



ANNUAL REVIEW

2012



RESIDENTIAL CONSTRUCTION

Housing, leisure housing, area development

BUILDING SERVICES

Building system solutions, their operation, service and maintenance

What we do

YIT is a leading European service company in building systems, construction services and services for industry. With more than 25,000 professionals, we serve customers in 14 countries in the Nordic countries, Central Europe, Russia and the Baltic countries. Over one hundred years we have grown together with our customers and developed our services in line with the changes taking place in different societies. Our vision is to lead the way in creating and maintaining good living environments. In 2012, YIT's revenue was approximately EUR 4,676 million. Our segments were Building Services Northern Europe, Building Services Central Europe, Construction Services Finland and International Construction Services. At the end of 2012, YIT had over 36,000 shareholders. YIT's shares are listed on NASDAQ OMX Helsinki. In 2012, we celebrated YIT's 100th anniversary.

www.yitgroup.com



We are always sensitive to the changing needs of our customers. At YIT, we have taken global mega-trends into account in our strategic choices and make use of their potential in developing our business and services.

BUSINESS PREMISES CONSTRUCTION

Offices, retail premises, logistics and production facilities, public buildings

INFRASTRUCTURE CONSTRUCTION

Traffic routes, earth and foundation work, rock caverns, waterworks, environmental construction, foundations for wind power, infrastructure maintenance

INDUSTRIAL SERVICES

Services for industrial investment projects and maintenance

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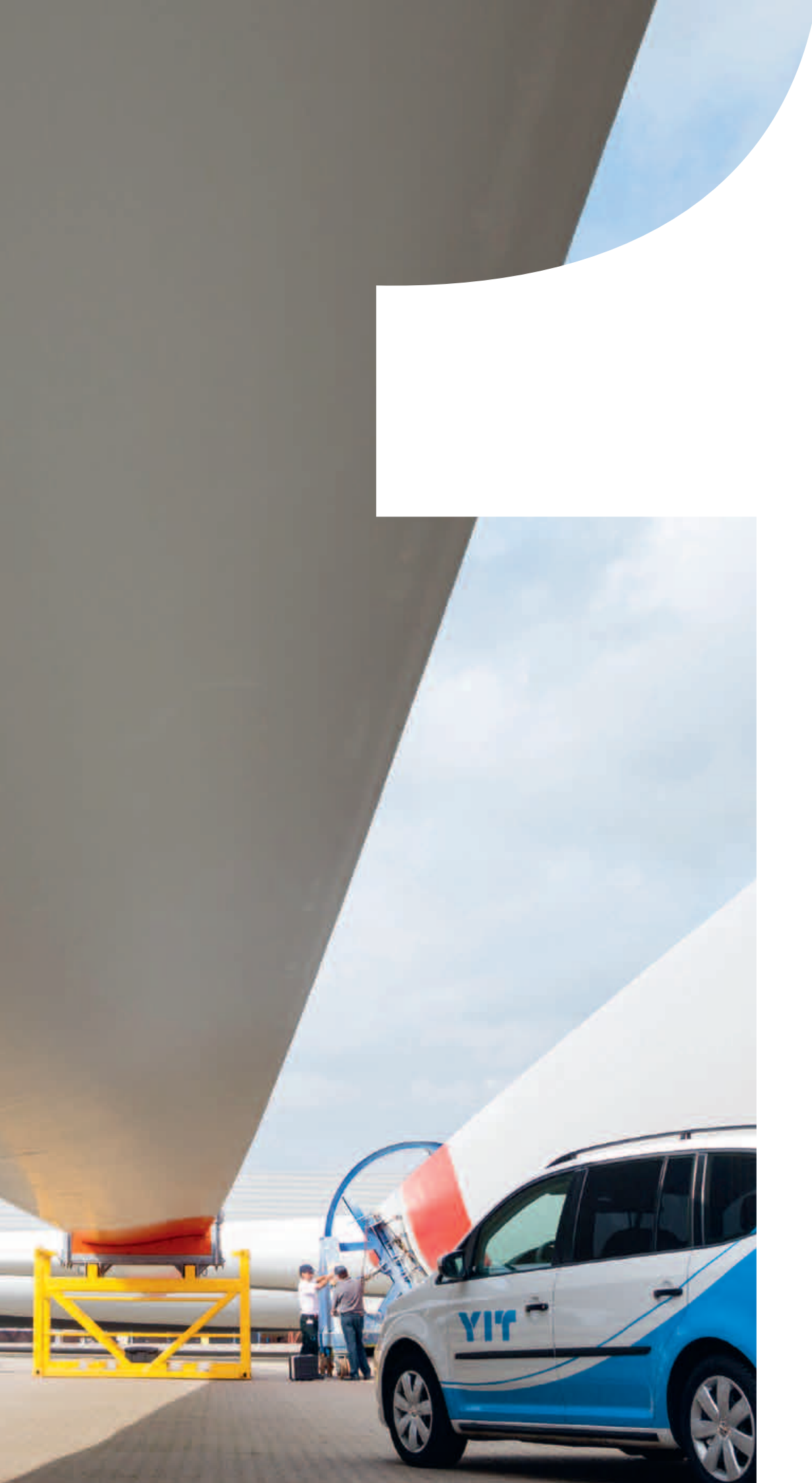
GOVERNANCE

- 52 **BOARD OF DIRECTORS**
- 54 **MANAGEMENT BOARD**

YIT in year 2012

! Globalisation is an opportunity above all

Economies are increasingly dependent on each other, and no industry is fully safe from crises in the world economy. Globalisation is, however, equally an opportunity and lifeline to us. YIT's good long-term performance is concrete evidence of that.



Strong position to move towards new beginnings



It is now a good time to proceed to the next strategic phase. The development in Russia has been excellent. In Finland, we hold a strong position in construction and in Building Services we have grown into a business with annual revenue of three billion.

! Our measures:

- We have grown and become international. In slightly over a decade, we have expanded our operations into ten new countries.
- We have reinforced our portfolio with products and services for which there is demand irrespective of the phase of the cycle and which offer opportunities for growth in the future. Among other things, we have increased the share of building system service and maintenance operations and increased our portfolio of our green services.
- We are developing our operations across borders – be they housing innovations or concepts related to building systems services or energy efficiency.

Our achievements:

- Since 2000, our revenue has increased almost 4-fold and our operating profit almost 3-fold. The number of our personnel has tripled.
- YIT has a stable financial position, strong market position and favourable demand outlook, especially in the fragmented market of building system services in Central Europe and residential construction in Russia.
- Our ability to swiftly respond to signals in our business environment is one of our success factors. We are prepared to take major steps to reform our operations, if necessary.

The year 2012 was an eventful one for YIT. The uncertainty of the real economy was reflected in the operations of Building Services in the form of projects being postponed, yet we can be satisfied with the favourable developments in Construction Services. Our operating profit increased by three percent to EUR 249 million, which is largely due to the excellent performance of International Construction Services. The Group's revenue was on a par with the previous year, at EUR 4,676 million. The order backlog was also strong, driven by construction activity in Russia.

International Construction Services and Russia were YIT's shining stars in 2012. I am really satisfied with their development in terms of both residential sales and start-ups. Residential sales in Russia reached an all-time high towards the end of last year: during the fourth quarter, we sold almost 1,300 residential units there. Our faith in the potential of the Russian housing market is also evidenced by us deciding to expand our construction activity to eight new cities in the Moscow region and the city of Tyumen in Western Siberia in 2012. In addition to good residential sales figures, the several quality awards won by us in 2012 stand testimony to our good reputation.

My other reason to be happy about last year is Construction Services Finland, which alongside residential construction did well in the construction of business premises and infrastructure. Residential construction activity has continued at the normal level, and we have a good order backlog. We want to contribute to making housing available for as extensive a buyer base as possible in growth centres as well, and therefore we are developing a concept for moderately priced housing. We are also developing housing services and concepts ever more determinedly across geographic borders. In Finland, YIT is a forerunner in energy-efficient construction and digital housing services, and we aim to utilise this competence in the other countries where we operate as well.

We have a good position in the construction of infrastructure. Our major road projects, such as our PPP project for the E18 motorway between Koskenkylä and Kotka, proceeded according to plans, and we were also the single largest contractor in Helsinki's West Metro project. We also did rather well in business premises construction, with the year ending in several good start-ups. For example, we launched a significant area development project to renew the centre of Tikkurila in Vantaa.

Increasing the efficiency of the service business was one of our focus areas in Building Services Northern Europe. We focused on careful advance planning of work and efficient operations at the customer site, streamlined our organisation and centralised our project business in centres of excellence. Besides stronger profitability, this can also be seen in the form of better service for our customers.

Our aim has been to develop building services to be more tolerant of economic fluctuations and increase the share of service and maintenance operations. We progressed with regard to this aim in 2012 as well, with the share of service and maintenance increasing in Central Europe in particular. There is, however, still room for growth, as the share of service and maintenance is considerably lower than in Northern Europe. As a result of the acquisition we concluded in Germany in 2010, the significance of Building Services Central Europe

has clearly grown. Germany is clearly the most important country in this region, and also significant from the point of view of our growth strategy. In the project business, we want to be increasingly involved throughout the project, from drawing board to implementation. In the best-case scenario, we are also the service provider during the operational phase. The extensive German market also offers significant opportunities for energy efficiency services. Green business is an opportunity for profitable growth in both construction operations and building services.

I am delighted that the ratio of occupational accidents to hours worked also decreased in 2012. This is a good start, as every day is a new day when it comes to occupational safety. In 2012, we had the pleasure of employing a total of approximately 2,000 summer employees, thesis students and trainees in different countries. In Finland, YIT won the Responsible Summer Job competition in the large company series for the second time in a row. Our corporate responsibility reporting was carried out according to level C of the GRI (Global Reporting Initiative) guidelines for the first time.

During the last decade or so, building services have given YIT significant growth potential and a steady cash flow to be used in investments to increase construction services in Russian residential construction, for example. This tight-knit marriage has been a happy one, which can also be seen in the figures below the line: we have succeeded in growing profitably. This is a natural time to proceed to the next strategic phase.

In connection with the publication of our financial statements bulletin at the beginning of February, we announced that YIT has started preparations for demerging the Group into two separate listed companies.

According to the preliminary plan, YIT would continue the construction services business, while the building services segments would establish a company called Caverion Corporation. Both business functions are strong enough to operate as independent companies: the development in Russia has been excellent, we hold a strong position in the construction industry in Finland and our building services have grown into a business with annual revenue of EUR 3 billion. We will continue our cooperation in the future as well, that is clear. According to preliminary plans, the demerger would take place during 2013. The final decision on the matter will be made by an extraordinary general meeting of shareholders.

We estimate the Group revenue based on segment reporting to remain at last year's level and operating profit to grow in 2013. However, uncertainty over general macroeconomic development is still high and impacting YIT's business operations and customers. The Board of Directors proposes that a dividend of EUR 0.75 per share be paid, which is EUR 0.05 higher than the previous year.

YIT's employees deserve my warmest thanks for their good efforts for the success of our company, which has operated for more than a century. I would also like to extend my thanks to our partners, customers and shareholders for their cooperation and trust during the year. Let the new century also be the beginning of a new phase.

Juhani Pitkäkoski

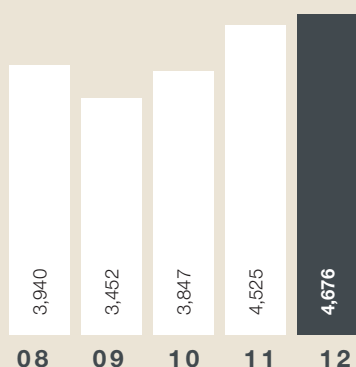
Operating profit increased, order backlog remained strong

In 2012, the operating profit for the segments increased by 3%, amounting to EUR 249 million. Operating profit almost doubled in International Construction Services and increased by 14% in Construction Services Finland, but decreased in Building Services segments. International Construction Services was the most profitable segment of the Group in terms of operating profit margin.

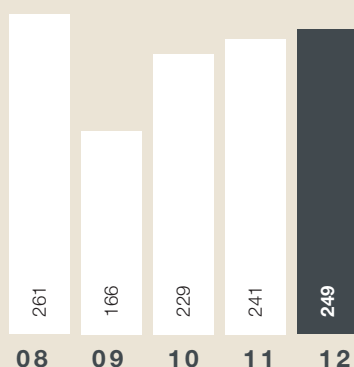
The revenue for the segments was on a par with the previous year, amounting to EUR 4,676 million. Revenue grew in International Construction Services and in Construction Services Finland, slightly decreased in Building Services Central Europe and was on a par with

the previous year in Building Services Northern Europe. The order backlog of the segments was strong, 4% higher than a year earlier, amounting to EUR 3,902 million. The order backlog decreased in Building Services segments due to weakened market situation and especially due to weakening of activity in large projects. The order backlog in International Construction Services increased clearly due to residential start-ups. Profit before taxes increased by 5% and earnings per share increased by 10%. The Board of Directors proposes that a dividend of EUR 0.75 per share be paid, representing 55% of the Group's net profit for the period based on segment reporting.

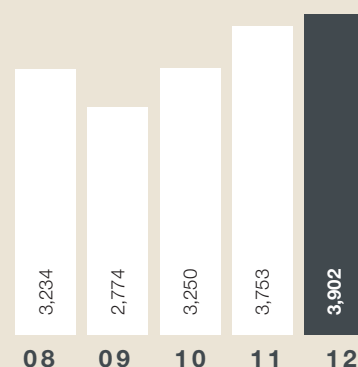
REVENUE, EUR million



OPERATING PROFIT, EUR million



ORDER BACKLOG, EUR million



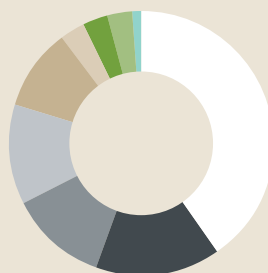
Figures based on segment reporting (POC)

REVENUE BY SEGMENT



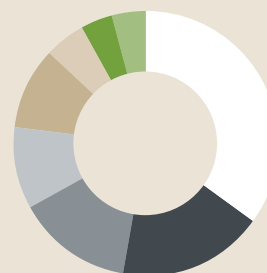
- Building Services Northern Europe 45%
- Building Services Central Europe 15%
- Construction Services Finland 28%
- International Construction Services 13%

REVENUE BY COUNTRY



- Finland 40%
- Sweden 15%
- Denmark 3%
- Austria 3%
- Germany 12%
- Baltic countries 3%
- Norway 12%
- Other 1%
- Russia 10%

PERSONNEL BY COUNTRY



- Finland 35%
- Sweden 18%
- Denmark 5%
- Germany 10%
- Norway 14%
- Baltic countries 4%
- Russia 10%
- Other 4%

Key figures

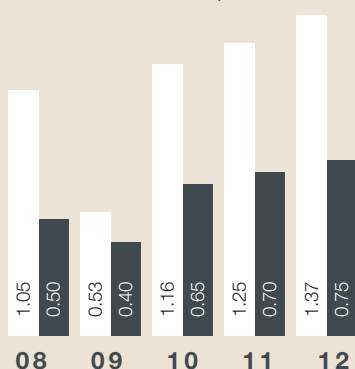
Development based on segment reporting
(percentage of completion, POC)

	2012	2011	Change
Revenue, EUR million	4,675.9	4,524.7	3%
Operating profit, EUR million	248.8	240.5	3%
% of revenue	5.3	5.3	-
Order backlog at year's end, EUR million	3,901.5	3,752.7	4%
Profit before taxes, EUR million	227.6	215.8	5%
Profit for the review period, EUR million	171.2	156.7	9%
Earnings/share, EUR	1.37	1.25	10%
Dividend/share, EUR	0.75*	0.70	7%
Operating cash flow after investments, EUR million	90.4	-17.3	-

	2012	2011	Change
Return on investment (last 12 months), %	14.2	14.8	-4%
Equity ratio, %	35.4	32.9	8%
Gearing, %	61.0	64.4	-
Balance sheet total, EUR million	3,429.0	3,261.6	5%
Personnel at year's end	25,283	25,996	-3%

*) Board proposal

EARNINGS/SHARE AND DIVIDEND/SHARE, EUR



■ Earnings/share
■ Dividend/share

Responsible business

Carbon footprint

CO₂ EMISSIONS/
REVENUE RATIO

19.1

(2011: 21.6)

ISO 14001 CERTIFIED
OPERATIONS OF GROUP
REVENUE

49%

(2011: 47%)

Quality

ISO 9001 CERTIFIED OPERATIONS
OF GROUP REVENUE

89%

(2011: 92%)

Occupational safety

ACCIDENTS PER MILLION
WORKING HOURS

11

(2011: 14)

OHSAS 18001 CERTIFIED
OPERATIONS OF GROUP
REVENUE

74%

(2011: 58%)

Business segments in 2012

Building Services Northern Europe



OF GROUP REVENUE

45%

OPERATING PROFIT

16%

INVESTED CAPITAL

19%

PERSONNEL

60%

	2012	2011	Change
Revenue, EUR million	2,089.2	2,097.6	0%
Operating profit, EUR million	41.7	78.8	-47%
Operating profit margin, %	2.0	3.8	-
Return on operative invested capital (last 12 months), %	12.2	23.8	-
Operative invested capital, EUR million	320.6	372.9	-14%
Order backlog, EUR million	819.0	913.1	-10%
Personnel	15,159	15,900	-5%

SERVICES AND SOLUTIONS

- Building system solutions
- Service and maintenance of building systems
- Energy efficiency services
- Industrial project deliveries and maintenance (primarily in Finland and Sweden)

CUSTOMERS

- Developers and construction companies
- Property investors and owners
- Property service companies and building managers
- Public institutions
- Industry

Building Services Central Europe



OF GROUP REVENUE

15%

OPERATING PROFIT

10%

INVESTED CAPITAL

6%

PERSONNEL

13%

	2012	2011	Change
Revenue, EUR million	714.2	779.3	-8%
Operating profit, EUR million	26.9	33.3	-19%
Operating profit margin, %	3.8	4.3	-
Return on operative invested capital (last 12 months), %	31.5	53.8	-
Operative invested capital, EUR million	98.9	72.0	37%
Order backlog, EUR million	380.1	449.5	-15%
Personnel	3,380	3,506	-4%

SERVICES AND SOLUTIONS

- Building system solutions
- Service and maintenance of building systems
- Energy efficiency services

CUSTOMERS

- Developers and construction companies
- Property investors and owners
- Property service companies and building managers
- Public institutions
- Industry

Construction Services Finland



OF GROUP REVENUE

28%

OPERATING PROFIT

51%

INVESTED CAPITAL

34%

PERSONNEL

14%

	2012	2011	Change
Revenue, EUR million	1,329.0	1,226.9	8%
Operating profit, EUR million	127.0	111.6	14%
Operating profit margin, %	9.6	9.1	-
Return on operative invested capital (last 12 months), %	23.5	24.0	-
Operative invested capital, EUR million	581.7	558.4	4%
Order backlog, EUR million	1,499	1,493.6	0%
Personnel	3,540	3,429	3%

SERVICES AND SOLUTIONS

- Residential construction
- Business premises construction
- Infrastructure construction

CUSTOMERS

- Households and housing cooperatives
- Property investors and owners
- Business premises users
- Developers
- Public institutions

International Construction Services



OF GROUP REVENUE

13%

OPERATING PROFIT

31%

INVESTED CAPITAL

41%

PERSONNEL

11%

	2012	2011	Change
Revenue, EUR million	599.6	489.2	23%
Operating profit, EUR million	73.9	37.2	99%
Operating profit margin, %	12.3	7.6	-
Return on operative invested capital (last 12 months), %	12.3	6.5	-
Operative invested capital, EUR million	708.3	602.2	18%
Order backlog, EUR million	1,266.1	962.5	32%
Personnel	2,808	2,753	2%

SERVICES AND SOLUTIONS

- Residential construction
- Business premises construction

CUSTOMERS

- Households
- Property investors and owners
- Business premises users
- Developers
- Public institutions

Events in 2012



WE EXPANDED OUR OPERATIONS IN RUSSIA. The Russian residential market offers YIT significant growth potential. During the course of the year, we expanded into eight new cities in the Moscow region and started construction in the city of Lytkarino, among others. We also purchased a plot in Tyumen in Western Siberia, where we will start the construction of our first residential project during 2013.

