTT's forecast infrastructure construction remains stable in 2012. Rail and metro construction is expected to continue to increase, at least during 2012–2013. The market situation of rock construction is expected to remain favourable due to mine investments and underground rock excavation projects, at least until 2014. The road maintenance market is expected to remain stable, and new tenders will create opportunities for YIT to increase its market share.

International Construction Services

The volume of residential construction is estimated to increase in Russia in 2012. According to an estimate by the Russian government, residential construction in Russia will amount to approximately 67 million m², showing an increase of approximately 5 percent on the previous year.

Moscow, the Moscow region and St. Petersburg make up the largest residential markets in Russia: these areas account for approximately one-fifth of all residential construction. Even though the volume of residential construction has been increasing over the past few years, there is still a need for new residential units in all areas. Residential demand has remained favourable also due to strong economic development in Russia, good consumer confidence and favourable development in the housing loan market. However, housing loan interest rates began to increase at the end of 2011.

The future outlook of Russian residential construction is good. Living space per person is still clearly lower than in Western Europe and housing is in poor condition, which creates the need for new, high-quality housing. Furthermore, the number of household-dwelling units is expected to increase, and the middle class to increase as a share of the population. The development of the housing loan market in Russia has also contributed to the demand for new residential units. YIT has promoted the availability of loans to consumers through extensive cooperation with banks. YIT expects housing prices to increase in Russia in 2012 at a rate slightly higher than local inflation. Construction costs are estimated to increase hand in hand with housing prices.

The volume of business premises construction is expected to grow at a moderate rate in 2012. The largest individual market is St. Petersburg, where YIT will continue the marketing and sales of the Gorelovo industrial park.

In the Baltic countries, residential demand has been increasing as the result of piled-up demand, improved consumer confidence and the employment situation. VTT estimates that the number of residential units completed in 2012 will increase to 11,200 or by approximately 9 percent from the previous year.

According to VTT's estimate, residential start-ups in 2012 are estimated to be at last year's level in the Czech Republic. Interest and unemployment rates are increasing, which typically decreases the demand for residential units. Residential prices have remained stable in Slovakia. VTT estimates that residential start-

ups will remain low in 2012 due to the high stocks of unsold residential units. On the other hand, the residential market is supported by the favourable economic growth in Slovakia and the interest rates remaining low.

EVENTS AFTER THE REVIEW PERIOD

YIT acquired the Swedish company Dala Elmontage Lindkvist & Bodin AB. The company's annual revenue is approximately EUR 5 million, and it has about 30 employees. In Norway, YIT acquired the electrical installations specialist Madla Elektro. The company's annual revenue is approximately EUR 4 million and it has around 30 employees.

INTERIM REPORT JAN 1 – MAR 31, 2012: TABLES

The information presented in the Interim Report has not been audited.

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1. SEGMENT REPORTING

1.1 Accounting principles of segment reporting

Building Services Northern Europe and Building Services Central Europe segments' reporting to YIT Group's management board is based on YIT Group's accounting principles. In the reporting of Construction Services Finland segment and International Construction Services segment, the revenue from own residential and commercial development projects is recognised on the basis of the percentage of degree of completion and the degree of sale, using percentage of completion method, which does not fully comply with Group's IFRS accounting principles. According to Group's IFRS accounting principles revenue from own residential and commercial development projects is recognised at the completion. In the case of YIT's commercial real estate development projects, the recognition practice will be evaluated on a case-by-case basis and in accordance with the terms and conditions of each contract. Sold projects are recognised either when the construction work has started or when the project is complete. The share of income and expenses to be recognised is calculated by multiplying the percentage of completion by the percentage of sale multiplied by the occupancy rate. YIT usually sells commercial real estate development projects to investors either prior to construction or during an early phase. The impact on revenue and operating profit of two revenue recognition principles is shown in the line IFRIC 15 adjustment. As a result of the accounting policy, Group figures can fluctuate greatly between quarters.

The chief operating decision-maker has been identified as the YIT Group's Management Board, which review the Group's internal reporting in order to assess performance and allocate resources to the segments.

