YIT

Q1

Interim Report 1-3/2014

Interim Report January 1 – March 31, 2014: Moderate development in Housing, challenges in Business Premises and Infrastructure

Unless otherwise noted, the figures in brackets refer to the corresponding period in the previous year.

January–March 2014 (Segment reporting, POC)

- Revenue decreased by 11% to EUR 403.1 (452.0) million. At comparable exchange rates, revenue decreased by 6%.
- Operating profit amounted to EUR 26.9 (35.9) million and operating profit margin was 6.7% (7.9).
- The order backlog remained at the level of the end of 2013, amounting to EUR 2,696.7 million.
- Operating cash flow after investments amounted to EUR -12.3 (-5.3) million.

Guidance for 2014 remains unchanged

The Group revenue based on segment reporting is estimated to grow by 0–10% at comparable exchange rates. The operating profit margin based on segment reporting is estimated to be in the range of 7.5–8.5% excluding non-recurring items.

Continuing uncertainty over the general macroeconomic development impacts YIT's business operations and customers. Prolongation and potential escalation of the Ukrainian crisis would probably have a negative effect on YIT's business operations.

Kari Kauniskangas, President and CEO:

The market situation remained challenging in the first quarter, and the Ukrainian crisis increased the uncertainty in our operating environment. In Russia, our housing sales were boosted in February–March by consumers looking to shift their assets to fixed property. Prolongation and potential escalation of the crisis would probably have a negative effect on our business operations.

With respect to the Housing segment, we can be satisfied with our strong growth in the number of apartments sold in the first quarter in Russia, the Baltic countries and Central Eastern Europe. The result we achieved in Finland was fair considering the prevailing market environment. The weak development of our business premises operations, combined with lower volume in infra services due to seasonality and the timing of projects, meant that the Business Premises and Infrastructure segment achieved only a modest result.

In 2014, our priorities are customer focus, cost-efficiency and improving cash flow as well as capital efficiency. We are engaging in measures to further improve the customer experience, perceived quality and digital services, as well as introduce new concepts in response to customer needs. The prevailing demand is currently focused on cost-efficient premises. In product development, we emphasise design management, affordability of the products and achieving volume advantages in purchasing. To improve cash flow, we systematically implement the measures we have promised to normalise the number of completed unsold apartments and business premises, release slow-moving assets and build off-balance sheet partnerships to support our plot acquisitions. Cash flow and return on investment will remain key criteria for management remuneration in 2014.

Key figures

Segment reporting, POC

EUR million	1-3/14	1-3/13	Change	1-12/13
Revenue	**403.1**	**452.0**	**-11%**	**1,858.8**
Housing	281.3	286.2	-2%	1,152.2
Finland, the Baltic countries and Central Eastern Europe	*172.9*	*188.6*	*-8%*	*656.2*
Russia	*108.5*	*97.6*	*11%*	*496.0*
Business Premises and Infrastructure	121.1	158.8	-24%	688.9
Other items	0.7	7.0		17.8
Operating profit	26.9	35.9	-25%	152.8
Operating profit margin, %	6.7%	7.9%		8.2%
Operating profit excluding non-recurring items	**26.9**	**35.9**	**-25%**	**154.0**
Housing	28.9	35.0	-17%	136.3
Finland, the Baltic countries and Central Eastern Europe	*16.8*	*22.4*	*-25%*	*66.2*
Russia	*12.2*	*12.6*	*-3%*	*70.2*
Business Premises and Infrastructure	0.2	3.1	-94%	31.0
Other items	-2.3	-2.2		-13.4
Operating profit margin, % excluding non-recurring items	**6.7%**	**7.9%**		**8.3%**
Housing	10.3%	12.2%		11.8%
Finland, the Baltic countries and Central Eastern Europe	*9.7%*	*11.9%*		*10.1%*
Russia	*11.2%*	*12.9%*		*14.1%*
Business Premises and Infrastructure	0.2%	1.9%		4.5%
Profit before taxes	18.2	30.6	-41%	122.8
Profit for the review period[1]	14.3	23.4	-39%	93.9
Earnings per share, EUR	0.11	0.19	-42%	0.75
Operating cash flow after investments	-12.3	-5.3		-87.9
Return on investment (last 12 months), %	10.2%	15.0%		10.3%
Equity ratio at end of period, %	35.0%	40.7%		37.8%
Order backlog at end of period	2,696.7	2,710.2	0%	2,713.7

[1] Attributable to equity holders of the parent company

Group reporting, IFRS (3/13 non-IFRS)

	3/14	3/13	Change	12/13
Net interest-bearing debt, EUR million	840.3	677.7	24%	781.7
Gearing ratio, %	132.1%	94.0%		112.0%

Group financial development based on segment reporting

Accounting principles applied in the interim report

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

The Building Services segment was transferred to Caverion Corporation in the partial demerger of June 2013, and the comparison figures for 2013 in the explanatory statement of the interim report concern continuing operations. The result of Building Services for January–June 2013 is reported under discontinued operations in the tables section. The balance sheet for the comparison period, March 2013, includes the assets and liabilities of Building Services.

Revenue, POC

EUR million	1-3/14	1-3/13	Change	Change at comparable exchange rates	1-12/13
Revenue	403.1	452.0	-11%	-6%	1,858.8
Housing	281.3	286.2	-2%	6%	1,152.2
Finland, the Baltic countries and Central Eastern Europe	*172.9*	*188.6*	*-8%*	*-8%*	*656.2*
Russia	*108.5*	*97.6*	*11%*	*33%*	*496.0*
Business Premises and Infrastructure	121.1	158.8	-24%	-24%	688.9
Other items	0.7	7.0			17.8

January–March

The Group's revenue decreased by 11% year-on-year. At comparable exchange rates, revenue decreased by 6%. Compared to the comparison period, the revenue for the Housing segment was negatively affected by the ruble being 20% weaker. The segment's revenue was also exceptionally high in the comparison period due to Finnish housing sales being boosted by a change in asset transfer tax in February 2013. Sales developed positively in Russia, the Baltic countries and Central Eastern Europe. The revenue of the Business Premises and Infrastructure segment was particularly weighed down by the weak business premises market. During the review period, there were no sales of business premises projects with a significant effect on revenue. Revenue from infra services was low due to seasonality and the timing of projects.

Result, POC

EUR million	1-3/14	1-3/13	Change	1-12/13
Operating profit	**26.9**	**35.9**	**-25%**	**152.8**
Housing	28.9	35.0	-17%	135.8
Finland, the Baltic countries and Central Eastern Europe	*16.8*	*22.4*	*-25%*	*65.7*
Russia	*12.2*	*12.6*	*-3%*	*70.2*
Business Premises and Infrastructure	0.2	3.1	-94%	30.5
Other items	-2.3	-2.2		-13.6
Operating profit margin, %	**6.7%**	**7.9%**		**8.2 %**
Housing	10.3%	12.2%		11.8%
Finland, the Baltic countries and Central Eastern Europe	*9.7%*	*11.9%*		*10.0%*
Russia	*11.2%*	*12.9%*		*14.1%*
Business Premises and Infrastructure	0.2%	1.9%		4.4%
Non-recurring items				-1.2

January–March

Operating profit declined by 25% year-on-year due to lower volume and weaker profitability.

The operating profit margin was 6.7% (1-3/13: 7.9%). The operating profit margin of the Housing segment was weakened by the increased proportion of investor sales in Finland and the higher relative weight of the Baltic countries and Central Eastern Europe. The segment's profitability was also exceptionally strong in the comparison period due to Finnish housing sales being boosted by a change in asset transfer tax. The profitability of the Business Premises and Infrastructure segment was negatively affected by low volume.

EUR million	1-3/14	1-3/13	Change	1-12/13
Profit before taxes	18.2	30.6	-41%	122.8
Profit for the review period[1]	14.3	23.4	-39%	93.9
Earnings per share, EUR	0.11	0.19	-42%	0.75
Effective tax rate, %	21.7%	23.5%		23.6%

[1]Attributable to equity holders of the parent company

Order backlog, POC

EUR million	3/14	3/13	Change	3/14	12/13	Change
Order backlog	**2,696.7**	**2,710.2**	**0%**	**2,696.7**	**2,713.7**	**-1%**
Housing	2,027.3	1,996.4	2%	2,027.3	2,070.8	-2%
Finland, the Baltic countries and Central Eastern Europe	*956.7*	*890.7*	*7%*	*956.7*	*970.8*	-1%
Russia	*1,070.6*	*1,105.7*	*-3%*	*1,070.6*	*1,100.0*	-3%
Business Premises and Infrastructure	669.4	713.8	-6%	669.4	642.9	4%

The order backlog at the end of March remained at the level of the end of December 2013. The order backlog of the Housing Russia business area was negatively affected by the weaker ruble, which had an effect compared to the end of 2013 of EUR -82 million. At the end of March, 35% of the order backlog had been sold (12/13: 34%).

Acquisitions and capital expenditure

EUR million	3/14	3/13	Change	12/13
Gross capital expenditure on non-current assets	2.0	8.7	-77%	20.2
% of revenue	0.5%	1.9%		1.1%
Depreciation	3.3	5.2	-37%	17.4

The company did not make any acquisitions in the period under review. Gross capital expenditure on non-current assets amounted to EUR 2.0 million during the period, or 0.5% of revenue. Investments in construction equipment amounted to EUR 0.6 million and investments in information technology totalled EUR 0.7 million. Other investments amounted to EUR 0.8 million.