YIT MAINTAINS KESKO STORES. YIT and Kesko, one of the leading operators in the Finnish grocery trade, have collaborated in the provision of the services for Kesko's trading sites for over a decade. YIT is currently responsible for maintenance and technical facilities management in approximately 350 properties in Finland. Early in the year 2012, we agreed on a new kind of cooperation based on cost responsibility. The aim of this cooperation is to create the desired conditions in the properties with maximum energy efficiency and cost savings.

SEAMLESS COLLABORATION. YIT delivered majority of building system technology, including among others sanitation and compressed air systems as well as control and automation systems to retail trade chain EDEKA's central warehouse in Landsberg am Lech, Germany. EDEKA is also entrusting YIT with the full range of maintenance services during 5 years. The brief construction that took only a few months required seamless collaboration and the warehouse spaces with up to 30 meters high posed high requirements also for the work safety.

AT A HEART OF A FELL. YIT's Chalets in Ruka fell, Finland, will be completed in early 2013 just in time for the new ski season. Located by Kalliolampi lake and in the heart of the resort, these holiday apartments are fully furnished and equipped owner-occupied homes. House-keeping services are available, and apartments can be attached to a rental service. In 2012, YIT also introduced a new concept for part-time living in cities, which is based on a similar logic of making leisure housing easy to own, and even guarantees rental income in some of the apartments.

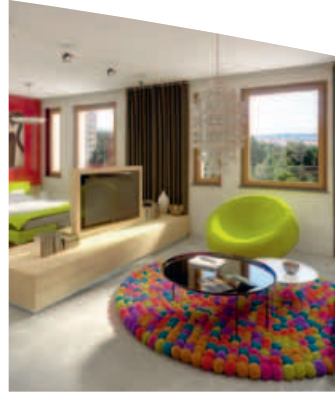
PANU SERVICE CENTRE MONITORS THE WEATHER AND ROADS 24/7. The service centre, which started operations in autumn, is a completely new concept in Finnish infrastructure maintenance. PANU serves the users of the roads, centrally receives feedback, communicates and advises on maintenance-related measures and relays weather condition data to our regional contracts. In 2012, we also won several regional contracts for road maintenance around Finland and thereby increased our market share.

COMMERCIAL SERVICES TO A NEW LEVEL. Completed in 2012, the Willa shopping centre, located in Hyvinkää, Finland, has more than one hundred stores in a total leasable floor area of approximately 27,000 m². Central location and excellent accessibility draw approximately 60,000 visitors each week, which has enlivened the city centre. The energy-efficient building system solutions in the shopping centre are used in lighting, heating and ventilation, for example.

NEW BOOST FROM WIND POWER. In the summer, YIT constructed foundations of close to twenty wind power plants for Tuuli-Watti in Tervola and Ii. The Tervola plant is the first inland wind power plant in Finland. In 2012, we were involved in the construction of over half of all new wind power capacity in Finland.

GREEN BUILDING SYSTEMS. YIT is responsible for the most of the building system installations of the Joseph Pschorr Haus commercial and residential building in Munich, Germany. Energy efficiency is being pursued in the project in several ways, such as the humidification of exhaust air with rainwater, which in turn decreases the amount of energy needed for cooling. In addition, solar panels and heat recovery systems will be installed in the property.





IN THE SERVICE OF CULTURE.

In Denmark, YIT signed an extensive service agreement covering properties of cultural and historical value in early 2012. During the next upcoming years, we will service and maintain more than 40 properties in different parts of Copenhagen and assume responsibility for the faultless functioning of building systems in Amalienborg and Rosenborg castles, among others.

BUILDING SYSTEMS FOR THE POP MUSEUM.

In The Hall of Fame located in Djurgården, Stockholm, the fans can get a glimpse into the Sweden's most famous popmusic exports of all time. The building will also house a performing stage, restaurant and hotel. YIT is delivering the property's heating, cooling, electrical and plumbing solutions. The museum is set to open during spring 2013.

WATER HEATS UP WITH SOLAR PANELS.

Around thirty homes of Hájek in Prague, the Czech Republic, have been designed to be both environmentally friendly and economical to residents. The costs of heating water is decreased by, among others, utilising the solar panels placed on the green roof of the building. The project was awarded as Prague's best residential complex in the esteemed Best of Realty architecture competition.

THE MOST MODERN LIBRARY IN THE BALTIC COUNTRIES.

Vilnius University's National Open Access Science Communication and Information Centre opened its doors in November 2012 in Lithuania. As the main contractor, YIT was responsible for the design, construction and building systems of this large property, covering almost 14,000 square metres.

PRIME LOCATION IN SMOLNA.

YIT is building in a prime location in the centre of St. Petersburg, Russia more than 400 residential units in new and renovated buildings. The façade architecture and style link the project to the historical urban environment of Smolna. The buildings from the turn of the 19th and 20th centuries will be mostly preserved and renovated. In addition, new residential buildings are introduced in a similar style. The project will be realised in several phases and it is due for completion in 2017.

ACTIVE AREA DEVELOPMENT.

YIT is involved in the all-around development of Tikkurila train station area in Vantaa, Finland, with the aim of creating it into a comfortable living environment and functional service and infrastructure centre. The construction of the first residential project started up in October in next to the city hall and new market square. In addition to housing, the area will by 2019 receive an office and commercial centre, new bus terminal and parking facilities, and will transform into a pleasant walking district.

RECOGNITION FOR RESIDENTIAL CONSTRUCTION IN MOSCOW.

YIT's Holmogory residential project won a special prize in Best Investment and Construction Project 2012, a prestigious construction award in Russia. The project, located in north-eastern Moscow, comprises 104 residential units. According to the jury, it successfully combines comfort class and business class qualities with practical solutions and a competitive cost structure.

100 GOOD DEEDS END YIT'S ANNIVERSARY YEAR.

To celebrate YIT's 100th anniversary in 2012, we started up a campaign, where we did a variety of small good deeds in Finland: for example, we made a small renovation at a day care centre, installed lighting in the yard of a school, collected wood for handcrafts and arranged visits to our construction sites. The carrying out the deeds continued also in 2013.



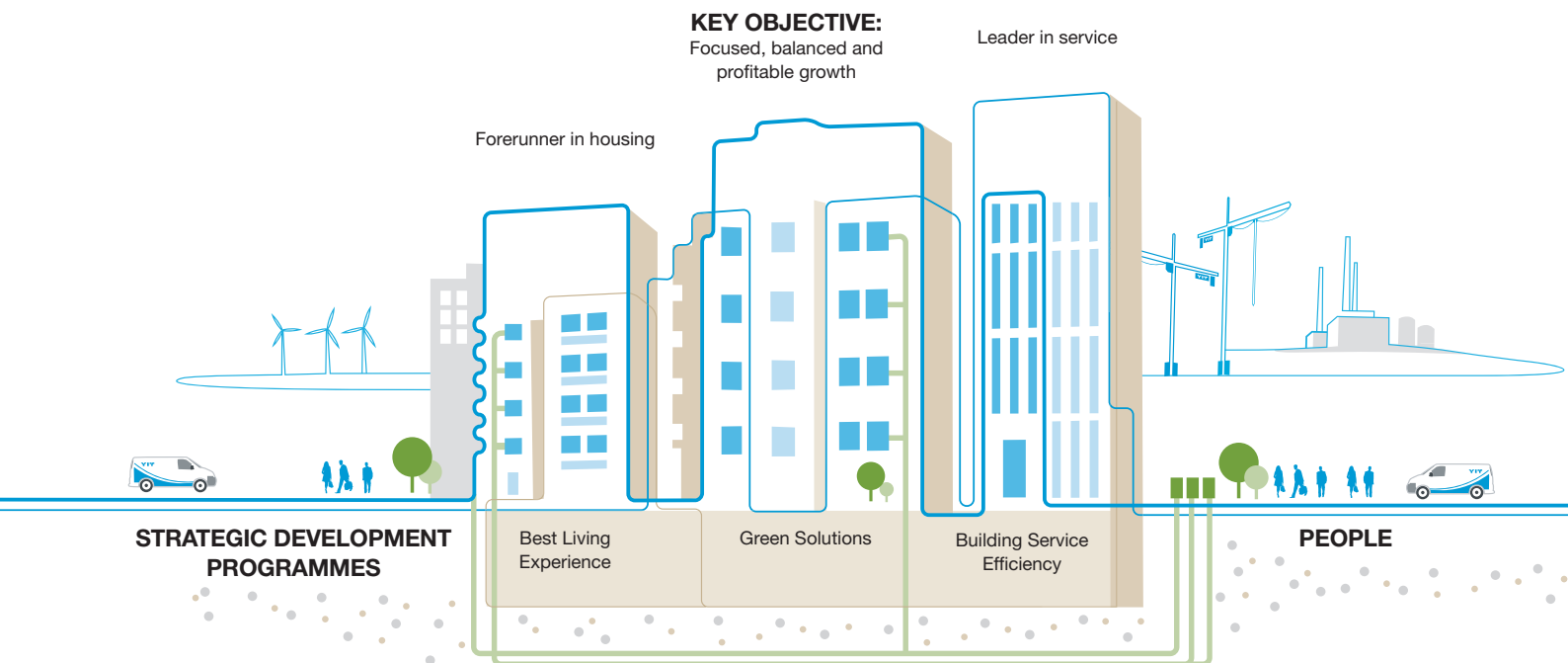
Strategy

Development programmes support strategy for profitable growth

Our aim is to increase building systems service and maintenance operations in all of our market areas, particularly in Central Europe and Germany. In housing, we will continue to focus on our own development production, in which we see growth potential especially in Russia. To accelerate achieving these goals, YIT has launched three development programmes,

which focus on improving the efficiency of building services, development of YIT's green business as well as boosting the living experience of our housing customers. As a result of long-term development, both building services and construction services businesses are strong enough to carry out their operations independently.

YIT'S STRATEGIC TARGETS



TARGETS FOR 2013–2014

- Annual revenue growth more than 10% on average
- FOCUS OF GROWTH:**
- Building systems service and maintenance operations
 - Own development production in housing
- GEOGRAPHICAL FOCUS:**
 - Germany in building services
 - Russia in residential construction

VISION

To lead the way in creating and maintaining good living environments

MISSION

We build, develop and maintain a good living environment for people. We help our customers to use the technical living environment, invest productively and maintain the value of their investments.

VALUES

- Excellence in service
- Continuous learning
- Well-run cooperation
- High performance

YIT's competitive advantages

EXTENSIVE SERVICE	OWN INNOVATIVE SOLUTIONS	SERVICE ORIENTATION	EFFICIENT BUSINESS PROCESSES
<ul style="list-style-type: none"> • Total deliveries of all building systems solutions • All fields of construction • Services in all project phases • Extensive service network operating 24/7 	<ul style="list-style-type: none"> • Energy efficiency part of all services • Own service concepts • Implementation of projects from idea to completion 	<ul style="list-style-type: none"> • Understanding customer needs • Local service network • Reliability guaranteed by the brand • Product offering that matches real demand 	<ul style="list-style-type: none"> • Efficiency in all business operations • International procurement • Well-planned plot acquisitions

YIT is successful because we are eager to develop and agile in reacting to changes in the operating environment. We have developed the structure of our group over the long term so that it supports our profitable development and has also protected us from economic turbulence repeated from time to time. After the recession in 1990s we widened our offering so that construction, which is more sensitive to economic fluctuations was supported by more steadily developing building systems business. Since the early 2000s, we have grown and developed our building system services through significant acquisitions in the Nordic countries and Central Europe. Building systems has brought YIT significant growth potential, as well as a steady cash flow to be invested in the Russian residential construction, for example.

The joined efforts of building systems and construction services business has been evident in extensive own development construction projects where we have been able to combine our forces in residential, commercial and infrastructure construction and building systems and also offer service and maintenance after the completion of the project. Above all, the cooperation has created financial synergies: Over the last decade, we have almost quadrupled our revenue and nearly tripled the operating profit. At the same time, we have expanded our operations to include ten new countries.

Building services and construction have substantially different business logics and growth strategies. Building services are personnel-intensive work based on YIT's professional competence requiring less working capital than own development construction projects, which are more exposed to economic cycles but typically have a higher operating profit margin. The two businesses also focus on different geographical areas: construction business in Finland, the Baltic countries, Central Eastern Europe and especially Russia, building services business in the Nordic countries and in the future also more strongly in Germany and Central Europe.

TOWARDS A NEW STRATEGIC GROWTH PHASE

The Board of Directors decided on February 4, 2013 to initiate preparations for the development of the Group's business operations towards a new strategic growth phase, enabling more effective implementation of independent strategies for building services and construction services. To accomplish this, the construction services business and the building services business would be split-up into two separate groups. According to the initial plan, YIT would continue to operate construction services business. Building services business would be separated from YIT Corporation to a new independent company, Caverion, which would be listed on the Nasdaq OMX Helsinki. The split-up would take place in the form of a partial demerger of YIT Corporation, intended to be executed during the year 2013.

Extraordinary General Meeting will decide on the potential demerger on a date communicated later. Until the decision, YIT continues to operate according to the strategy for 2013–2014, confirmed by the Board of Directors in September 2012. The main goal of the strategy is more focused, balanced and profitable growth.

BUILDING SERVICES: IMPROVING PROFITABILITY AND INCREASING THE SHARE OF MAINTENANCE

In building services, we will focus on improving profitability and growing the service and maintenance business. Our goal is strong growth in Germany and expansion in the German-speaking region, also through acquisitions. The target is to increase the share of the service business of all building services business, as the more stable demand for service and maintenance balances the cyclical fluctuations in the project business. We also aim to increase total deliveries of building systems and long-term service agreements, strengthen our technical expertise and become even more of a forerunner as a provider of energy-efficient building systems and energy efficiency services.

The challenging market situation has required us to take immediate action to improve efficiency and productivity. We have thus

Financial targets 2013–2014

	TARGET LEVEL	PERFORMANCE IN 2012*
Revenue growth	More than 10% annually on average	3%
Return on investment	20%	14.2%
Operating cash flow after investments	Sufficient for dividend payout and reduction of debt	EUR 90.4 million
Equity ratio	35%	35.4%
Dividend payout, % of net profit for the period	40–60%	54.9% (Board of Director's proposal)

*) Based on segment reporting

launched the Building Service Efficiency programme, which will focus on improving profitability and strengthening cash flows by developing the internal processes and functions of the service business.

**CONSTRUCTION SERVICES:
HOUSING DEVELOPED ACROSS BORDERS**

Our goal is to grow profitably in the construction of housing, business premises as well as infrastructure. We are focusing particularly on our own residential development projects aimed directly at consumers, as in these projects we can utilise our extensive competence in all of the phases of the project – from land acquisition and implementation to customer service and sales.

In International Construction Services, we are focusing on expanding in Russia and Central Eastern Europe. In Construction Services Finland, the aim is to respond to customer demand even better by, among others, developing a concept for moderately priced owner-occupied housing. Especially in growth centres new housing is beyond the reach of part of the target group, and we want to address this challenge by developing our residential production accordingly.

The second main goal of the strategy in construction services business is associated with the construction of energy-efficient residential units and business premises, in which we aim to be a forerunner in all of our markets. We are further developing low-energy construction in Finland, where we have already gotten off to a good start. In addition, we aim to be ahead of our competitors and gradually increase energy efficiency of homes in Russia and other countries where we are engaged in residential construction.

Our goal is to strengthen YIT's position as a forerunner in the residential market and develop into an increasingly

international and innovative residential construction company. In the Best Living Experience programme, we jointly develop products and services related to housing in the different countries where we operate. We ensure that we offer the right kinds of residential units according to real demand. We develop various residential services and concepts and seek new growth opportunities. Through more efficient cooperation we can promote the sharing of best practices, create innovations and concepts even faster and improve our operations so that the customer perspective is taken into account in everything we do.

**GREEN SOLUTIONS OFFER OPPORTUNITIES FOR
GROWTH**

As a forerunner in energy-efficient construction and building systems we want to develop further solutions that make it possible to reduce considerably the carbon footprint of buildings. In the Green Solutions development programme we invest in developing our products and services in a sustainable way. The aim is to strengthen our existing green business as well as create new business opportunities covering the entire life cycle of the property, both in construction and building systems. Our goal is to promote green thinking as part of all of our operations as well as strengthen our competence and know-how in the field. Besides the efficiency of energy use, we promote the efficiency in water and material use. We are also actively seeking solutions related to energy production based on renewable energy sources. In the long term, the annual business potential of our green business is over EUR 300 million. It is naturally also an important part of YIT's corporate responsibility: we aim to reduce our own carbon footprint and achieve savings in our own operations as well.



Demand outlook favourable in the long term

In 2012, YIT's business environment was marked by the general uncertainty over the macroeconomic development of the euro zone. This uncertainty was evident particularly in new investments in building services market. In residential market the demand continued to be good both in Finland and Russia. The long-term outlook for YIT's products and services is still favourable, whether building services or construction, and our market position is strong.

The economic uncertainty could be seen in the form of prolonged decision-making times by our customers and projects being postponed in all market areas, particularly in new investments in Building Services Central Europe. New investments in building systems were low and competition in the project market tight. The demand for service and maintenance was, however, more stable.

STABLE OUTLOOK FOR BUILDING SYSTEM SERVICE AND MAINTENANCE

The outlook for building system service and maintenance is stable over the long term in all countries where YIT operates. The growing amount of technology in buildings creates the demand for new services, and outsourcing of building services is expected to increase.

In 2013, the service and maintenance market is expected to remain stable or even grow slightly. There are still quite favourable opportunities for growth especially in Germany and Austria.

The demand for energy efficiency services is expected to remain stable in 2013 in the Nordic countries. Growth in demand is possible over the next few years with high energy prices and tightening environmental legislation, particularly in Germany and Austria. Services related to the maintenance of the traffic infrastructure are estimated to develop favourably.

Demand in the project market is expected to soften further in 2013 in most of our operating countries in Northern Europe. In the Baltic countries and Russia, both the project and service market demand is estimated to remain low. Uncertainty in the project market has increased in Central Europe. New investments in building systems are expected to remain at the current level in Germany and Austria, whereas in Central Eastern Europe they are estimated to decrease slightly.

GREAT NEED FOR HOUSING

Residential demand continued to be favourable in both Finland and Russia in 2012. In Finland, demand was bolstered by record-low interest rates for mortgages and the relatively stable employment rates. The expected change in capital transfer tax taking effect at the beginning of 2013 supported residential demand towards the end of the year 2012.

In 2012, the construction of approximately 28,500 residential units was started up in the market in Finland, which was approximately 3,000 residential units less than the previous year (The Confederation of Finnish Construction Industries RT). Construction was focused on own development production directly to consumers, and construction of rental housing was low. Supply and demand were balanced, and there was no oversupply of new residential units.

In 2013, residential demand is expected to continue to be good. According to Euroconstruct's forecasts, 25,000 residential units will be started up, while the long-term need is 24,000–29,000 residential units per year (VTT Technical Research Centre of Finland). There is a shortage of reasonably priced and small residential units in particular. In Finland, residential demand continues to be supported by continued low interest rates, the relatively stable employment rates and migration to growth centres. Furthermore, the population and the number of household-dwelling units will grow with continued migration and the increasing number of one-person households. Residential sales early in the year may still be supported by the change in capital transfer tax taking



Global megatrends have effects on our business operations



CLIMATE CHANGE

Legislation sets strict limits for the energy consumption and carbon dioxide emissions of new buildings. The regulations encourage the utilisation of renewable energy and buildings to generate part of the energy they use. The key issue is how the building consumes energy throughout its life cycle. Environmental friendliness and energy efficiency are decisive for both companies and private consumers, in terms of values and from the point of view of economics. Improving energy efficiency will become a competitive advantage for companies.



AGEING POPULATION

The ageing of population will lead to demographic changes, such as smaller family sizes and an increase in the number of households. The need for smaller residential units will increase. Safety, accessibility and well-being will become crucial factors in residential units as well as in work environments. With longer working careers, business premises need to be increasingly adaptable. More premises related to health and well-being will be required. Homes represent the individual lifestyle of their users. People want to connect services and adaptability increasingly to housing. Prosperity and appreciation of leisure time will increase and time use will change. Remote work will become more common, and homes will increasingly serve also as a place of work.



