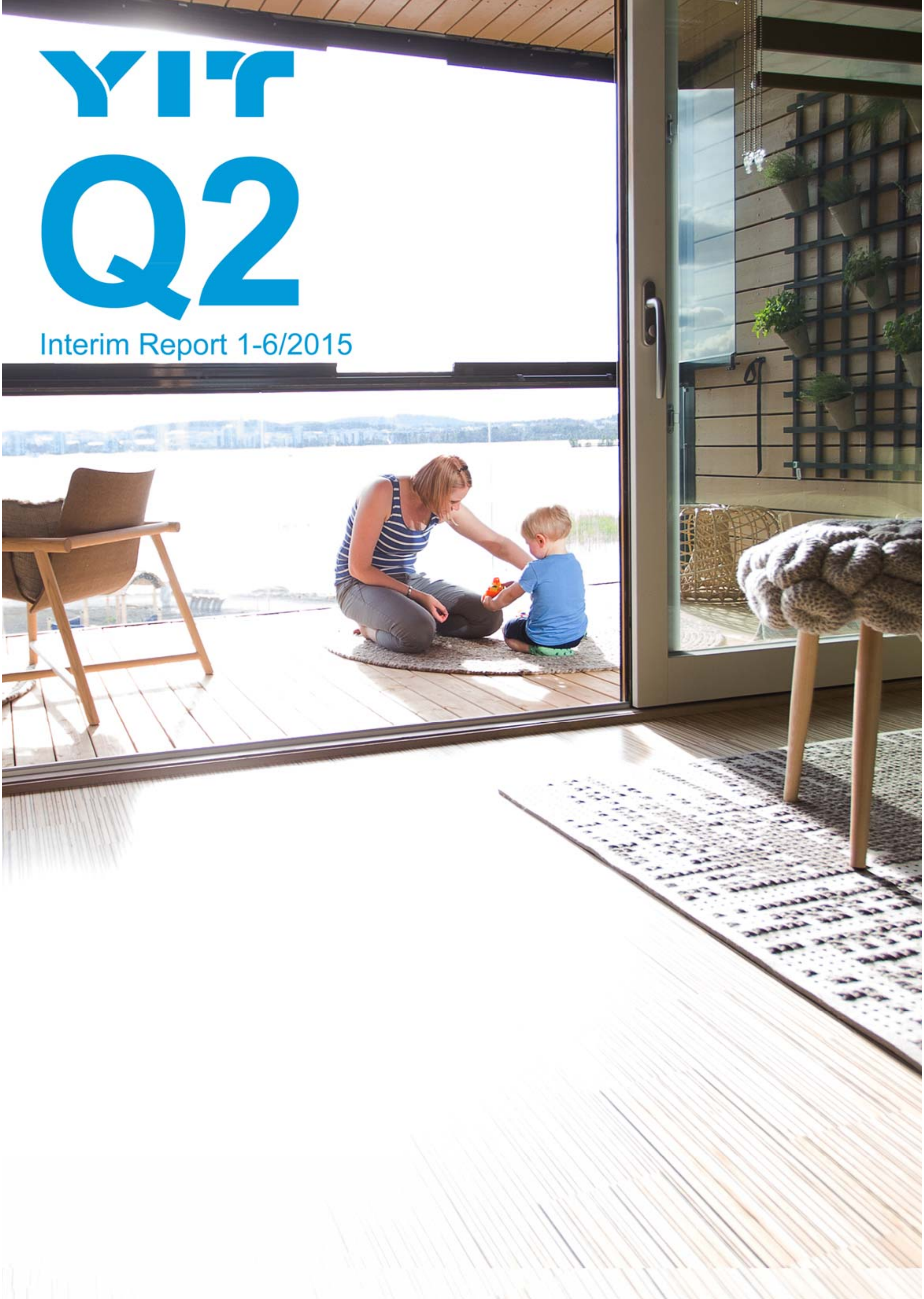
YIT

Q2

Interim Report 1-6/2015



Interim Report January 1–June 30, 2015: Net debt target reached ahead of schedule, order backlog turned to growth

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

April-June 2015 (Segment reporting, POC)

- Revenue decreased by 8% to EUR 416.1 (451.4) million. At comparable exchange rates, revenue decreased by 5%.
- Operating profit amounted to EUR 18.6 (34.7) million and operating profit margin was 4.5% (7.7%).
- Order backlog increased by 19% from the end of March, amounting to EUR 2,573.5 million.
- Operating cash flow after investments amounted to EUR 113.3 (-16.4) million.

January-June 2015 (Segment reporting, POC)

- Revenue decreased by 7% to EUR 791.0 (854.5) million. At comparable exchange rates, revenue decreased by 2%.
- Operating profit amounted to EUR 39.1 (61.5) million and operating profit margin was 4.9% (7.2%).
- Operating cash flow after investments amounted to EUR 128.4 (-28.7) million.

Guidance for 2015 unchanged (segment reporting, POC)

The Group revenue growth is estimated to be in the range of -5 – 5% at comparable exchange rates.

The operating profit margin excluding non-recurring items is estimated to be below the level of 2014.

Kari Kauniskangas, President and CEO:

One of our most important ambitions for the ongoing strategy period has been to increase the financial operating space. Our cash flow was again very strong in the second quarter of 2015, and we reached our net debt target – set for the end of 2016 – well ahead of schedule. Our order backlog turned to growth in each segment. Actions to increase the financial operating space weigh on our profitability in the short term, but stronger balance sheet, improving the capital efficiency of our business model and solid order backlog enable profitable growth in the coming years.

In the second quarter, we progressed well also in our other strategic focus areas. In the Business Premises and Infrastructure segment, we secured contracts that require special expertise and co-operation projects worth over EUR 400 million. In June, we signed a contract together with Meridiam on the E18 Hamina-Vaalimaa motorway project, and a consortium comprising of YIT, VR Track and Pöyry was selected to carry out the Tampere light rail alliance project.

We are also pleased with the development of our business in the CEE countries. Strong growth saw the CEE countries account for already 11% of our revenue in the second quarter, and a steady improvement in profitability meant that the CEE countries accounted for an even larger share of the operating profit.

In Finnish housing, residential start-ups were on a good level. In addition to securing new investor projects we increased start-ups for consumers from previous quarters' levels.

In Russia, housing demand has decreased from last year's level, but YIT's decrease in sales has been lower than that of our most significant competitors. However, we are not satisfied with the segment's current profitability level. We will continue adjusting our operations and strengthening our competitiveness.

Our profitability has also been burdened by capital release measures and changes in the Finnish sales mix but, at the same time, these measures have helped strengthen our balance sheet. We will continue our efforts to improve the capital efficiency, but we will also shift our focus to improving profitability.

We have invested in the future also by hiring more than 500 enthusiastic and committed trainees this year. By investing in trainees, we ensure that YIT will have the necessary competencies and expertise also in the decades to come.

Segment reporting, POC

EUR million	4–6/15	4–6/14	Change	1–6/15	1–6/14	Change	1–12/14
Revenue	**416.1**	**451.4**	**-8%**	**791.0**	**854.5**	**-7%**	**1,801.2**
Housing Finland and CEE	207.6	187.0	11%	391.2	359.9	9%	726.5
Housing Russia	69.6	116.8	-40%	140.9	225.4	-37%	474.1
Business Premises and Infrastructure	139.0	147.0	-5%	259.1	268.1	-3%	599.3
Other items	-0.1	0.6		-0.3	1.2		1.4
Operating profit	**18.6**	**34.7**	**-46%**	**39.1**	**61.5**	**-37%**	**114.0**
Operating profit margin, %	**4.5%**	**7.7%**		**4.9%**	**7.2%**		**6.3%**
Operating profit excluding non-recurring items	**18.6**	**34.7**	**-46%**	**39.1**	**61.5**	**-37%**	**126.4**
Housing Finland and CEE	16.2	16.2	0%	30.3	32.9	-8%	63.7
Housing Russia	2.3	13.8	-84%	8.5	25.9	-67%	55.8
Business Premises and Infrastructure	3.9	6.9	-43%	7.0	7.1	-1%	20.4
Other items	-3.8	-2.1		-6.8	-4.4		-13.5
Operating profit margin, % excluding non-recurring items	**4.5%**	**7.7%**		**4.9%**	**7.2%**		**7.0%**
Housing Finland and CEE	7.8%	8.6%		7.8%	9.2%		8.8%
Housing Russia	3.2%	11.8%		6.0%	11.5%		11.8%
Business Premises and Infrastructure	2.8%	4.7%		2.7%	2.6%		3.4%
Profit before taxes	11.2	25.7	-56%	21.5	43.9	-51%	75.0
Profit for the review period[1]	8.4	20.0	-58%	16.3	34.2	-53%	56.6
Earnings per share, EUR	0.07	0.16	-58%	0.13	0.27	-53%	0.45
Operating cash flow after investments	113.3	-16.4		128.4	-28.7		151.9
Return on investment (last 12 months), %	6.4%	9.6%		6.4%	9.6%		7.7%
Equity ratio at end of period, %	36.0%	36.4%		36.0%	36.4%		32.4%
Net interest-bearing debt at end of period	544.9	776.3	-30%	544.9	776.3	-30%	616.6
Order backlog at end of period	2,573.5	2,923.9	-12%	2,573.5	2,923.9	-12%	2,125.9

[1] Attributable to equity holders of the parent company

Group reporting, IFRS

	6/15	6/14	Change	6/15	3/15	Change	12/14
Net interest-bearing debt, EUR million	587.3	860.2	-32%	587.3	678.0	-13%	696.0
Gearing ratio, %	98.7%	130.4%		98.7%	117.3%		129.9%
Equity ratio, %	33.8%	32.2%		33.8%	32.1%		29.2%

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.