Cash flow and invested capital

EUR million	3/14	3/13	Change	12/13
Operating cash flow after investments	-12.3	-5.3		-87.9
Invested capital	1,553.7	1,443.4	8%	1,558.8
Return on investment (last 12 months), %	10.2%	15.0%		10.3%

Operating cash flow after investments for the review period amounted to EUR -12.3 million. The cash flow of plot investments totalled EUR 43.9 million. In the review period, the company paid dividends of EUR 43.2 million for 2013 in compliance with the resolution of the Annual General Meeting.

Return on investment remained at the same level as at the end of 2013. Under the new share-based incentive scheme, the remuneration of management in 2014 is based on cash flow and return on investment.

Development by business segment

Housing

EUR million	1-3/14	1-3/13	Change	1-12/13
Revenue	281.3	286.2	-2%	1,152.2
Operating profit	28.9	35.0	-17%	135.8
Operating profit margin, %	10.3%	12.2%		11.8%
Operating profit excluding non-recurring items	28.9	35.0	-17%	136.3
Operating profit margin, % excluding non-recurring items	10.3%	12.2%		11.8%
Operative invested capital	1,198.2	1,175.8	2%	1,225.8
Return on operative invested capital (last 12 months), %	10.9%	n/a		11.2%
Order backlog	2,027.3	1,996.4	2%	2,070.8

Housing Finland, the Baltic countries and Central Eastern Europe

Operating environment

There were no significant changes in consumer demand for housing in January–March in Finland, with consumers remaining cautious in their purchase decisions. Activity among housing investors continued to be good. Residential prices remained relatively stable in Finland, and customers' access to financing improved slightly compared to the end of 2013. The interest rates of mortgages remained low, and mortgage terms have improved since the second half of 2013.

Positive macroeconomic development supported the housing markets in the Baltic countries and Central Eastern Europe. Housing demand has recovered particularly in Lithuania, while demand in Estonia has been affected by the weakness of the Finnish economy. Residential prices increased moderately in the Baltic countries and Central Eastern Europe during the review period.

EUR million	1-3/14	1-3/13	Change	1-12/13
Revenue	172.9	188.6	-8%	656.2
Operating profit	16.8	22.4	-25%	65.7
Operating profit margin, %	9.7%	11.9%		10.0%
Operating profit excluding non-recurring items	16.8	22.4	-25%	66.2
Operating profit margin, % excluding non-recurring items	9.7%	11.9%		10.1%
Operative invested capital	649.0	586.2	11%	651.8
Return on operative invested capital (last 12 months), % 12 months), %	9.7%	n/a		10.3%
Order backlog	956.7	890.7	7%	970.8

January–March

The revenue of the Housing Finland, the Baltic countries and Central Eastern Europe business area decreased by 8% year-on-year. Of the business area's revenue, Finland accounted for 91%, Estonia, Latvia and Lithuania for 5%, and the Czech Republic and Slovakia for 4%. Revenue was negatively affected by weak consumer demand in Finland, but active housing sales to investors compensated for this. The business area's revenue was also exceptionally high in the comparison period due to Finnish housing sales being boosted by a change in asset transfer tax in February 2013. Housing sales developed positively in the Baltic countries and Central Eastern Europe.

The business area's operating profit decreased by 25% year-on-year, and the operating profit margin stood at 9.7% (1-3/13: 11.9%). Profitability in the comparison period was exceptionally strong due to Finnish housing sales being boosted by a change in asset transfer tax. The operating profit margin was affected negatively by the increased proportion of investor sales in Finland and the higher relative weight of the Baltic countries and Central Eastern Europe. However, profitability improved in the Baltic countries and Central Eastern Europe.

YIT continued to maintain a conservative and demand-based approach to consumer start-ups in Finland. YIT started also the construction of 110 apartments for ICECAPITAL as a tender-based project during the review period. In the Baltic countries and Central Eastern Europe, the focus of operations has been shifted from tender-based production to own residential development projects in order to improve profitability. YIT started for example the construction of 80 apartments in Tallinn, Estonia and 100 apartments in Bratislava, Slovakia during the review period.

YIT's sales inventory of apartments in Finland remained largely unchanged from the end of 2013. The sales inventory has been grown in a controlled manner in the Baltic countries, the Czech Republic and Slovakia to better match demand.

Residential construction in Finland, pcs	1-3/14	1-3/13	Change	1-12/13
Sold	653	715	-9%	2,779
of which initially started for consumers[1]	368	661	-44%	2,057
Start-ups	694	586	18%	2,483
of which directly to consumers	409	532	-23%	1,761
Completed	602	895	-33%	3,161
of which directly to consumers	425	560	-24%	2,094
Under construction at the end of the period	3,654	3,931	-7%	3,562
of which sold at the end of the period, %	59%	57%		59%
For sale at the end of the period	2,032	2,153	-6%	1,988
of which completed	523	469	12%	513
Capital invested in the plot reserve, EUR million	200.8	204.9	-2%	197.6
Plot reserve, sq. m.	1,801,000	1,832,000	-2%	1,854,000
Cost of completion, EUR million	273.7	311.7	-12%	286.0

[1] Includes sales to residential property funds: 1-3/14: 54 apartments; 1-3/13: 221 apartments; 1-12/13: 502 apartments

Residential construction in the Baltic countries and Central Eastern Europe, pcs	1-3/14	1-3/13	Change	1-12/13
Sold	180	109	65%	521
Start-ups	246	114	116%	723
Completed	152	146	4%	382
Under construction at the end of the period	1,154	684	69%	1,062
of which sold at the end of the period	22%	15%		21%
For sale at the end of the period	1,014	750	35%	950
of which completed	110	168	-35%	111
Capital invested in the plot reserve, EUR million	75.6	73.5	3%	70.0
Plot reserve, sq. m.	374,000	398,000	-6%	361,000
Cost of completion, EUR million	51.0	38.0	34%	43.4

Housing Russia

Operating environment

The demand for apartments was high in Russia in January-March. Housing demand grew as a result of the ruble weakening due to the Ukrainian crisis as consumers transferred their assets to fixed property. The prices of small apartments increased slightly, but overall, housing prices remained stable. The significance of mortgage financing has remained high in Russia. The Central Bank of Russia increased its benchmark interest rate in March. However, this was not reflected in increased mortgage rates during the review period. The availability of financing remained good.

Competitors have been more conservative in their start-ups than last year. The increase in construction costs slowed down somewhat.

EUR million	1-3/14	1-3/13	Change	1-12/13
Revenue	108.5	97.6	11%	496.0
Operating profit	12.2	12.6	-3%	70.2
Operating profit margin, %	11.2%	12.9%		14.1%
Operating profit excluding non-recurring items	12.2	12.6	-3%	70.2
Operating profit margin, % excluding non-recurring items	11.2%	12.9%		14.1%
Operative invested capital[1]	549.2	575.4	-5%	574.0
Return on operative invested capital (last 12 months)[1], %	12.4%	n/a		12.3%
Order backlog	1,070.6	1,105.7	-3%	1,100.0

[1] Figures include Gorelovo industrial park

January–March

The revenue of the Housing Russia grew by 11% year-on-year. At comparable exchange rates, revenue grew by 33%. Demand was particularly good for the projects started in autumn 2013 in St. Petersburg.

The business area’s operating profit decreased by 3%, and the operating profit margin stood at 11.2% (1-3/13: 12.9%). Profitability was weakened by the development of prices being more modest than in the comparison period, and the apartments sold in Russia having a lower rate of completion.

Residential start-ups were more conservative than in the comparison period due to increased uncertainty, but project development has continued normally maintaining a good readiness to increase start-ups in line with the market situation. YIT started for example the third phase of the Smolny prospekt project in St. Petersburg, comprising approximately 150 apartments.

The Russian sales inventory decreased by 6% compared to the end of 2013. Especially the number of unsold completed apartments declined. The sales inventory at the end of the period was more geographically balanced than previously.

In the review period, customers used mortgages in 41% of YIT’s residential deals in Russia. At the end of March 2014, YIT was responsible for the service and maintenance of approximately 16,500 apartments.

Residential construction in Russia, pcs	1-3/14	1-3/13	Change	1-12/13
Sold	1,132	889	27%	4,480
Start-ups	714	1,146	-38%	5,099
Completed[1]	1,031	512	101%	2,976
Under construction at the end of the period	10,462	9,290	13%	10,780
of which sold at the end of the period	39%	34%		37%
For sale at the end of the period	6,758	5,799	17%	7,177
of which completed	346	367	-6%	416
Capital invested in the plot reserve[2], EUR million	284.9	314.2	-9%	320.1
Plot reserve[2], sq. m.	2,710,000	2,799,000	-3%	2,798,000
Cost of completion, EUR million	537.0	521.0	3%	540.0

[1] Completion of the residential projects requires commissioning by the authorities. [2] Figures include Gorelovo industrial park

Under construction, pcs	3/14	3/13	Change	12/13
St. Petersburg	3,030	2,168	40%	3,267
Moscow region	3,663	4,198	-13%	4,309
Yekaterinburg, Kazan, Rostov-on-Don, Tyumen and Moscow	3,769	2,924	29%	3,204

Business Premises and Infrastructure

Operating environment

The Finnish business premises market remained subdued in January–March. Investor interest in the Finnish business premises market was at a moderate level, but end users remained cautious. Rents for business premises remained stable in the review period, but vacancy rates increased slightly. Competition for contracts has remained tight.

Positive macroeconomic development supported the business premises markets in the Baltic countries and Central Eastern Europe, but competition for business premises contracts remained intense.