URBANISATION

Migration to growth centres results in the need for new homes, residential areas, business premises and commercial centres. Increasing traffic volumes will require the construction of roads and public transport solutions. In densely populated city centres, the need for space will also be solved through the renovation of existing properties and converting them into new uses. The centralisation of populations is an international phenomenon, but in Russia in particular the scale is huge: already, one-quarter of Russians live in metropolises, which are growing and becoming wealthier.



INCREASING TECHNOLOGY IN BUILDINGS

Increasingly complicated technology will require special competence and continuous maintenance. Property owners and users want to focus on their core business and are interested in purchasing larger service packages from a single partner. Outsourcing of services and cooperation models between the private and public sector are becoming more commonplace. Intelligent functions and remote control will increase in both business premises and residential units.



GLOBALISATION OF THE ECONOMY

The general economic situation has effects on the volume of investments in the public and private sectors as well as on consumer behaviour. Economies are dependent on each other, and economic crises will be repeated. Globalisation promotes internationalisation of companies. The operations are organised globally, so that optimal location is sought even for a single job function. Cities are competing for investments and businesses by developing attractive living and working environments. With the mobility of the workforce, the competition for talent will become increasingly tight, but competence and innovations will spread at the same time. Procurement channels will become more diversified.

effect in March 2013. Prices of new residential units are expected to remain stable.

CONSUMER CONFIDENCE AND AVAILABILITY OF MORTGAGES SUPPORT RESIDENTIAL DEMAND IN RUSSIA

In Russia, general economic development was strong in 2012, consumer confidence at a relatively good level, and housing mortgages available to an increasing number of buyers, which promoted the demand for residential units. Slightly more residential units were built than in the previous year.

The future outlook for Russian residential construction is good. There is a great need for new high-quality housing over the long term: living space per person in Russia is significantly lower than in Western Europe and residential buildings are in general in poor condition. New households are created due to smaller family sizes and the growth of the middle class. Private consumption has remained good, and

migration to metropolises is underway. 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. At the same time Yekaterinburg is becoming a third economic centre in Russia. The volume of residential construction is expected to grow and prices to increase slightly in Russia in 2013.

There is also a need for improving living conditions over the long term also in other countries where YIT has residential construction: the Baltic countries, the Czech Republic and Slovakia. In the Baltic countries, residential demand has been supported by improved consumer confidence and the employment situation. The residential market picked up slightly in 2012: the volumes in residential start-ups turned into growth and housing prices increased. However, the volumes are historically quite low.

In the Czech Republic and Slovakia, the number of residential start-ups remained on a par with the previous year in 2012. Concerns

over economic development in Western Europe and banks' stricter credit terms create uncertainty. In 2013, residential construction is expected to remain on the current level in these countries.

DEMAND FOR HIGH-QUALITY AND ENERGY-EFFICIENT BUSINESS PREMISES

In Finland, the market situation for different types of business premises varied in 2012. The construction of office premises remained stable, while the construction of retail premises decreased compared to 2011. The construction of industrial and logistics premises has begun to decrease. The demand for public service buildings was stable and construction volumes remained on a par with the previous year.

According to Euroconstruct's December 2012 estimate, construction of office premises will decrease by approximately 19% and construction of retail premises by 12% in Finland during 2013. The demand is focused on modern and energy-efficient offices in good locations. The shift of the retail trade towards larger and larger properties and the expansion of foreign retail chains in Finland will support

the construction of retail premises. The vacancy rates for office premises are high, but for retail premises rather low.

The volume of business premises construction in Russia is expected to grow at a moderate rate in 2013. YIT's largest individual market is St. Petersburg, where YIT will continue the marketing and sales of the Gorelovo industrial park.

STABLE OUTLOOK FOR INFRASTRUCTURE CONSTRUCTION

With regard to infrastructure construction in Finland, rail and metro construction grew in 2012. In 2013, the infrastructure construction market is expected to remain stable and at the same level as in 2012. Rail and metro construction will continue to grow in 2013 and several major road projects will be underway in 2013–2014. The market situation in rock construction is estimated to remain good, and there will be a shift from rock excavation to finishings, i.e. structural engineering work. The road maintenance market is expected to remain stable, and new tenders will create opportunities for YIT.

YIT has a strong market position

	BUILDING SERVICES AND INDUSTRIAL SERVICES	RESIDENTIAL CONSTRUCTION	BUSINESS PREMISES CONSTRUCTION	INFRASTRUCTURE CONSTRUCTION
Main market areas	Nordic countries, Russia, Baltic countries, Germany, Austria, Poland, Czech Republic, Romania	Finland, Russia, Baltic countries, Czech Republic, Slovakia	Finland, Russia, Baltic countries, Slovakia	Finland
Market size	Building services: EUR 194 bn Industrial Services: EUR 25 bn	Finland: 32,000 residential units, new construction EUR 5.5 bn. Russia: residential construction EUR 94 bn. Baltic countries: new construction EUR 1.1 bn. Czech Republic and Slovakia: new construction EUR 3.1 bn, renovation EUR 1.7 bn.	Business premises construction in Finland: 18.3 million m ³ . New construction EUR 5.8 bn, renovation EUR 4.5 bn. Russia: office construction EUR 11 bn. Baltic countries: new construction EUR 1.5 bn, renovation EUR 1.5 bn. Slovakia: new construction EUR 1.7 bn, renovation EUR 0.6 bn.	New construction: EUR 4.1 bn. Renovation: EUR 1.5 bn.
Market position	No 1 in Finland, 8% market share No 2 in Sweden, 6% No 1 in Norway, 6% No 3 in Denmark, 4% No 2 in Germany, 2% No 3 in Austria, 3%	No 1 in Finland, 18% market share. No 7 in Russia, where YIT is the largest western housing constructor. Market share around 5% in St. Petersburg, Moscow region, Yekaterinburg and Rostov on Don. One of the largest construction companies in Baltic countries. Significant construction company in Czech Republic and Slovakia.	No 3–4 in Finland, 5% market share. Significant business premises constructor in also Estonia, Lithuania and Slovakia.	No 4 in infrastructure construction, 6% market share. The second largest maintainer of infrastructure in the country.
Competitive situation	A lot of small companies focusing on a narrow range of solutions. A few large international companies.	In Finland, a few large companies with an extensive offering, a high number of smaller local contractors. Local construction companies in Russia. The competition situation varies by city. In the Baltic countries and CEE, the field of competition is fragmented.		Both private and state-owned companies in the market. Competition is tight. Consortiums and alliances in large projects.
Competitors	Bravida, Imtech, KAM, Kresta, ABB, ISS, Bilfinger Berger, Cofely, Ortner, Wisag	Skanska, Lemminkäinen, NCC, SRV, Hartela, PIK, Etalon, LSR Group, SU-155, Glavstroy, Inteco. MERKO, Nordecon. Central Group, Finep.		Lemminkäinen, Destia, Skanska, Peab, NCC, VR-Track.
Growth potential	Fragmented markets, services, Central Europe. Organic growth and acquisitions.	Organic growth especially in Russia and Eastern Europe.	Energy-efficient, modern and flexible premises.	Road maintenance, wind power.

Source: Euroconstruct, VTT Technical Research Centre of Finland, YIT's own follow-up.

Services



! Housing is transforming – so are we

The ageing population will lead to demographic changes, such as a decrease in family sizes and an increase in the number of households, but also the need for accessible homes and various services. Within a couple of decades, the capital city region of Helsinki will be crowded. Already, one quarter of Russians live in local metropolises.



Building services

Growth from services, total deliveries and energy efficiency

Our goal is to serve our customers so that buildings are comfortable, safe, energy-efficient and easy to maintain and they retain their value. We seek growth particularly by developing our service and maintenance operations, design and build projects and energy-saving services, whose range we also expanded in 2012.

YIT offers building system solutions, service and maintenance and energy-efficiency services in the Nordic countries, Central Europe, the Baltic countries and in Russia. We are the largest provider of building services in Finland and Norway and one of the three leading companies in Sweden, Denmark, Germany and Austria. In 2012, Northern Europe generated approximately 75% of Building Services revenue. The share of Central Europe is, however, expected to grow, and Germany in particular is an important market for us.

Our technologies cover all building systems. We stand out from our competitors with our special technological competence in, for example, energy efficiency, cooling, the realisation of laboratories and clean rooms, extinguishing and sprinkler solutions and security and AV systems. We have developed our own solutions for building automation and air conditioning, for example. In Germany, our KRANTZ KOMPONENTEN product brand offers, among others, solutions for exhaust gas filtration.

We create good living environments in a variety of properties: offices and retail

premises, leisure centres, schools and hospitals, housing, airports and road tunnels.

CLOSE TO THE CUSTOMER – THROUGHOUT THE LIFE CYCLE OF THE PROPERTY

There are a large number of small companies in the building systems market that focus on offering only a single building system solution in a limited geographical area. Our key competitive advantage is associated with our extensive range of competences and services that cover all building technologies. We also have ability to assume responsibility for the operation, maintenance and services of the property throughout its life cycle.

Thanks to our extensive network of local branches, we are always close to the customer. Therefore we can guarantee our customers good service with short response times. Our 24-hour customer service in all of the countries where we operate ensures that a professional is always quickly on-site when an incident such as a sudden leak in a pipeline or a fault in a computer room's cooling system occurs, preventing considerable losses.

Our ability to foster our customer relationships is also among our key strengths — long-term service agreements and



partnerships prove this. In our life cycle model, we assume responsibility also for operation, maintenance and services during the operational phase for up to twenty years.

Facility Management agreements are often signed for several years, with YIT personnel working at the customer's premises on a regular basis.

AIMING FOR GROWTH IN GERMANY

Our strategic goal is to be the market leader in building services. To achieve this we seek strong growth especially in Germany and aim to strengthening our current position in Northern Europe. In particular, we are seeking growth by investing in long-term service agreements, deliveries related to energy-savings, total deliveries of building systems (Design & Build) and investments in our technological expertise related to clean rooms and cooling. Besides organic growth, we are seeking growth through acquisitions, especially in Central Europe. In 2012, we strengthened our competence with a total of seven acquisitions in the Nordic countries and Central Europe. In addition to growth, we also aim to improve the profitability of our operations.

PROJECTS IN 2012

Service and maintenance:

- German Aerospace Center
- Premises of ADAC automobile association in Munich, Germany
- Oslo airport, agreement extension, Norway
- Maintenance of Kesko's properties and technical facilities management, extended agreement, Finland
- Transfer of the maintenance of Patria's production facilities, Finland
- Turku and Rauma university campuses, Finland
- Finnair properties at Helsinki-Vantaa airport, extended agreement, Finland
- Approx. 40 of historical and cultural premises in Copenhagen, Denmark

Projects:

- Ventilation and air conditioning systems for BMW's Leipzig plant, Germany
- Building systems (HVAC, automation, sprinklers) for Bonneshof office centre in Düsseldorf, Germany
- HVAC systems and building automation for the Hofstätt complex (retail and business premises, housing) in Munich, Germany
- Building systems for the Alpenstrassen shopping centre under construction in Salzburg, Austria
- Total deliveries to the Finnprotein soy factory, Finland and to Scania's Oskarshamn plant, Sweden
- ESCO energy saving projects in Halsnæs and Helsingør, Denmark





STOCKHOLM PURSUES SIGNIFICANT ENERGY SAVINGS

Most of the energy savings in buildings can be achieved through building systems, such as appropriate ventilation, lighting control and careful monitoring of water and heat consumption. There is a need for improvement in old properties in particular, where the technology is obsolete and therefore costs are also high.

The City of Stockholm is investing a significant amount of financial resources in pursuing energy savings, and as part of this pursuit, the building systems of 24 properties will be modernised. The aim is to decrease the total consumption of energy in the buildings by 30% and carbon dioxide emissions by 10%. In addition, most properties are to apply for environmental certification. YIT is involved in the project in cooperation with Arcona.

The modernisation efforts include several public buildings of historic value, such as the Stockholm City Hall, City Museum and Library and the Oscar Theatre. The age and history of the properties do in fact make the implementation of the changes more interesting as well as challenging.

YIT will renew the electrical, water, heating and ventilation systems and lighting of the buildings. In addition, the automation controlling these systems will be renewed and complemented. The project, which will continue until January 2014, also surveys other environmentally friendly solutions that can provide additional cost savings.

The outlook for building system services and maintenance is good over the long term in all countries in which we operate. Economic cycles have less effect on the demand for service and maintenance than the project business, and the profitability is also typically better. We aim to increase the maintenance and service business in all market areas at a faster rate than the rest of our business. Our goal is that in the future service and maintenance would generate 70% of our Building Services' revenue in Northern Europe. In addition, Central Europe offers particular growth opportunities, with maintenance and services generating there a lower share of revenue than in Northern Europe. In 2012, service and maintenance accounted for approximately 63% of all business volume in Northern Europe and 31% in Central Europe.

In the project business, we aim to grow as a supplier of Design & Build projects and total deliveries of building systems. Large projects that require significant resources and extensive competence are where we excel, being involved throughout the project from designing the solution to delivering the technology. These projects also have typically higher profitability and less competition than in individual tendered projects. Major projects often take years and generate good cash flow. In 2012, we were involved in several large deliveries, such as the construction of the building systems of the European Central Bank's new head office in Frankfurt and DC Tower, Austria's tallest building. In Finland, we are delivering all building systems to Europe's largest soy factory in Uusikaupunki.

MAINTENANCE BASED ON ACTUAL CONDITIONS

The service market is changing. Property owners and users no longer focus solely on repairing acute faults; rather, they favour preventive maintenance. Maintenance is no longer scheduled according to a calendar, it is performed when needed. Measures are based on the actual conditions: decreased performance, not interruption or periodic maintenance.

In Finland, our control room services celebrated their tenth anniversary in 2012. Twenty-four-hour remote building system control decreases the number of unnecessary maintenance visits and improves the building's energy efficiency. A fault can usually be determined and repaired remotely from the control room, without the need of maintenance engineer to visit the site. The control room collects information on the functioning of the systems, and experts adjust the equipment parameters to meet the exact conditions desired by customers. In 2012, the control room monitored almost a thousand properties across Finland: retail properties, pharmaceutical plants, computer rooms and student dormitories, for example. We also began to offer an extended five-year warranty for building system projects where maintenance is connected to our control room services. Control room services have been a success story in Finland, and we also aim to review the opportunities for remote monitoring in the other countries where we operate.

EVEN MORE EXTENSIVE RANGE OF ENERGY EFFICIENCY SERVICES

Our customers appreciate easiness when purchasing service and maintenance. For this reason, a couple of years ago we developed the ServiFlex concept, which allows our customers to agree on an extensive service entity through a single agreement. We tailor from a selection of more than one hundred services a customised entity that best meets the needs of each customer. The services are based on quality-assured processes and clear service descriptions, enabling us to offer equally good service in all countries. ServiFlex is particularly focused on preventive maintenance.

We have packaged our energy efficiency services in the eServiFlex concept, based on the same logic. The offering includes about thirty services from energy inspections to building certification and energy controlling services. eServiFlex agreements were actively concluded in Finland, Norway and Germany, among others, during 2012, and our aim is to expand the concept into all of the countries where we operate.

During the summer of 2012, we joined our strengths with the German company RWE Energiedienstleistungen GmbH by agreeing on strategic cooperation, which expanded our eServiFlex services portfolio in Central European markets.

GUARANTEED ENERGY SAVINGS

Our aim is to include energy efficiency services in all of our service and project agreements. We offer a variety of energy-saving services to properties; we assess the property's energy consumption, find the solution to minimise energy loss, deliver the required building systems or repair the existing ones. Preventive service and maintenance ensures that the systems are as trouble-free and energy-efficient as possible also in the future. The use of technical systems and energy consumption are optimised through correct adjustments and smart automation.

In total delivery of an ESCO energy-saving project, no initial investments are required from the customer; the service pays for itself through the achieved cost-savings during the guarantee phase. In Denmark, YIT currently has two of the country's largest ESCO projects underway. The energy renovation of buildings in Helsingør that started in 2012 will cover 90 buildings if the contract is implemented in full. In the Halsnæs municipality project, in which we have already advanced to the operation and warranty phase extending to 2021, some of the savings will be achieved by utilising solar panels and wind power.

INNOVATIONS IN AACHEN R&D CENTRE

The need for technically advanced building systems is increasing especially in demanding conditions, such as laboratories or hospitals. We are investing strongly in product development in our in-house R&D centre in Aachen, Germany, which specialises in the research, development and production of advanced products related to ventilation, cooling and heating. With the various test stations in the centre, we can simulate the functioning of building systems in surgery, TV studios and exhibition halls, just to name some examples.

We are continuously developing more energy-efficient and environmentally friendly technologies. In 2012, we invested among others in further developing our solutions related to solar power. In addition, we offer cooling solutions integrated in building façades based in phase-change materials (PCM). During 2012, we also commissioned a demo space in which we systematically test the functioning and combined effects of diverse construction techniques and building systems, also from the point of view of energy efficiency.

MORE EFFICIENT SERVICE

In 2012, general uncertainty over the macroeconomic development of the eurozone was reflected in the demand for building services, especially with regard to new investments. On the other hand, service and maintenance operations increased in Central Europe, and the number of energy efficiency projects was increasing especially in Northern Europe. During the year, we continued our programmes aimed at improving the profitability of our operations. Organisations and operations were reorganised both in Northern and Central Europe.

Increasing the efficiency of our service operations is one of our main goals, especially in the Nordic countries. Making our operations more efficient and increasing the share of planned work gives our customers full value for money. An efficient way of working is, above all, based on good advance planning of work and efficient and safe work at the site. We are increasing the mobility of our service personnel, among other things, by utilising mobile applications, smartphones and tablet solutions. When information flows on a 24/7 basis through mobile devices, the employee is no longer tied to the office to take



PRODUCTION FACILITIES WITH STATE-OF-THE ART TECHNOLOGY

Jenoptik's new Berlin production plant started the manufacture of high-quality semiconductor lasers at the beginning of 2013. The new state-of-the-art plant meets the strong increase in the demand for semiconductor technology and strengthens Berlin's position as a centre of premium-quality manufacturing industry.

YIT was responsible for the construction of the huge production plant and the delivery of building systems. YIT was involved in the project from the design phase, and took care of all work related to heating, cooling, indoor air, process control and automation.

In addition to extensive production and office premises, the project included 275 square metres of clean rooms, in which YIT is a leading expert in related building systems. Clean rooms maintain exact conditions in the facilities in order to ensure the purity of the product. Clean rooms can nowadays be found in all industrial production where contaminants not included in the process are to be kept away. The technology of the clean rooms at the Jenoptik production plant must be particularly effective as the plant processes diverse inflammable and toxic gases, for example.

The new building is an expansion of Jenoptik's existing Berlin-Adlershof plant. The floor area of the production location increased to 3,400 square metres as the result of the project. YIT has been cooperating with Jenoptik already since the first construction phase. At that time, YIT delivered the building systems to the plant and supported Jenoptik in the design. It was therefore natural that YIT was also chosen as the contractor for the expansion project.

The construction work was carried out in phases without interrupting production. The good cooperation throughout the life cycle of the property is also shown by YIT being responsible for the maintenance and management of Jenoptik's premises in Germany.

care of routine tasks, and we can optimise the routes of our service cars.

Our aim is to keep our service network close to our customers, but centralise competence in the project business in regional centres of excellence. We are also improving the logistics of materials and spare parts. We utilise international suppliers and electronic order systems in procurement.

Residential construction

Forerunner position by developing services

Our aim is to be the forerunner in residential construction in all of our market areas: Finland, Russia, the Baltic countries, Slovakia and the Czech Republic. We have an active role in the development of residential areas, and we invest increasingly in housing concepts and services. During 2012, residential sales were favourable in both Finland and Russia, where we responded to increasing demand by expanding into new cities.

YIT is the largest housing developer in Finland, and our share of the Finnish residential market is approximately one-fifth. We are the largest foreign residential developer in Russia and one of the largest housing developers in the Baltic countries, the Czech Republic and Slovakia. Our relative position has strengthened in the Baltic countries and Central Eastern Europe. We expect the residential market to grow in the future especially in Eastern Europe, where our position offers an opportunity to benefit from economic growth in Russia. In 2012 close to 70 percent of our residential start ups took place outside Finland.