Revenue, POC

EUR million	4–6/15	4–6/14	Change	Change at comparable exchange rates	1–6/15	1–6/14	Change	Change at comparable exchange rates	1–12/14
Revenue	**416.1**	**451.4**	**-8%**	**-5%**	**791.0**	**854.5**	**-7%**	**-2%**	**1,801.2**
Housing Finland and CEE	207.6	187.0	11%	11%	391.2	359.9	9%	9%	726.5
Housing Russia	69.6	116.8	-40%	-28%	140.9	225.4	-37%	-16%	474.1
Business Premises and Infrastructure	139.0	147.0	-5%	-5%	259.1	268.1	-3%	-3%	599.3
Other items	-0.1	0.6			-0.3	1.2			1.4

April-June

The Group's revenue decreased by 8% year-on-year. At comparable exchange rates, revenue decreased by 5%. Revenue increased in the Housing Finland and CEE segment due to good residential sales. Revenue declined in Russia due to lower residential sales. In April-June, Russia's share of Group revenue decreased and the share of CEE countries increased year-on-year.

January-June

The Group's revenue decreased by 7% year-on-year. At comparable exchange rates, revenue decreased by 2%. Revenue increased in the Housing Finland and CEE segment due to strong residential sales especially in the CEE countries and decreased in the Housing Russia segment due to lower residential sales.

Revenue by geographical area, %	4–6/15	4–6/14	1–6/15	1–6/14	1–12/14
Finland	72%	67%	72%	66%	64%
Russia	17%	26%	18%	26%	26%
CEE	11%	7%	10%	8%	9%

Result, POC

EUR million	4–6/15	4–6/14	Change	1–6/15	1–6/14	Change	1–12/14
Operating profit	**18.6**	**34.7**	**-46%**	**39.1**	**61.5**	**-37%**	**114.0**
Operating profit margin, %	**4.5%**	**7.7%**		**4.9%**	**7.2%**		**6.3%**
Non-recurring items							**-12.4**
Operating profit excluding non-recurring items	**18.6**	**34.7**	**-46%**	**39.1**	**61.5**	**-37%**	**126.4**
Housing Finland and CEE	16.2	16.2	0%	30.3	32.9	-8%	*63.7*
Housing Russia	2.3	13.8	-84%	8.5	25.9	-67%	55.8
Business Premises and Infrastructure	3.9	6.9	-43%	7.0	7.1	-1%	20.4
Other items	-3.8	-2.1		-6.8	-4.4		-13.5
Operating profit margin, % excluding non-recurring items	**4.5%**	**7.7%**		**4.9%**	**7.2%**		**7.0%**
Housing Finland and CEE	7.8%	8.6%		7.8%	9.2%		8.8%
Housing Russia	3.2%	11.8%		6.0%	11.5%		11.8%
Business Premises and Infrastructure	2.8%	4.7%		2.7%	2.6%		3.4%

April-June

Operating profit declined by 46% year-on-year. Operating profit margin stood at 4.5% (4–6/14: 7.7%). Profitability was burdened by changes in the business mix and actions to release capital, among other things. In addition, profitability was negatively impacted by lower revenue and weakened project margins in Housing Russia. Changes in foreign exchange rates had a negative impact of EUR 0.8 million on operating profit.

January-June

Operating profit declined by 37% year-on-year. Operating profit margin stood at 4.9% (1–6/14: 7.2%). Profitability was burdened by changes in the business mix and actions to release capital, among other things. The share of investor sales in Finnish housing was clearly higher than in the comparison period, and profitability was negatively impacted by lower revenue and weakened project margins in Housing Russia. Changes in foreign exchange rates had a negative impact of EUR 3.7 million on operating profit.

EUR million	4–6/15	4–6/14	Change	1–6/15	1–6/14	Change	1–12/14
Profit before taxes	11.2	25.7	-56%	21.5	43.9	-51%	75.0
Profit for the review period[1]	8.4	20.0	-58%	16.3	34.2	-53%	56.6
Earnings per share, EUR	0.07	0.16	-58%	0.13	0.27	-53%	0.45
Effective tax rate, %	24.8%	22.3%		24.5%	22.1%		24.6%

[1]Attributable to equity holders of the parent company

Order backlog, POC

EUR million	6/15	6/14	Change	6/15	3/15	Change	12/14
Order backlog	**2,573.5**	**2,923.9**	**-12%**	**2,573.5**	**2,169.8**	**19%**	**2,125.9**
Housing Finland and CEE	834.7	953.2	-12%	834.7	784.2	6%	798.5
Housing Russia	740.4	1,218.8	-39%	740.4	701.5	6%	653.5
Business Premises and Infrastructure	998.3	751.9	33%	998.3	684.1	46%	673.9

The order backlog increased by 19% compared to the end of March. Backlog grew in every business segment but especially in the Business Premises and Infrastructure segment, where the service agreement of E18 Hamina-Vaalimaa –motorway project was signed and the project was recorded in the order backlog, among other things. Changes in foreign exchange rates strengthened the order backlog by EUR 1.4 million. At the end of June, 48% of the order backlog had been sold (3/15: 42%).

Acquisitions and capital expenditure

EUR million	4–6/15	4–6/14	Change	1–6/15	1–6/14	Change	1–12/14
Gross capital expenditure on non-current assets	4.0	3.6	11%	6.4	5.6	14%	13.9
% of revenue, POC	1.0%	0.8%		0.8%	0.7%		0.8%
Depreciation	3.2	3.2	0%	6.2	6.5	-4%	12.6

YIT did not make any business acquisitions during the review period. Gross capital expenditure on non-current assets amounted to EUR 6.4 million, or 0.8% of revenue. Investments in construction equipment amounted to EUR 2.2 million (1–6/14: EUR 1.8 million) and investments in information technology totalled EUR 2.5 million (1–6/14: EUR 2.3 million). Other investments amounted to EUR 1.7 million (1–6/14: EUR 1.5 million).

Cash flow and invested capital, POC

EUR million	4–6/15	4–6/14	Change	1–6/15	1–6/14	Change	1–12/14
Operating cash flow after investments	113.3	-16.4		128.4	-28.7		151.9
Cash flow of plot investments	-29.7	-32.4	-8%	-68.1	-76.3	-11%	-118.7

EUR million	6/15	6/14	Change	6/15	3/15	Change	12/14
Invested capital	1,308.0	1,603.8	-18%	1,308.0	1,344.0	-3%	1,403.2
Return on investment (last 12 months), %	6.4%	9.6%		6.4%	7.5%		7.7%

Operating cash flow after investments during the review period amounted to EUR 128.4 million. The company paid dividends of EUR 22.6 million for 2014 in compliance with the resolution of the Annual General Meeting.

Invested capital decreased by 3% compared to the end of March. Return on investment weakened from the end of March due to the decrease in the operating profit.

One of YIT's key focus areas is to improve capital efficiency. In January-June, capital was released by measures including selling completed apartments to investors, continuing the plot cooperation with plot funds worth approximately EUR 15 million and agreeing on the sale of slow-moving assets worth over EUR 10 million. Over half of the ongoing capital release program had been carried out by the end of June, and the aim is to carry out the rest of the program in 2016.

Development by business segment

Housing Finland and CEE

Operating environment

During the review period, consumer confidence picked up in Finland, but consumers were still cautious in making purchase decisions. Investors remained active. The demand for small, reasonably priced apartments remained at a good level in growth centres. Large apartments faced some price pressure.

Positive macroeconomic development supported the housing markets in the CEE countries, and residential prices stayed stable on average. The Housing market developed positively especially in the Czech Republic.

Mortgage interest rates were at a low level in all operating countries and the availability of financing was good.