1.2 Key figures, segment reporting

	3/12	3/11	Change	12/11
Revenue, EUR million	1,098.3	1,026.9	7%	4,524.7
Operating profit, EUR million	52.3	50.4	4%	240.5
% of revenue	4.8	4.9		5.3
Profit before taxes, EUR million	47.1	45.9	3%	215.8
Profit for the report period, EUR million ¹⁾	34.6	32.7	6%	156.7
Earnings per share, EUR	0.28	0.26	8%	1.25
Diluted earnings per share, EUR	0.28	0.26	8%	1.25
Equity per share, EUR	7.74	7.05	10 %	7.93
Return on investment, from the last 12 months, %	14.8	15.1		14.8
Equity ratio, %	31.5	31.0		32.9
Order backlog at the end of the period, EUR million	3,965.5	3,335.6	18%	3,752.7
Average number of personnel	25,821	25,754	0%	26,254

¹⁾ Attributable to equity holders of the parent company

1.3 Revenue, segment reporting

EUR million	1-3/12	1-3/11	Change	1-12/11
Building Services Northern Europe	513.1	476.2	8%	2,097.6
- Group internal	-11.5	-14.3		-63.2
- external	501.6	461.9	9%	2,034.4
Building Services Central Europe	159.4	177.1	-10%	779.3
- Group internal	0.0	0.0		-0.3
- external	159.4	177.1	-10%	779.0
Construction Services Finland	329.5	289.5	14%	1,226.9
- Group internal	-0.3	-0.3		-1.9
- external	329.2	289.2	14%	1,225.0
International Construction Services	107.9	100.3	8%	489.2
- Group internal	-0.0	-1.8		-4.2
- external	107.8	98.5	9%	485.0
Other items	0.3	0.3		1.5
Revenue in total, segment reporting	1,098.3	1,026.9	7%	4,524.7
IFRIC 15 adjustments	0.1	-57.2		-142.6
Revenue in total, IFRS	1,098.4	969.7	13%	4,382.1

1.4 Operating profit and Profit for the review period, segment reporting

EUR million	1-3/12	1-3/11	Change	1-12/11
Building Services Northern Europe	14.6	17.1	-15%	78.8
Building Services Central Europe	5.2	4.0	30%	33.3
Construction Services Finland	29.7	25.6	16%	111.6
International Construction Services	8.5	8.4	1%	37.2
Other items	-5.7	-4.7	21%	-20.4
Operating profit total, segment reporting	52.3	50.4	4%	240.5
Financial income and expenses	-5.2	-4.5	16%	-24.8
Profit before taxes, segment reporting	47.1	45.9	3%	215.8
Taxes	-12.2	-12.9	-5%	-58.0
Attributable to non-controlling interests	-0.3	-0.2	50%	-1.0
Profit for the review period, segment reporting	34.6	32.7	6%	156.7
IFRIC 15 adjustments	1.9	-8.0		-32.3
Profit for the review period, IFRS	36.5	24.8	47%	124.4

Operating profit margin, segment reporting

%	1-3/12	1-3/11	1-12/11
Building Services Northern Europe	2.9	3.6	3.8
Building Services Central Europe	3.3	2.3	4.3
Construction Services Finland	9.0	8.8	9.1
International Construction Services	7.9	8.4	7.6
Operating profit, segment reporting	4.8	4.9	5.3

1.5 Order backlog, segment reporting

Building Services Northern Europe	969.4	804.9	20%	913.1
Building Services Central Europe	500.5	573.2	-13%	449.5
Construction Services Finland	1,428.0	1,176.0	21%	1,493.6
International Construction Services	1,142.9	862.7	32%	962.5
Other items	-75.3	-61.2		-66.0
Order backlog total, segment reporting	3,965.5	3,355.6	18%	3,752.7
IFRIC 15 adjustments	419.8	343.4		395.9
Order backlog, IFRS	4,385.3	3,699.0	19%	4,148.6

1.6 YIT Group figures by quarter, segment reporting

	1-3/12	1-3/11	4-6/11	7-9/11	10-12/11
Revenue, EUR million	1,098.3	1,026.9	1,136.9	1,096.5	1,264.5
Operating profit, EUR million	52.3	50.4	70.3	43.6	76.2
% of revenue	4.8	4.9	6.2	4.0	6.0
Profit before taxes, EUR million	47.1	45.9	65.5	35.8	68.6
Profit for the review period, EUR million ¹⁾	34.6	32.7	47.6	24.5	51.8
Earnings/share, EUR	0.28	0.26	0.38	0.20	0.41
Diluted earnings/share, EUR	0.28	0.26	0.38	0.20	0.41
Equity/share, EUR	7.74	7.05	7.42	7.38	7.93
Return on investment, from the last 12 months, %	14.8	15.1	15.4	14.4	14.8
Equity ratio, %	31.5	31.0	31.8	31.4	32.9
Order backlog at the end of the period, EUR million	3,965.5	3,355.6	3,509.4	3,489.0	3,752.7
Average number of personnel	25,821	25,754	26,021	23,796	26,245
Personnel at the end of the period	25,703	25,748	26,807	26,502	25,996