Our competitive advantages include our diverse housing offering that matches actual needs and spending power, the services we offer to residents and competence throughout the life cycle of the construction project. We focus on our own development housing projects in which we construct housing directly for consumers. In own development projects we responsible for the entire project starting from the acquisition of the plot and conceptual design. The residential units are marketed and sold to future customers primarily by our own in-house residential sales in all of the countries where we operate.

Also, our ability to combine the experience of an international construction company with local market

knowledge differentiates us from our competitors. In Russia, our particular strength is our reliable reputation, which was heightened during the recent financial crisis.

Our residential construction activity focuses on major cities and growth centres. In Finland, we are a strong nationwide developer. In Russia, our main operating areas are St. Petersburg, Moscow and cities in Moscow Oblast, Yekaterinburg, Rostov-on-Don and Kazan. In the Baltic countries and Central Eastern Europe, construction is focused on capital cities.

COUNTRY-SPECIFIC DIFFERENCES

In Finland, we always construct all residential projects in full finished format and equipped with kitchen and bathroom fixtures. In Russia, the Baltic countries and Central Eastern Europe, customers have traditionally bought the residential units in shell and core and finished and furnished the units themselves. Nowadays, an increasing number of our customers also in these countries want to buy homes in finished format. Therefore, we offer residential units with different levels of finishing and fixtures, ranging from surface finish to comprehensive delivery with kitchen and bathroom fixtures or, say, interior design. In Russia, we also offer service and maintenance for residential buildings. We mainly build Business and Comfort class residential projects in the Russian markets. The classification is based on the level of finishing, the surroundings and distance from the city centre, layout, materials and technology in the apartment, among other factors.

The average construction time of a residential project varies between one and two years, depending on the country. Construction times are the longest in Russia, which is mainly due to the larger size of the projects. A significant share of Finnish residential units are reserved in the pre-marketing phase, while in Russia consumers have typically purchased residential units closer to their completion. Our reliable reputation is an asset in this respect as well, since



Russian consumers have begun to be interested in buying residential units at an earlier stage.

Mortgages are commonly used in financing residential units in Finland and Central Eastern Europe. In Russia, the housing loan market is still developing. Private customers cannot comparison-shop banks, it is the developer's task. The more reliable the developer, the better the terms of the loan. YIT's customers have the possibility of taking out a housing loan from our partner banks under favourable terms and conditions and, in 2012, customers took out housing loans in 40 percent of YIT's residential sales.

MORE INTERNATIONAL AND MORE INNOVATIVE

Our strategic goal is strong growth in Russia and strengthening our market position in Finland. In Russia, we aim to strengthen our position in the locations where we already operate and expand into new cities. In Finland, the aim is to increase the share of our own development projects as these projects offer higher profitability than conventional tendering projects or rental housing constructed for investors. In our own development projects, we can also fully utilise our extensive competence. We are increasingly focusing on developing housing and housing concepts targeted at different segments as well as launching new services that make living easier. In the other countries where we are engaged in residential construction, we focus on, among other things, constructing energy-efficient housing and launching new innovations on a regular basis.

In 2012, we launched the Best Living Experience programme to develop common products, services, concepts and service platforms for housing shared by all of our markets and countries. By developing our

RESIDENTIAL START-UPS IN 2012

Finland:

- First residential building in historic Kakolanmäki area, Turku
- Phase II of Konepaja area in Teollisuuskatu, Helsinki
- Holiday homes in Ruka fell
- First residential project next to the Tikkurila office and retail centre, Vantaa
- The first residential buildings in Hansavalkama small-house area in Espoo

Russia, Baltic countries and Central Eastern Europe:

- Smolna residential project in the historic centre of St. Petersburg. The aim is to construct more than 50,000 square metres of residential units on the plot over the coming years.
- Novomoskovsky project with 900 residential units in St. Petersburg
- Zeljonyj bereg in Moscow
- YIT's so far largest residential project in the Czech Republic, Branik in the vicinity of the inner city of Prague
- Solo City, residential project in Vilnius, Lithuania developed based on survey to potential residents

! Our measures:

- We construct housing according to actual need and demand, meaning smaller residential units and also increasingly medium-priced ones in cities.
- We take safety and accessibility into account in design management and service development so that residential units easily adapt to different life stages. Our customers use a lot of digital services, therefore, we have also introduced them to housing.
- Appreciation for leisure time and remote working from second homes are increasing. We have constructed easy, full-service leisure homes across Finland.

Our achievements:

- We are developing a concept for reasonably priced housing in Finland in order to make owner-occupied housing possible for as extensive a customer base as possible, also in growth centres.
- We offer diverse individual accessories that support moving and autonomous living. The new eHouse information and service portal makes residents' day-to-day routines and obtaining services more efficient.
- Our leisure home concept extends leisure housing with high-quality furnishing and services from holiday resorts to city centres.
- In addition to single projects, we develop entire residential areas and also pay attention to services and infrastructure in the area.



NEW RESIDENTIAL AREA IN A HISTORIC MILIEU

Niemenranta, to be built on the shore of Lake Näsijärvi in Tampere, Finland, echoes the area's cultural history and will be an attractive home to approximately 4,000 people. YIT is the main developer for the area, and some 2,700 new YIT homes will be built around the protected buildings of Niemi Manor by 2025. The diverse range of housing will attract families, senior citizens and young adults to the area. Residential blocks will have one- and two-family homes and city villas as their neighbours.

Construction work in the 80-hectare Niemenranta area has already begun at Ruukinranta, where YIT will build a total of 15 multi-storey buildings. The first residents will move into the area in early 2013. The construction of Kartanonranta, an area with mainly detached houses, is estimated to begin in 2013, followed by the construction of Pursiranta.

The residential area is built with respect for the milieu of the manor, rich in tradition. The future housing trends, the needs of residents of different ages, the functioning of nearby services and safe surroundings have all been taken into account. Niemenranta is a showcase of sustainable urban construction and located next to good traffic connections from the centre of Tampere, including a planned tram line. Traffic in the area will be reduced, among other things, by block-specific underground parking facilities and an easy access to nearby services also without a car.

The city planning of the district will reserve common meeting places for the residents, such as sports facilities, recreational areas and a marina. New uses for the buildings of the old manor are also being explored for the enjoyment of the residents of the district and the rest of Tampere.

business operations in a customer-oriented way and making the transfer of information and competence more effective between countries, we can create new ideas even faster. Our aim is to become a forerunner in the residential market by gradually making YIT a more international and innovative service provider.

SERVICES MAKE EVERYDAY LIFE EASIER

Sustainable development, an ageing population, continued urbanisation and new forms of social living all have very concrete effects on housing. Time management has changed, and housing is expected to be easy, healthy, individual, environmentally friendly and safe. Hous-

ing must also be flexible as needs evolve. In order to respond to these global trends, we have developed our own concepts for housing.

In Finland, we have launched the ELO ("Life") concept, the aim of which is to respond to the housing-related challenges of the ageing population and offer a functional home for those who need aid and flexible housing solutions. Different accessories and equipment related to this concept can be ordered as an extra service for all homes in multi-storey building under construction in Finland.

The digital eHouse portal makes everyday life easier, as residents can monitor up-to-date data related to their own residential unit and consumption as well as receive information on the housing cooperative and the surroundings. The portal also offers several services, such as cleaning and shopping, through external partners. The service is standard in all non-subsidised residential projects started in Finland in 2012, and we also aim to expand it to the other countries.

A SECOND HOME IN THE CITY IS ALSO A GOOD INVESTMENT

Leisure time has become increasingly valued and there is a clear demand for a form of housing that is between hotel accommodation and rental housing. In 2012, we launched a new concept for part-time housing comfortably in the city centre. The residential units are fully furnished owner-occupied homes with cleaning and reception services, and they can be included in a renting service. Fixed rental revenue is guaranteed for some residential units. YIT has already offered the concept of full-service leisure housing in several tourist resorts across Finland. The first Suites apartment hotel will be completed in Tampere in 2014, and YIT has plans to build another one in Lahti.

MAKING REASONABLY PRICED OWNER-OCCUPIED HOUSING POSSIBLE

The centralisation of housing and shortage of plots are already the reality in several growth centres. We want to contribute to ensuring the supply of reasonably priced housing in the future, and that a larger target group will have the opportunity to buy a new residential unit in the primary market.

In 2012, we developed a concept for reasonably priced owner-occupied housing in Finland, with the residential units costing approximately 15% less than the general price level in the area. We are preparing the construction of such projects in growth centres in areas with good connections by public transport and where plots are reasonably priced or can be rented from the city. We are pursuing a lower price through optimum layout and design solutions and efficient construction process. Among other things, we are investigating the optimum size of residential units and the functionalities that they should include. Projects consistent with the concept will be started up already in 2013, and we will also launch other solutions that improve the availability of housing at the same time. Most of our residential units for sale in Finland, approximately 70 percent, are currently medium-priced, with the total price being under EUR 300,000.

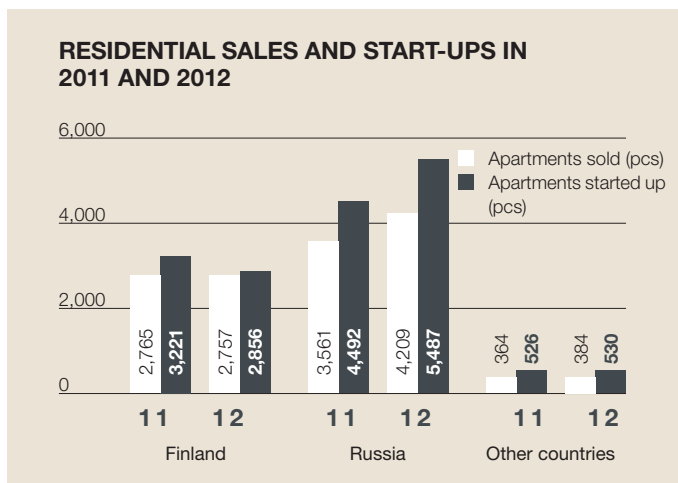
CONTINUOUS DEVELOPMENT OF ENERGY EFFICIENCY

We designed our first low-energy homes already in 2008, and we are continuously developing the energy efficiency of our residential units. In Finland, we have in recent years designed residential units to reach class B as a minimum, with energy consumption being up to 15%

lower than required by the relevant standards. Some of our projects are in the premium class A.

However, local construction regulations and climate result in different requirements for energy efficiency in the different countries, and the content of the standards varies as well. Our goal is to implement our residential projects in all countries in the local class B as a minimum. This is, on average, 20% more energy efficient than the minimum requirements of the local standards. In Russia, the Baltic countries and Central Eastern Europe, we aim to increase the energy efficiency of our residential units one step ahead of our competitors. In the Czech Republic and Slovakia we are already having quite a good progress, and some of our projects there were already in 2012 built as low-energy homes. In addition, we had pilots in local class A underway in several countries.

In Russia, we aim to pilot new energy-efficient solutions first in individual housing projects and large area development. Energy prices are still relatively low in Russia, and energy efficiency is not yet considered an investment in the future or to significantly lower the costs of living. However, consumers are gradually beginning to appreciate ecological factors. The shift in attitudes is supported by the Russian authorities' increasing interest in energy efficiency, among other things.



RESIDENTIAL SALES REMAINED FAVOURABLE

Our residential sales continued to be good in spite of the uncertainty of the world economy in both Finland and Russia. In Russia our residential sales reached an all-time record during the fourth quarter when we sold almost 1,300 residential units. We actively complemented our plot reserves in all of our areas in order to ensure good opportunities for residential start-ups in the future as well.

In addition to low interest rates, the change to capital transfer tax expected in early 2013 supported residential sales in Finland towards the end of 2012. The focus of residential construction was on own development: Approximately 70 percent of residential start ups were aimed directly at consumers.

In Russia, we expanded our operations into eight new cities in the Moscow Oblast and the city of Tyumen in Western Siberia. In 2012, we started up the construction of approximately one thousand residential units more than in 2011. New residential projects were started up in St. Petersburg, Moscow Oblast, Kazan and Yekaterinburg. The number of residential units under construction has increased in par-



FROM THE HUSTLE AND BUSTLE OF MOSCOW TO SWITZERLAND IN RUSSIA

The rapid growth of Moscow and increasing housing prices are evident in the residential market of Russia's capital city. As a result, the demand for new homes is expanding from Moscow into nearby cities, of which Zvenigorod, located some 40 kilometres away, is one of the most appealing ones.

In addition to lower prices, Zvenigorod attracts with its peacefulness, rich cultural heritage and lack of traffic congestion. The proximity of the Moskva River, man-made lakes in the area and versatile opportunities for outdoor activities create the preconditions of comfortable living. The city has become a residential area favoured among families with children in particular, to the extent that it has been called "Switzerland in Russia." Zvenigorod, formerly known as a holiday resort favoured by the cultural elite, is nowadays also the choice of many people looking for a leisure home or those working remotely.

YIT has responded to the increasing demand in the area by constructing the Serebrjanyje zvony residential block in Zvenigorod. It is YIT's first small low-rise apartment building project in Russia. The three buildings completed at the turn of 2012/2013 have a total of 163 residential units, from studio apartments to spacious four-room homes. The residential projects in Russia have been typically significantly larger – they may comprise several hundred residential units, with the buildings rising to the height of more than twenty storeys.

Serebrjanyje zvony stands out in the landscape with its individual design and mansard roof. The project utilises solutions that improve energy efficiency, such as high-quality thermal windows. The customer could also influence the spatial solutions of their future home in the construction phase.

ticular in Moscow Oblast, accounting for almost one-half of all residential units under construction at the end of the year.

The recovery of the housing market was still slow in the Baltic countries and Central Eastern Europe, but YIT's residential start-ups nevertheless slightly increased also in these countries.

Business premises construction

Flexible and energy-efficient spaces

YIT is one of the largest business premises construction companies in Finland. We aim to offer our customers increasingly flexible premises with which the activity of the users is independent of time and place. We develop energy-efficient business premises where genuinely less purchased energy is required, and we package our competence into various business premises concepts. In 2012, we had business premises projects underway also in Russia, the Baltic countries and Slovakia.

YIT offers diverse business premises from head offices and commercial premises of all sizes to efficient logistics and production facilities. In addition to new business premises, we renovate and develop existing buildings to new uses and construct public service buildings, such as schools and hospitals.

We construct business premises as our own development projects and as contracts. Our service chain covers all of the phases of construction: We create the concept and design of the project, acquire the plot and take care of contacts with the authorities. In addition to construction, we take care of marketing and leasing of the business premises. We develop the projects in close cooperation with their users and investors. Our customers include property investors and owners, users of business premises, developers and public institutions. Our goal is to offer users a property that works according to their needs and investors the maximum yield.

In addition to Finland, we construct and develop business premises in Russia, the Baltic countries and Slovakia. The volume of business premises construction is, however, currently focused on Finland where the majority of our projects are located. We are among the four largest business premises construction companies in Finland.

DEMAND FOR MODERN AND ENERGY-EFFICIENT PROPERTIES

The demand for business premises is supported by global megatrends, such as the centralization of activity in the capital city regions and growth centres and the development of city centres. Demand is focused on modern and energy-efficient premises in the vicinity of good services and traffic connections. The shift of the retail trade towards larger properties upholds the demand for retail premises, as does the expansion of the network of local services to residential centres and the entry of foreign retail chains to Finland.

Our strategic goal is to focus on flexible solutions with which the activity of the users is independent of time and place. We aim to increase the share of our own development projects as these are the projects where we can serve the customer in the best possible way and utilise our extensive competence. The long value chain also supports our profitability. Our aim is that half of our business premises construction in Finland is our own development projects by 2015.

EXPERIENCE IS REFINED IN CONCEPTS

The design of business premises always starts from solutions individually tailored to the needs of each customer. YIT has years and hundreds of projects of experience of the kinds of solutions that work. This experience is refined into various business premises concepts.

SpaceGenius offices change according to their users. Working spaces for different tasks can be flexibly implemented without any limits set by partition walls or building systems, for example. The appropriateness, flexibility and energy efficiency of different premises solutions are taken into account in the design. When space needs change, alterations can often be carried out even without construction workers. The first office buildings according to this concept will be constructed in Kalasatama, Helsinki.

Our GuaranteeGenius concept adds predictability to property maintenance costs, as it includes a five-year warranty for the building systems of the property. In properties where property control room



services are used 24/7, we can optimise energy consumption and ensure that it is as planned.

Our MotorCenter concept offers diverse services for motorists under one roof. In 2012, MotorCenters were completed in Konala, Helsinki, and Koivuhaka, Vantaa. The aim is to open new centres in the next few years in several locations.

YIT Logistics Center and YIT Trade Park concepts facilitate flexible premises and service solutions for locating office and production premises next to a warehouse. The construction of the first property according to our Work & Trade concept was started up at the beginning of 2013 in Koivuhaka, Vantaa, for companies serving the industry and construction. The concept offers companies commercial combination premises where the centralisation of different companies in the same branch of industry in one area improves overall service and makes doing business easier.

THE NEW TIKKURILA OFFICE AND RETAIL CENTRE: A WINDOW TO THE WORLD

One of the long term targets of YIT's project development has been to enliven city centres. In Vantaa, for example, YIT is involved in making Tikkurila a centre of well-functioning services, infrastructure and housing. YIT has more than 20 years of history as the developer of the railway station district. In 2012, we started up the construction of a new office and retail centre next to the Tikkurila railway station and a housing cooperative and underground parking facility in a central location next to the city hall and new market square. Once the Ring Railway is complete, Tikkurila will also become an important junction between trains to St. Petersburg and Helsinki Airport.

ENERGY-EFFICIENT BUSINESS PREMISES OF GOLD LEVEL

We continuously develop new solutions related to the energy efficiency and technology of business premises. The principle of our EnergyGenius concept is that energy-saving measures genuinely decrease the amount of

PROJECTS IN 2012

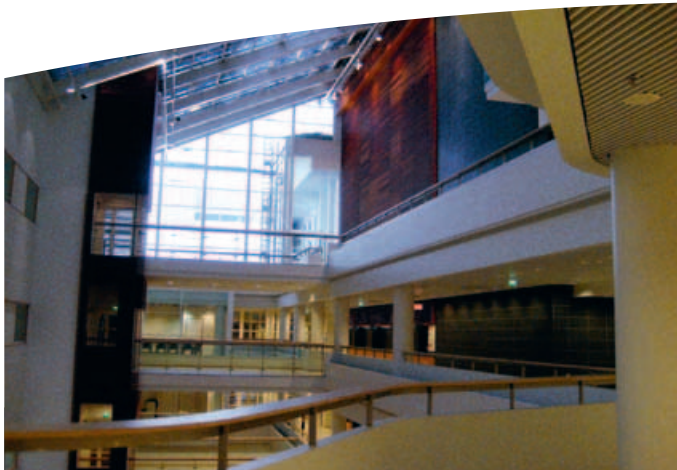
Finland:

- Tikkurila office and retail centre, Vantaa. 28,500 m², completed 2014–2019.
- Triotto (office), Helsinki. 15,500 m². Completed in 2012.
- Ratinankaari (office and retail), Tampere. 12,500 m². Completed 2013.
- Business Park Safiiri (office), Espoo. 14,000 m². Completed 2012–2013.
- UPM's office building, Helsinki. 17,000 m². Completed 2013. Project management.
- Intelligate II (office and retail), Turku. 6,400 m². Completed 2013.
- Ring Railway Ruskeansanta and Aviapolis stations, Vantaa. Completed 2014.
- Huhtasuo school and day care centre, Jyväskylä. Completed 2013–2015. Lifecycle model.
- Shopping centre Willa, Hyvinkää. Completed 2013.

The Baltic countries, Slovakia and Russia:

- Navigator (office and retail), Tallinn, Estonia. 9,000 m². Completed 2013. Project management.
- Reding Tower 2 (office), Bratislava, Slovakia. 8,000 m². Completed 2012.
- Vilnius University's National Open Access Science Communication and Information Center, Lithuania. 14,000 m². Completed 2012.
- IKEA department store, Vilnius, Lithuania. 26,000 m². Completed 2013. Project management.
- Greenstate industrial park (logistics and production), St. Petersburg, Russia. 100 hectare area. Ongoing.
- Tartu University's Narva College, Estonia. 4,800 m². Completed 2012.