EUR million	4–6/15	4–6/14	Change	1–6/15	1–6/14	Change	1–12/14
Revenue	207.6	187.0	11%	391.2	359.9	9%	726.5
Operating profit	16.2	16.2	0%	30.3	32.9	-8%	57.6
Operating profit margin, %	7.8%	8.6%		7.8%	9.2%		7.9%
Operating profit excluding non-recurring items	16.2	16.2	0%	30.3	32.9	-8%	63.7
Operating profit margin, % excluding non-recurring items	7.8%	8.6%		7.8%	9.2%		8.8%
Operative invested capital at end of period	490.6	621.9	-21%	490.6	621.9	-21%	579.8
Return on operative invested capital (last 12 months), %	9.9%	10.1%		9.9%	10.1%		9.4%
Order backlog at end of period	834.7	953.2	-12%	834.7	953.2	-12%	798.5

April-June

The segment's revenue increased by 11% year-on-year. Revenue growth was strongest in the CEE countries. Housing sales in units grew by 56%, clearly more than revenue, due to several investor project start-ups.

The segment's operating profit was stable year-on-year, and the operating profit margin stood at 7.8% (4–6/14: 8.6%). Profitability was burdened by the clearly higher share of investor sales in Finland compared to the comparison period. Positive profitability development continued in the CEE countries.

Active investor sales continued in Finland, and also consumer sales grew year-on-year. YIT sold 91 apartments to Ålandsbanken's housing fund, in addition to which a pre-agreement on the sale of 35 apartments was signed. The final agreement is estimated to be signed during the third quarter. Five subsidised projects under the pre-agreements signed in the last quarter of 2014 were started. In addition, the construction of eight projects was started within the frame agreement signed with LocalTapiola in March 2015. An exceptionally high number of projects were completed in Finland during the quarter.

In the CEE countries, residential sales continued to be active especially in the Czech Republic and Slovakia. Apartment start-ups increased from the low levels seen in January-March, and start-ups are expected to continue to increase during the coming quarters. In April-June, YIT acquired a plot in Prague, the Czech Republic, and started the construction of nearly 100 apartments on the plot.

January-June

The segment's revenue increased by 9% year-on-year thanks to the strong residential sales in the CEE countries.

Operating profit decreased by 8% year-on-year, and the operating profit margin stood at 7.8% (1–6/14: 9.2%). Profitability was burdened by the clearly higher share of investor sales in Finland compared to the comparison period. Positive profitability development continued in the CEE countries.

Residential construction in Finland, units	4–6/15	4–6/14	Change	1–6/15	1–6/14	Change	1–12/14
Sold	1,100	665	65%	1,815	1,318	38%	2,515
of which initially started to consumers[1]	465	384	21%	911	752	21%	1,641
Start-ups	1,097	680	61%	1,656	1,374	21%	2,112
of which to consumers	462	399	16%	752	808	-7%	1,238
Completed	1,226	658	86%	1,822	1,260	45%	2,412
of which to consumers	785	366	114%	1,189	791	50%	1,628
Under construction at end of period	3,096	3,676	-16%	3,096	3,676	-16%	3,262
of which sold at end of period, %	69%	59%		69%	59%		65%
For sale at end of period	1,428	2,045	-30%	1,428	2,045	-30%	1,587
of which completed	473	531	-11%	473	531	-11%	450
Capital invested in the plot reserve at end of period, EUR million	148.3	175.2	-15%	148.3	175.2	-15%	165.7
Plot reserve at end of period, floor sq. m.	1,796,000	1,801,000	0%	1,796,000	1,801,000	0%	1,868,000
Cost of completion at end of period, EUR million	214.8	245.5	-13%	214.8	245.5	-13%	178.0

[1] Includes sales to residential property funds: 4–6/15: 91 units; 4–6/14: 51 units; 1–6/15: 266 units, 1–6/14: 105 units; 1–12/14: 326 units.

Residential construction in CEE, units	4–6/15	4–6/14	Change	1–6/15	1–6/14	Change	1–12/14
Sold	256	207	24%	531	387	37%	734
Start-ups	206	276	-25%	346	522	-34%	789
Completed	204	199	3%	271	351	-23%	724
Under construction at end of period	1,209	1,231	-2%	1,209	1,231	-2%	1,134
of which sold at end of period, %	43%	25%		43%	25%		22%
For sale at end of period	827	1,083	-24%	827	1,083	-24%	1,012
of which completed	138	155	-11%	138	155	-11%	129
Capital invested in the plot reserve at end of period, EUR million	79.2	74.8	6%	79.2	74.8	6%	65.9
Plot reserve at end of period, floor sq. m.	427,000	350,000	22%	427,000	350,000	22%	348,000
Cost of completion at end of period, EUR million	44.0	50.0	-12%	44.0	50.0	-12%	45.0

Housing Russia

Operating environment

The weakness of the ruble and the increased uncertainty in the Russian economy continued to be reflected in consumers' willingness to shift assets to fixed property, including apartments, still in January. After January, demand slowed down from the good level seen earlier in the year as the ruble strengthened, but consumers' purchasing power continued to decline. Demand focused especially on small apartments close to completion. Residential prices remained stable, but decreased in real terms. A mortgage subsidy program introduced for the primary market by the Russian government in March supported residential sales and lead to mortgage interest rates for new apartments falling to around 12%.

EUR million	4–6/15	4–6/14	Change	1–6/15	1–6/14	Change	1–12/14
Revenue	69.6	116.8	-40%	140.9	225.4	-37%	474.1
Operating profit	2.3	13.8	-84%	8.5	25.9	-67%	49.8
Operating profit margin, %	3.2%	11.8%		6.0%	11.5%		10.5%
Operating profit excluding non-recurring items	2.3	13.8	-84%	8.5	25.9	-67%	55.8
Operating profit margin, % excluding non-recurring items	3.2%	11.8%		6.0%	11.5%		11.8%
Operative invested capital at end of period	443.9	601.6	-26%	443.9	601.6	-26%	378.1
Return on operative invested capital (last 12 months), %	6.2%	11.4%		6.2%	11.4%		10.5%
Order backlog at end of period	740.4	1,218.8	-39%	740.4	1,218.8	-39%	653.5

April-June

The segment's residential sales slowed down and revenue decreased by 40% year-on-year. At comparable exchange rates, revenue decreased by 28%.

Operating profit decreased by 84% and the operating profit margin was 3.2% (4–6/14: 11.8%). Profitability was burdened by lower revenue than in the comparison period and weakened project margins, among other things. Weakening of the ruble had a negative impact of EUR 0.8 million on operating profit.

In April-June, YIT started two residential projects in St. Petersburg to balance the area's sales portfolio. Approximately 670 apartments will be constructed in the projects. In addition to St. Petersburg, projects were started in the Moscow region and Yekaterinburg.

The share of residential deals financed with mortgages increased thanks to the mortgage subsidy program, and was 58%

January-June

The segment's revenue decreased by 37% year-on-year. At comparable exchange rates, revenue decreased by 16%.

Operating profit decreased by 67% and the operating profit margin was 6.0% (1–6/14: 11.5%). Profitability was burdened by lower revenue than in the comparison period and weakened project margins, among other things. Weakening of the ruble had a negative impact of EUR 3.6 million on operating profit.

In the review period, the share of residential deals financed with mortgages was 45%. At the end of June, YIT was responsible for the service and maintenance of over 20,500 apartments in Russia.

Residential construction in Russia, units	4–6/15	4–6/14	Change	1–6/15	1–6/14	Change	1–12/14
Sold	769	1,061[1]	-28%	1,736	2,193[1]	-21%	4,817[2]
Start-ups	879	1,675	-48%	1,486	2,389	-38%	3,545
Completed[2]	444	199	123%	1,690	1,230	37%	4,713
Under construction at end of period	9,407	11,938	-21%	9,407	11,938	-21%	9,611
of which sold at end of period, %	43%	40%		43%	40%		43%
For sale at end of period	5,668	7,374	-23%	5,668	7,374	-23%	5,913
of which completed	311	257	21%	311	257	21%	403
Capital invested in the plot reserve at end of period[3], EUR million	215.0	286.1	-25%	215.0	286.1	-25%	184.4
Plot reserve at end of period[3], floor sq. m.	2,349,000	2,440,000	-4%	2,349,000	2,440,000	-4%	2,466,000
Cost of completion at end of period, EUR million	357.0	667.0	-46%	357.0	667.0	-46%	319.0

[1] Includes a bundle deal of 130 apartments. [2] Includes bundle deals of 177 apartments. [3] Completion of the residential projects requires commissioning by the authorities. [4] Figures include Gorelovo industrial park.

Under construction at end of period, units	6/15	6/14	Change	6/15	3/15	Change	12/14
St. Petersburg	3,970	4,136	-4%	3,970	3,302	20%	3,776
Moscow region	2,946	3,618	-19%	2,946	2,795	5%	3,021
Kazan, Moscow, Rostov-on-Don, Tyumen and Yekaterinburg	2,491	4,184	-40%	2,491	2,875	-13%	2,814

Business Premises and Infrastructure

Operating environment

During the review period, investors' interest towards projects in prime locations in the Finnish business premises market was on a moderate level. End-users continued to be cautious in renting new business premises; however signs of slight pick-up were seen towards the end of the review period. The contracting market was active.