The infrastructure market remained relatively stable in the period under review.

EUR million	1-3/14	1-3/13	Change	1-12/13
Revenue	121.1	158.8	-24%	688.9
Operating profit	0.2	3.1	-94%	30.5
Operating profit margin, %	0.2%	1.9%		4.4%
Operating profit excluding non-recurring items	0.2	3.1	-94%	31.0
Operating profit margin, % excluding non-recurring items	0.2%	1.9%		4.5%
Operative invested capital	208.8	146.3	43%	189.8
Return on operative invested capital (last 12 months), %	15.6%	n/a		20.6%
Order backlog	669.4	713.8	-6%	642.9

Business premises, EUR million	1-3/14	1-3/13	Change	1-12/13
Capital invested in the plot reserve	88.2	98.0	-10%	93.5
Plot reserve, sq. m.	1,251,000	998,000	25%	1,125,000
Cost of completion	14.9	63.8	-77%	21.2

January–March

The segment's revenue decreased by 24% year-on-year. Revenue was particularly weighed down by the weak Finnish business premises market. Volumes were also low in infra services due to seasonality and the timing of projects.

Operating profit declined by 94% year-on-year, and the segment's operating profit margin was 0.2% (1-3/13: 1.9%). Profitability was weakened by low volume.

In February, YIT signed an agreement to buy the share capital of the Lauttasaari mall located in Helsinki. The existing mall will be demolished and replaced by a hybrid complex consisting of a shopping centre and three blocks of flats. The total value of the project is approximately EUR 80 million, and work is set to begin this year. There is promising interest among investors in the project, and anchor tenants for the new shopping centre are already in place. The Tripla project in Central Pasila proceeded as planned during the review period with the signing of an implementation agreement, a preliminary agreement on the real estate transaction and a turnkey contract on the public sections.

In infra services, YIT started for example a EUR 42 million contract to upgrade Ring Road III between Lahdenväylä and Porvoonväylä. The development of self-developed wind power projects progressed according to plan. YIT also signed an agreement on the construction of the foundations for 30 wind mills for TuuliWatti Oy in Kalajoki and Siikainen in Finland.

The largest ongoing self-developed business premises projects

Project, location	Value, EUR million	Project type	Percentage of completion, %	Estimated completion	Sold/unsold	Leasable area, sq. m.
Dixi, Tikkurila railway station, Vantaa	~20	Office	72%	12/14	Sold	6,000
Dixi, Tikkurila railway station, Vantaa	-	Retail	72%	12/14	Unsold	5,200
Aleksanterinkatu 11 Koy, Lahti	-	Retail	40%	6/15	Unsold	6,700
Grand office, Vilnius, Lithuania	-	Office	88%	10/14	Unsold	10,100
SOK Prisma, Vilnius, Lithuania	~10	Retail	95%	4/14	Sold	8,900

The largest ongoing business premises and infrastructure contracts

Project	Value, EUR million	Project type	Percentage of completion, %	Estimated completion
E18 Pulteri	~190	Infra	87%	1/15
E18, Hamina bypass	~60	Infra	82%	12/14
Ring Railway, Aviapolis	~40	Infra	94%	6/14
Ring Road III junction	~40	Infra	5%	12/16
Ring Railway, Ruskeasanta	~30	Infra	94%	6/14

Group financial development based on group reporting (IFRS, IFRIC 15)

EUR million	1-3/14	1-3/13	Change	1-12/13
Revenue	403.2	445.6	-10%	1,743.0
Operating profit	23.2	31.0	-25%	104.0
Operating profit margin, %	5.8%	7.0%		6.0%
Profit before taxes	18.8	30.3	-38%	95.0
Profit for the review period[1)]	14.6	22.9	-36%	70.3
Earnings per share, EUR	0.12	0.18	-33%	0.56
Operating cash flow after investments	-12.3	-5.3		-87.9
Order backlog	3,146.4	3,045.9	3%	3,184.6
Invested capital	1,555.8	1,445.5	8%	1,556.2
Return on investment (last 12 months), % (figures for 3/13 non-IFRS)	7.0%	14.3%		7.0%
Effective tax rate, %	22.4%	23.7%		26.1%

[1] Attributable to equity holders of the parent company

January–March

After IFRS adjustments, the Group's revenue for the period decreased by 10% year-on-year. The decrease in revenue was due to lower handover of self-developed apartments to buyers in Finland, the lower volume of the Business Premises and Infrastructure segment, and the weaker Russian ruble.

After IFRS adjustments, the Group's operating profit for the period declined by 25% year-on-year. The decreased volume also negatively affected profitability, and after IFRS adjustments, the Group's operating profit margin was 5.8% (1-3/13: 7.0%). In group reporting, self-developed residential projects are only recognised as income upon project handover. The timing of completion of self-developed projects affects the Group's revenue recognition, and therefore group figures may fluctuate greatly between different quarters.

In addition, in group reporting the interest expenses are capitalized according to IAS 23 standard, which causes differences in operating profit and financial expenses between segment reporting and group reporting.

Capital structure and liquidity position

EUR million	3/14	3/13	Change	12/13
Net interest-bearing debt[1]	840.3	677.7	24%	781.7
Cash and cash equivalents[1]	79.7	63.9	25%	76.3
Interest-bearing debt[1]	920.0	741.6	24%	858.0
From the capital and money markets[1]	454.5	435.2	4%	451.8
From banks, financial institutions and insurance companies[1]	195.5	60.3	224%	132.9
Construction-stage contract receivables sold to financial institutions[1]	173.0	163.6	6%	181.4
Participations in the housing corporation loans of completed apartments[1]	97.0	79.5	22%	91.4
Other loans[1]		3.0		0.5
Average interest rate[1]	2.84%	2.86%		2.73%
Committed credit facilities	330.0	280.0	18%	330.0
Overdraft facilities	64.9	79.9	-19%	65.1
Net financial expenses	-4.4	-0.7		-9.0
Costs of hedging	-1.0	-0.1		-1.5
Equity ratio, %[1]	31.6%	37.3%		34.3%
Gearing ratio, %[1]	132.1%	94.0%		112.0%

[1] Figures for comparison period 3/13 are non-IFRS.

YIT’s liquidity position remained strong in January–March. Cash and cash equivalents amounted to EUR 79.7 million at the end of March. In addition, YIT had undrawn committed credit facilities amounting to EUR 330.0 million and undrawn overdraft facilities amounting to EUR 64.9 million. In January, the company withdrew a long-term loan of RUB 1.6 billion (approximately EUR 35.3 million). In addition, a new loan agreement was signed in January, for which the total unwithdrawn amount stood at approximately EUR 30 million at the end of March. YIT Corporation’s bank loan and credit facility agreements include a covenant requiring an equity ratio higher than 25% based on the IFRS balance sheet.

The total amount of interest-bearing debt rose to EUR 920.0 million at the end of March. Negative cash flow after plot investments and dividend payout contributed to the increase in debt. The maturity distribution of long-term loans is balanced, and a total of EUR 76.9 million of long-term loans will mature during the remainder of 2014. Net interest-bearing debt amounted to EUR 840.3 million at the end of March, and the gearing ratio was 132.1%.

Net financial expenses increased in January–March year-on-year and amounted to EUR 4.4 million including capitalization of interest expenses in accordance with IAS 23 at the amount of EUR 4.2 million (1-3/2013: EUR 4.6 million).

The interest on the participations in the housing corporation loans is included in housing corporation charges and is thus booked in project expenses. Interest on the participations amounted to EUR 0.6 million in the review period (1-3/2013: EUR 1.6 million).

The hedged ruble exposure decreased from the end of December 2013. At the end of March, EUR 121.3 million of the capital invested in Russia was comprised of debt investments (12/13: EUR 139.4 million) and EUR 394.2 million was equity investments or similar permanent net investments (12/13: EUR 407.7 million). In accordance with YIT's hedging policy, the debt investments are hedged against exchange rate risk, while equity investments are not hedged due to their permanent nature.

Personnel

Personnel by business segment	3/14	3/13	Change	12/13
Housing	3,858	4,174	-8%	3,818
Finland, the Baltic countries and Central Eastern Europe	*1,857*	*1,966*	*-6%*	*1,832*
Russia	*2,001*	*2,208*	*-9%*	*1,986*
Business Premises and Infrastructure	1,905	2,180	-13%	2,037
Group Services	313	335	-7%	317
Personnel by country	**3/14**	**3/13**	**Change**	**12/13**
Finland	3,410	3,817	-11%	3,515
Russia	1,984	2,180	-9%	1,968
The Baltic countries and Central Eastern Europe	682	692	-1%	689
Group, total	**6,076**	**6,689**	**-9%**	**6,172**

In January-March, the Group employed 6,102 people on average (1-3/13: 6,658). Personnel expenses totalled EUR 68.0 million (1-3/13: EUR 78.7 million). Safety at work remained unchanged from the previous year. Accident frequency (number of accidents per one million hours worked) was 12 (1-3/13: 11).

The cost effect of YIT's share-based incentive scheme was approximately EUR 0.2 million (1-3/213: EUR 1.3 million). In March, the Board of Directors decided to launch a new share-based incentive scheme for key persons, comprising three earnings periods. The earnings periods of the incentive scheme are the years 2014, 2015 and 2016. Any bonus will be determined on the basis of the indicators decided annually by the Board of Directors for each earnings period. The scheme will annually cover approximately 200 key employees from YIT's countries of operation. Cash flow and return on investment are the key criteria for management remuneration in 2014.