T-HOSPITAL IS COMFORTABLE YET EFFICIENT

Turku University Central Hospital's T-Hospital, which reached its final size in Kupittaa, Turku, Finland in December 2012 is modern, massive and attractive. The long construction project has resulted in a unique hospital that is one of the most modern hospitals in all of Europe in terms of hospital technology. The total floor area of the hospital is as much as 108,000 square metres, with the newly completed extension housing specialist medical care accounting for more than half of the floor area. YIT was responsible for the construction of the extension and delivering some of the building systems in it.

The construction of premises for specialist medical care set high demands for the quality of work. The 14 operating rooms, intensive care unit, cardiological treatment facilities, laboratories and imaging facilities include a lot of state-of-the-art technology that simply may not fail. The project was even more challenging due to the construction work taking place around the first hospital section already in operation. YIT's strong project management expertise and diverse competence in both construction and building systems held a key role in this long project, which took some four years to complete. It was among Finland's largest hospital construction projects. At its best, there were 500 employees at the site during a single day.

One of the aims of the new hospital building is to support the well-being and coping of the patients, their families and the personnel. As a result, particular attention was paid to aspects that emphasise humanity. The atmosphere in the patient and treatment rooms is not sterile or gloomy in any way. The softness of the premises has been increased with various materials and lighting solutions, by using colours instead of white and hiding technology from view. In fact, despite its huge size, the hospital is comfortable and people-oriented.

purchased energy and the energy-saving measures taken have a short payback time. In practice, smaller overall energy consumption can be achieved, in addition to building system solutions, by better air tightness of buildings, more efficient heat recovery and energy-saving LED lighting, for example.

Our aim is to construct all business premises in Finland so that it is possible to apply for LEED environmental certification for them. Our Gold-level certified projects completed in 2012 include the Triotto office building in Helsinki, shopping centre Willa in Hyvinkää and Tiilitie Logistics in Petikko, Vantaa, which was the first Finnish logistics property to achieve Gold-level LEED certification. In 2012, we also renovated a property built in 1913 on Ruoholahdenkatu, Helsinki, which is a good example of how an old property can achieve high energy efficiency requirements and Gold-level certification by modernising building systems, renovating structures and improving air tightness.

STABLE DEVELOPMENT IN THE BUSINESS PREMISES MARKET CONTINUED IN FINLAND

The development of the retail and office premises market continued to be stable in 2012. Our order backlog remained at a favourable level, and the leasing of premises under construction proceeded well: A total of more than 34,000 square metres of completed premises or premises under construction were leased during the year. However, the competition for business premises contracts became tougher towards the end of the year.

We had business premises construction underway also outside Finland. YIT is a significant business premises construction company in Estonia, Lithuania and Slovakia. In these countries, we have in recent years mainly constructed business premises as contracts and as project management. In 2012, YIT was the main contractor in one of Lithuania's largest construction projects, Vilnius University's National Open Access Science Communication and Information Center. In Tallinn, Estonia, we completed Mehhatroonikum in Technopol science park to correspond to the growing need of energy-efficient and flexible properties in Estonia.

In Russia, we continued the development of Greenstate industrial park south of St. Petersburg by selling a plot to Siemens gas turbine production plant at the end of the year. Gorelovo offers Finnish SMEs, for example, a safe and cost-efficient way of establishing a presence in the Russian market. Companies can purchase a pre-zoned plot with all infra connections or become tenants in premises constructed by YIT. Already more than half of the zoned area of over one-hundred hectares has been implemented. Otherwise, YIT's business premises construction activity was relatively low in Russia during 2012.

Infrastructure construction

Opportunities from wind power and major road projects

YIT is one of the largest infrastructure construction companies in Finland and the country's largest private provider of road maintenance. Our expertise can be seen in major road projects, demanding excavation, tunnel and foundation engineering projects and life cycle projects. In the past few years, we have gained a significant foothold also in a new market area in the construction of wind power plant foundations, and in 2012 we were involved in the construction of over half of all new wind power capacity in Finland. Our position in infrastructure construction was stable, and our major road and rail projects progressed according to plans. We also increased our market share in road maintenance.

We create the preconditions for the functioning of society by constructing and maintaining infrastructure in Finland. We construct roads, bridges, harbours, sports facilities, rock caverns and parks, to name just a few. In addition, we specialise in wind power infrastructure solutions. We construct municipal engineering, maintain roads and streets and take care of the tidiness and safety of green areas, for example. In major road projects, we implement the latest tunnel technology that improves the safety of road users and prevent accidents.

We implement projects according to customers' needs as life cycle models, Design & Build projects or overall contracts based on ready plans.

GROWTH FROM OUR OWN DEVELOPMENT PROJECTS

Our strategic objective is to grow in particular by increasing our own development projects and developing maintenance services. We are seeking a stronger market position in tunnel excavation and interior work and wind power construction, for example. As the result of large road projects, we estimate that our road construction volume will remain stable in 2013.

In Public Private Partnership (PPP) projects, we assume responsibility for the entire life cycle of public infrastructure projects: design, construction, maintenance and also funding. We are implementing the E18 Koskenkylä-Kotka motorway with the life cycle model, for example. The construction will be completed in 2015, after which we will be responsible for the maintenance of the motorway until 2026.

SERVICE CENTRE FOR ROAD MAINTENANCE IS ON CALL 24/7

In 2012, we increased our market share in road maintenance to equal approximately a quarter of the market after securing seven regional road maintenance contracts across Finland in competitive bidding.



GREEN MOTORWAY

The Kotka-Koskenkylä section of the E18 motorway is a pilot project in several ways. Both the design and implementation utilise construction-related and technological opportunities for greener yet safer traffic that respects existing housing.

Sustainability has been taken into account in various matters, such as cherishing the constructed landscape and the area's fauna, and the protection of groundwater. The road project is a testing platform for diverse ecological solutions and renewable energy sources, such as solar power and geothermal heat.

Green bridges, subways and pipes for animals make it possible to maintain the animals' living environment while considerably reducing the number of animal collisions. Road safety is also promoted by traffic telematics, which facilitates the changing of speed limits and warning signs based on the road weather. Consumption of electricity is decreased with intelligent road illumination control, for example. Transparent noise barriers ensure that the view of the magnificent Natura 2000 area is not obstructed.

The road section is part of the E18 motorway being built between Turku and Vaalimaa. The 53-kilometre road section, implemented through the lifecycle approach, is a joint project between YIT and Destia. The construction of the road section started in 2011 and it will be completed in phases during 2013 and 2014. The contract also includes road maintenance until 2026.

The safety of traffic is ensured with timely maintenance of roads. In autumn 2012, we opened the new service centre PANU focusing on customer service and road condition information, serving both the users of streets and roads as well as our maintenance worksites on a 24/7/365 basis. PANU centrally receives feedback and communicates and advises on maintenance-related measures. In addition, it relays weather and road condition information to our regional contracts so that maintenance measures can be predicted even better. The new service model has attracted widespread interest. It is used in the Lahti city area, for example, where the service centre receives all of the enquiries and feedback related to street maintenance and forwards them to those in charge of the area in question. Our road condition service is also being tested at six different airports in cooperation with Finavia.

THE LARGEST CONTRACTOR FOR HELSINKI'S WEST METRO LINE IS ALSO THE SAFEST

The construction of Helsinki's West Metro line from Ruoholahti towards Matinkylä in Espoo is progressing, and the metro is expected to be operational in autumn 2015. YIT has already secured five of the West Metro line contracts, and it is the largest individual excavation contractor in the project. Our contracts cover excavation of metro and work tunnels and stations, among others.

The excavation tasks related to the West Metro line contracts are particularly demanding rock construction. For example, the rail tunnel contract under the Lauttasaari strait includes excavation of 380 metres of submarine tunnel, diving to a depth of 50 metres below sea level at its deepest point. The challenges of the contracts are added to by

excavation and blasting work being carried out in the middle of residential and traffic areas. The significance of occupational health and safety is also emphasised in these challenging conditions. YIT's West Metro line construction sites achieved a triple win in the rock construction series of the occupational health and safety competition arranged by the Uusimaa district of the Confederation of Finnish Construction Industries RT.

BRINGING RAIL CONNECTIONS TO HELSINKI AIRPORT

Travelling from Vantaankoski via the airport to Tikkurila, the Ring Railway will improve public transport in the Helsinki region as a whole by connecting residential and workplace areas and offering a convenient connection to the airport. YIT started the excavation of the Aviapolis tunnel station and related rail tunnels in 2009, and the construction proceeded to the implementation of the station interior contract in 2012. We also started the construction of the Ruskeasanta rail tunnels and interior work in the station reservation.

ENTIRE BALTIC SEA AREA POTENTIAL FOR WIND POWER

Finland's objectives of increasing the capacity of wind power production mean the need of constructing approximately 700 new plants by 2020. This presents YIT significant business potential, as we offer services that cover the entire life cycle of wind power parks. We are currently focusing on foundation work, civil engineering and electricity related to wind power plants.

In 2011, we signed a framework agreement with TuuliWatti on the design and construction of foundations for 90 terrestrial wind power plants in Finland, and during the summer 2012 we proceeded to the



implementation of the first 18 wind power plants in Tervola and Ii. The goal is to implement the rest of the projects by the end of 2015. The completion of the projects will increase Finland's current wind power production capacity by one-third.

In addition to Finland, our market area for wind power plants covers all of Northern Europe, particularly the Baltic Sea region. In addition to foundation work, YIT has implemented technological solutions related to wind power in Sweden and Denmark. Our in-house design competence and product development related to foundation construction are our strengths in wind power projects. When marine areas are harnessed for wind power production in the future, YIT will also have the water construction competence required for the construction of marine wind power plants.

PROJECTS 2012

Roads and bridges:

- E18 projects: Koskenkylä-Kotka motorway, Hamina bypass road
- Cover over Motorway 3 at Hämeenlinna

Rock construction:

- Helsinki West Metro Line: Niittykumpu access tunnel, rail tunnel and station excavation in Espoo, excavation of the Lauttasaari strait rail tunnel in Helsinki, Keilaniemi rail tunnels and station excavation in Espoo
- Ring Railway: Interior contracts for the Aviapolis and Ruskeasanta railway stations in Vantaa

Foundation construction and structural engineering:

- Tikkuparkki, Vantaa
- Fortum CHP plant, Järvenpää
- Leet sports arena, Kotka

Water works:

- Port of Kokkola, Silverstone Quay and extending the deep quay, Kokkola

Energy and industry:

- Foundations of 18 wind power plants for TuuliWatti in Tervola and Ii



Industrial services

Ensuring more efficient production

YIT is the leading industrial service company in Finland, operating in all branches of industry. We have special expertise in high-pressure piping, for example, in which we are the market leader in Northern Europe. We are also a forerunner as a supplier of industrial maintenance services. In 2012, the demand focused particularly on maintenance, where the stable market balances our operations, and project deliveries to the energy industry.

Our mission is to help our customers improve the efficiency of production throughout plant's lifecycle. Our services include project deliveries of technical systems and processes to the industry, industrial service and maintenance as well as modernisation projects.

YIT's workshops manufacture piping, tank and boiler prefabricates, which are then shipped all over the world. In addition, we offer industrial automation and ventilation systems and diverse HPAC systems.

We mainly operate in Finland and Sweden. In addition, we offer diverse export projects for the energy and forest industry's investments, and we deliver prefabricates worldwide.

STRONG PROCESS COMPETENCE

Our key competitive advantage is our in-depth knowledge of industrial production processes and our extensive service chain that covers design, material deliveries, fabrication in our workshops, installation as well as service and maintenance. The efficiency of operations and reliability with regard to quality and schedules are crucial in the successful implementation of projects.

Our project deliveries are based on our special expertise in design and extensive industrial prefabrication in our own workshops. We manufacture prefabricates in three workshops in Finland. Prefabrication yields visible benefits: among other things, it decreases the amount of installation work and time spent on it at the site and improves occupational safety. Quality is also higher, with the manufacturing conditions always being exactly the right ones.

In summer 2012, we started the installation of pipelines in Fortum's new waste combustion plant in Brista, Sweden.

The extensive delivery includes the design, prefabrication, installation and commissioning of district heating system, district heating battery, steam and process piping and cooling water piping. The prefabricates were manufactured at YIT's Ylivieska workshop in Finland in the first half of 2012, and YIT's professionals are also involved in the installation work in Sweden, which begun in July. The new plant will be introduced in late 2013 and it will supply district heat to customers based in North and West Stockholm.

Our Ylivieska workshop also delivered demanding special components for circulating fluidised-bed boilers operating at supercritical steam values to Foster Wheeler. In addition to coal, the new boilers make it possible to combust bio energy with a high efficiency.

GROWTH FROM THE ENERGY INDUSTRY

YIT's industrial services' largest customer segments are the forest and energy industries. The need for maintenance and modernisations still continues in the forest industry. On the other hand, with the EU's emission restrictions, increasing energy consumption and ageing power plants, the European energy sector will offer growth opportunities in the future. Potential demand can also be found in the mining and metal industries. The stable market for industrial maintenance balances our operations.

In industrial services' market there is currently more supply than demand. Therefore, we must find the most efficient ways of implementing projects and maintaining industrial processes. We will also increasingly invest in the quality of our products and services, comprehensive management of customer relations and occupational safety.

COMPREHENSIVE MAINTENANCE

Our maintenance services cover all of our customers' needs from individual assignments to comprehensive maintenance of the production process. Our extensive network of branches is close to our customers, which allows our employees familiar with the plants to address swiftly any problems. Our service centre located next to the Kälviälä industrial park in Porvoo, is designed to meet the needs of customers in the area from industrial services to building services. We are also responsible for comprehensive maintenance in Metsä Group Kemi integrate and Joutseno, Rauma ja Äänekoski pulp mills.



Our business is cyclical by nature, and the summer is an obvious high season due to maintenance shutdowns. We were active in the shutdowns also in 2012, and took part in Borealis' major shutdown in Kilpilahti with over 200 employees, for example.

iSERVIFLEX ENSURES SMOOTH PRODUCTION

Our customers' needs for new solutions for industrial maintenance are increasing with the challenging economic situation and the need for making operations more efficient. At the same time, our customers are reducing the number of their partners and increasing cooperation with service providers that are able to offer an extensive service portfolio.

To address this situation, we offer the iServiFlex concept for industrial maintenance, allowing our customers to build a functional package from more than 40 separate services under a single agreement. These services focus on preventing problems and also help the customer predict the costs. Exact service descriptions and standardised services ensure that the quality of service is always uniform. With maintenance, investments and equipment maintain their productivity for as long as possible. In addition, budgeting is easier with a single partner as the costs can be divided evenly, even to each month of the year. We launched the iServiFlex concept a few years ago, and the demand for it has increased at a steady rate. In 2012, we signed agreements with Marimekko and Iittala, among others.

PROJECTS IN 2012

Energy industry

- Foster Wheeler: delivery of demanding special components for supercritical circulating fluidised-bed boilers in South Korea.
- Total deliveries of piping to Fortum's new power plants in Järvenpää in Finland, Jelgava in Latvia and Brista in Sweden

Marine industry

- Prefabrication of piping for TUI Cruises ship at STX Finland's Turku shipyard

Mining industry

- Outokumpu Chrome: Pipelines, equipment installations and electrical system and automation installations to ferrochrome plant in Tornio, Finland

Forest industry

- Stora Enso: Paper machine production and electrical facilities ventilation contracts and heating and cooling centres to Ostroleka board mill in Poland

Process industry

- Borealis Polymers: piping installation and repair work at Kilpilahti production plants in Porvoo, Finland
- Neste Oil: pipeline and equipment installations and maintenance work in the spring shutdown of the Naantali refinery in Finland



REPLACING STEELWORKS CONVERTER HOODS WITH SOLID PROFESSIONAL SKILL

YIT replaced the converter heat recovery hoods at SSAB's Luleå steelworks in Sweden in 2012. The challenging project required careful advance planning, high-quality prefabrication, strict scheduling and solid competence.

In addition to the hoods, the cones and part of the heat recovery ducts were renewed. The new devices are used to cool down the gases produced in converters for cleaning and storage. The gases are utilised in heat production in the LuleKraft steam boiler located next to the steelworks.

SSAB is the world's leading supplier of advanced high-strength steel. The investment ensures that the production of advanced steel also operates efficiently and faultlessly in the future. The equipment needs regular replacement as it is exposed to a high thermal load during the operation of the plant. YIT previously delivered a corresponding system to SSAB in 2006.

The hoods, material supply pipes and tanks were manufactured in Finland at the Varkaus and Ylivieska workshops. Due to prefabrication, the actual installation work was swift and safe, with the amount of on-site work decreased. It was also possible to keep the shutdown of the plant short. Prefabrication began in February, and installation work in Luleå was completed in about one month in the summer. In-house design made the delivery flexible and cost-efficient, prefabrication improved the quality and our own technicians provided experience and installation competence.



Corporate responsibility



! Energy savings through building maintenance

Buildings consume approximately 40 per cent of energy and generate 36 per cent of emissions. The EU has set strict environmental goals, and the consumption of purchased energy, for example, must be decreased by 20 per cent by 2020. Appropriate process control and adjustments in building systems can achieve up to 5 per cent annual savings in energy costs.



Responsibility is our way of working

It is crucial for YIT's long-term success to listen to stakeholders and develop operations taking the surrounding society into account. This means, among other things, reducing the environmental impact of our products and services, preventing illegal activities and corruption and ensuring occupational safety.

YIT's corporate responsibility activities are part of the Group's normal management and operating methods. Our aim is to take the responsibility of our operations towards the different stakeholders into account in all of our daily activities.

STEERING GROUP DEVELOPS THE MANAGEMENT OF RESPONSIBILITY

At the group level, corporate responsibility is coordinated and developed by the Corporate Responsibility Steering Group, comprised of seven group-level directors and a corporate responsibility specialist. The steering group convenes a minimum of four times a year and reports to YIT's Management Board. All major development steps regarding responsibility that require measures from the business units are submitted to the Management Board for review. The heads of the business functions are responsible for implementing changes in operating methods.

We have set development targets for the main aspects of corporate responsibility, such as occupational safety and the carbon dioxide emissions of our operations, and monitor them with concrete indicators.

Our corporate responsibility is determined and guided by the Group's operating principles, values and our strong corporate culture,

ethical guidelines and our responsibility guidelines. We follow good corporate governance practices and comply with all of the recommendations of the Finnish Corporate Governance Code issued by the Securities Market Association.

WE EXPECT COMPLIANCE OF OUR ETHICAL GUIDELINES

We expect every YIT employee to be familiar with our ethical guidelines and comply with them in their day-to-day work. The ethical guidelines should ensure that everyone in the company work in an ethical manner and according to laws and regulations.

The themes covered by our ethical guidelines include conflicts of interest, bribery and corruption, competition rules, equal treatment and protection of rights and assets, for example.

During 2012, we prepared a Code of Conduct specifying our operating methods with regard to different stakeholders. The Group's Management Board and Board of Directors ratified the Code at the beginning of 2013.

IDENTIFYING KEY THEMES FOR STAKEHOLDERS

We have specified our three key stakeholder groups from the point of view of corporate responsibility: customers, shareholders and employees. Other stakeholders include the authorities, suppliers and subcontractors, the media and our business partners.

Key aspects of YIT's responsible operations and themes important to our stakeholders were identified in 2011 by internally interviewing 15 YIT employees from different parts of the organisation. The materiality matrix was compiled based on this work, and the Corporate Responsibility Steering Group updated the matrix also in 2012. The matrix is published on YIT's website. Our aim is to continuously develop our operating methods in the areas that are deemed the most important. The nature of our operations varies geographically,

Key responsibility themes and achievements in 2012

UNDERSTANDING CUSTOMERS' NEEDS AND MEETING THEM

- We established the Best Living Experience programme to develop housing and related services across borders and take the customer perspective even more strongly into account in our business processes.

PRODUCTS AND SERVICES THAT ALLOW OUR CUSTOMERS TO REDUCE THEIR ENVIRONMENTAL IMPACT

- We launched the Green Solutions programme to promote our green business.
- Pilot projects in green residential construction were launched in all of the countries where we operate.
- We developed the solutions enabling the utilisation of solar energy, among other things, and constructed the foundations of almost twenty wind power plants in Finland.