¹⁾ Attributable to equity holders of the parent company

1.7. Segment information by quarter, segment reporting

Revenue by business segment

EUR million	1-3/12	1-3/11	4-6/11	7-9/11	10-12/11
Building Services Northern Europe	513.1	476.2	509.4	511.9	600.1
Building Services Central Europe	159.4	177.1	191.1	210.8	200.3
Construction Services Finland	329.5	289.5	332.3	269.4	335.7
International Construction Services	107.9	100.3	120.5	122.5	145.9
Other items	-11.6	-16.2	-16.4	-18.1	-17.5
Revenue in total, segment reporting	1,098.3	1,026.9	1,136.9	1,096.5	1,264.5

Operating profit by business segment

EUR million	1-3/12	1-3/11	4-6/11	7-9/11	10-12/11
Building Services Northern Europe	14.6	17.1	18.8	19.9	23.0
Building Services Central Europe	5.2	4.0	12.1	7.9	9.3
Construction Services Finland	29.7	25.6	32.8	21.1	32.1
International Construction Services	8.5	8.4	12.3	-0.9	17.4
Other items	-5.7	-4.7	-5.7	-4.4	-5.6
Operating profit in total, segment reporting	52.3	50.4	70.3	43.6	76.2

Operating profit margin by business segment

%	1-3/12	1-3/11	4-6/11	7-9/11	10-12/11
Building Services Northern Europe	2.9	3.6	3.7	3.9	3.8
Building Services Central Europe	3.3	2.3	6.3	3.7	4.6
Construction Services Finland	9.0	8.8	9.9	7.8	9.6
International Construction Services	7.9	8.4	10.2	-0.7	11.9

Order backlog by business segment

EUR million	3/12	3/11	6/11	9/11	12/11
Building Services Northern Europe	969.4	804.9	879.5	886.1	913.1
Building Services Central Europe	500.5	573.2	554.1	523.9	449.5
Construction Services Finland	1,428.0	1,176.0	1,239.5	1,289.3	1,493.6
International Construction Services	1,142.9	862.7	896.4	850.1	962.5
Other items	-75.3	-61.2	-60.2	-60.3	-66.0
Order backlog, segment reporting	3,965.5	3,355.6	3,509.4	3,489.0	3,752.7

Operative invested capital

EUR million	3/12	3/11	6/11	9/11	12/11
Building Services Northern Europe	339.4	282.8	323.5	375.6	372.9
Building Services Central Europe	96.4	18.9	40.8	56.0	72.0
Construction Services Finland	552.1	436.1	451.7	503.0	558.4
International Construction Services	651.8	720.0	668.3	601.5	602.2

Return on operative invested capital

The last 12 months, %	3/12	3/11	6/11	9/11	12/11
Building Services Northern Europe	24.5	34.8	28.6	23.5	23.8
Building Services Central Europe	59.7	83.1	91.7	58.5	53.8
Construction Services Finland	24.6	28.3	30.9	26.3	24.0
International Construction Services	6.1	5.8	6.7	5.8	6.5

1.8 Reconciliation of the segment reporting and the group reporting

Income statement, EUR million	1-3/12			1-3/11			1-12/11		
	Segment reporting	IFRIC 15 adjustments	IFRS	Segment reporting	IFRIC 15 adjustments	IFRS	Segment reporting	IFRIC 15 adjustments	IFRS
Revenue	1,098.3	0.1	1,098.4	1,026.9	-57.2	969.7	4,524.7	-142.6	4,382.1
Other operating income and expenses	-1,035.1	2.8	-1,032.3	-966.9	46.0	-920.9	-4,244.6	102.1	-4,142.5
Depreciation	-10.9		-10.9	-9.6		-9.6	-39.6		-39.6
Operating profit	52.3	2.9	55.2	50.4	-11.2	39.2	240.5	-40.5	200.0
Financial income and expenses	-5.2		-5.2	-4.5		-4.5	-24.8	-7.8	-24.8
Profit before taxes	47.1	2.8	49.9	45.9	-11.2	34.7	215.7	-32.7	175.3
Income taxes	-12.2	-0.7	-12.9	-12.9	-3.1	-9.8	-58.0		-50.2
Profit for the review period	34.9	2.1	37.0	32.9	-8.0	24.9	157.7		125.1
Attributable to:									
Equity holders of the parent company	34.6	1.9	36.5	32.8	-8.0	24.8	156.7	-32.2	124.5
Non-controlling interests	0.3	0.2	0.5	0.2	-0.1	0.1	1.0	-0.4	0.6
Earnings/share, EUR	0.28		0.29	0.26		0.20	1.25		0.99
Diluted earnings/share, EUR	0.28		0.29	0.26		0.20	1.25		0.99