Strategic objectives

As confirmed on June 3, 2013, YIT's strategy is well-managed, profitable growth. This is pursued through the Group's self-developed projects in all businesses and all current geographical regions. Growth is sought particularly in emerging markets and residential construction. Further focus areas include improving the company's ability to manage cyclicality, widening financial operating space and accelerating renewal.

On February 5, 2014, YIT Corporation's Board of Directors confirmed YIT's financial targets, revised in terms of the growth target, for the strategy period of 2014–2016. The motivation for the change stemmed from the current market environment, and the main objective is to ensure that the targets for cash flow and return on investment are achieved. According to the revised growth target, YIT aims at revenue growth of 5–10% annually on average. The other financial targets published on June 4, 2013, remain unchanged.

YIT's financial targets	Target level
Revenue growth	5–10% annually on average
Return on investment	20%
Operating cash flow after investments	Sufficient for dividend payout and reduction of debt
Equity ratio	40%
Dividend payout	40–60% of net profit for the period

The target levels are based on segment reporting.

A stock exchange release on the updated growth target was released on February 6, 2014. YIT's strategy and long-term financial targets were also described in more detail at YIT's Capital Markets Day on September 19, 2013, in Moscow, Russia. The presentation materials and recordings from the Capital Markets Day are available at www.yitgroup.com/Investors.

Resolutions passed at the Annual General Meeting

YIT Corporation's Annual General Meeting was held on March 18, 2014. The Annual General Meeting adopted the 2013 financial statements, discharged the members of the Board of Directors and the President and CEO from liability, confirmed the dividend as proposed by the Board of Directors, decided on the Board of Directors' fees and elected the auditor. The Annual General Meeting confirmed the composition of the Board of Directors: Reino Hanhinen (Chairman), Kim Gran (Vice Chairman), Satu Huber and Erkki Järvinen were re-elected as members. Juhani Pitkäkoski and Teuvo Salminen were elected as new members. Until the Annual General Meeting, Henrik Ehrnrooth served as the Chairman of the Board. At its organizational meeting on March 18, 2014, the Board elected the chairmen and members of the Audit Committee and Personnel Committee from among its number.

YIT published stock exchange releases on the resolutions passed at the Annual General Meeting and the organisation of the Board of Directors on March 18, 2014. The stock exchange releases and a presentation of the members of the Board of Directors are available on YIT's website at www.yitgroup.com.

Shares and shareholders

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

Share capital and number of shares

YIT Corporation's share capital and the number of shares outstanding did not change during the review period. YIT Corporation's share capital was EUR 149,216,748.22 at the beginning of 2014 (2013: EUR 149,216,748.22), and the number of shares outstanding was 127,223,422 (2013: 127,223,422).

Treasury shares and authorisations of the Board of Directors

The Annual General Meeting of YIT Corporation resolved on March 18, 2014, to authorise the Board of Directors to purchase the company's shares as proposed by the Board of Directors. In addition to this, the Board of Directors maintains a valid share issue authorisation issued by YIT's Annual General Meeting on March 10, 2010. The authorisation is valid for five years after the date it was granted. The share issue authorisation also includes an authorisation to decide on the conveyance of treasury shares.

YIT Corporation held 1,633,286 treasury shares at the beginning of the review period purchased on the basis of the authorisation given by the General Meeting of October 6, 2008. During the review period, 2,208 shares were returned to the company in accordance with the terms and conditions of the share-based incentive scheme, after which the company held 1,635,494 treasury shares at the end of March 2014.

Trading on shares

The price of YIT's share was EUR 10.17 at the beginning of the year. The closing price of the share on the last trading day of the review period on March 31, 2014, was EUR 7.73. YIT's share price decreased by approximately 24% during the period under review. The highest price of the share during the review period was EUR 10.70, the lowest EUR 7.05 and the average price was EUR 8.88. Share turnover on Nasdaq OMX Helsinki during the review period was EUR 41.0 million shares. The value of the share turnover was EUR 357.2 million.

In addition to the Helsinki Stock Exchange, YIT shares are also traded in other marketplaces, such as Chi-X, BATS and Turquoise. The share of trade volume in alternative marketplaces increased clearly compared to the previous year during the review period. During the review period, 28.0 million YIT Corporation shares changed hands in alternative market places, corresponding to approximately 41% of the total share trade, source: Fidessa Fragmentation Index.

YIT Corporation's market capitalization on the last trading day of the review period on March 31, 2014, was EUR 970.8 million. The market capitalisation has been calculated excluding the shares held by the company.

Number of shareholders and flagging notifications

At the end of March 2014, the number of registered shareholders was 45,294 (3/13: 37,723). At the end of March, a total of 31.0% of the shares were owned by nominee-registered and non-Finnish investors (3/13: 35.8%).

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

Most significant short-term business risks and risk management

YIT classifies as risks factors that might endanger the achievement of the Group's strategic and financial goals if they should materialise. Risks are divided into strategic, operational, financial and event risks. The identification and management of risks take into account the special features of the business and operating environment. Risk management is an integral part of the Group's management, monitoring and reporting systems. The nature and probability of strategic risks is continuously monitored and reported on. A strategic risk assessment is carried out at Group level once a year in connection with the review of the strategy.

In accordance with the strategy of the continuing operations approved by the company's Board of Directors on June 3, 2013, improving resistance to economic cycles and widening financial operating space are key targets of YIT's business operations. In connection with the ratification of the strategy, risk management was highlighted as one of the key focus areas over the next years.

YIT is developing the Group's business structure to be balanced and resistant to economic fluctuations. The Group operates in seven countries and therefore economic fluctuations impact operations at different times in different countries and markets. However, following the partial demerger, the geographical diversification has decreased. The Group's business areas balance each other and improve the Group's resistance to economic fluctuations. Fluctuation in consumer demand for housing in Finland has been balanced through investor deals of residential projects, which has contributed to decreasing the Group's exposure to such fluctuations. The company aims to react to changes in the operating environment in time and to utilise the new business opportunities provided by them through continuous monitoring and analysis.

YIT's typical operational risks include risks related to plot investments, sales risk of self-developed residential and business premises projects, and risks related to contract tenders, service agreements, project management and personnel. YIT manages sales risk by adjusting the number of housing start-ups according to the estimated residential demand and the number of unsold apartments (the figures for residential production are presented under Development by business segment) and by normally securing anchor tenants prior to starting a business premises project and the investor in an early phase of construction. Changes in the availability of mortgages and real estate financing are key risks related to the demand for apartments.

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

Financial risks include risks related to the sufficiency of financing, currency and interest rates, credit and counterparty risks and risks related to the reporting process. Financial risks are managed through accounting and financing policies as well as internal and external auditing.

Approximately 68% of the revenue during the review period was derived from euro countries. The Russian ruble is one of the Group's key currencies, and its significance has increased following the demerger. The Group's most significant currency risk is related to ruble-denominated investments. Capital invested in Russia totalled EUR 515.6 million at the end of the review period (3/13: EUR 600.4 million). The amount of equity or equivalent net investments at the end of the period came to EUR 394.2 million (3/13: EUR 475.0 million). The equity investments in the Russian subsidiaries are unhedged in accordance with the treasury policy, and a potential weakening of the ruble would have a corresponding negative impact on the Group's shareholders' equity. Debt investments in Russian subsidiaries amounted to EUR 121.3 million at the end of the review period (3/13: EUR 125.4 million), and this exposure was hedged in full. The differences in the interest rates between the euro and ruble have an effect on hedging costs and therefore net financial expenses.

Possible event risks include accidents related to personal or information security and sudden and unforeseen material damage to premises, project sites and other property, resulting from fire, collapse or theft, for example. YIT complies with a group-wide security policy covering the different areas of security. A more detailed account of YIT's risk management policy and the most significant risks were published in the Annual Report 2013.

Prolongation and potential escalation of the Ukrainian crisis would probably have a negative effect on YIT's business operations. The management will closely monitor the development of the situation and its potential effects on YIT's business operations. YIT will continue its business operations in Russia normally by developing projects according to demand. Cash flow management is a particular focus area in project development, production and sales.

Events after the review period

YIT's residential sales in Finland, the Baltic countries and Central Eastern Europe have been at a normal level in April. In Russia, activity in the housing market has slowed down slightly compared to the first quarter.

After the review period, YIT signed an agreement on selling the Bisnespaja Avia business premises in Aviapolis, Vantaa, Finland, to the non-UCITS Fund OP-Vuokratuotto.

Outlook for 2014

Guidance for 2014

The Group revenue based on segment reporting is estimated to grow by 0–10% at comparable exchange rates. The operating profit margin based on segment reporting is estimated to be in the range of 7.5–8.5% excluding non-recurring items.

Continuing uncertainty over the general macroeconomic development impacts YIT's business operations and customers. Prolongation and potential escalation of the Ukrainian crisis would probably have a negative effect on YIT's business operations.

Housing

In the long term, residential demand in Finland will be supported by migration to growth centres. Furthermore, the population and the number of households will increase with continued migration and the increasing number of one-person households. YIT estimates that the demand for small apartments, in particular, will remain good.

According to RT's (Confederation of Finnish Construction Industries) April 2014 estimate, the construction of 26,500 apartments will start in Finland during 2014. According to a report published by VTT Technical Research Centre of Finland in January 2012, the annual need for the production of new apartments amounts to 24,000–29,000 apartments. YIT's goal is to strengthen its position as the leading housing developer in Finland.