In the Baltic countries and Slovakia, rental levels for business premises and investors' yield requirements remained stable in the period under review. Activity in the contracting market remained high in Estonia and Lithuania.

The Finnish infrastructure market remained relatively stable in the review period, with several significant projects in tendering phase. The new government programme launched in Finland will weaken the long-term outlook for wind power construction, but might increase the wind park construction in the short term.

EUR million	4–6/15	4–6/14	Change	1–6/15	1–6/14	Change	1–12/14
Revenue	139.0	147.0	-5%	259.1	268.1	-3%	599.3
Operating profit	3.9	6.9	-43%	7.0	7.1	-1%	20.1
Operating profit margin, %	2.8%	4.7%		2.7%	2.6%		3.4%
Operating profit excluding non-recurring items	3.9	6.9	-43%	7.0	7.1	-1%	20.4
Operating profit margin, % excluding non-recurring items	2.8%	4.7%		2.7%	2.6%		3.4%
Operative invested capital at end of period	171.9	233.2	-26%	171.9	233.2	-26%	181.9
Return on operative invested capital (last 12 months), %	9.9%	12.0%		9.9%	12.0%		10.8%
Order backlog at end of period	998.3	751.9	33%	998.3	751.9	33%	673.9

Business premises, EUR million	6/15	6/14	Change	6/15	3/15	Change	12/14
Capital invested in the plot reserve	95.1	88.2	8%	95.1	97.1	-2%	93.2
Plot reserve, floor sq. m.	1,054,000	1,116,433	-6%	1,054,000	1,074,020	-2%	1,071,000
Cost of completion	15.6	67.7	-77%	15.6	41.4	-62%	47.5

April-June

The segment's revenue decreased by 5% year-on-year. Revenue decreased especially in Infra services. However, the segment's order backlog increased clearly, and major projects started during the quarter will support revenue as the construction progresses.

Operating profit decreased by 43% and operating profit margin stood at 2.8% (4–6/14: 4.7%). The decline in operating profit resulted especially from the low volume in Infra services.

In April-June, YIT was successful in tendering for significant infrastructure projects. Service agreement regarding the E18 Hamina-Vaalimaa motorway project was signed and construction work was started. In June, a consortium between YIT, VR Track and Pöyry was chosen to carry out the light rail project in Tampere. The development phase of the project to be carried out employing alliance model was started in July. If the project will proceed to implementation phase after the development phase, its value to YIT would be approximately EUR 100 million.

In April-June, several other important infrastructure and business premises projects were started. The agreement regarding the implementation phase of Naantali CHP power plant carried out employing alliance model was signed and the construction of the plant was started. Furthermore, the construction of the second phase of Tikkurila Commercial Centre Dixi was started in Vantaa, Finland.

YIT won also several smaller business premises and infrastructure contracts. The company was chosen to construct new building for the Institute of Dentistry of the University of Oulu, to renovate Helsinki Vocational College's premises and to construct a new police house in Kotka, Finland. Additionally, contract agreements were signed with TuuliWatti Oy on the construction of the foundations for 47 wind power plants

During the second quarter, YIT sold one self-developed business premises project. Lauttasaari shopping centre, currently under construction, was sold to a fund managed by Aberdeen Asset Management. In addition, one self-developed project was started in June. Tenants' interest towards an office building to be renovated on Lönnrotinkatu in Helsinki has been good, and investor negotiations are ongoing.

January-June

The segment's revenue decreased by 3% year-on-year. Revenue decreased especially in Infra services. However, the segment's order backlog increased clearly, and major projects started in the second quarter will support revenue as the construction progresses.

Operating profit decreased by 1% and operating profit margin stood at 2.7% (1–6/14: 2.6%).

The city plan regarding the Tripla project in Central Pasila became legally valid in March. Negotiations with investors and tenants are ongoing, and the intention is to start the construction of Tripla in the end of 2015 after the investor or investors for the shopping centre have been confirmed.

The largest ongoing self-developed business premises projects

Project, location	Value, EUR million	Project type	Completion rate, %	Estimated completion	Sold/ for sale	Leasable area, sq. m.
Lauttasaari shopping centre, Helsinki	~40	Retail	28%	11/16	Sold	5,700
BW Tower, Lahti	~22	Office	76%	10/15	Sold	7,500
Dixi II, Tikkurila Railway Station, Vantaa	n/a	Office	3%	4/17	Sold	8,900
Dixi II, Tikkurila Railway Station, Vantaa	n/a	Retail	3%	4/17	Sold	4,100
Lönnrotinkatu 11, Helsinki	-	Office	0%	10/16	For sale	4,400

The largest ongoing business premises and infrastructure contracts

Project	Value, EUR million	Project type	Completion rate %	Estimated completion
E18 Hamina-Vaalimaa -motorway	~260	Infra	1%	12/18
Ring Road III junction	~40	Infra	80%	12/16
Naantali CHP power plant	~40	Infra	7%	9/17
Espoo's road maintenance contract	~30	Infra	16%	10/19

Group financial development based on group reporting (IFRS)

EUR million	4–6/15	4–6/14	Change	1–6/15	1–6/14	Change	1–12/14
Revenue	462.9	353.7	31%	856.8	756.9	13%	1,778.6
Operating profit	24.6	8.3	195%	51.7	31.5	64%	94.8
Operating profit margin, %	5.3%	2.4%		6.0%	4.2%		5.3%
Operating profit excluding non-recurring items	24.6	8.3	195%	51.7	31.5	64%	107.3
Operating profit margin, % excluding non-recurring items	5.3%	2.4%		6.0%	4.2%		6.0%
Profit before taxes	22.5	3.5	542%	44.9	22.3	102%	74.3
Profit for the review period[1]	17.7	2.7	559%	35.2	17.3	104%	55.9
Earnings per share, EUR	0.14	0.02	559%	0.28	0.14	104%	0.44
Operating cash flow after investments	113.3	-16.4		128.4	-28.7		151.9
Order backlog at end of period	2,914.6	3,480.3	-16%	2,914.6	3,480.3	-16%	2,507.1
Invested capital at end of period	1,311.0	1,594.9	-18%	1,311.0	1,594.9	-18%	1,431.0
Return on investment (last 12 months), %	8.1%	5.2%		8.1%	5.2%		6.4%
Effective tax rate, %	21.8%	25.0%		21.9%	22.8%		24.9%

[1] Attributable to equity holders of the parent company

April-June

The Group's IFRS revenue increased by 31% year-on-year due to clearly higher apartment completions in self-developed projects compared to the comparison period. At comparable exchange rates, revenue increased also by 31%.

IFRS operating profit increased by 195% year-on-year, and the Group's operating profit margin was 5.3% (4–6/14: 2.4%). In addition to higher revenue, the improved profitability is attributable to high profitability of the projects completed during the second quarter.

January-June

The Group's IFRS revenue increased by 13% year-on-year due to clearly higher apartment completions in self-developed projects compared to the comparison period. At comparable exchange rates, revenue increased by 20%.

IFRS operating profit increased by 64% year-on-year, and the Group's operating profit margin was 6.0% (1–6/14: 4.2%). In addition to higher revenue, the improved profitability is attributable to high profitability of the projects completed during the review period.

In group reporting, self-developed residential projects are recognised as income upon project handover. In Russia, revenue recognition of a project requires commissioning by the authorities. The timing of completion of self-developed projects thus affects the Group's revenue recognition, and therefore group figures may fluctuate greatly between different quarters. In addition, in group reporting part of the interest expenses are capitalised according to IAS 23 and reported as project costs above the operating profit when the project is completed. This causes differences in operating profit and financial expenses between segment reporting and group reporting.