Balance sheet, EUR million	3/12			3/11			12/11		
	Segment reporting	IFRIC 15 adjustmen ts	IFRS	Segment reporting	IFRIC 15 adjustmen ts	IFRS	Segment reporting	IFRIC 15 adjustmen ts	IFRS
Non-current assets									
Other non-current assets	546.1		546.1	531.0		531.0	538.1		538.1
Deferred tax assets	51.0	13.4	64.4	39.7	12.4	52.2	47.2	13.1	60.3
Current assets									
Inventories	1,438.0	336.8	1,774.8	1,282.2	269.9	1,552.2	1,348.2	324.4	1,672.6
Trade and other receivables	1,116.8	-79.5	1,037.3	933.3	-81.3	852.0	1,122.0	-94.7	1,027.3
Other receivables				19.8		19.8			
Cash and cash equivalents	209.3		209.3	267.6		267.6	206.1		206.1
Total assets	3,361.1	270.8	3,631.9	3,073.6	201.2	3,274.8	3,261.6	242.9	3,504.5
Equity	973.4	75.8	897.6	884.9	-52.0	832.9	996.7	-75.6	921.1
Non-current liabilities									
Financial liabilities	564.1		564.1	477.1		477.1	522.9		522.9
Other non-current liabilities	131.9		131.9	83.9		83.9	128.5		128.5
Deferred tax liabilities	97.3	-7.8	89.5	92.6	-4.0	88.6	96.6	-8.3	88.3
Current liabilities									
Financial liabilities	292.2	108.9	401.1	289.7	126.9	416.6	325.2	98.4	423.6
Advances received	271.7	247.0	518.7	227.4	129.3	356.7	231.3	227.0	458.3
Other current liabilities	1,030.5	-1.6	1,028.9	1,018.0	1.0	1,019.0	960.4	1.2	961.6
Total equity and liabilities	3,361.1	270.8	3,631.9	3,073.6	201.2	3,274.8	3,261.6	242.9	3,504.5

2. GROUP REPORTING, IFRS

2.1 Key figures, IFRS

	3/12	3/11	Change	12/11
Earnings/share, EUR	0.29	0.20	50%	0.99
Diluted earnings/share, EUR	0.29	0.20	50%	0.99
Equity/share, EUR	7.14	6.64	8%	7.33
Average share price during the period, EUR	15.35	20.02	-23%	15.28
Share price at the end of the period, EUR	16.12	20.92	-23%	12.38
Market capitalization at the end of the period, EUR million	2,019.3	2,616.6	-23%	1,550.9
Weighted average share-issue adjusted number of shares outstanding, thousands	125,270	125,078		125,210
Weighted average share-issue adjusted number of shares outstanding, thousands, diluted	125,270	125,078		125,210
Share-issue adjusted number of shares outstanding at the end of the period, thousands	125,267	125,078		125,271
Net interest-bearing debt at the end of the period, EUR million	755.9	626.1	21%	740.4
Return on investment, from the last 12 months, %	12.8	14.0		12.0
Equity ratio, %	28.8	28.5		30.2
Gearing ratio, %	84.2	75.2		80.4
Gross capital expenditures, EUR million	13.6	8.7	55%	48.7
% of revenue	1.2	0.9		1.1
Unrecognised order backlog at the end of the period, EUR million	4,385.3	3,699.0	19%	4,148.6
of which order backlog outside Finland	2,356.0	1,976.7	19%	2,066.9
Average number of personnel	25,821	25,754	0%	26,254

2.2 YIT Group figures by quarter, IFRS

EUR million	1-3/12	1-3/11	4-6/11	7-9/11	10-12/11
Revenue, EUR million	1,098.4	969.7	1,137.2	1,084.8	1,190.4
Operating profit, EUR million	55.2	39.2	67.9	35.4	57.5
% of revenue	5.0	4.0	6.0	3.3	4.8
Financial income, EUR million	1.4	2.4	0.3	0.0	1.4
Exchange rate differences, EUR million	-1.0	-1.3	-0.8	0.0	-2.1
Financial expenses, EUR million	-5.7	-5.6	-4.4	-7.8	-6.9
Profit before taxes, EUR million	49.9	34.7	63.0	27.6	49.9
% of revenue	4.5	3.6	5.5	2.5	4.2
Balance sheet total, EUR million	3,631.9	3,274.8	3,387.4	3,418.6	3,504.5
Earnings/share, EUR	0.29	0.20	0.37	0.15	0.27
Equity/share, EUR	7.14	6.64	7.00	6.93	7.33
Share price at the end of the period, EUR	16.12	20.92	17.24	11.33	12.38
Market capitalization, EUR million	2,019.3	2,616.6	2,159.7	1,419.3	1,550.9
Return on investment, from the last 12 months, %	12.8	14.0	15.7	15.6	12.0
Equity ratio, %	28.8	28.5	29.7	29.2	30.2
Net interest-bearing debt at the end of the period, MEUR	755.9	626.1	702.7	755.0	740.4
Gearing ratio, %	84.2	75.2	79.9	86.8	80.4
Gross capital expenditures, EUR million	13.6	8.7	14.6	18.3	7.1
% of revenue	1.2	0.9	1.3	1.7	0.6
Unrecognised order backlog at the end of the period, EUR million	4,385.3	3,699.0	3,796.9	3,738.3	4,148.6
Personnel at the end of the period	25,703	25,748	26,807	26,502	25,996