YIT estimates that housing prices in Finland will remain stable in 2014. The increase in construction costs is expected to be moderate in 2014. The interest rates of mortgages are forecasted to remain low, and slight improvement in consumers' access to financing is expected. However, the macroeconomic uncertainty and the consumer confidence under the long-term average will continue to affect the Finnish housing market.

Residential demand in the Baltic countries is expected to be supported by economic growth. Furthermore, the poor condition of residential buildings creates a need for new high-quality apartments. The volume of residential construction is estimated to grow in the Baltic countries (VTT Technical Research Centre of Finland, December 2013). Euroconstruct estimated in November 2013 that residential start-ups will decline slightly in the Czech Republic and Slovakia in 2014. In the Baltic countries and Central Eastern Europe, residential prices are expected to increase slightly.

The volume of housing construction is estimated to continue growing in Russia in 2014, but the growth is expected to slow down somewhat from the level in the previous years (VTT Technical Research Centre of Finland, December 2013). YIT expects residential prices in Russia to remain stable in 2014. Residential demand has been supported by low unemployment rates and favourable development in the mortgage market. Moreover, the increase in the interest rates on mortgages has levelled off in recent times. Forecasts of economic growth in Russia have been lowered recently and the Russian ruble has weakened significantly against the euro. Prolongation and potential escalation of the Ukrainian crisis would probably have a negative effect on YIT's business operations.

The long-term outlook for Russian residential construction is good. Living space per person is still clearly lower than in Western Europe and housing is in poor condition, which creates the need for new, high-quality housing. Furthermore, the middle class is expected to grow in proportion to the population and the number of household-dwelling units is expected to increase. The development of the mortgage market in Russia has also contributed to the expansion of the potential buyer base. YIT has promoted the availability of mortgages to consumers through extensive cooperation with partner banks.

Business Premises and Infrastructure

The business premises market is expected to continue to be weak in Finland in 2014. Real estate investors are still cautious due to the general economic situation and, in order to control risks, the Helsinki metropolitan area and good tenants are appreciated. The low level of long-term interest rates increases investors' interest in high-yield properties. Vacancy rates for offices are still high, with vacant building stock also including relatively old office premises in poor condition. YIT believes that the demand will focus on modern and energy-efficient offices. Commercial construction is maintained by investments in retail trade and the expansion of foreign retail chains in the Finnish market. Vacancy rates for commercial premises are rather low.

In the Baltic countries, business premises construction is estimated to increase by 5% in 2014 (VTT Technical Research Centre of Finland, December 2013). In Slovakia, business premises construction is expected to decrease by 8% in 2014 (Euroconstruct, November 2013).

Infrastructure construction is estimated to decrease slightly in comparison with 2013 (Euroconstruct, November 2013). The competition is tight, especially for smaller contracts.

Interim Report January 1 – March 31, 2014: Tables

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

1 Summary of Financial Statements

1.1 Consolidated income statement, IFRS and segment reporting POC

EUR million	1-3/14 IFRS	1-3/14 POC	1-3/13 IFRS	1-3/13 POC	Change IFRS	Change POC	1-12/13 IFRS	1-12/13 POC
Continuing operations								
Revenue	403.2	403.1	445.6	452.0	-10%	-11%	1,743.0	1,858.8
of which activities outside Finland	138.7	140.2	127.4	119.3	9%	18%	488.4	622.9
Other operating income and expenses	-376.7	-373.1	-409.3	-410.8	-8%	-9%	-1,621.6	-1,688.7
Share of results of associated companies and joint ventures	0.1	0.1	-0.1	-0.1			0.0	0.0
Depreciation	-3.3	-3.3	-5.2	-5.2	-37%	-37%	-17.4	-17.4
Operating profit	23.2	26.9	31.0	35.9	-25%	-25%	104.0	152.8
% of revenue	5.8%	6.7%	7.0%	7.9%			6.0%	8.2%
Financial income and expenses	-4.4	-8.7	-0.7	-5.3	527%	64%	-9.0	-30.0
Profit before taxes	18.8	18.2	30.3	30.6	-38%	-41%	95.0	122.8
% of revenue	4.7%	4.5%	6.8%	6.8%			5.5%	6.6%
Income taxes 1)	-4.2	-4.0	-7.4	-7.2	-43%	-45%	-24.8	-29.0
Profit for the review period	14.6	14.2	22.9	23.4	-36%	-39%	70.2	93.8
Equity holders of the parent company	14.6	14.3	22.9	23.4	-36%	-39%	70.3	93.9
Non-controlling interest	-0.0	-0.0	-0.0	-0.0	-42%	220%	-0.1	-0.1
Discontinued operations								
Profit for the review period			2.2	2.2			287.5	287.5
Equity holders of the parent company			2.2	2.2			287.5	287.5
Non-controlling interest								
Continuing and discontinued operations, total								
Profit for the review period	14.6	14.2	25.1	25.6	-42%	-44%	357.6	381.3
Equity holders of the parent company	14.6	14.3	25.1	25.6	-42%	-44%	357.7	381.3
Non-controlling interest	-0.0	-0.0	-0.0	-0.0	-42%	220%	-0.1	-0.1
Earnings per share, attributable to the equity holders of the parent company, diluted and undiluted, EUR								
Continuing operations	0.12	0.11	0.18	0.19	-33%	-42%	0.56	0.75
Discontinued operations			0.02	0.01		-100%	2.30	2.29
Continuing and discontinued operations, total	0.12	0.11	0.20	0.20	-40%	-45%	2.86	3.04

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

1.2 Statement of comprehensive income, IFRS

EUR million	1-3/14	1-3/13	Change	1-12/13
Continuing operations				
Profit for the review period	14.6	22.9	-36%	70.2
Items that may be reclassified subsequently to profit/loss:				
Cash flow hedges	0.2	0.7	-71%	3.0
-Deferred tax	-0.0	-0.2	-76%	-0.8
Change in fair value of for available for sale investments	-0.0			0.0
-Deferred tax	0.0			0.0
Change in translation differences	-29.9	6.4		-50.3
Other comprehensive income, total	-29.7	6.9		-48.1
Total comprehensive result	-15.1	29.8		22.1
Attributable to equity holders of the parent company	-15.1	29.8		22.2
Attributable to non-controlling interest	-0.0	-0.0		-0.1
Discontinued operations				
Total comprehensive result		3.7		287.5
Attributable to equity holders of the parent company		3.7		287.5
Attributable to non-controlling interest				
Continuing and discontinued operations total				
Total comprehensive result	-15.1	33.5		309.5
Attributable to equity holders of the parent company	-15.1	33.5		309.6
Attributable to non-controlling interest	-0.0	-0.0		-0.1

1.3 Consolidated balance sheet, IFRS and segment reporting POC

EUR million	3/14 IFRS	3/14 POC	3/13 IFRS	3/13 POC	12/13 IFRS	12/13 POC
ASSETS						
Non-current assets						
Property, plant and equipment	62.6	62.6	107.5	107.5	65.2	65.2
Goodwill	10.9	10.9	346.6	346.6	10.9	10.9
Other intangible assets	7.4	7.4	58.5	58.5	7.1	7.1
Shares in associated companies and joint ventures	0.6	0.6	0.5	0.5	0.5	0.5
Other investments	0.8	0.8	3.3	3.3	0.8	0.8
Other receivables	3.3	3.3	4.8	4.8	0.6	0.6
Deferred tax assets	42.4	33.7	53.3	46.0	41.1	32.8
Current assets						
Inventories	2,008.5	1,638.4	1,956.9	1,627.5	2,062.1	1,674.3
Trade and other receivables	298.6	355.3	982.5	1,023.3	288.0	342.8
Cash and cash equivalents	79.7	79.7	130.3	130.3	76.3	76.3
Total assets	**2,514.6**	**2,192.5**	**3,644.3**	**3,348.3**	**2,552.6**	**2,211.3**
EQUITY AND LIABILITIES						
Equity						
Share capital	149.2	149.2	149.2	149.2	149.2	149.2
Other equity	486.1	557.6	794.0	855.1	548.5	625.2
Non-controlling interest	0.5	0.5	1.0	1.0	0.4	0.5
Equity total	**635.9**	**707.4**	**944.2**	**1005.4**	**698.2**	**774.9**
Non-current liabilities						
Deferred tax liabilities	17.0	25.9	95.8	98.3	14.4	25.1
Pension liabilities	0.7	0.7	45.2	45.2	0.7	0.7
Provisions	42.5	42.5	49.6	49.6	42.5	42.5
Borrowings	277.4	277.4	459.7	459.7	305.1	305.1
Other liabilities	31.4	29.0	37.3	30.1	35.0	33.1
Current liabilities						
Advances received	499.5	174.2	597.7	323.2	514.3	161.9
Trade and other payables	346.4	346.0	860.7	862.5	370.5	370.1
Provisions	21.3	20.6	44.6	45.1	19.0	19.1
Borrowings	642.5	568.8	509.6	429.3	552.9	478.8
Liabilities total	**1,878.7**	**1,485.1**	**2,700.1**	**2,343.0**	**1,854.4**	**1,436.4**
Total equity and liabilities	**2,514.6**	**2,192.5**	**3,644.3**	**3,348.3**	**2,552.6**	**2,211.3**

The balance sheet for the comparison period 3/13 includes the assets and liabilities related to YIT's Building Services business, which were transferred to Caverion Group in the partial demerger that took place on June 30, 2013.