Capital structure and liquidity position

IFRS, EUR million	6/15	6/14	Change	6/15	3/15	Change	12/14
Net interest-bearing debt	587.3	860.2	-32%	587.3	678.0	-13%	696.0
Cash and cash equivalents	129.0	75.3	71%	129.0	118.6	9%	199.4
Interest-bearing debt	716.3	935.5	-23%	716.3	796.6	-10%	895.4
Bonds	207.5	263.3	-21%	207.5	206.7	0%	210.7
Commercial papers	91.7	167.2	-45%	91.7	159.5	-43%	147.4
Construction-stage financing	205.8	288.6	-29%	205.8	232.9	-12%	264.4
Pension loans	113.1	84.2	34%	113.1	121.8	-7%	123.5
Bank loans	98.2	132.2	-26%	98.2	75.7	30%	149.3
Average interest rate, %	3.89%	2.95%		3.89%	3.89%		2.92%
Revolving credit facilities	300.0	330.0	-9%	300.0	300.0		300.0
Overdraft facilities	64.5	64.6	0%	64.5	63.3	2%	57.9
Equity ratio, %	33.8%	32.2%		33.8%	32.1%		29.2%
Gearing ratio, %	98.7%	130.4%		98.7%	117.3%		129.9%

IFRS, EUR million	4–6/15	4–6/14	Change	1–6/15	1–6/14	Change	1–12/14
Net financial expenses	-2.1	-4.8	-57%	-6.8	-9.3	-27%	-20.5
Costs of hedging	-1.5	-0.7	114%	-4.4	-1.7	159%	-6.0

At the end of June, YIT's liquidity position was strong. Cash and cash equivalents amounted to EUR 129.0 million, in addition to which YIT had undrawn overdraft facilities amounting to EUR 64.5 million. YIT also has an undrawn, EUR 300.0 million revolving credit facility maturing in January 2018.

In May, YIT withdrew a EUR 25.0 million bank loan maturing in May 2017. The loan was withdrawn to improve the maturity structure of the debt portfolio.

YIT's revolving credit facilities, the bond issued in March and bank loans include a covenant requiring the Group's equity ratio based on the IFRS balance sheet to be higher than 25.0%. In addition, the revolving credit facility and two bank loans include a covenant requiring the Group's gearing ratio based on the IFRS balance sheet to be below 150.0%. At the end of June, the equity ratio was 33.8% and the gearing ratio was 98.7%.

The total amount of interest-bearing debt was EUR 716.3 million at the end of June and net interest-bearing debt decreased to EUR 587.3 million. A clear decrease in the net debt is attributable to strong operating cash flow and the increased share of investor projects in Finnish housing. A total of EUR 15.8 million of long-term loans will mature in 2015.

Net financial expenses decreased year-on-year and amounted to EUR 6.8 million (1–6/14: EUR 9.3 million). Interest expenses at the amount of EUR 10.7 million (1–6/14: EUR 8.4 million) were capitalized in accordance with IAS 23.

The interests on participations in housing corporation loans are included in housing corporation charges and are thus booked in project expenses. Interests on the participations amounted to EUR 1.6 million in January-June (1–6/14: EUR 1.6 million).

At the end of June, EUR 85.0 million of the capital invested in Russia was comprised of debt investments (3/15: EUR 82.1 million) and EUR 306.9 million was equity investments or similar permanent net investments (3/15: EUR 312.0 million). In accordance with YIT's hedging policy, the debt investments are hedged against exchange rate risk, while equity investments are not hedged due to their permanent nature.

Personnel

Personnel by business segment	6/15	6/14	Change	6/15	3/15	Change	12/14
Housing Finland and CEE	1,926	2,017	-5%	1,926	1,804	7%	1,783
Housing Russia	1,790	1,987	-10%	1,790	1,765	1%	1,980
Business Premises and Infrastructure	1,818	2,022	-10%	1,818	1,668	9%	1,814
Group Services	313	332	-6%	313	297	5%	304
Personnel by country	**6/15**	**6/14**	**Change**	**6/15**	**3/15**	**Change**	**12/14**
Finland	3,405	3,685	-8%	3,405	3,118	9%	3,210
Russia	1,774	1,975	-10%	1,774	1,748	1%	1,963
CEE	668	698	-4%	668	668		708
Group, total	**5,847**	**6,358**	**-8%**	**5,847**	**5,534**	**6%**	**5,881**

In January-June, the Group employed 5,665 people on average (1–6/14: 6,102). Personnel expenses totalled EUR 120.3 million (1–6/14: EUR 132.4 million).
The Group's accident frequency (accidents per million hours worked) was 10 (1–6/14: 14).

The cost effect of YIT's share-based incentive scheme was approximately EUR 1.3 million (1–6/14: EUR 0.6 million).

YIT is a significant employer for students in the field of construction, and during the review period, the company employed over 500 trainees and summer employees.

Strategic objectives

At its meeting on September 11, 2014, YIT Corporation's Board of Directors decided to keep the company's strategic focus areas unchanged. The weakened macroeconomic outlook in Russia and Finland underlines the importance of sufficient financial operating space. In housing, YIT pursues growth through self-developed projects. In the Business Premises and Infrastructure segment, the aim is to increase the share of projects where the added value produced by YIT for the customer is as high as possible. In order to even out cyclicality, the weighting of Central Eastern Europe will be increased as the third geographic pillar in parallel with Finland and Russia.

The implementation of the strategy and reaching the financial targets is supported by the launch of a Group-wide competitiveness program, under which short-term targets have been defined for 2015 and 2016. The long-term financial targets remain unchanged.

YIT's strategy and financial targets were described at YIT's Capital Markets Day on September 25, 2014, in Helsinki, Finland. The presentation materials and recordings from the Capital Markets Day are available at www.yitgroup.com/investors.

Long-term 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

Short-term targets for years 2015 and 2016	Target level
Revenue growth	0–5% annually on average
Return on investment	15%
Net debt (IFRS)	Below EUR 600 million

The target levels excluding the net debt target are based on segment reporting method (POC).

Resolutions passed at the Annual General Meeting

The Annual General Meeting of YIT Corporation was held on March 18, 2015. 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, 2015. 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 in the beginning of 2015 (2014: EUR 149,216,748.22), and the number of shares outstanding was 127,223,422 (2014: 127,223,422).

Treasury shares and authorisations of the Board of Directors

The Annual General Meeting of YIT Corporation resolved on March 18, 2015, to authorise the Board of Directors to decide on the repurchase of company shares and share issues as proposed by the Board of Directors. The authorisation is valid until March 31, 2016. The share issue authorisation also includes an authorisation to decide on the conveyance of treasury shares.

YIT Corporation held 1,639,430 treasury shares at the beginning of the review period. During the review period, 2,165 shares were returned to the company in accordance with the terms and conditions of the share-based incentive scheme, after which the company held 1,641,595 treasury shares at the end of June.

Trading on shares

The price of YIT's share was EUR 4.30 at the beginning of the year. The closing price of the share on the last trading day of the review period on June 30, 2015, was EUR 6.41. YIT's share price increased by approximately 49% during the review period. The highest price of the share during the review period was EUR 7.21, the lowest EUR 4.26 and the average price was EUR 5.85. Share turnover on Nasdaq Helsinki during the review period was approximately 92.5 million (1–6/14: 68.3 million) shares. The value of the share turnover was approximately EUR 531.6 million.

During the review period, approximately 52.6 million (1–6/14: 51.0 million) YIT Corporation shares changed hands in alternative market places, corresponding to approximately 36% of the total share trade, source: Fidessa Fragmentation Index.

YIT Corporation's market capitalisation on June 30, 2015 was EUR 805.0 million. The market capitalisation has been calculated excluding the shares held by the company.

Number of shareholders and flagging notifications

At the end of June 2015, the number of registered shareholders was 42,186 (6/14: 44,264). At the end of June, a total of 28.6% of the shares were owned by nominee-registered and non-Finnish investors (6/14: 30.9%).

On March 12, 2015, YIT received an announcement under Chapter 9, Section 5 of the Securities Markets Act, according to which the holding of the mutual funds managed by BlackRock, Inc. in YIT had exceeded the threshold of 5 per cent. On March 19, 2015, the company received an announcement according to which the holding of the mutual funds managed by BlackRock, Inc. in YIT had gone below the threshold of 5 per cent. On April 30, 2015, YIT received an announcement under Chapter 9, Section 5 of the Securities Markets Act, according to which the holding of Structor S.A. in YIT had gone below the threshold of 10 per cent.

Most significant short-term business risks and risk management

Risk management is an integral part of business control, monitoring, reporting and continuous development under YIT's management system. Risk management covers the identification and assessment of risks and contingency plans for strategic, operational, financial and event risks. A strategic risk assessment is carried out at Group level once a year in connection with the review of the strategy. The nature and probability of strategic risks is continuously monitored and reported on.

Changes in economic, demographic, technological and political factors have an effect on YIT's business. Changes in consumer and business confidence and the availability and prices of mortgages and real estate financing are key risks related to the demand for apartments and business premises. YIT aims to mitigate political risk and to manage cyclicality through geographical diversification. Large area development projects and tender-based projects also enable planned flexibility in different market situations. In operations subject to sales risk, it is key to ensure that the offering matches demand, taking different customer segments into consideration. Agility in moving between different project types is also crucial.