2.3 Consolidated income statement, IFRS

EUR million	1-3/12	1-3/11	Change	1-12/11
Revenue	1,098.4	969.7	13%	4,382.1
of which activities outside Finland	639.2	591.5	8%	2,607.7
Other operating income and expenses	-1,032.4	-920.7	12%	-4,142.9
Share of results of associated companies	0.1	-0.2		0.4
Depreciation and impairments	-10.9	-9.6	14%	-39.6
Operating profit	55.2	39.2	41%	200.0
% of revenue	5.0	4.0		4.6
Financial income	1.4	2.4	-42%	4.2
Exchange rate differences	-1.0	-1.3	-23%	-4.1
Financial expenses	-5.7	-5.6	2%	-24.8
Profit before taxes	49.9	34.7	44%	175.3
% of revenue	4.5	3.6		4.0
Income taxes 1)	-12.9	-9.8	32%	-50.2
Profit for the review period	37.0	24.9	49%	125.1
% of revenue	3.4	2.6		2.9
Attributable to				
Equity holders of the parent company	36.5	24.8	47%	124.5
Non-controlling interests	0.5	0.1		0.6
Earnings per share attributable to the equity holders of the parent company				
Earnings/share, EUR	0.29	0.20	50%	0.99
Diluted earnings/share, EUR	0.29	0.20	50%	0.99

1) Taxes for the review period are based on the taxes for the whole financial year.

2.4 Statement of comprehensive income, IFRS

EUR million	1-3/12	1-3/11	Change	1-12/11
Profit for the review period	37.0	24.9	49%	125.1
Other comprehensive income				
- Cash flow hedges	-0.1	2.6		-2.0
-- Deferrred tax	0.0	-0.7		0.4
- Change in fair value for available for sale investments				0.5
-- Deferrred tax				-0.1
- Change in translation differences	25.7	4.5	471%	-8.4
- Other change		-0.4		0.1
Other comprehensive income, total	25.6	6.0	327%	-9.7
Total comprehensive result	62.6	30.9	103%	115.4
Attributable to				
Equity holders of the parent company	62.3	30.7	103%	114.5
Non-controlling interest	0.3	0.2	50%	0.9

2.5 Consolidated balance sheet, IFRS

EUR million	3/12	3/11	Change	12/11
Assets				
Non-current assets				
Property, plant and equipment	110.9	107.1	4%	110.8
Goodwill	347.5	350.9	-1%	347.5
Other intangible assets	61.1	48.8	25%	54.1
Shares in associated companies	3.2	2.5	28%	3.1
Other investments	3.9	3.4	15%	3.8
Other receivables	19.4	18.3	6%	18.8
Deferred tax assets	64.4	52.2	23%	60.3
Current assets				
Inventories	1,774.8	1,552.2	14%	1,672.6
Trade and other receivables	1,037.3	852.0	22%	1,027.3
Cash and cash equivalents	209.3	267.6	-22%	206.1
Assets held for sale	0.0	19.8		
Total assets	3,631.9	3,274.8	11%	3,504.5
Equity and liabilities				
Equity attributable to equity holders of the parent company				
Share capital	149.2	149.2		149.2
Other equity	745.5	681.0	9%	769.5
Non-controlling interest	2.9	2.7	7%	2.5
Total equity	897.6	832.9	8%	921.1
Non-current liabilities				
Deferred tax liabilities	89.5	88.6	1%	88.3
Pension liabilities	27.0	26.9	0%	26.5
Provisions	55.1	49.2	12%	54.1
Borrowings	564.1	477.1	18%	522.9
Other liabilities	49.8	7.8		47.9
Current liabilities				
Advances received	518.7	356.7	45%	458.3
Trade and other payables	965.7	956.1	1%	909.3
Provisions	63.2	45.7	38%	52.3
Current borrowings	401.1	416.6	-4%	423.6
Liabilities of assets held for sale		17.2		
Total equity and liabilities	3,631.9	3,274.8	11%	3,504.5