1.4 Consolidated cash flow statement

EUR million	1-3/14	1-3/13	Change	1-12/13
Net profit for the period	14.6	22.9	-36%	70.2
Reversal of accrual-based items	17.1	12.6	35%	61.3
Change in trade and other receivables	-14.6	-2.1	595%	-42.8
Change in inventories	-9.1	-39.6	-77%	-296.8
Change in current liabilities	-13.8	18.7		186.9
Change in working capital, total	-37.5	-23.0	63%	-152.7
Cash flow of financial items	-2.3	-11.4	-80%	-27.6
Taxes paid	-2.7	-3.9	-32%	-43.7
Continuing operations, total	-10.9	-2.6	318%	-92.5
Discontinued operations	-1.2	-1.0	25%	-30.7
Net cash generated from operating activities	**-12.1**	**-3.6**	**236%**	**-123.2**
Acquisition of subsidiaries, net of cash	-0.2			-4.9
Cash outflow from investing activities	-2.0	-3.6	-44%	-15.1
Cash inflow from investing activities	0.8	1.0	-17%	24.7
Continuing operations, total	-1.4	-2.7	-48%	4.7
Discontinued operations		-1.2		-17.2
Net cash used in investing activities	**-1.4**	**-3.9**	**-64%**	**-12.5**
Operating cash flow after investments	**-13.5**	**-7.5**	**80%**	**-135.7**
Change in loan receivables	0.6	2.4	-76%	5.1
Change in current liabilities	27.8	57.2	-51%	133.2
Proceeds from borrowings	67.2			27.7
Repayments of borrowings	-32.9	-5.3	521%	-132.9
Payments of financial leasing debts	-0.1	-0.1	-23%	-0.3
Dividends paid and other distribution of assets	-43.2	-87.9	-51%	-94.0
Continuing operations, total	19.3	-33.7		-61.2
Discontinued operations		-3.7		147.2
Net cash used in financing activities	**19.3**	**-37.4**		**86.0**
Net change in cash and cash equivalents	5.8	-44.9		-49.7
Cash and cash equivalents at the beginning of the period	76.3	174.6	-56%	174.6
Cash and cash equivalents transferred in demerger				-43.8
Change in the fair value of the cash equivalents	-2.5	0.6		-4.7
Cash and cash equivalents at the end of the period	79.7	130.3	-39%	76.3

1.5 Consolidated statement of changes in equity, IFRS

	Equity attributable to equity holders of the parent company									
EUR million	Share capital	Legal reserve	Other reserve	Translation differences	Fair value reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Equity total
Equity on January 1, 2013	149.2	1.9	3.8	-6.1	-3.4	-9.2	869.8	1,005.9	3.3	1,009.2
Comprehensive income										
Profit for the period							25.1	25.1	-0.0	25.1
Other comprehensive income:										
Cash flow hedges					0.7			0.7		0.7
- Deferred tax asset					-0.2			-0.2		-0.2
Change in fair value of available-for-sale assets					0.0			0.0		0.0
- Deferred tax asset					0.0			0.0		0.0
Translation differences				7.9				7.9		7.9
Comprehensive income, total				**7.9**	**0.5**		**25.1**	**33.5**	**-0.0**	**33.4**
Transactions with owners										
Dividend distribution							-94.0	-94.0		-94.0
Share-based incentive schemes							0.7	0.7		0.7
Transactions with owners, total							**-93.4**	**-93.4**	**-0.0**	**-93.4**
Changes in ownership shares in subsidiaries										
Acquisition of non-controlling interest, no loss of control							-2.9	-2.9	-2.3	-5.1
Changes in ownership shares in subsidiaries, total							**-2.9**	**-2.9**	**-2.3**	**-5.1**
Equity on March 31, 2013	**149.2**	**1.9**	**3.8**	**1.7**	**-2.9**	**-9.2**	**798.6**	**943.2**	**1.0**	**944.2**

The balance sheet for the comparison period 3/13 includes the equity related to YIT's Building Services business, which was transferred to Caverion Group in the partial demerger that took place on June 30, 2013.

EUR million	Share capital	Legal reserve	Other reserve	Translation differences	Fair value reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Equity total
	Equity attributable to equity holders of the parent company									
Equity on January 1, 2013	149.2	1.9	3.8	-6.1	-3.4	-9.2	869.8	1,005.9	3.3	1,009.2
Comprehensive income										
Profit for the period							357.7	357.7	-0.1	357.6
Other comprehensive Income:										
Cash flow hedges					3.0			3.0		3.0
- Deferred tax asset					-0.8			-0.8		-0.8
Change in fair value of available-for-sale assets					0.0			0.0		0.0
- Deferred tax asset					0.0			0.0		0.0
Translation differences				-50.3				-50.3		-50.3
Comprehensive income, total				**-50.3**	**2.2**	**0.0**	**357.7**	**309.6**	**-0.1**	**309.5**
Transactions with owners										
Dividend distribution							-94.0	-94.0		-94.0
Share-based incentive schemes			-3.8			1.0	4.5	1.7		1.7
Assets transferred in the demerger, fair value							-515.2	-515.2		-515.2
Demerger effect		-0.4		-7.7	0.1			-8.0	-0.6	-8.6
Transactions with owners, total		**-0.4**	**-3.8**	**-7.7**	**0.1**	**1.0**	**-604.7**	**-615.7**	**-0.6**	**-616.3**
Changes in ownership shares in subsidiaries										
Acquisition of non-controlling interest, no loss of control							-2.2	-2.2	-2.2	-4.4
Changes in ownership shares in subsidiaries, total							**-2.2**	**-2.2**	**-2.2**	**-4.4**
Equity on December 31, 2013	**149.2**	**1.5**		**-64.1**	**-1.2**	**-8.2**	**620.5**	**697.7**	**0.4**	**698.2**

	Equity attributable to equity holders of the parent company									
EUR million	Share capital	Legal reserve	Other reserve	Translation differences	Fair value reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Equity total
Equity on January 1, 2014	149.2	1.5		-64.1	-1.2	-8.2	620.5	697.7	0.4	698.2
Comprehensive income										
Profit for the period							14.6	14.6	-0.0	14.6
Other comprehensive Income:										
Cash flow hedges					0.2			0.2		0.2
- Deferred tax asset					-0.0			-0.0		-0.0
Change in fair value of available-for-sale assets					-0.0			-0.0		-0.0
- Deferred tax asset					0.0			0.0		0.0
Translation differences				-29.9				-29.9		-29.9
Other change							0.2	0.2		0.2
Comprehensive income, total				**-29.9**	**0.2**		**14.8**	**-14.9**	**-0.0**	**-14.9**
Transactions with owners										
Dividend distribution							-47.7	-47.7		-47.7
Share-based incentive schemes							0.2	0.2		0.2
Transactions with owners, total							**-47.5**	**-47.5**		**-47.5**
Change in non-controlling interest									0.1	0.1
Equity on March 31, 2014	**149.2**	**1.5**		**-94.0**	**-1.0**	**-8.2**	**587.8**	**635.3**	**0.5**	**635.9**

2 Notes, segment reporting

2.1 Segment reporting accounting principles

In reporting to the management the revenue from own residential and commercial development projects is recognised by multiplying the degree of completion and the degree of sale, i.e. according to the percentage of completion method, which does not fully comply with Group's IFRS accounting principles. According to the Group's IFRS accounting principles revenue from own residential construction projects is recognised on completion and the commercial development projects the recognition practice will be evaluated on a case-by-case basis and in accordance with the terms and conditions of each contract. The share of income and expenses to be recognised is calculated by multiplying the percentage of completion by the percentage of sale multiplied by the occupancy rate. YIT usually sells own commercial development projects to investors either prior to construction or during an early phase. The impact of the difference in reporting principles is shown in the line IFRS adjustment. As a result of the accounting policy, Group figures can fluctuate greatly between quarters.

In addition in group reporting the interest expenses are capitalized according to IAS 23 standard, which causes differences in operating profit and financial expenses between segment reporting and group reporting.

The chief operating decision-maker is the YIT Group's Management Board, which reviews the Group's internal reporting in order to assess performance and allocate resources to the segments.

2.2 Revenue, segment reporting POC

Continuing operations, EUR million	1-3/14	1-3/13	Change	1-12/13
Housing	281.3	286.2	-2%	1,152.2
Finland, the Baltic countries and Central Eastern Europe	*172.9*	*188.6*	*-8%*	*656.2*
Russia	*108.5*	*97.6*	*11%*	*496.0*
Business Premises and Infrastructure	121.1	158.8	-24%	688.9
Other items	0.7	7.0		17.8
Revenue total, POC	403.1	452.0	-11%	1,858.8
IFRS adjustment	0.0	-6.4		-115.9
Revenue total, IFRS	403.2	445.6	-10%	1,743.0

2.3 Operating profit and operating profit margin, segment reporting POC

Operating profit

Continuing operations, EUR million	1-3/14	1-3/13	Change	1-12/13
Housing	28.9	35.0	-17%	135.8
Finland, the Baltic countries and Central Eastern Europe	*16.8*	*22.4*	*-25%*	*65.7*
Russia	*12.2*	*12.6*	*-3%*	*70.2*
Business Premises and Infrastructure	0.2	3.1	-94%	30.5
Other items	-2.3	-2.2		-13.6
Operating profit total, POC	26.9	35.9	-25%	152.8
IFRS adjustment	-3.7	-4.9		-48.8
Operating profit total, IFRS	23.2	31.0	-25%	104.0

Operating profit margin

Continuing operations, %	1-3/14	1-3/13	1-12/13
Housing	10.3%	12.2%	11.8%
Finland, the Baltic countries and Central Eastern Europe	*9.7%*	*11.9%*	*10.0%*
Russia	*11.2%*	*12.9%*	*14.1%*
Business Premises and Infrastructure	0.2%	1.9%	4.4%
Group total, POC	6.7%	7.9%	8.2%
Group total, IFRS	5.8%	7.0%	6.0%