OCCUPATIONAL SAFETY

- We continued our efforts to develop occupational safety and were awarded in several competitions related to occupational safety. The entire Group's total accident frequency was 11 (2011: 14).







ETHICAL GUIDELINES, PREVENTION OF ILLEGAL ACTIVITIES AND CORRUPTION

- In Finland, we began to require that our Finnish and Estonian subcontractors be included in the Tilaajavastuu.fi service. The service helps us to make sure that our subcontractors have taken care of their legal obligations related to taxation, for example.



THE MATERIALITY MATRIX of corporate responsibility has been published on our website in www.yitgroup.com – About us – Corporate Responsibility

Key stakeholders

STAKEHOLDERS	 CUSTOMERS	 OWN PERSONNEL	 SHAREHOLDERS, INVESTORS, ANALYSTS	 SUPPLIERS AND SUB-CONTRACTORS	 MEDIA	 PUBLIC ADMINISTRATION
EXPECTATIONS	<ul style="list-style-type: none"> Product safety and healthiness High quality at a reasonable price New, advanced solutions Reliability and compliance with good ethical principles Taking environmental aspects into account in products, services and operations 	<ul style="list-style-type: none"> Stability of employment relationship Fair and competitive remuneration Equal and fair treatment, safe working environment Good leadership and managerial work Opportunities for development and advancing in career 	<ul style="list-style-type: none"> High return on investment, good risk management Good corporate governance Transparency, compliance with good ethical principles 	<ul style="list-style-type: none"> Stability of operations, reliability, predictability Clear and transparent procurement criteria, price not being the only criteria Willingness to create long-term partnerships 	<ul style="list-style-type: none"> Reliable, comprehensive and up-to-date information on YIT's operations Good availability and accessibility 	<ul style="list-style-type: none"> Payment of taxes Jobs Investments Partnership and cooperation in development activities, for example
INTERACTION AND COMMUNICATION CHANNELS	<ul style="list-style-type: none"> Customer meetings and events Customer satisfaction surveys Diverse feedback Website 	<ul style="list-style-type: none"> Everyday work and communication Result and development discussions Personnel survey Internal training programmes and introductory events Personnel communications materials and channels 	<ul style="list-style-type: none"> Investor meetings and events Investor communications materials Releases and official financial communications Investor website 	<ul style="list-style-type: none"> Auditing and evaluation processes Continuous cooperation with significant suppliers Supplier meetings and events Participation in cooperative bodies in the industry 	<ul style="list-style-type: none"> Press releases Meetings Information events Other public communications Press desk services 	<ul style="list-style-type: none"> Personal meetings Public communications Workshops, seminars

and the key responsibility matters also vary by country and region slightly.

MORE TRANSPARENT REPORTING

As a rule, we report on responsibility-related matters once a year in connection with the Annual Report. The information is also published on our website. We monitor the results concerning the responsibility of our operations using indicators compliant with international recommendations. In 2012, reporting is taking place for the first time according to the GRI (Global Reporting Initiative) guidelines. PricewaterhouseCoopers has checked that our reporting meets the GRI requirements for Application Level C.

OUR SHARE IS A RESPONSIBLE INVESTMENT

YIT is included in the Helsinki Stock Exchange OMX GES Sustainability Finland index. The index includes those companies listed on the Helsinki Stock Exchange that meet international requirements for

environmental responsibility, social responsibility and corporate governance. GES Investment Services, the leading research institute and service provider in Northern Europe as regards responsible investment, conducts the assessment once a year.

SOLID FINANCIAL PERFORMANCE IS THE PRECONDITION FOR RESPONSIBLE OPERATIONS

Good financial results are a basic precondition for our long-term operations, creating the foundation for the rest of responsible operations. We are a major employer; we have more than 25,000 employees in 14 countries. We also use a lot of subcontractors and suppliers, so a large number of small and medium-sized enterprises depend on YIT's financial success. We want to make a solid profit, but in a responsible way. We make sure that we are not forced to make compromises in things we consider important, whether related to quality, ethics or occupational safety.

Direct financial effects 2012 (2011)

CUSTOMERS Revenue EUR 4,675.9 million (EUR 4,524.7 million)		SUPPLIERS Materials and goods EUR 1,314.3 million (1,343.0) External services EUR 1,338.9 million (1,107.7)	PERSONNEL On average 25,833 employees (26,254) Wages, salaries and fees EUR 1,110.1 million (1,107.6) Pension costs EUR 98.1 million (104.5)
		INVESTORS Dividends EUR 94.0 million (87.7) Invest and financial costs EUR 21.2 million (24.8)	PUBLIC SECTOR Income taxes EUR 58.1 million (50.2)

Social responsibility

Occupational safety and competence development

Our success is first and foremost based on skilled employees and continuous development of competence. The favourable long-term trend in accident frequency rate continued in 2012, and we will continue our work to develop the occupational safety of our employees also in the future. As the population is ageing, it is also increasingly important to make YIT well-known among the young and invest in their learning.

OUR ACHIEVEMENTS IN 2012

- We reinforced the management of our corporate culture and values.
- We focused on recruiting of young entrants by expanding our cooperation with educational institutions in the industry and investing in key successors, among other measures. Our employer image continued to be strong.
- We invested in management training and created a foundation for more uniform talent management. We reformed our personnel survey so that it covers all YIT employees with identical content.
- We promoted occupational safety and well-being at work by supporting the supervisors' management skills, harmonising guidelines and piloting country-specific projects. We invested in predictive and early intervention. Accident frequency rate decreased from the previous year.

CONTINUOUS LEARNING IS ONE OF OUR CORE VALUES

YIT's corporate culture means, among other things, low hierarchy, strong management by results and a practical approach to issues. Our values (excellence in service, well-run

cooperation, continuous learning and high performance) were defined 15 years ago. After that, we have expanded and become more international. Therefore, we consider it very important that our corporate culture is conveyed to each employee with uniform content regardless of country and unit.

Our centennial anniversary was an excellent opportunity for communicating our corporate culture and increasing the managerial skills of our superiors. In 2012, the management had extensive dialogue related to the corporate culture and compliance with the values. Workshops covering our corporate culture and our values as well how to lead and deploy them were held in five different countries for more than 300 people.

Personnel development efforts in YIT include the induction of new employees, various courses and trainings, professional and specialist professional degrees as well as language and internationalisation training. On-the-job learning, mentoring and job rotation are also very significant to the development of personnel, and in some cases they can be a more effective learning method than class room training.

During the year, training was arranged on, among other things, occupational safety, managerial work and leadership, sales and customer service. In addition, trainings were organised in connection with the induction of new employees, and a plenty of training to improve professional skills was arranged. Of managers in key positions, 70% attended management training in 2012.

Management by results and performance reviews are key elements of our management system. The goal is for each salaried employee to have a performance and development discussion with his or her supervisor at least once a year. According to the personnel survey, 67% of the respondents had a performance review during the year, but a need for developing the review was still identified.



VOICE OF THE PERSONNEL IS HEARD

The personnel survey is our systematic method for collecting the personnel's views, and identifying the level of management skills and well-being at work, among other things. The same survey is implemented across all countries and business functions in identical form, and it covers all of our employees.

We revised our personnel survey in 2012. By scheduling the survey to take place at the beginning of the year, the results can now be better utilised as part of strategic and annual planning. Based on the results, each unit must identify its areas of development and specify action plans to implement them.

A total of 19,320 people took part in the survey. The number of respondents increased from the previous survey that was conducted in 2010 partly due to electronic responding, but also due to the fact that in some countries site personnel took part in the survey for the first time. The response rate has remained at a stable, high level in recent years, and in 2012 it was 79%.

Reporting of the survey results was revised so that the general score for job satisfaction was replaced with indices illustrating commitment and the level of managerial work. On average, the results were positive. YIT employees are satisfied with their work, are comfortable with it and motivated to do their best. However, they wished for improvement in opportunities to develop and be involved in decision-making concerning one's own work. Good and confidential relationships with employees are considered to be the superiors' clear strength. However, there is room for improvement in leadership and encouraging employees to good results.

WANTED: FUTURE EMPLOYEES

In 2012, 70% of our employees were aged 26–55. Of our employees, 12% were under 26 years of age, and 18% were aged over 55, so there is a clear need for young, skilled employees. We believe it is important to have young people actively taking part in working life and we want to offer them work experience already during their studies. In 2012, we employed a total of more than 2,000 summer employees, thesis students and trainees in different countries. We have invested especially in the induction, supervision and occupational safety of young people.

YIT has fared well in surveys measuring employer image in Finland and Norway, among others. In Lithuania, YIT was

Key figures related to personnel

	2012	2011	2010
Personnel on average	25,833	26,254	24,317
Non-salaried /salaried employees (%)	63/37	63/37	64/36
Women/men (%)	13/87	12/88	12/88
Average duration of employment, years	11.0	n/a	n/a
Age on average	41.6	n/a	n/a
Over 55 years of age (%)	18	n/a	n/a
Number of respondents in personnel survey	19,320	n/a	16,535
Response rate in personnel survey (%)	79	n/a	78
Employees that had performance/development discussions (%)	67	n/a	63
Accident frequency rate	11	14	19
Fatal accidents	1	0	1
OHSAS 18001 certified business (%)	74	58	n/a

chosen as one of the country's best and most responsible employers. In Finland, YIT won for the second time first prize in the Finnish Children and Youth Foundation's and Alma Media's Responsible Summer Job competition in the large company series. Sufficient induction, equal treatment and workplace atmosphere were considered positive factors by our summer employees.

We offer engineering and business students opportunities for showing their competence in various thesis projects and traineeships. We are developing vocational degrees with educational institutions in several countries. In 2012, the first students graduated from the YIT Studies programme arranged in Finland, and cooperation is now underway already with five different universities of applied sciences. YIT Studies are part of the degree, and they consist of classroom teaching, independent work and traineeship. YIT offers a permanent job after graduation to those who have completed the programme.

HEALTH AND SAFETY ABOVE ALL

Occupational safety has been among the key focus areas in the development of YIT's operations already for several years. The long-term favourable trend in accident frequency rate continued in 2012 as well: on average, there were 11 accidents per a million hours worked, while in 2010 the figure was 19.

We also performed well in various occupational safety competitions in Finland and Russia.



The organisation of occupational health care and well-being services varies by country. We paid special attention to it at the management board level during 2012 by way of closer monitoring, for example. In Finland, an early intervention model was deployed and a monitoring system for work ability-related risks was piloted.

We require both our employees and subcontractors to strictly comply with safety regulations. Our goal is to be an accident-free workplace, and we are striving towards this target by persistently aiming at changing attitudes and operating methods in the long term. The occupational safety and well-being of personnel has been promoted by supporting superiors' managerial skills, harmonising guidelines and investing in predictive and early intervention in regards sick leaves. In addition to managerial work and communications, measures to influence attitudes have included internal occupational safety competitions, among others.

Every YIT employee is responsible for occupational safety in his/her actions and working environment. It is important to ensure that each employee is inducted and instructed in his/her duties and any related risks and hazards. Safety matters play a key role in our vocational training. In Finland, we require everyone working at the site to hold an occupational safety card.

We prepare safety plans for our sites, require the use of personal protective equipment and immediately intervene in cases of neglect regarding occupational safety. We regularly measure the safety of our sites and rectify any shortcomings observed in the measurements without delay. We monitor the development of occupational safety in our segments on a monthly basis and publish the results internally. In many units, the level of occupational safety is also one of the criteria for performance bonuses. The strong commitment is shown, for example, by the fact that the occupational safety related issues are regularly reviewed by the Group's Board of Directors and the management boards of the Group and business segments. Management also regularly tours our sites.

In 2012, 74% of YIT's turnover (2011: 58%) was OHSAS 18001-certified. This occupational health and safety certificate helps us to develop our occupational safety. However, we could not completely avoid serious accidents in 2012, and unfortunately, there was even one fatal accident during the year. We take each and every accident extremely seriously. All cases are investigated within three working days, and the head of the business segment in question is always informed of severe accidents.

EMPLOYEES IN 14 COUNTRIES

YIT operates in 14 different countries, and we comply with the local legislation in each country when it comes to social security and employment relationships. Our personnel have the freedom of asso-

ciation and the right to participate in trade union activity. We also pay particular attention to developing voluntary cooperation between the company and the personnel.

At the end of 2012, we had 25,283 employees working at YIT (2011: 25,966). Uncertainty over the macroeconomic development and weakened order backlog were reflected in our number of personnel in Building Services Northern Europe where we were forced to rearrange our operations and terminate approximately 800 employment relationships as the result of statutory employer-employee negotiations. At the beginning of 2013, negotiations on reductions of approximately 600 employees were additionally underway. We always aim to find alternative solutions and arrangements for lay off through, for example, pension arrangements and internal transfers, ending fixed-term agreements and implementing temporary redundancies. We always comply with the local statutory minimum period of notice. The length of the period of notice depends on the collective labour agreement and the length of employment.

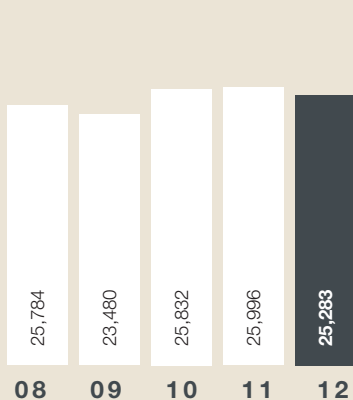
Attention on procurement and quality

We have zero tolerance towards the grey economy, corruption or other illegal forms of operating and actively work to prevent them. We bear responsibility for the quality of our products and services by listening to our customers, investing in research and development and continuously monitoring the development of quality and customer satisfaction.

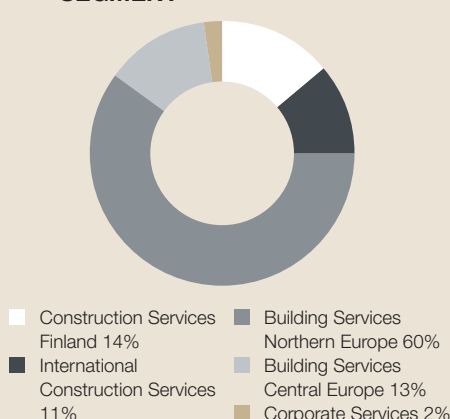
We require that our subcontractors, suppliers and other partners comply with local legislation and ethical way of working. We have zero tolerance towards the grey economy in all of its forms, and closely cooperate with the authorities to prevent it in our own activities. We have trained our personnel to identify indications of the grey economy and made our business practices stricter. A personal ID card with a tax number and photograph became compulsory at all new sites in Finland in 2012, and they were also adopted at YIT.

As of the beginning of 2012, YIT has required that all of its Finnish subcontractors in Finland are members in the construction industry's joint Internet service that helps to ensure that the subcontractors have taken care of their statutory obligations. The use of the service was

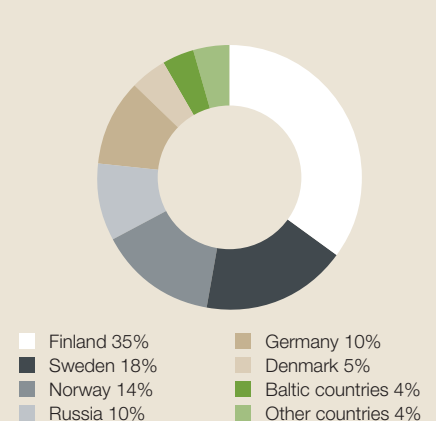
PERSONNEL AT YEAR'S END



PERSONNEL BY BUSINESS SEGMENT



PERSONNEL BY COUNTRY



made possible for Estonian subcontractors during the year, and YIT required also them to be members of the service.

We actively promote the entire industry's development in the prevention of the grey economy, such as via the Confederation of Finnish Construction Industries RT, with YIT's head of procurement acting as the chair of its committee to prevent the grey economy.

INCREASING ATTENTION ON THE SUPPLY CHAIN

In 2012, we launched significant measures to develop the Group's procurement. We organised operations to be appropriate in each segment and increased cooperation between the business segments. We will also continue to develop procurement in the future, paying particular attention to ensuring compliance with laws and promoting ethical way of operating throughout the supply chain.

YIT has zero tolerance for any illegal activity in its procurement network. If illegal acts are observed, they will be addressed in an appropriate way and without delay. In serious cases, cooperation with the subcontractor will be immediately terminated.

The levels of ammonia exceeding the standards observed in autumn 2011 in YIT's St. Petersburg residential units have led to stricter guidelines and control measures for suppliers. We increasingly pay attention to quality in all process phases and require that the construction materials are locally certified as a minimum. In addition, we test the structure of concrete on a continuous basis and aim to obtain materials only from subcontractors that we know. We will pay even more attention to the inspection of completed apartments prior to delivery to residents.

EFFICIENT PROCESSES AGAINST MISUSE

YIT operates in industries where bribery and other illegal operating methods are the reality in several countries. Situations that easily involve corruption emerge in connection with competitive bidding, development projects and procurement, for example. YIT will take the required actions immediately if illegal activity is observed in its business or procurement network.

Our ethical guidelines include our operating procedures in case of bribery and corruption, among others, and we have separate ethical principles in use for cooperation with subcontractors. If an employee observes any illegal activity, he/she should report it to an immediate supervisor or other member of the company's management. In addition, YIT has a reporting system maintained by an external party where employees can confidentially report their observations of misuse, also anonymously, either via a website or by telephone.

Each country where YIT operates has persons in charge of ethical matters who will take the matter forward. At Group level, YIT has an ethics committee that convenes at least four times a year. The committee reviews any suspected illegal activity and develops procedures to promote ethical operations. In 2012, there were no situations where a YIT employee would have been found guilty of corruption or other illegal activity. In some cases, the investigation was still pending at the end of the year. We terminated our cooperation with a few minor subcontractors due to suspected illegal activity.

INVESTING IN RESEARCH AND DEVELOPMENT

We develop our products and services at our in-house R&D centre in Aachen, Germany, among others, which focuses specifically on the manufacture and development of advanced products related to ventilation, cooling and heating. We continuously study the functioning and joint effects of various construction techniques and building systems. In 2012, we adopted a demo apartment for this type of testing. The results of the tests are transferred to the drawing table and influence what will be done at the sites a couple of years from now.

There are initiatives and development programmes underway in different business segments, where we review new business ideas and technologies suggested by our own personnel. In 2012, we launched, for example, the Noste ("Raise up") programme in Construction Services Finland, while the Verso ("Sprout") programme is in operation in building services in Finland. We also utilise our external networks in our R&D efforts. In 2011–2012, for example, we arranged an open competition in Finland to find new energy-efficient innovations that decrease the need for purchased energy.

A SATISFIED CUSTOMER IS OUR PROOF OF QUALITY

The several awards that we won in 2012 also stand testimony to our high quality. In the Czech Republic, our residential project Hájek won the esteemed Best of Realty 2012 architecture award. In Russia, our residential project Holmogory was awarded a special prize in Best Investment and Construction Project 2012, and Oriental in St. Petersburg won the FIABCI Prix d'excellence awards as the best residential project. In Finland, our project where a cover is constructed over Motorway 3 at Hämeenlinna made it to the finals in the Construction Site of the Year awards arranged by the Rakennuslehti trade magazine.

We collect customer feedback in all segments and use it to develop our operations to match customer needs. Feedback is collected in the different phases of the home purchasing process, for example. We also involve our customers in developing our products and services. For example, our residential project under construction in Vilnius, Lithuania, has been developed based on the ideas and wishes collected from potential residents. The survey investigated wishes concerning the layouts of the residential units and functions of yard areas, among other things.

Even though considerable investments have been made in quality-related factors in recent years, there are varied practices for monitoring customer satisfaction in different segments and services, largely due to the different nature of operations. In Construction Services Finland, for example, we follow the faultlessness of the building we have constructed and customer feedback. Achieving the objectives set for quality is regularly monitored in various management board meetings. Quality is also part of the criteria for performance bonuses at the sites. We continuously train our personnel in quality-related matters. In 2012, 89% (2011: 92%) of our turnover was covered by the ISO 9001 quality certificate.