2.6 Consolidated statement of changes in equity

EUR million	Attributable to equity holders of the parent company								Non-controlling interest	Total equity
	Share capital	Legal reserve	Other reserve	Cumulative translation differences	Fair value reserve	Treasury shares	Retained earnings	Total		
Equity on January 1, 2012	149.2	1.9	2.8	-23.4	-3.6	-9.7	801.5	918.7	2.5	921.1
Comprehensive income										
Profit for the period							36.5	36.5	0.5	37.0
Other comprehensive income:										
Cash flow hedges					-0.1			-0.1		-0.1
- Deferred tax					0.0			0.0		0.0
Change in translation differences				25.9				25.9	-0.2	25.7
Comprehensive income, total	0.0	0.0	0.0	25.9	-0.1	0.0	36.5	62.3	0.3	62.6
Transactions with owners										
Dividend paid							-87.7	-87.7		-87.7
Share-based incentive schemes							1.4	1.4		1.4
Transactions with owners, total							-86.3	-86.3		-86.3
Equity on March 31, 2012	149.2	1.9	2.8	2.5	-3.7	-9.7	751.7	894.7	2.9	897.6

EUR million	Attributable to equity holders of the parent company								Non-controlling interest	Total equity
	Share capital	Legal reserve	Other reserve	Cumulative translation differences	Fair value reserve	Treasury shares	Retained earnings	Total		
Equity on January 1, 2011	149.2	2.0	0.0	-14.2	-2.4	-10.6	756.1	880.1	2.8	882.9
Comprehensive income										
Profit for the period							24.8	24.8	0.1	24.9
Other comprehensive income:										
Cash flow hedges					2.6			2.6		2.6
- Deferred tax					-0.7			-0.7		-0.7
Change in translation differences				4.4				4.4	0.1	4.5
Other change							-0.4	-0.4		-0.4
Comprehensive income, total	0.0	0.0	0.0	4.4	1.9	0.0	24.4	30.7	0.2	30.9
Transactions with owners										
Dividend paid							-81.3	-81.3		-81.3
Share-based incentive schemes							0.4	0.4		0.4
Transactions with owners, total	0.0	0.0	0.0	0.0	0.0	0.0	-80.9	-80.9	0.0	-80.9
Changes in ownership shares in subsidiaries										
Changes in group ownership shares in subsidiaries - no loss of control							0.3	0.3	-0.3	0.0
Non-controlling interests from business combinations								0.0		0.0
Changes in ownership shares in subsidiaries, total	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3	-0.3	0.0
Equity on March 31, 2011	149.2	2.0	0.0	-9.8	-0.5	-10.6	699.9	830.2	2.7	832.9

2.7 Consolidated cash flow statement

EUR million	1-3/12	1-3/11	Change	1-12/11
Cash flow from operating activities				
Net profit for the period	37.0	24.9	49%	125.1
Reversal of accrual-based items	42.0	23.8	76%	143.5
Change in working capital				
Change in trade and other receivables	19.4	45.5	-57%	-159.2
Change in inventories	-55.7	-57.3	-3%	-196.3
Change in current liabilities	-2.2	16.6	-113%	189.4
Change in working capital, total	-38.5	4.8		-166.1
Interest paid	-11.4	-12.8	-11%	-34.3
Other financial items, net	-6.2	-2.3	-170%	-5.3
Interest received	1.1	0.9	22%	4.1
Taxes paid	-23.9	-15.2	57%	-49.6
Net cash generated from operating activities	0.1	24.1	-100%	17.4
Cash flow from investing activities				
Acquisition of subsidiaries, net of cash	-2.1	-0.3	-600%	-8.8
Purchase of property, plant and equipment	-4.8	-6.6	-27%	-30.0
Purchase of intangible assets	-2.6	-1.8	44%	-8.9
Increases in other investments	0.0	0.0		-0.1
Disposal of subsidiaries, net of cash	0.0	0.0		5.9
Proceeds from sale of fixed assets	0.4	0.7	-43%	4.5
Proceeds from sale of other investments	0.1	0.0		2.7
Net cash used in investing activities	-9.1	-8.0	-14%	-34.7
Operating cash flow after investments	-9.0	16.1		-17.3
Cash flow from financing activities				
Change in loan receivables	-8.1			
Change in current liabilities	28.6	80.5	-64%	139.4
Proceeds from borrowings	50.0	75.0	-33%	175.0
Repayments of borrowings	-58.8	-52.5	12%	-157.4
Payments of financial leasing debts	-0.1	-0.6	-83%	-0.9
Dividends paid and other distribution of assets				-81.5
Net cash used in financing activities	11.6	102.4	-89%	74.6
Net change in cash and cash equivalents	2.6	118.5	-98%	57.3
Cash and cash equivalents at the beginning of the period	204.7	147.6	39%	147.6
Change in the fair value of the cash equivalents	2.0	0.1		-0.2
Cash and cash equivalents at the end of the period	209.3	266.2	-21%	204.7

2.8 Accounting principles of the interim report

YIT Corporation's Interim Report for January 1 - March 31, 2012 has been drawn up in line with IAS 34: Interim Financial Reporting. The information presented in the Interim Report has not been audited. YIT has applied the same accounting policy and IFRS standards and interpretations in the drafting of the Interim Report as in its annual financial statements for 2011. The new standards, interpretations and amendments on current standards that have been approved by EU and have been applied as of January 1, 2012 have no effect on group reporting.