2.4 Order backlog, segment reporting POC

Continuing operations, EUR million	3/14	3/13	Change	12/13
Housing	2,027.3	1,996.4	2%	2,070.8
Finland, the Baltic countries and Central Eastern Europe	*956.7*	*890.7*	*7%*	*970.8*
Russia	*1,070.6*	*1,105.7*	*-3%*	*1,100.0*
Business Premises and Infrastructure	669.4	713.8	-6%	642.9
Order backlog, POC	2,696.7	2,710.2	0%	2,713.7
IFRS adjustment	449.7	335.7		470.9
Order backlog, IFRS	3,146.4	3,045.9	3%	3,184.6

2.5 Personnel at the end of the period

Continuing operations	3/14	3/13	Change	12/13
Housing	3,858	4,174	-8%	3,818
Finland, the Baltic countries and Central Eastern Europe	*1,857*	*1,966*	*-6%*	*1,832*
Russia	*2,001*	*2,208*	*-9%*	*1,986*
Business Premises and Infrastructure	1,905	2,180	-13%	2,037
Group Services	313	335	-7%	317
Personnel, total	6,076	6,689	-9%	6,172

2.6 Group figures by quarter, segment reporting POC

Revenue by segments

Continuing operations, EUR million	1-3/14	10-12/13	7-9/13	4-6/13	1-3/13
Housing	281.3	347.7	270.4	247.9	286.2
Finland, the Baltic countries and Central Eastern Europe	*172.9*	*196.0*	*140.0*	*131.6*	*188.6*
Russia	*108.5*	*151.7*	*130.4*	*116.3*	*97.6*
Business Premises and Infrastructure	121.1	171.7	181.4	177.0	158.8
Other items	0.7	1.9	2.8	6.1	7.0
Revenue total, POC	403.1	521.3	454.7	430.9	452.0
IFRS adjustment	0.0	-24.0	-91.7	6.2	-6.4
Revenue total, IFRS	403.2	497.3	363.0	437.1	445.6

Operating profit by segments

Continuing operations, EUR million	1-3/14	10-12/13	7-9/13	4-6/13	1-3/13
Housing	28.9	35.5	34.8	30.6	35.0
Finland, the Baltic countries and Central Eastern Europe	*16.8*	*14.9*	*14.7*	*13.7*	*22.4*
Russia	*12.2*	*20.5*	*20.1*	*17.0*	*12.6*
Business Premises and Infrastructure	0.2	9.5	8.0	9.9	3.1
Other items	-2.3	-3.8	-5.4	-2.2	-2.2
Operating profit total, POC	26.9	41.2	37.4	38.3	35.9
IFRS adjustment	-3.7	-12.2	-25.7	-6.0	-4.9
Operating profit total, IFRS	23.2	29.0	11.7	32.3	31.0

Operating profit margin by segments

Continuing operations, %	1-3/14	10-12/13	7-9/13	4-6/13	1-3/13
Housing	10.3%	10.2%	12.9%	12.3%	12.2%
Finland, the Baltic countries and Central Eastern Europe	*9.7%*	*7.6%*	*10.5%*	*10.4%*	*11.9%*

Russia	*11.2%*	*13.5%*	*15.4%*	*14.6%*	*12.9%*
Business Premises and Infrastructure	0.2%	5.5%	4.4%	5.6%	1.9%
Group total, POC	6.7%	7.9%	8.2%	8.9%	7.9%
Group total, IFRS	5.8%	5.8%	3.2%	7.4%	7.0%

Key figures, segment reporting POC

	1-3/14	10-12/13	7-9/13	4-6/13	1-3/13
Profit before taxes, EUR million	18.2	32.5	29.9	29.8	30.6
Profit for the review period, attributable to equity holders of the parent company, EUR million					
-continuing operations	14.3	24.3	23.1	23.0	23.4
-discontinued operations		-0.9		286.2	2.2
-continuing and discontinued operations total	14.3	23.3	23.1	309.2	25.6
Earnings per share, diluted and undiluted, EUR					
- continuing operations	0.11	0.19	0.18	0.18	0.19
- discontinued operations		-0.01		2.29	0.01
- continuing and discontinued operations, total	0.11	0.18	0.18	2.47	0.20
	3/14	**12/13**	**9/13**	**6/13**	**3/13**
Equity per share, EUR	5.63	6.17	6.10	6.01	6.23
Invested capital, EUR million	1,553.7	1,558.8	1,592.8	1,492.5	1,443.4
Return on investment, from the last 12 months, %	10.2%	10.3%	12.3%	13.9%	15.0%
Equity ratio, %	35.0%	37.8%	37.0%	38.5%	40.7%
Net interest-bearing debt, EUR million	766.6	707.6	774.4	688.1	597.5
Gearing, %	108.4%	91.3%	101.1%	91.2%	76.4%
Personnel at the end of the period	6,076	6,172	6,384	6,904	6,689

The balance sheet-based key figures presented in the table have been calculated on the basis of the balance sheet according to segment reporting. The comparison periods exclude the assets and liabilities related to YIT's Building Services business, which were transferred to Caverion Group in the partial demerger that took place on June 30, 2013.

Order backlog by segments

Continuing operations, EUR million	3/14	12/13	9/13	6/13	3/13
Continuing operations					
Housing	2,027.3	2,070.8	2,115.7	2,092.7	1,996.4
Finland, the Baltic countries and Central Eastern Europe	*956.7*	*970.8*	*1,053.9*	*1,080.0*	*890.7*
Russia	*1,070.6*	*1,100.0*	*1,061.8*	*1,012.7*	*1,105.7*
Business Premises and Infrastructure	669.4	642.9	697.7	718.0	713.8
Order backlog total, POC	2,696.7	2,713.7	2,813.4	2,810.8	2,710.2
IFRS adjustment	449.7	470.9	446.1	365.2	335.7
Order backlog total, IFRS	3,146.4	3,184.6	3,259.5	3,176.0	3,045.9

Operative invested capital*

Continuing operations, EUR million	3/14	12/13	9/13	6/13	3/13
Housing	1,198.2	1,225.8	1,243.9	1,182.0	1,175.8
Finland, the Baltic countries and Central Eastern Europe	*649.0*	*651.8*	*671.5*	*617.3*	*586.2*
Russia [1)]	*549.2*	*574.0*	*572.4*	*564.8*	*575.4*
Business Premises and Infrastructure	208.8	189.8	215.9	176.9	146.3

Return on operative invested capital*

Continuing operations, rolling 12 months, %	3/14	12/13
Housing	10.9%	11.2%
Finland, the Baltic countries and Central Eastern Europe	*9.7%*	*10.3%*
Russia [1]	*12.4%*	*12.3%*
Business Premises and Infrastructure	15.6%	20.6%

*Only operational items are taken into account in calculating the segments' invested capital.
[1] Includes the Gorelovo industrial park.

3 Notes, IFRS

3.1 Group figures by quarter, IFRS

	1-3/14	10-12/13	7-9/13	4-6/13	1-3/13
Revenue, EUR million	403.2	497.3	363.0	437.1	445.6
Operating profit, EUR million	23.2	29.0	11.7	32.3	31.0
% of revenue	5.8%	5.8%	3.2%	7.4%	7.0%
Financial income and expenses net, EUR million	-4.4	-1.2	-2.9	-4.1	-0.7
Profit before taxes, EUR million	18.8	27.8	8.8	28.2	30.3
% of revenue	4.7%	5.6%	2.4%	6.4%	6.8%
Earnings per share, EUR					
-continuing operations	0.12	0.14	0.06	0.18	0.18
-discontinued operations		-0.01		2.28	0.02
-continuing and discontinued operations total	0.12	0.13	0.06	2.46	0.20
Gross capital expenditures, EUR million	2.0	5.4	0.9	5.2	9.6
% of revenue	0.5%	1.1%	0.3%	1.2%	0.9%

	3/14	12/13	9/13	6/13	3/13
Balance sheet total, EUR million	2,514.6	2,552.6	2,540.0	2,426.8	3,644.3
Equity per share, EUR	5.06	5.56	5.52	5.54	7.52
Average share price during the period, EUR	8.88	13.01	14.11	15.75	16.74
Share price at the end of the period, EUR	7.73	10.16	10.29	13.19	16.25
Weighted average share-issue adjusted number of shares outstanding, diluted and undiluted, 1,000 pcs	125,590	125,529	125,507	125,462	125,383
Share-issue adjusted number of shares outstanding at the end of the period, 1,000 pcs	125,588	125,590	125,591	125,596	125,380
Market capitalisation at the end of the period, EUR million	970.8	1,276.0	1,292.3	1,656.6	2,037.4
Return on investment, from the last 12 months, %	6.1%	6.1%	8.3%	10.7%	10.5%
Equity ratio, %	31.6%	34.3%	33.6%	34.9%	31.1%
Net interest-bearing debt, EUR million	840.3	781.7	857.3	764.4	839.0
Gearing ratio, %	132.1%	112.0%	123.7%	109.8%	88.9%
Unrecognised order backlog at the end of the period, EUR million	3,146.4	3,184.6	3,259.5	3,176.0	3,045.9
- of which activities outside Finland, EUR million	1,568.3	1,617.8	1,548.5	1,462.1	1,506.7
Personnel at the end of the period	6,076	6,172	6,384	6,904	6,689
Personnel, average from the beginning of the year	6,102	6,575	6,682	6,692	6,658

The balance sheet-based key figures presented in the table have been calculated on the basis of the official balance sheet for the comparison periods, the balance sheet 3/13 includes the assets and liabilities related to YIT's Building Services business, which were transferred to Caverion Group in the partial demerger that took place on June 30, 2013. Also the business operations of Caverion Corporation were included in the YIT share and its value until June 30, 2013. For these reasons, pre-demerger figures are not comparable to the figures after the demerger.