100 GOOD DEEDS: SMALL RENOVATION AT A DAY CARE CENTRE

To celebrate YIT's 100th anniversary, we arranged the 100 Good Deeds campaign in Finland, in search of small everyday tasks for us to take care of for the common good. Applications for these deeds were submitted via the campaign site, and the projects that received the most votes in social media were implemented.

At the arts day care centre Konsti in Kerava there was a room with a floor area of approximately 10 m² that was no longer functional for its original purpose as a sand and water play area for the children. A minor renovation would make it safer and more comfortable. The day care centre submitted an application to YIT, and soon it had received so many likes that it was decided to carry out the renovation. The room had mainly been used for storage, and the staff was happy to see it finally taken into real use. The task also had a positive reception from YIT's employees. "What could be more important amidst all the hurry than children waiting happy and curious. The project made us feel good," say Miska Koivumäki and Ari Suikkonen, who carried out the renovation.

The good deeds continued into 2013. To read about the other good deeds, please visit www.yit.fi/100hyvaatekoa (in Finnish).

Environmental responsibility

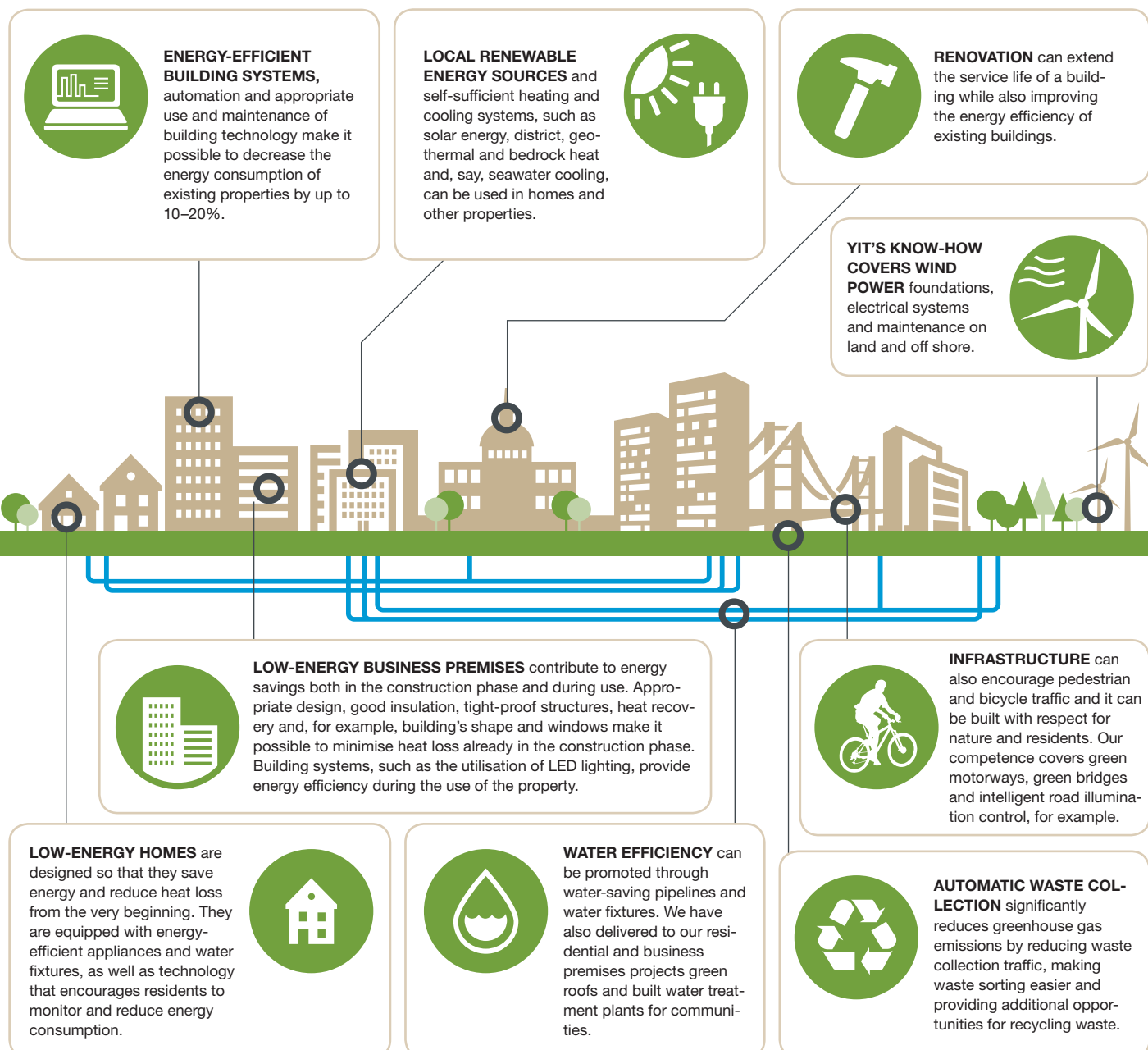
Towards an increasingly sustainable living environment

As an international construction and building services company, we can significantly contribute to the sustainable development of the built environment. Our operations have a carbon footprint of their own, and we shoulder the responsibility for it. However, the most significant opportunities for reducing the global carbon footprint arise in cooperation with our customers. We are continuously developing our products and services so

that they will make it possible to decrease the environmental effects of our customers' operations.

We are a forerunner in energy-efficient construction and building services. Besides the efficiency of energy use, we promote the efficient use of raw materials, water and materials. We invest in the development of solutions related to renewable energy sources, such as solar and wind power. Our green services focus on the use of the building and reducing carbon dioxide emissions during the buildings life cycle. Reducing the carbon dioxide emissions in our own operations,

YIT's environmental solutions



on the other hand, is related to the way we provide products and services to our customers and, for example, the environmental impacts of the construction work.

Climate change is both a challenge and an opportunity for YIT. Increasing floods and extreme weather phenomena, among other things, present additional challenges to the durability of properties, and the scarcity of raw materials will increasingly affect construction costs. On the other hand, tightening environmental requirements and increasing costs will create demand for new kinds of products and services. We do not only aim to meet statutory requirements, but be ahead of them.

GREEN SOLUTIONS PROGRAMME PROMOTES GREEN BUSINESS

Green business is a strategically important activity for us, and we have been investing in it for a long time in all of our business segments. In 2012, we launched the company-wide Green Solutions development programme to reinforce our existing environmental business and create new business opportunities.

We have set concrete targets for the development of our green business. In residential construction, our aim is to investigate the feasibility and energy-efficiency of a variety of structural and building system-related solutions in several pilot projects in different countries.

In recent years, we have constructed our apartments in Finland to correspond to at least B class, where up to 15% less energy is consumed compared to the requirements of the regulations force at a time. Some of our residential projects are already in the best A class. In the future, our goal is that residential projects in all countries where we have housing operations are at least in local B class, which is approximately 20% more energy-efficient than required by the local regulations.

In building services business we pay particular attention to increasing the utilisation of solar energy in heating, cooling and the generation of electricity. We also continue our development efforts in phase-change materials (PCM) for façades, as these materials considerably reduce the need for cooling devices in buildings. Development work is being actively carried out at YIT's R&D centre in Aachen, Germany. During 2012, we also commissioned a demonstration residential unit in which we systematically research how different construction solutions and building technology interact and function, also from the point of view of energy efficiency. In addition, we launched the eServiFlex concept, which makes it possible for customers to combine our vast range of energy-efficiency services more flexibly. The service has been deployed in Finland and Germany, among other countries, and the aim is to expand its use into all of the countries where we operate in.

YIT'S ENERGY CONSUMPTION AND CO₂ EMISSIONS

CONSUMPTION OF DIRECT ENERGY SOURCES, GWH	2012	2011	2010
Petrol	13.7	15.1	15.3
Diesel	165.4	166.0	170.3
Light fuel oil	23.8	30.2	28.6
Natural gas	11.9	11.3	0.5
Total	214.8	222.6	214.7
CONSUMPTION OF INDIRECT ENERGY SOURCES, GWH	2012	2011	2010
Electricity	95.0	89.5	78.6
District heating	67.8	84.0	67.9
Total	162.8	173.5	146.5
EMISSIONS OF DIRECT ENERGY SOURCES, TONS	2012	2011	2010
CO ₂ emissions, petrol	3,426	3,781	3,882
CO ₂ emissions, diesel	41,850	44,213	45,358
CO ₂ emissions, light fuel oil	8,614	8,112	7,675
CO ₂ emissions, natural gas	2,173	2,129	96
CO ₂ emissions, other direct sources of energy	361	212	221
EMISSIONS OF INDIRECT ENERGY SOURCES, TONS	2012	2011	2010
CO ₂ emissions, electricity	16,737	14,442	10,428
CO ₂ emissions, district heating	16,680	22,276	17,334
CO ₂ emissions, other indirect sources of energy	1	1	2
Direct and indirect CO ₂ emissions in total, tons	89,842	95,166	84,995
RATIO	2012	2011	2010
Direct and indirect CO ₂ emissions/revenue	19.1	21.6	25.7

The figures for energy consumption and emissions cover all of the Group's business operations, apart from the following exceptions. 2010: the figures do not include the operations in Germany, Austria and Poland. 2011: the figures do not include the operations in Austria and Poland. 2012: the figures include all of the countries in which YIT operates. Due to these exceptions, the ratio between emissions and revenue provides the best comparability between different years. The calculation is made according to the GHG protocol. The emission factors used in each country are the available factors that best describe emissions in the country in question. The calculations are mainly based on actual consumption figures, but in some countries, it has also been necessary to make estimates of total consumption in situations where accurate information has been available for only part of the consumption. The variation range of the figures presented in the table can be ± 5–10% in reality. With regard to causes of other relevant indirect CO₂ emissions, subcontractors' operations, air travel and waste have been identified as the most significant ones. The extent of subcontractors' operations has a significant effect on the quantity of YIT's emissions in some business functions. However, for the time being, it has not been possible to take the emissions of subcontracting into account in the calculations. The emissions of air travel and waste amount to only a few percent compared to the direct and indirect emissions presented in the table, thereby being only a minor factor in the total emissions.

COOPERATION TO ADVANCE SUSTAINABLE CONSTRUCTION

In cooperation with other parties in the industry, we have increasingly better chances of strengthening also our own competence in sustainable construction. We are actively taking part in the activities of the local working groups of the international Green Building Council network in Finland, Sweden, Norway, Germany and Russia. The network promotes sustainable practices related to the built environment and environmental classification of buildings. In Germany we are a member of council of sustainable construction, DGNB.

In 2012, we signed the Nordic Built Charter cooperation agreement, under which we commit to implement the principles of sustainable construction, develop technologies and share best practices in the Nordic countries. The programme, carried out in 2012–2014, is funded by the Nordic Council of Ministers and Nordic Innovation.

In 2011–2012, we arranged an open competition in Finland to find new energy-efficient innovations that decrease the need for purchased energy. With the help of the competition we found new solutions for example for the utilization of solar energy and weather forecast based energy saving systems.

MAKING ENVIRONMENTAL IMPACT TRANSPARENT THROUGH CERTIFICATION

We build all our business premises so that customers can choose to apply for their certifications, which make it possible to illustrate the environmental impact of the building in a transparent and comparable way. We follow the development of international certificates. By taking part in the dialogue and aiming to influence their content, we promote the sustainable development of the construction industry.

One of the key certificates in our industry is LEED, i.e. Leadership in Energy and Environmental Design. LEED is a certification system developed by the U.S. Green Building Council with the goal of promoting green construction and making it more effective at the international level so that it is easy to see which buildings better account for environmental and health effects. LEED specifies and itemises the measured features of building design and construction, as well as operation and service. The certification is comprised of four different levels: Certified, Silver, Gold and Platinum. Our aim is to construct all business premises in Finland so that the customer is able to apply for LEED certification for them. In 2012, several of our business premises projects did in fact achieve Gold level certification. We also implemented Finland's first LEED-certificated logistics building.

TOWARDS ZERO-ENERGY CONSTRUCTION

We are aiming to develop a concept for close-to-zero-energy construction in accordance with the energy efficiency directive and utilise it in the construction of all new homes in the future. We are also encouraging our customers to favour passive construction.

In 2012, we started the construction of the Onnelanpolku sheltered home for the elderly as a close-to-zero-energy building in Paavola district in Lahti, Finland. Onnelanpolku is the first major sheltered home project in which a significant share of energy comes from local renewable sources such as solar heating and solar energy even though the house is also connected to the district heating network. In the future, we will also be able to build homes with the same solutions.

Tarjana Dúbravka, our residential project under construction in Bratislava, Slovakia represents YIT's energy-efficient housing pilots in Central Eastern Europe. One of the buildings will comply with standards of passive housing and is classified in local energy class A. The energy used in heating is reduced by third compared to the new residential building on average, among others. Energy efficiency is gained through better air tightness and three-layered window glasses. Solar panels decrease costs of heating water by up to 40%.

Residents' habits have a significant impact on energy consumption. YIT has developed the web-based eHouse portal which beside the services it offers, also helps residents in monitoring their energy consumption. In Finland, the portal is already a standard feature in all non-subsidised housing projects started up in 2012. We are also aiming to launch the portal in other countries where we have residential construction, tailored for the local needs.

GREEN ENERGY

We want to be involved in the development of solutions related to renewable energy sources and utilise them in our projects. Our low-energy homes are always connected to environmentally-friendly district, geothermal and bedrock heating systems. Solar energy can be utilised in heating the building and for electricity generation in homes and offices.

YIT is also involved in the construction of wind power, and our offering includes foundations, electrical systems and maintenance of wind power plants. In 2012, we constructed the foundations of 18 wind power plants in Tervola and Ii, Finland. The projects are part of the framework agreement concluded in 2011 with the aim of constructing foundations for approximately 90 wind power plants.

! Our measures:

- Through long-term cooperation, we have achieved favourable results in improving the energy efficiency of Kesko's properties in Finland.
- Energy savings were incorporated into Kesko and YIT's partnership as early as 2004.
- YIT has subsequently conducted "energy rallies" in more than 250 properties, inspecting the functioning of technical systems in the buildings and analysing heating and cooling networks, among other things.
- So called "YIT Managers", have instructed retailers in energy efficiency.
- A significant number of stores are connected to YIT building systems control room.

Our achievements:

- The first year of the cooperation alone provided Kesko with energy savings of approximately EUR 1 million.
- "Energy rallies" also achieved significant savings in energy consumption.
- Merchants all around Finland now know how they can practically save energy in their stores.
- The conditions and building systems of Kesko's properties are monitored by YIT control room on a 24/7 basis, making it possible to optimise maintenance and energy consumption also in the future.

NATURE CENTRE WAS BUILT USING ECOLOGICAL MATERIALS

We construct solid, high-quality buildings, which contributes to reducing the environmental load. Besides, we aim at material efficiency in our own operations by recycling materials, using ecological and locally produced materials and aiming to reduce waste. The Finnish Nature Centre Haltia in Nuuksio, Espoo, will open in spring 2013 as the first public building made of prefabricated wood-based elements. Solutions that utilise solar and geothermal energy make Haltia almost completely self-sufficient in terms of heating and cooling. The ventilation and lighting are adjusted automatically based on weather conditions.

An example of our waste recycling competence is the Envac automated vacuum waste collection system, which covers entire residential areas. We have delivered the first system of this kind in Finland for the Suurpelto district in Espoo. There are also plans to use it in the new Jätkäsaari and Kalasatama residential areas in Helsinki.

SETTING AN EXAMPLE WITH OUR OWN OPERATIONS

The environmental footprint of our operations is mainly comprised of the use of energy, raw materials and materials in the construction, constructing and maintaining infrastructure, and transport when providing services. Also, the waste generated at construction sites and their disposal affects our environmental footprint.

We utilise logistics solutions that help to reduce greenhouse gas emissions both in the transport of supplies and in our employees conducting their tasks. We pay attention to route planning and economical driving. With increasing remote monitoring of building systems, we will be able to reduce unnecessary service calls as problems can be solved directly from YIT's control room. Environment is also considered in the selection of company cars.

It is our task to ensure that hazardous waste is processed in an appropriate way. We also ensure the appropriate collection and recycling of other types of waste. We pay attention to the amount of salting we use in roads that we maintain in order to protect the quality of groundwater.

Prevention of environmental damage is incorporated into our quality and safety work as well as risk management. Before commencing a new project, we assess the project risks associated with personnel safety, use of chemicals and well-being at work. We provide training on these matters to our personnel and subcontractors and also supervise our production chain.

During 2008–2012, the annual consumption of energy in our nine largest offices in Finland was reduced by 13% in total. The reduction was achieved among others with 24-hour remote monitoring of the premises, which made it possible to control lighting and heating very flexibly based on the real needs.

COMMITTED TO REDUCING OUR EMISSIONS CONSIDERABLY

In 2012, we committed to reducing our carbon dioxide emissions by 40%, compared to 1990, by 2020. The starting level was determined based on historical data and the general development of the industry. The reduction is pursued by increasing efficiency in our operations as well as utilising our own energy-efficient services and solutions. We have already taken very extensive measures to decrease our energy consumption during these past years. However, we still need to decrease our emissions by more than 20% in order to reach our target in 2020.

We report our carbon dioxide emissions according to the international Greenhouse Gas Protocol framework. In 2012, we developed the monitoring and reporting of our environmental impact by harmonising the measurement of energy consumption throughout the Group. Based on the calculations, we have increasingly started to pay attention to the type of electricity we purchase, for example.

In 2012, 49% (2011: 47%) of our revenue was certified according to ISO 14001. This certification helps us to develop environmental management and the performance of environmental protection measures. Work to increase the coverage is underway, and the certificate is being deployed in parts of Construction Services Finland, for example.

We responded to the Carbon Disclosure Project survey for the first time in 2012. YIT achieved a score of 72/100 in the index, which measures the extent and depth of our climate change-related reporting, thereby already reaching the highest level of the survey in the first year in which the company took part.