In the Interim report the figures are presented in million euros doing the roundings on each line, which may cause some rounding inaccuracies in column and total sums.

Currency exchange rates used in the interim report bulletin

		Average rate Jan-Mar, 2012	Balance sheet rate Mar 31, 2012		Average rate Jan-Mar, 2011	Balance sheet rate Mar 31, 2011
1 EUR =	CZK	25.083	24.7300		24.3760	24.5430
	DKK	7.4350	7.4399		7.4549	7.4567
	HUF	296.8900	294.9200		272.5000	265.7200
	MYR	4.0122	4.0916		4.1643	4.2983
	NOK	7.5870	7.6040		7.8234	7.8330
	PLN	4.2332	4.1522		3.9441	4.0106
	RUB	39.5504	39.2950		40.0048	40.2850
	SEK	8.8531	8.8455		8.8647	8.9329
	SGD	1.6573	1.6775		1.7458	1.7902
	USD	1.3107	1.3356		1.3670	1.4207
	LVL	3.4528	3.4528		0.7028	0.7028
	LTL	0.6985	0.7003		3.4528	3.4528

2.9 Definitions of key financial figures

Return on investment (ROI %)	Group's profit before taxes + interest expenses + other financial expenses <u>+/- exchange rate differences x 100</u> Balance sheet total - capitalised interest - non-interest bearing liabilities (average)
Segment's operative invested capital =	Tangible and intangible assets + goodwill + shares in associated companies + investments + inventories + trade receivables + other non-interest bearing operational receivables *) - provisions - trade payables - advances received - non-interest bearing liabilities *) *) excl. items associated with taxes, distribution of profit and financial items
Return on operative invested capital (%) =	<u>Segment's operating profit + interest included in operating profit</u> Segment's operative invested capital (average)
Equity ratio (%) =	<u>Equity + non-controlling interest x 100</u> Balance sheet total - advances received
Gearing ratio (%) =	<u>Interest-bearing liabilities - cash and cash equivalents x 100</u> Shareholder's equity + non-controlling interest
Segment reporting, earnings / share (EUR) =	<u>Net profit for the period (attributable for equity holders), segment reporting</u> Share issue-adjusted average number of outstanding shares during the period
Group IFRS reporting, earnings/ share (EUR) =	<u>Net profit for the period (attributable for equity holders), group reporting</u> Share issue-adjusted average number of outstanding shares during the period

Equity/share (EUR) =	<u>Shareholders' equity</u> Share issue-adjusted average number of outstanding shares at the end of period
Market capitalization =	(Number of shares - treasury shares) x share price on the closing date by share series

2.10 Financial risk management

Financial risks include liquidity, interest rate, currency and credit risk, and their management is a part of the Group's treasury policy. The Board of Directors has approved the Corporate Treasury Policy. The Group's treasury Department is responsible for the practical implementation of the policy in association with the business segments and units.

The Group's strategic financial targets guide the use and management of the Group's capital. Achieving the strategic targets is supported by maintaining an optimum Group capital structure. Capital structure is mainly influenced by controlling the investments and the amount of working capital tied to business operations.

A more detailed account of financial risks has been published in the notes to the financial statements for 2011

2.11 Unusual items affecting operating profit

EUR million	1-3/12	1-3/11	Change	1-12/11
Building Services Northern Europe	0.0	0.0		-3.0
Building Services Central Europe	0.0	0.0		5.0
International Construction Services				-10.0
YIT Group, total	0.0	0.0		-8.0

In the second quarter 2011, a EUR 3.0 million provision booked affects negatively Building Services Northern Europe's operating profit and a EUR 5.0 million gain on the sale of Hungarian businesses affects positively Building Services Central Europe's operating profit. International Construction Services segment's operating profit is weakened by a provision of EUR 10 million related to the rectifying of the ammonia problem booked in the third quarter of 2011.

2.12 Business combinations and disposals

Building Service Central Europe acquired in January 2012 a cooling solutions and services provider, P&P Kälteanlagenbau GmbH and an HVAC solution provider, WM Haustechnik GmbH. Building Services Northern Europe segment acquired as well in January 2012 the share capitals of Elektriska Installationer i Finspång AB and Kraftmontage i Finspång AB. Total acquisition price amounted to EUR 5.9 million. The acquisitions are not expected to result in goodwill.