3.2 Accounting principles of the Interim Report

YIT Corporation's Interim Report for January 1 – March 31, 2014, has been drawn up in line with IAS 34: Interim Financial Reporting. The information presented in the Interim Report has not been audited. In the Interim Report the figures are presented in million euros doing the rounding on each line, which may cause some rounding inaccuracies in column and total sums.

The Interim Report has been prepared in compliance with the International Financial Reporting standards, and the principles for preparing the Interim Report are the same as those used for preparing the financial statements December 31, 2013.

Currency exchange rates used in the Interim Report

		Average rate 1-3/14	Average rate 1-3/13	Balance sheet rate 3/14	Balance sheet rate 3/13
1 EUR =	CZK	27.4412	25.5690	27.4420	25.7400
	PLN	4.1846	4.1558	4.1719	4.1804
	RUB	48.0719	40.1446	48.7800	39.7617
	LTL	3.4528	3.4528	3.4528	3.4528

3.3 Definitions of key financial figures

Return on investment (ROI, %) =	Group's profit before taxes + interest expenses + other financial expenses +/- exchange rate differences x 100 / Balance sheet total - non-interest bearing liabilities (average)
Segment's operative invested capital =	Tangible and intangible assets + goodwill + shares in associated companies + investments + inventories + trade receivables + other non-interest bearing operational receivables *) - provisions - trade payables - advances received – other non-interest bearing liabilities *) *) excluding items associated with taxes, distribution of profit and financial items
Return on operative invested capital (%) =	Segment's operating profit / Segment's operative invested capital (average)
Equity ratio (%) =	Equity + non-controlling interest x 100 / Balance sheet total - advances received
Gearing ratio (%) =	Interest-bearing liabilities - cash and cash equivalents x 100 / Shareholders' equity + non-controlling interest
Segment reporting, earnings / share (EUR) =	Net profit for the period (attributable to equity holders), segment reporting / Share issue-adjusted average number of outstanding shares during the period
Group IFRS reporting, earnings / share (EUR) =	Net profit for the period (attributable to equity holders), group reporting / Share issue-adjusted average number of outstanding shares during the period
Equity/share (EUR) =	Equity / Share issue-adjusted number of outstanding shares at the end of the period
Market capitalisation =	(Number of shares - treasury shares) x share price on the closing date by share series

3.4 Unusual items affecting operating profit

EUR million	1-3/14	1-3/13	Change	1-12/13
Housing				-0.5
Business Premises and Infrastructure				-0.5
Other items				-0.2
Group total				**-1.2**

At the end of 2013, the company made decisions to change the business control structure and make rearrangements in shared services. In addition, it was decided to adjust the organisation of Finnish business operations to the current market situation. In December 2013, the company launched cooperation negotiations concerning fixed salaried employees. A total of 750 salaried employees fell within the sphere of the negotiations. The negotiations were completed in January 2014, and approximately 50 dismissals were carried out. The costs amounted EUR 1.2 million incurred for the restructuring are recognised in the last quarter of year 2013.

3.5 Business combinations and disposals

There have been no acquisitions or disposals in year 2014.

3.6 Discontinued operations

The profit of the discontinued operations and profit recognised from asset valuation of assets held for sale are as follows:

EUR million	1-3/14	1-3/13	Change	1-12/13
Revenue		607.9		1,260.6
Other income and expenses		-604.7		-1,249.8
Profit before taxes		3.2		10.8
Taxes		-1.0		-3.0
Profit of business transferred to Caverion after taxes		2.2		7.8
Recognised profit from asset valuation of discontinued operations				293.0
Demerger costs				-18.0
Taxes related to demerger costs				4.5
Profit for the review period, discontinued operations		**2.2**		**287.5**

3.7 Property, plant and equipment

EUR million	1-3/14	1-3/13	Change	1-12/13
Carrying value at the beginning of the period	65.2	110.6	-41%	110.6
Translation difference	-0.7	0.1		-1.6
Increase	1.5	3.5	-57%	8.1
Decrease	-0.6	-0.9	-29%	-9.3
Discontinued operations				-29.9
Depreciation and value adjustments	-3.0	-5.8	-49%	-13.5
Reclassifications	0.2	-0.1		0.8
Carrying value at the end of the period	**62.6**	**107.5**	**-42%**	**65.2**

The balance sheet for the comparison period 3/13 includes the assets related to YIT's Building Services business, which was transferred to Caverion Group in the partial demerger that took place on June 30, 2013.

3.8 Inventories

EUR million	3/14	3/13	Change	12/13
Raw materials and consumables	9.5	37.3	-75%	10.2
Work in progress	1,021.1	899.4	14%	1,053.4
Land areas and plot owning companies	649.4	690.6	-6%	681.2
Shares in completed housing and real estate companies	246.4	239.6	3%	235.7
Advance payments	81.7	89.0	-8%	81.0
Other inventories	0.4	1.1	-60%	0.4
Total inventories	**2,008.5**	**1,956.9**	**3%**	**2,062.1**

The balance sheet for the comparison period 3/13 includes the assets related to YIT's Building Services business, which was transferred to Caverion Group in the partial demerger that took place on June 30, 2013.

3.9 Notes on equity

Share capital and share premium reserve	Number of outstanding shares, pcs	Osakepääoma, EUR million	Treasury shares, EUR million
Shares outstanding on January 1, 2014	125,590,136	149.2	-8.2
Return of treasury shares January 1 - March 31, 2014	-2,208		
Shares outstanding on March 31, 2014	**125,587,928**	**149.2**	**-8.2**

3.10 Financial risk management

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

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

A more detailed account of financial risks has been published in the notes to the financial statements for 2013.

3.11 Borrowings and fair value

Borrowings which have different fair value and carrying value

EUR million	3/14 Carrying value	3/14 Fair value	12/13 Carrying value	12/13 Fair value
Non-current liabilities				
Bonds	107.8	112.9	210.5	218.9
Loans from credit institutions	97.5	88.4	20.0	21.0
Pension loans	71.9	70.6	73.6	72.8
Other loans			0.6	0.6
Non-current liabilities, total	277.2	271.9	304.8	313.3
Current liabilities				
Bonds	155.3	158.7	83.8	83.9

The fair values of bonds are based on the market price at the closing date. The fair values of other non-current loans are based on discounted cash flows. Discount rate is defined to be the rate YIT Group was to pay for equivalent external loans at the year-end. It consists of risk free market rate and company and maturity related risk premium of 1.60-3.30% (0.80-4.00%) p.a.

Fair value estimation

Group measures the fair value measurement hierarchy as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability,

either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3: Inputs for the asset or liability that are not based on observable market data.
Following table presents the group's assets and liabilities that are measured at fair value and their levels.

Assets, EUR million	3/14 Level 1	3/14 Level 2	12/13 Level 1	12/13 Level 2
Available-for-sale investments	0.1		0.1	
Derivatives (hedge accounting not applied)		0.3		1.8
Total assets	**0.1**	**0.3**	**0.1**	**1.8**

Velat, EUR million	3/14 Level 1	3/14 Level 2	12/13 Level 1	12/13 Level 2
Derivatives (hedge accounting not applied)		2.1		1.7
Derivatives (hedge accounting applied)		1.3		1.5
Total liabilities		**3.4**		**3.2**

There were neither transfers between level 1 and 2 nor assets categorised at level 3.

3.12 Change in contingent liabilities and assets and commitments

EUR million	3/14	3/13	Change	12/13
Collateral given for own commitments				
Corporate mortgages		10.8		
Guarantees on behalf of its associated companies	6.8	7.0	-3%	6.8
Other commitments				
Repurchase commitments	456.4	363.1	26%	319.0
Operating leases	148.1	333.9	-56%	165.0
Rental guarantees for clients	0.9	1.5	-44%	1.6
Other contingent liabilities		1.3		
Guarantees given		0.0		
Liability under derivative contracts				
Value of underlying instruments				
Interest rate derivatives	303.0	575.8	-47%	338.0
Foreign exchange derivatives	68.8	155.6	-56%	146.5
Commodity derivatives	0.0	1.4		0.0
Fair value				
Interest rate derivatives	-3.4	-12.1	-72%	-2.4
Foreign exchange derivatives	0.3	-0.4		1.3
Commodity derivatives	0.0	-0.9		0.0
YIT Corporation's guarantees on behalf of its subsidiaries	946.0	1,496.1	-37%	956.7

As a result of the partial demerger registered on June 30, 2013, YIT Corporation had secondary liability for guarantees transferred to Caverion Corporation, with a maximum total amount of EUR 131.7 million on March 31, 2014.

Contingent liabilities and assets for the comparison periods include contingent liabilities and assets of YIT's building services business, transferred to Caverion Corporation in the partial demerger that took place on June 30, 2013.

3.13 Transactions with associated companies and joint ventures

EUR million	1-3/14	1-3/13	Change	1-12/13
Sales	2.6	14.6	-82%	74.6
Purchases				
EUR million	**3/14**	**3/13**	**Change**	**12/13**
Trade and other receivables	0.0			0.0
Trade and other liabilities				

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