GRI table

The coverage of the report: ● Fully reported ● Partly reported FR=Financial Review

GRI-content		Coverage	Source	Remarks
1. Strategy and Analysis				
1.1	CEO's statement	●	p. 4–5	
1.2	Key impacts, risks and opportunities	●	p. 12–14, 16	
2. Organisational Profile				
2.1	Name of the organization	●	p. 56	
2.2	Primary brands, products and services	●	p. 8–9	
2.3	Operational structure	●	p. 8–9	
2.4	Location of organisation's headquarters	●		YIT's headquarters is located in Helsinki, Finland
2.5	Number of countries and location of operations	●	p. 8–9	
2.6	Nature of ownership and legal form	●	FR: p. 18	
2.7	Markets served	●	p. 15–17	
2.8	Scale of reporting organisation	●	p. 7–9	
2.9	Significant changes during the reporting period	●		No significant changes during the reporting period.
2.10	Awards received in the reporting period	●	p. 41, 43	
3. Report Parameters				
3.1	Reporting period	●		The reporting period is one calendar year, 1.1.2012–31.12.2012
3.2	Date of previous report	●		The previous report was published in February 2012.
3.3	Reporting cycle	●	p. 39	
3.4	Contact point for questions	●	p. 56	
3.5	Process for defining report content	●	p. 38–39	
3.6	Boundary of the report	●	p. 49	
3.7	Limitations on the report's scope or boundary	●	p. 49	
3.8	Basis for reporting subsidiaries and joint ventures	●	p. 49	
3.9	Data measurement techniques and bases of calculations	●	p. 45	
3.10	Explanation of re-statements	●	p. 45	
3.11	Significant changes from previous reporting periods	●	p. 45	
3.12	GRI content index	●	p. 48–49	
4. Governance, Commitments and Engagement				
4.1	Governance structure	●	FR: p. 7–10	
4.2	Position of the Chairman of the Board	●	p. 52	
4.3	Independence of the Board members	●	FR: p. 8	
4.4	Mechanism for shareholder and employee consultation	●	FR: p. 7–8	
4.5	Executive compensation and linkage to organisation's performance	●	FR: p. 12–13	
4.7	Expertise of Board members in the areas of strategic management and corporate responsibility	●	p. 52–53, FR: p. 7–8	
4.8	Mission, values and ethical guidelines	●	p. 12, 38, 43	
4.9	Procedure of the Board for overseeing corporate responsibility management, including risk management	●	p. 42, FR: p. 14	
4.10	Processes for evaluating the Board's performance	●	FR: p. 8	
4.11	Addressing precautionary approach	●	FR: p. 14–17	
4.12	Voluntary charters and other initiatives	●	p. 46	
4.13	Memberships in associations	●		Most significant include Confederation of Finnish Construction Industries RT, Construction Quality Association in Finland and Green Building Council -organisations in different countries.
4.14	List of stakeholder groups	●	p. 38–39	
4.15	Identification and selection of stakeholders	●	p. 38–39	
4.16	Approaches to stakeholder engagement	●	p. 39	
4.17	Key topics raised through stakeholder engagement	●	p. 39, 41	

GRI-content	Coverage	Source	Remarks
ECONOMIC PERFORMANCE INDICATORS			
EC1	Direct economic value generated and distributed	●	p. 39
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	●	p. 15–17, 44–47
EC3	Coverage of defined benefit plan obligations	●	FR: p. 63–64
EC4	Significant subsidies received from government	●	1,5 million euros of R&D support and labour subsidies in Finland and Sweden.
ENVIRONMENTAL PERFORMANCE INDICATORS			
EN3	Direct energy consumption	●	p. 45
EN4	Indirect energy consumption	●	p. 45
EN5	Energy saved due to conservation and efficiency improvements	●	p. 47
EN6	Initiatives to provide energy-efficient or renewable energy based products and services	●	p. 14, 31–33, 44–47
EN16	Total direct and indirect greenhouse gas emissions	●	p. 45
EN17	Other relevant, indirect greenhouse gas emissions	●	p. 45
EN18	Initiatives to reduce greenhouse gas emissions	●	p. 46–47
EN23	Significant spills	●	No spills during the reporting period.
EN26	Mitigating environmental impacts of products and services	●	p. 44–47
EN28	Significant fines and sanctions for non-compliance with environmental regulations	●	No fines or sanctions during the reporting period.
SOCIAL PERFORMANCE INDICATORS			
Labor Practices and Decent Work			
LA1	Breakdown of workforce	●	p. 41–42
LA2	Breakdown of employee turnover	●	p. 42
LA5	Minimum notice period regarding operational changes	●	p. 42 We comply with the local legislation.
LA7	Rates of injury, fatalities and absenteeism	●	p. 41
CRE6	Coverage of internationally recognized health and safety management system	●	p. 42
LA12	Employees receiving regular performance and career development reviews	●	p. 40
LA13	Composition of governance bodies and breakdown of employees	●	p. 41, 52–55
Human Rights			
HR6	Measures taken to eliminate child labour in risk areas	●	No significant risks of child labour identified in own operations.
HR7	Measures taken to eliminate forced labour in risk areas	●	No significant risks of forced or compulsory labour identified in own operations.
Society			
SO4	Actions taken in response to incidents of corruption	●	p. 43
SO6	Contributions to political parties and related institutions	●	YIT does not support any political parties or institutions.
SO7	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	●	No sentences or ongoing legal actions during the reporting period.
SO8	Fines and sanctions for non-compliance with laws and regulations	●	No fines or sanctions during the reporting period.
Product Responsibility			
CRE8	Sustainability certification, rating and labeling schemes	●	p. 45–46
PR5	Customer satisfaction	●	p. 43
PR7	Non-compliance with marketing communications regulations and voluntary codes	●	No violations during the reporting period.
PR9	Fines for non-compliance concerning the provision and use of products and services	●	No fines or sanctions during the reporting period.

The 2012 report has been prepared for the first time according to the GRI guidelines. This report covers all of the Group's functions. If the reported figures deviate in terms of coverage, this is specified separately for each figure. We have self-declared our reporting to be Application Level C of the GRI G3 Guidelines. PricewaterhouseCoopers Oy has checked our reporting and has confirmed it to be Application Level C.

Governance



! Occupational safety is increased through actions

The times when you could take a shortcut through construction sites and construction workers wore sandals and shorts are gone. Nowadays, everyday life on construction sites is regulated by strict guidelines on safe work. However, occupational safety cannot be fixed with safety goggles or safety shoes alone: attitude is what counts. Promoting occupational safety is the responsibility of every YIT employee.



Board of Directors 31.12.2012



HENRIK EHRNROOTH

Chairman

born 1954, M.Sc. (Forest economics), B.Sc. (Econ.), Chairman of the Board of Directors of Pöyry Plc

Chairman of the Board of Directors 2009-.
Chairman of the Personnel Committee 2009-.
Chairman of the Working Committee 2011-.
Member of the Board 2009-.

Independent of YIT Corporation.
Not independent of the company's significant shareholders. Henrik Ehrnrooth holds indirectly with his brothers Georg Ehrnrooth and Carl-Gustaf Ehrnrooth a controlling interest in Structor S.A., which is the largest shareholder of YIT Corporation.

Primary working experience:

Pöyry Plc: Chief Executive Officer 1986–1997, Economist 1979–1981.

Positions of trust:

Pöyry Plc: Chairman of the Board of Directors 2003-.
Otava Ltd: Member of the Board of Directors 1988-.

Share ownership 31.12.2012: 15,430,000



REINO HANHINEN

Vice Chairman

born 1943, M.Sc. (Eng.), D.Sc. (Tech.) h.c.

Vice Chairman of the Board of Directors 2010-.
Member of the Personnel Committee 2008-.
Member of the Audit Committee 2006–2009 and 2012-.
Member of the Working Committee 2011-.
Chairman of the Board 1989–2000 and 2006–2008.
Member of the Board 1988-.

Independent of YIT Corporation and its major shareholders.

Primary working experience:

YIT Corporation: Managing Director 2000–2005, President and CEO 1987–2005.
Perusyhtymä Oy: Managing Director 1986–1987.
YIT Oy Yleinen Insinööri-toimisto: Managing Director 1985–1986.
Oy PPTH-Norden Ab: Managing Director 1976–1985.
YIT Oy Yleinen Insinööri-toimisto: Division Manager 1974–1976, Work Supervisor 1968–1974.

Positions of trust:

Kone Corporation: Member of the Board of Directors 2005–2013.

Share ownership: 130,800



KIM GRAN

born 1954, B.Sc. (Econ.), President and CEO of Nokian Tyres plc

Member of the Board of Directors 2008-

Independent of YIT Corporation and its major shareholders.

Primary working experience:

Nokian Tyres Plc: President and CEO 2000-, Vice President 1995–2000.
Pechiney Cebal (UK): Managing Director 1992–1995.
Cebal-Printal (UK), Plant Director 1988–1995.
Printal Oy-Huhtamäki: Marketing Director 1987–1988.

Positions of trust:

Rautaruukki Corporation: Chairman of the Board 2012-.
Ilmarinen Mutual Pension Insurance Company: Member of the Board 2012-.
Chemical Industry Federation of Finland: Vice Chairman of the Board of Directors 2007-.
Konecranes Plc: Member of the Board of Directors 2007–2012.
Finnish-Russian Chamber of Commerce: Member of the Board of Directors 2006-.
Nokian Tyres Plc: Member of the Board of Directors 2002-.
The Rubber Manufacturers' Association: Chairman of the Board of Directors 2001-.

Share ownership: 7,700



ANTTI HERLIN

born 1956, D.Sc. (Econ.) h.c., D.Arts h.c., D.Sc. (Tech) h.c. Chairman of KONE Corporation's Board of Directors

Member of the Personnel Committee 2008-.
Member of the Board of Directors 2004-

Independent of YIT Corporation and its major shareholders.

Primary working experience:

KONE Corporation, CEO 1996–2006

Positions of trust:

Sanoma Corporation: Member of the Board of Directors 2010-. Solidium: Member of the Board of Directors 2008-. KONE Corporation: Chairman of the Board of Directors 2003-. The Federation of Finnish Technology Industries: Member of the Board of Directors 1996-. Ilmarinen Mutual Pension Insurance Company: Vice Chairman of the Supervisory Board 2004-.

Share ownership: 1,085,180



SATU HUBER

born 1958, M.Sc. (Econ.),
Managing Director of Tapiola Mutual Pension Insurance Company

Member of the Audit Committee 2009-.
Member of the Board of Directors 2009-.

Independent of YIT Corporation and its major shareholders.

Primary working experience:

Tapiola Mutual Pension Insurance Company: Managing Director 2008-.
Federation of Finnish Financial Services: Managing Director 2006–2008.
State Treasury: Segment Director 1997–2006.
Merita Investment Banking: Group Director, First Vice President, Investment Banking 1995–1997.
Suomen Yhdyspankki Oy/Merita Bank: Vice President 1986–1995. Citibank NA London: Executive Trainee.
Citibank Oy: Helsinki Account Officer 1982–1986.

Positions of trust:

Hanken Centre for Corporate Governance: Rådsmedlem.
Finnish Cultural Foundation: Member of the Supervisory Board 2009-.
The Finnish Pension Alliance TELA: Member of the Board 2008-.
Council for Security of Supply and Infrastructure (CSSI): Member 2008-.

Share ownership: 3,600



MICHAEL ROSENLEW

born 1959, M.Sc. (Econ.),
Managing Director of Mikaros AB

Chairman of the Audit Committee 2011-
Member of the Working Committee 2011-
In YIT Board 2011-

Independent of YIT Corporation and its major shareholders.

Primary working experience:




Mikaros AB: Managing Director 2011-.
IK Investment Partners: Managing Partner (IK) and IK Investment Partners AB's Managing Director 2008–2010, Managing Partner 2004–2008, Director 2001–2004, Deputy Director 1996–2001, Associate 1993–1996.
Lundinvest Oy: Managing Director 1991–1992, CFO 1990–1991.
Amer Oy: Group Business Controller, 1988–1990.
Y-Rahoitus Oy: Financial Director, 1986–1988.

Positions of trust:

Board memberships:
Abetsmiljöforum i Sverige AB, chairman.
Alpcot Agro AB, member.
Oy Desinifator Ltd, member.
Time/system Holding AG, member.

Share ownership: 0



-  Audit Committee
-  Working Committee
-  Personnel Committee

Share ownership on December 31, 2012 includes the individuals' direct holdings and the holdings of their close associates and controlled corporations.



UP-TO-DATE OWNERSHIP DATA:
www.yitgroup.com/investors – Major shareholders – Insiders' ownership in YIT

Management Board 31.12.2012



JUHANI
PITKÄKOSKI

Chairman

President and CEO of YIT Corporation

born 1958, LL.M. In the Group's employ 1988-.

Primary working experience:

YIT Corporation: President and CEO, 2008-; Building and Industrial Services segment: President, 2009; Building Services segment: President, 2003-2008; YIT Installation Ltd: President, 2002-2003; YIT Industry Ltd: Executive Vice President, 2000-2002; YIT Service Ltd: Managing Director, 1998-2000; YIT Corporation: Unit Manager, 1997-1998; YIT Huber Teollisuus Ab: Managing Director, 1994-1996; Oy Huber Ab: Director of the Factory Service Unit, 1991-1994; attorney-at-law, 1988-1991; The Electrical Contractors' Association of Finland: Attorney-at-Law, 1986-1988.

Share ownership: 36,760



KARI
KAUNISKANGAS

Vice Chairman

Deputy to the Group's President and CEO, Head of International Construction Services business segment

born 1974, M.Sc. (Eng.), B.Sc. (Econ.). In the Group's employ 1997-.

Primary working experience:

YIT Corporation: Executive Vice President and deputy to the President and CEO, 2008-; YIT Construction Ltd: Managing Director, 2009-; Head of International Construction Services, 2008-; Business Premises, Head of Division, Senior vice president, 2005-2007; Building Construction Oulu Region, Area Manager, 2001-2005; Sonera Living Oy: Product Group Manager, 2000-2001; YIT Corporation: Housing Production Uusimaa, Quality and Development Specialist, 1998-2000; YIT Corporation: Housing Production Uusimaa, Site Engineer, 1997-1998.

Positions of trust:

Ilmarinen Mutual Pension Insurance Company: Member of Supervisory Board, 2009-

Share ownership: 6,820



TERO
KIVINIEMI

Head of Construction Services Finland business segment

born 1971, M.Sc. (Eng.), Executive MBA. In the Group's employ 1996-

Primary working experience:

Head of YIT's Construction Services Finland segment, 2009-; Infraservices: Division Manager, 2008-2009; Structural engineering and regional infraservices: Business Unit Manager, 2005-2008; Structural engineering: Assistant Director, 2002-2005. Bridge construction: Project Manager, 1999-2002; Bridge construction: Field Engineer, 1998-1999; Housing Production Uusimaa: Field Engineer, 1996-1998; Insinööriyö Hentinen Oy: 1992-1996; Hai Phong Construction Company No 16, Vietnam: 1995; Haka Oy: 1993; Skanska Väst AB, Sweden: 1988-1990.

Positions of trust:

Etera Mutual Pension Insurance Company: Chairman of the Supervisory Board 2011-; Confederation of Finnish Construction Industries RT: Vice Chairman of the Board of Directors, 2013-; Talonrakennusteollisuus Ry: Member of the Board 2010-; Construction pool: Chairman, 2010-; Confederation of Finnish Industries EK: Member of body of representatives, 2010-; Pioneerimuseosäätiö: Vice Chairman of the Board of Directors 2012-.

Share ownership: 6,888



JUHA
KOSTIAINEN

Senior Vice President, Urban Development and Corporate Relations

born 1965, M.Sc. (Eng), Ph.D. (Adm.),

Adjunct professor of strategic urban development at the University of Tampere.

In the Group's employ since 11/2012 and 2001-2008

Primary working experience:

Finnish Innovation Fund Sitra: Director responsible for communications and public affairs, 2012-; Programme Director, 2009-2011; Business Director, 2009; YIT Corporation: Senior Vice President, Corporate Communications and Business Development, 2007-2008; Vice President, Business Development, 2005-2007; Vice President, Corporate Planning, 2003-2005; YIT Construction Ltd: Development Manager, 2001-2003; City of Tampere: Business Sector Manager, 1997-2001; Finn-Medi Research Ltd: Managing Director, 1995-1997; Prizztech Ltd: Managing Director, 1992-1995.

Positions of trust:

Rym Oy: deputy member of board of directors, deputy chairman of consultative committee 2011-; Greater Helsinki Promotion Ltd: member of board of directors, 2009-2012; Tampere Club: president of the executive committee, 2002-

Share ownership: 0



UP-TO-DATE OWNERSHIP DATA:

www.yitgroup.com/investors – Major

shareholders – Insiders' ownership in YIT



**TIMO
LEHTINEN**

Chief Financial Officer of YIT Corporation

born 1964, M.Sc. (Econ.), Executive MBA. In the Group's employ 2006-

Primary working experience:

YIT Corporation: Chief Financial Officer, 2009-; YIT Construction Ltd: Senior Vice President, Finance, 2006-2009; responsible for financial administration of both the Construction Services Finland and International Construction Services segments. Affecto Plc: CFO, 2006; Saunalahti Group Oy: CFO, 2003-2006; Auria Oy: Senior Vice President, Administration, Deputy to the President and CEO, 2001-2003; West Capital Oy: President and CEO, 1999-2003; Aker Finnyards Oy: Financial Manager, 1996-1999; Finance Manager, 1995-1996; Treasury Manager, 1994-1995; Suomen Säästöpankki-SSP Oy: Investment Manager, 1992-1993; Dealer, 1990-1992.

Positions of trust:

Tapiola Mutual Pension Insurance Company, Member of the Supervisory Board, 2010-

Share ownership: 5,380



**MATTI
MALMBERG**

Head of Building Services Northern Europe segment

born 1960, M.Sc. (Eng.). In the Group's employ 2003-

Primary working experience:

YIT Corporation: Head of Building Services Northern Europe segment, 2011-; YIT Building Systems Oy: Managing Director, 2006-2011; Senior Vice President, 2004-2005; ABB Corporation: Business Line Manager, Building Systems, 1997-2003; Profit Center Manager, 1996-1997; Production Manager, 1990-1996; Profit Center Manager, 1985-1990.

Share ownership: 3,681



**PII
RAULO**

Senior Vice President, Human Resources

born 1967, M.Sc. (Econ.). In the Group's employ 2004-

Primary working experience:

YIT Corporation, Senior Vice President, Human Resources, 2011-; YIT Construction Services Finland, HR Director, 2004-2011; McKinsey & Company, Manager of Administration, 1997-2004; Accenture Oy, Personnel specialist, 1994-1997; Tietoperintä Oy, Personnel coordinator 1993-1994.

Share ownership: 2,070



**KARL-WALTER
SCHUSTER**

Head of Building Services Central Europe segment

born 1950, M.Sc. (Eng.). In the Group's employ since 2008.

Primary working experience:

YIT Building Services Central Europe segment: President, 2011-; YIT Building and Industrial Services: Head of Central Europe division, 2008-2011; MCE AG, Austria: Head of Building Services division, member of Executive Committee, 2004-2008; Groupe Facbricom, Belgium/SUEZ: Head of Tractebel Energy Services Central Europe, Responsible for all Axima und Elyo companies in CEE, 2001-2003; Sulzer AG, Switzerland: Regional Manager, CEO Sulzer Infra Germany, member of Executive Board Sulzer Infra Switzerland, 1991-2001; LTG Lufttechnische GmbH, Germany: Project Manager, Branch Office Manager, 1974-1991.

Positions of trust:

FGK Fachverband Gebäude-Klima (Association of air-conditioning and ventilation in buildings): Member of the board, 2011-; BHKS (Federal Industry Association of heating, air-conditioning and sanitary technology): Member of the board, 2004-;

Share ownership: 4,661



**SAKARI
TOIKKANEN**

Senior Vice President, Business Development

Secretary to the Management Board

born 1967, Lic. (Tech.). In the Group's employ 1997-

Primary working experience:

YIT Corporation: Senior Vice President, Business Development, 2008-; Executive Vice President, 2006-2008; YIT Building Systems Ltd: Executive Vice President, 2003-2005; YIT Corporation: Vice President, Corporate Planning, 2001-2003; YIT Construction Ltd: Development Manager, 1999-2000; Quality Manager, 1997-1998; Helsinki University of Technology: Researcher, 1993-1996.

Share ownership: 16,512

Contact information

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Finland	www.yit.fi	Lithuania	www.yit.lt
Sweden	www.yit.se	Germany	www.yit.de
Norway	www.yit.no	Austria	www.yit.at
Denmark	www.yit.dk	Poland	www.yit.pl
Russia	www.yit.ru	The Czech Republic	www.yit.cz
Estonia	www.yit.ee	Slovakia	www.yit.sk

The Annual Report is also published on our website as online report.
Visit www.yitgroup.com/investors

Financial information in 2013

Financial Statement Bulletin	February 2, 2013
Annual Report 2012, incl. Financial Statements	February 21, 2013
Interim Report for Jan–Mar	April 26, 2013 at 8:00 a.m.
Interim Report for Jan–Jun	July 26, 2013 at 8:00 a.m.
Interim Report for Jan–Sep	October 30, 2013 at 8:00 a.m.
Annual General Meeting 2013	March 15, 2013
www.yitgroup.com/agm	

Financial Review 2012

The separate Financial Review includes the Financial Statements 2012, the Board of Directors' report as well as insight into YIT's governance and risk management. Business segments' financial development is reviewed in the Board of Directors' report.

! Our measures:

- Small, smart ideas can be significant in improving occupational health and safety. In Norway, for example, our maintenance engineers have replaced ladders with walking stilts and gotten rid of some of their back and knee pains. Progress is easier without the need to continuously move the ladder and climb up and down. Another pilot is taking heavy toolboxes on wheels to the engineers.
- Our Safety Container tours around in YIT's industrial sites, facilitating the thinking about the reasons for accidents instead of simply giving digested answers. The customers are also invited to take part in learning.
- We have also developed a protective safety car for road maintenance, enhancing the safety of everyone on the road in addition to our own employees' occupational safety.

Our achievements:

- The number of occupational accidents has decreased year by year. In 2012, the accident frequency was 11, having almost halved during the last few years (2010: 19).
- We have had success in occupational safety awards in both Russia and Finland.
- In Finland, three of the five finalists of the national occupational safety competition were YIT sites in 2012.



441 014
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PEFC/02-31-150

Design: Zeeland
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