Composition of acquired net assets and goodwill

EUR million	3/12
Consideration	
Cash	5.2
Contingent consideration	0.7
Total consideration	5.9
Acquisition -related costs, (recognised as other operating expenses)	0.1
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	3.8
Tangible assets	0.3
Intangible rights:	
Order backlog	1.9
Other intangible rights	7.7
Inventories	0.8
Trade and other receivables	1.5
Deferred tax liabilities, net	-0.4
Trade and other payables	-9.7
Total identifiable net assets	5.9
Non-controlling interest (minority share)	-
Goodwill	-
Total entity value	5.9

There were no disposals in the review period.

2.13 Changes in property, plant and equipment

EUR million	1-3/12	1-3/11	Change	1-12/11
Carrying value at the beginning of the period	110.8	106.7	4%	106.7
Increase	4.7	6.8	-31%	30.1
Increase through acquisitions	0.3	0.0		1.1
Decrease	-0.3	-0.7	-57%	-3.7
Decrease through disposals				-0.1
Depreciation and value adjustments	-5.9	-6.0	-2%	-23.9
Reclassifications	1.3	0.3		0.6
Carrying value at the end of the period	110.9	107.1	4%	110.8

2.14 Inventories

EUR million	3/12	3/11	Change	12/11
Raw materials and consumables	31.0	26.9	15%	27.6
Work in progress	880.4	704.7	25%	792.8
Land areas and plot owning companies	643.1	625.7	3%	643.8
Shares in completed housing and real estate companies	147.1	152.7	-3%	158.2
Advance payments	70.4	41.5	70%	49.5
Other inventories	2.5	0.7	257%	0.7
Total inventories	1,774.8	1,552.2	14%	1,672.6

2.15 Notes on equity

	Number of shares	Share capital (EUR million)	Treasury shares (EUR million)
Share capital and share premium account			
January 1, 2012	125,271,008	149.2	-9.7
Return of treasury shares	-4,131		
March 31, 2012	125,266,877	149.2	-9.7

2.16 Borrowings

EUR million	Fair value	Carrying value	Nominal value
Bonds in financial statements December 31, 2011	330.8	335.1	335.7
Valuation of the above bonds on March 31, 2012	284.6	281.6	282.2
Bonds raised during the review period:			
Floating-rate bonds			
1/2012 -2014, Euribor 3 month + 1,75% 1)	50.1	49.9	50.0
Total bonds on March 31, 2012	334.7	331.5	332.2

Terms of the bonds raised during the review period in brief:

1) Loan period February 17, 2012 - August 18, 2014, interest payments annually February 17, May 17, August 17 and November 17 in arrear. The bond is unsecured and its ISIN code is FI4000037874.

2.17 Change in contingent liabilities and assets and commitments

EUR million	3/12	3/11	Change	12/11
Collateral given for own commitments				
- Corporate mortgages	30.2	29.8	1%	31.2
- Other pledged assets				0.9
Other commitments to associated companies	7.0	7.0		7.0
Other commitments				
- Repurchase commitments	286.7	132.5	116%	293.1
- Operating leases	320.2	325.2	-2%	330.7
- Rental guarantees for clients	1.9	5.9	-68%	4.1
- Other contingent liabilities	1.4	4.1	-66%	1.5
- Guarantees given	0.0	0.0		0.0
Liability under derivative contracts				
- Value of underlying instruments				
-- Interest rate derivatives	355.7	388.5	-8%	329.4
-- Foreign exchange derivatives	150.8	218.9	-31%	194.1
-- Commodity derivatives	4.4	0.4		
- Market values				
-- Interest rate derivatives	-12.8	-2.5		-11.9
-- Foreign exchange derivatives	-0.8	-3.8	-79%	1.1
-- Commodity derivatives	-0.3	0.0		
YIT Corporation's guarantees on behalf of its subsidiaries	1,584.7	1,313.7	21%	1,515.4

2.18 Transactions with associated companies

EUR million	1-3/12	1-3/11	Change	1-12/11
Sales to associated companies	0.3	0.4	-25%	1.5
Purchases from associated companies	0.0	0.0	0%	0.1
Trade and other receivables	0.0	0.0	0%	0.0
Trade and other liabilities	0.0	0.0	0%	0.0

2.19 Events after the review period

YIT acquired the Swedish company Dala Elmontage Lindkvist & Bodin AB. The company's annual revenue is approximately EUR 5 million, and it has about 30 employees. In Norway, YIT acquired the electrical installations specialist Madla Elektro. The company's annual revenue is approximately EUR 4 million and it has around 30 employees.