YIT's typical operational risks include risks related to plot investments, the sales risk of self-developed residential and business premises projects, and risks related to contract tenders, service agreements, project management and personnel. In project management, the key considerations are the accuracy of estimated costs and schedules, as well as competence in pricing. Third-party decisions regarding matters such as legislation, norms, zoning and construction permits also constitute a key operational risk. YIT manages sales risk by engaging in active pre-marketing, adjusting the number of residential start-ups according to estimated residential demand and the number of unsold apartments, and by typically securing anchor tenants prior to starting a business premises project and the investor in an early phase of construction. Risk management is an inseparable part of the preparation and implementation of projects and their phases. The management of large projects is supported by control practices including the method of organisation. Proactive communication with various stakeholders improves the predictability of projects and promotes smooth co-operation.

One of YIT's strategic focus areas is increasing financial flexibility, and targets pertaining to the release of capital have been set accordingly. Measures to release capital in a challenging market situation involve the risk of financial losses.

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. The Group's most significant currency risk is related to ruble-denominated investments. Financial risks are managed through accounting and treasury policies, internal control as well as internal and external auditing. More information on financial risks and their management is provided in Note 30 to the financial statements 2014.

Possible event risks include personal damage, property damage and damage pertaining to information security, environmental damage and accidents, as well as sudden and unforeseen damage to property and premises related to project sites and other property, such as fire, collapse or theft. The primary objective of the management of event risks is the prevention of damage. Event risks are additionally managed through contingency plans as well as a Group-wide insurance policy and programmes. YIT also complies with a Group-wide security policy covering the different areas of security. Extensive training is provided for occupational safety-related matters, and its development is monitored from unit level to the Group's Management Board and Board of Directors. The IT infrastructure and practices are managed through IT policies. In order to ensure compliant and ethical operations, the Group has common Business Principles and effective methods for reporting and processing any misdemeanours. The Business Principles are reviewed on a regular basis, and compliance is supervised by means of internal and external auditing. The compliance of subcontractors' operations is ensured through services related to guidance and internal audits.

Events after the review period

In July, residential sales to consumers are estimated to be around 90 units in Finland, around 60 units in the CEE countries and around 200 units in Russia.

Outlook for 2015

Guidance (segment reporting, POC)

The Group revenue growth is estimated to be in the range of -5 – 5% at comparable exchange rates.

The operating profit margin excluding non-recurring items is estimated to be below the level of 2014.

In addition to the market outlook, the guidance is based on the following factors: At the end of June, 48% of YIT's order backlog was sold. Projects already sold and signed pre-agreements are estimated to contribute over 50% of the Q3-Q4 revenue. The rest of the revenue estimate is based on estimated new sales during the remainder of the year and capital release actions.

In addition to the demanding market situation especially in Russia, operating profit margin excluding non-recurring items will be burdened by the following factors: The share of revenue coming from residential sales to investors, which has lower margin than consumer sales, and contracting are estimated to increase in Finland. Over half of the over EUR 380 million capital release program, started in autumn 2013, had been carried out in the end of June. The execution of the program will continue actively in 2015, and the capital release actions are estimated to have a negative effect on the operating profit margin.

Market outlook

Finland

In Finland, the macroeconomic uncertainty is estimated to affect the residential and business premises markets also in 2015.

Consumers are cautious, and the demand is expected to focus on small apartments in growth centres, whereas the investor demand is expected to remain good. Residential price development is estimated to be polarized especially between small and large apartments. Access to mortgage financing is estimated to remain good.

In Finland, the demand for business premises is estimated to remain modest. The real estate investors' interest is estimated to remain on a moderate level with focus on prime locations in the capital region. Opportunities are seen in contracting, but there will be fewer large projects in the tendering phase compared to the beginning of the year.

Russia

The visibility is weak in Russia and economic uncertainty is estimated to continue to have a negative impact also on the residential market. The construction costs are estimated to increase, while residential price development involves uncertainties. The demand is estimated to focus especially on small apartments that are either close to completion or completed.

The mortgage rates for new apartments are expected to remain stable thanks to the government's mortgage subsidy program.

The CEE countries

In the CEE countries the residential and business premises markets are expected to be supported by the improved economic situation. Access to mortgage financing is estimated to remain good and residential prices to increase moderately.

Interim Report January 1 – June 30, 2015: Tables

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

1 Summary of Financial Statements

2 Notes, segment reporting

3 Notes, IFRS

1 Summary of Financial Statements

1.1 Consolidated income statement, IFRS and segment reporting POC

EUR million	4–6/15 IFRS	4–6/14 IFRS	Change IFRS		4–6/15 POC	4–6/14 POC	Change POC
Revenue	462.9	353.7	31%		416.1	451.4	-8%
of which activities outside Finland	86.7	65.8	32%		115.2	151.1	-24%
Other operating income and expenses	-435.2	-342.3	27%		-394.5	-413.6	-5%
Share of results of associated companies and joint ventures	0.2	0.1	20%		0.2	0.1	20%
Depreciation	-3.2	-3.2	0%		-3.2	-3.2	0%
Operating profit	24.6	8.3	195%		18.6	34.7	-46%
% of revenue	5.3%	2.4%			4.5%	7.7%	
Financial income and expenses	-2.1	-4.8	-57%		-7.4	-9.0	-18%
Profit before taxes	22.5	3.5	542%		11.2	25.7	-56%
% of revenue	4.9%	1.0%			2.7%	5.7%	
Income taxes [1)]	-4.9	-0.9	460%		-2.8	-5.7	-52%
Profit for the review period	17.6	2.6	569%		8.4	20.0	-58%
Equity holders of the parent company	17.7	2.7	559%		8.4	20.0	-58%
Non-controlling interest	-0.0	0.0			0.0	-0.0	
Earnings per share, attributable to the equity holders of the parent company, diluted and undiluted, EUR	0.14	0.02	559%		0.07	0.16	-58%

[1)] Taxes for the review period are based on the tax estimate for the whole financial year.

EUR million	1–6/15 IFRS	1–6/14 IFRS	Change IFRS	1–12/14 IFRS	1–6/15 POC	1–6/14 POC	Change POC	1–12/14 POC
Revenue	856.8	756.9	13%	1,778.6	791.0	854.5	-7%	1,801.2
of which activities outside Finland	212.1	204.4	4%	616.1	223.9	291.3	-23%	637.2
Other operating income and expenses	-799.1	-719.0	11%	-1,671.5	-745.9	-786.7	-5%	-1,674.9
Share of results of associated companies and joint ventures	0.2	0.2	-23%	0.3	0.2	0.2	-23%	0.3
Depreciation	-6.2	-6.5	-4%	-12.6	-6.2	-6.5	-4%	-12.6
Operating profit	51.7	31.5	64%	94.8	39.1	61.5	-37%	114.0
% of revenue	6.0%	4.2%		5.3%	4.9%	7.2%		6.3%
Financial income and expenses	-6.8	-9.3	-27%	-20.5	-17.5	-17.6	-1%	-39.0
Profit before taxes	44.9	22.3	102%	74.3	21.5	43.9	-51%	75.0
% of revenue	5.2%	2.9%		4.2%	2.7%	5.1%		4.2%
Income taxes [1)]	-9.9	-5.1	94%	-18.5	-5.3	-9.7	-45%	-18.5
Profit for the review period	35.1	17.2	104%	55.8	16.3	34.2	-52%	56.5
Equity holders of the parent company	35.2	17.3	104%	55.9	16.3	34.2	-53%	56.6
Non-controlling interest	-0.1	-0.1	75%	-0.1	-0.0	-0.0	-97%	-0.0
Earnings per share, attributable to the equity holders of the parent company, diluted and undiluted, EUR	0.28	0.14	104%	0.44	0.13	0.27	-53%	0.45

[1)] Taxes for the review period are based on the tax estimate for the whole financial year.

1.2 Statement of comprehensive income, IFRS

EUR million	1–6/15	1–6/14	Change	1–12/14
Profit for the review period	35.1	17.2	104%	55.8
Items that may be reclassified subsequently to profit/loss				
Cash flow hedges	0.2	0.3	-28%	0.4
-Deferrred tax	-0.0	-0.1	-57%	-0.1
Change in fair value of for available for sale investments		-0.0		-0.0
-Deferrred tax		0.0		0.0
Change in translation differences	46.0	-9.0		-166.9
Other change		0.2		0.2
Items that may be reclassified subsequently to profit/loss, total	**46.2**	**-8.6**		**-166.4**
Items that will not be reclassified to prof-it/loss:				
Change in fai value of defined benefit pension				-0.2
- Deferred tax asset				0.0
Items that will not be reclassified to profit/loss, total				**-0.2**
Other comprehensive income, total	**46.2**	**-8.6**		**-166.5**
Total comprehensive result	**81.2**	**-8.6**	**843%**	**-110.7**
Attributable to equity holders of the parent company	81.3	8.7	833%	-110.7
Attributable to non-controlling interest	-0.1	-0.1	-9%	-0.1

1.3 Consolidated balance sheet, IFRS and segment reporting POC

EUR million	6/15 IFRS	6/14 IFRS	Change IFRS	12/14 IFRS	6/15 POC	6/14 POC	Change POC	12/14 POC
ASSETS								
Non-current assets								
Property, plant and equipment	52.6	61.7	-15%	55.4	52.6	61.7	-15%	55.4
Goodwill	10.9	10.9	0%	10.9	10.9	10.9	0%	10.9
Other intangible assets	12.9	8.6	49%	11.3	12.9	8.6	49%	11.3
Shares in associated companies and joint ventures	1.0	0.7	40%	0.8	1.0	0.7	40%	0.8
Other investments	0.8	0.8	0%	0.8	0.8	0.8	0%	0.8
Other receivables	3.1	2.9	8%	2.9	3.1	2.9	8%	2.9
Deferred tax assets	43.6	44.2	-1%	40.3	39.3	34.5	14%	32.3
Current assets								
Inventories	1,728.6	2,121.7	-19%	1,688.9	1,427.2	1,661.5	-14%	1,370.2
Trade and other receivables	233.8	306.6	-24%	227.7	278.1	362.8	-23%	284.2
Cash and cash equivalents	129.0	75.3	71%	199.4	129.0	75.3	71%	199.4
Total assets	**2,216.1**	**2,633.4**	**-16%**	**2,238.4**	**1,954.7**	**2,219.7**	**-12%**	**1,968.3**
EQUITY AND LIABILITIES								
Equity								
Share capital	149.2	149.2	0%	149.2	149.2	149.2	0%	149.2
Other equity	445.4	504.8	-12%	386.1	484.6	597.5	-19%	437.6
Non-controlling interest	0.1	0.5	-72%	0.3	0.3	0.6	-48%	0.4
Equity total	**594.7**	**654.5**	**-9%**	**535.6**	**634.1**	**747.3**	**-15%**	**587.2**
Non-current liabilities								
Deferred tax liabilities	17.2	17.6	-2%	15.6	22.4	30.4	-26%	20.0
Pension liabilities	0.9	0.7	37%	0.9	0.9	0.7	37%	0.9
Provisions	41.6	43.3	-4%	40.6	41.6	43.3	-4%	40.6
Borrowings	287.5	223.4	29%	275.2	287.5	223.4	29%	275.2
Other liabilities	13.7	25.2	-46%	22.9	13.7	25.2	-46%	22.9
Current liabilities								
Advances received	455.2	593.1	-23%	402.8	192.9	159.7	21%	155.8
Trade and other payables	355.8	341.9	4%	304.4	354.1	340.9	4%	304.1
Provisions	20.7	21.6	-4%	20.2	21.2	20.7	3%	20.7
Borrowings	428.8	712.2	-40%	620.2	386.4	628.3	-38%	540.8
Liabilities total	**1,621.4**	**1,978.9**	**-18%**	**1,702.8**	**1,320.6**	**1,472.4**	**-10%**	**1,381.0**
Total equity and liabilities	**2,216.1**	**2,633.4**	**-16%**	**2,238.4**	**1,954.7**	**2,219.7**	**-12%**	**1,968.3**

1.4 Consolidated cash flow statement

EUR million	4–6/15	4–6/14	Change	1–6/15	1–6/14	Change	1–12/14
Net profit for the period	17.6	2.6	569%	35.1	17.2	104%	55.8
Reversal of accrual-based items	16.8	11.0	53%	35.3	28.0	26%	70.7
Change in trade and other receivables	-1.3	-1.0	26%	-9.5	-15.6	-39%	30.6
Change in inventories	19.6	-70.0		57.6	-79.1		17.0
Change in current liabilities	95.1	61.0	56%	54.9	47.2	16%	-10.2
Change in working capital, total	113.3	-10.0		102.9	-47.5		37.4
Cash flow of financial items	-20.8	-13.6	54%	-29.6	-15.9	86%	1.4
Taxes paid	-9.3	-3.7	148%	-7.9	-6.4	24%	-5.8
Continuing operations, total	117.7	-13.7		135.8	-24.6		159.5
Discontinued operations	-0.5	-0.9	-45%	-1.1	-2.1	-48%	-4.7
Net cash generated from operating activities	**117.2**	**-14.6**		**134.7**	**-26.7**		**154.8**
Acquisition of subsidiaries, net of cash	-1.7	-0.3	585%	-3.9	-0.5	685%	-0.5
Cash outflow from investing activities	-4.0	-3.6	11%	-6.4	-5.6	14%	-11.8
Cash inflow from investing activities	1.3	1.2	12%	2.9	2.0	46%	4.6
Continuing operations, total	-4.4	2.7	64%	-7.4	-4.1	81%	-7.6
Discontinued operations							
Net cash used in investing activities	**-4.4**	**2.7**	**64%**	**-7.4**	**-4.1**	81%	**-7.6**
Continuing operations, total	113.3	-16.4		128.4	-28.7		151.9
Discontinued operations, total	-0.5	-0.9	-44%	-1.1	-2.1	-48%	-4.7
Operating cash flow after investments	**112.8**	**-17.3**		**127.3**	**-30.8**		**147.2**
Change in loan receivables	-0.3	0.6		1.5	1.1	35%	5.0
Change in current liabilities	-96.2	-3.4		-116.0	24.4		-32.1
Proceeds from borrowings	25.0	30.3	-17%	125.0	97.4	28%	177.4
Repayments of borrowings	-10.4	-11.3	-8%	-190.7	-44.2	331%	-109.8
Payments of financial leasing debts	-0.0	-0.1	-76%	-0.1	-0.1	-35%	-0.3
Dividends paid	-22.6	-4.5	402%	-22.6	-47.7	-53%	-47.7
Continuing operations, total	-104.5	11.7		-202.9	31.0		-7.5
Discontinued operations							
Net cash used in financing activities	**-104.5**	**11.7**		**-202.9**	**31.0**		**-7.5**
Net change in cash and cash equivalents	8.2	-5.7		-75.6	0.2		139.7
Cash and cash equivalents at the beginning of the period	118.6	79.7	49%	199.4	76.3	161%	76.3
Change in the fair value of the cash equivalents	1.4	1.3	9%	4.4	-1.2		-16.8
Cash and cash equivalents at the end of the period	128.3	75.3	70%	128.3	75.3	70%	199.4

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, 2014	149.2	1.5		-63.5	-1.2	-8.2	614.9	692.7	0.4	693.1
Comprehensive income										
Profit for the period							17.3	17.3	-0.1	17.2
Other comprehensive income:										
Cash flow hedges					0.3			0.3		0.3
- Deferred tax asset					-0.1			-0.1		-0.1
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				-9.0				-9.0		-9.0
Other change							0.2	0.2		0.2
Comprehensive income, total				**-9.0**	**0.2**		**17.4**	**8.7**	**-0.1**	**8.6**
Transactions with owners										
Dividend distribution							-47.7	-47.7		-47.7
Share-based incentive schemes							0.4	0.4		0.4
Transactions with owners, total							**-47.3**	**-47.3**		**-47.3**
Change in non-controlling interest							-0.1	-0.1	0.1	
Equity on June 30, 2014	**149.2**	**1.5**	**0.0**	**-72.5**	**-0.9**	**-8.2**	**584.9**	**654.0**	**0.5**	**654.5**

	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	0.0	-63.5	-1.2	-8.2	614.9	692.7	0.4	693.1
Comprehensive income										
Profit for the period							55.9	55.9	-0.1	55.8
Other comprehensive income:										
Cash flow hedges					0.4			0.4		0.4
- Deferred tax asset					-0.1			-0.1		-0.1
Change in fair value of available-for-sale assets					0.0			0.0		0.0
- Deferred tax asset					0.0			0.0		0.0
Change in fair value of defined benefit pension							-0.2	-0.2		-0.2
- Deferred tax asset							0.0	0.0		0.0
Translation differences				-166.9				-166.9		-166.9
Other change							0.2	0.2		0.2
Comprehensive income, total				**-166.9**	**0.3**		**55.9**	**-110.7**	**-0.1**	**-110.7**
Transactions with owners										
Dividend distribution							-47.7	-47.7		-47.7
Share-based incentive schemes			-0.1			0.0	1.1	1.0		1.0
Transactions with owners, total			**-0.1**			**0.0**	**-46.6**	**-46.8**		**-46.8**
Equity on December 31, 2014	**149.2**	**1.5**	**-0.1**	**-230.3**	**-0.8**	**-8.3**	**624.1**	**535.3**	**0.3**	**535.6**

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, 2015	149.2	1.5	-0.1	-230.3	-0.8	-8.3	624.1	535.3	0.3	535.6
Comprehensive income										
Profit for the period							35.2	35.2	-0.1	35.1
Other comprehensive income:										
Cash flow hedges					0.2			0,2		0.2
- Deferred tax asset					0.0			0.0		0.0
Translation differences				46.0				46.0		46.0
Comprehensive income, total				**46.0**	**0.2**		**35.2**	**81.3**	**-0.1**	**81.2**
Transactions with owners										
Dividend distribution							-22.6	-22.6		-22.6
Share-based incentive schemes			0.0			0.0	0.7	0.7		0.7
Transactions with owners, total			**0.0**			**0.0**	**-21.9**	**-21.9**		**-21.9**
Changes in ownership shares in subsidiaries										
Change in non-controlling interest							-0.1	-0.1	-0.1	-0.2
Change in ownership shares in subsidiaries, total							**-0.1**	**-0.1**	**-0.1**	**-0.2**
Equity on June 30, 2015	**149.2**	**1.5**	**-0.1**	**-184.3**	**-0.7**	**-8.3**	**637.3**	**594.6**	**0.1**	**594.7**

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

EUR million	1–6/15	1–6/14	Change	1–12/14
Housing Finland and CEE	391.2	359.9	9%	726.5
Housing Russia	140.9	225.4	-37%	474.1
Business Premises and Infrastructure	259.1	268.1	-3%	599.3
Other items	-0.3	1.2		1.4
Revenue total, POC	791.0	854.5	-7%	1,801.2
IFRS adjustment	65.9	-97.7		-22.6
Revenue total, IFRS	856.8	756.9	13%	1,778.6

2.3 Operating profit and operating profit margin, segment reporting POC

Operating profit

EUR million	1–6/15	1–6/14	Change	1–12/14
Housing Finland and CEE	30.3	32.9	-8%	57.6
Housing Russia	8.5	25.9	-67%	49.8
Business Premises and Infrastructure	7.0	7.1	-1%	20.1
Other items	-6.8	-4.4		-13.5
Operating profit total, POC	39.1	61.5	-37%	114.0
IFRS adjustment	12.6	-30.0		-19.2
Operating profit total, IFRS	51.7	31.5	64%	94.8

Operating profit margin

%	1–6/15	1–6/14	1–12/14
Housing Finland and CEE	7.8%	9.2%	7.9%
Housing Russia	6.0%	11.5%	10.5%
Business Premises and Infrastructure	2.7%	2.6%	3.4%
Group total, POC	4.9%	7.2%	6.3%
Group total, IFRS	6.0%	4.2%	5.3%

Profit before taxes

EUR million	1–6/15	1–6/14	Change	1–12/14
Profit before taxes, POC	21.5	43.9	-51%	75.0
IFRS adjustment	23.4	-21.6		-0.7
Profit before taxes, IFRS	44.9	22.3	102%	74.3

2.4 Order backlog, segment reporting POC

EUR million	6/15	6/14	Change	12/14
Housing Finland and CEE	834.7	953.2	-12%	798.5
Housing Russia	740.4	1,218.8	-39%	653.5
Business Premises and Infrastructure	998.3	751.9	33%	673.9
Order backlog, POC	2,573.5	2,923.9	-12%	2,125.9
IFRS adjustment	341.1	556.5		381.1
Order backlog, IFRS	2,914.6	3,480.3	-16%	2,507.1

2.5 Personnel

At the end of the period	6/15	6/14	Change	12/14
Housing Finland and CEE	1,926	2,017	-5%	1,783
Housing Russia	1,790	1,987	-10%	1,980
Business Premises and Infrastructure	1,818	2,022	-10%	1,814
Group Services	313	332	-6%	304
Personnel, total	5,847	6,358	-8%	5,881

2.6 Group figures by quarter, segment reporting POC

Revenue by segments

EUR million	4–6/15	1–3/15	10–12/14	7–9/14	4–6/14	1–3/14
Housing Finland and CEE	207.6	183.6	189.2	177.4	187.0	172.9
Housing Russia	69.6	71.3	129.7	119.0	116.8	108.5
Business Premises and Infrastructure	139.0	120.1	142.4	188.8	147.0	121.1
Other items	-0.1	-0.1	-0.4	0.5	0.6	0.6
Revenue total, POC	416.1	374.9	461.0	485.7	451.4	403.1
IFRS adjustment	46.8	19.0	68.3	6.8	-97.7	0.0
Revenue total, IFRS	462.9	394.0	529.3	492.4	353.7	403.2

Operating profit by segments

EUR million	4–6/15	1–3/15	10–12/14	7–9/14	4–6/14	1–3/14
Housing Finland and CEE	16.2	14.2	11.3	13.3	16.2	16.8
Housing Russia	2.3	6.2	12.1	11.7	13.8	12.2
Business Premises and Infrastructure	3.9	3.1	2.8	10.3	6.9	0.2
Other items	-3.8	-3.0	-7.2	-1.8	-2.1	-2.3
Operating profit total, POC	18.6	20.5	19.0	33.5	34.7	26.9
IFRS adjustment	6.1	6.6	16.3	-5.4	-26.3	-3.7
Operating profit total, IFRS	24.6	27.1	35.2	28.1	8.3	23.2

Operating profit margin by segments

%	4–6/15	1–3/15	10–12/14	7–9/14	4–6/14	1–3/14
Housing Finland and CEE	7.8%	7.7%	6.0%	7.5%	8.6%	9.7%
Housing Russia	3.2%	8.7%	9.3%	9.9%	11.8%	11.2%
Business Premises and Infrastructure	2.8%	2.6%	1.9%	5.4%	4.7%	0.2%
Group total, POC	4.5%	5.5%	4.1%	6.9%	7.7%	6.7%
Group total, IFRS	5.3%	6.9%	6.7%	5.7%	2.4%	5.8%

Key figures, segment reporting POC

	4–6/15	1–3/15	10–12/14	7–9/14	4–6/14	1–3/14
Profit before taxes, EUR million	11.2	10.3	8.5	22.6	25.7	18.2
Profit for the review period, attributable to equity holders of the parent company, EUR million	8.4	7.8	5.5	16.8	20.0	14.3
Earnings per share, diluted and undiluted, EUR	0.07	0.06	0.04	0.13	0.16	0.11

	6/15	3/15	12/14	9/14	6/14	3/14
Equity per share, EUR	5.05	4.97	4.67	5.81	5.98	5.63
Invested capital, EUR million	1,308.0	1,344.0	1,403.2	1,562.8	1,603.8	1,553.7
Return on investment, from the last 12 months	6.4%	7.5%	7.7%	9.1%	9.6%	10.2%
Equity ratio	36.0%	35.2%	32.4%	35.8%	36.4%	35.0%
Net interest-bearing debt, EUR million	544.9	600.7	616.1	741.6	776.3	766.6
Gearing	85.9%	96.2%	105.0%	101.5%	103.2%	108.4%
Personnel at the end of the period	5,847	5,534	5,881	6,032	6,358	6,076

Order backlog by segments

EUR million	6/15	3/15	12/14	9/14	6/14	3/14
Housing Finland and CEE	834.7	784.2	798.5	929.8	953.2	956.7
Housing Russia	740.4	701.5	653.5	1,103.8	1,218.8	1,070.6
Business Premises and Infrastructure	998.3	684.1	673.9	702.3	751.9	669.4
Order backlog total, POC	2,573.5	2,169.8	2,125.9	2,736.0	2,923.9	2,696.7
IFRS adjustment	341.1	380.3	381.1	542.6	556.5	449.7
Order backlog total, IFRS	2,914.6	2,550.1	2,507.1	3,278.5	3,480.3	3,146.4

Operative invested capital

EUR million	6/15	3/15	12/14	9/14	6/14	3/14
Housing Finland and CEE	490.6	567.8	579.8	613.0	621.9	649.0
Housing Russia [1)]	443.9	428.5	378.1	564.0	601.6	549.2
Business Premises and Infrastructure	171.9	201.2	181.9	229.3	233.2	208.8

Return on operative invested capital

Rolling 12 months, %	6/15	3/15	12/14	9/14	6/14	3/14
Housing Finland and CEE	9.9%	9.0%	9.4%	9.5%	10.1%	9.7%
Housing Russia [1)]	6.2%	9.0%	10.5%	10.2%	11.4%	12.4%
Business Premises and Infrastructure	9.9%	11.2%	10.8%	12.1%	12.0%	15.6%

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

	4–6/15	1–3/15	10–12/14	7–9/14	4–6/14	1–3/14
Revenue, EUR million	462.9	394.0	529.3	492.4	353.7	403.2
Operating profit, EUR million	24.6	27.1	35.2	28.1	8.3	23.2
% of revenue	5.3%	6.9%	6.7%	5.7%	2.4%	5.8%
Financial income and expenses net, EUR million	-2.1	-4.7	-4.5	-6.7	-4.8	-4.4
Profit before taxes, EUR million	22.5	22.4	30.7	21.3	3.5	18.8
% of revenue	4.9%	5.7%	5.8%	4.3%	1.0%	4.7%
Earnings per share, EUR	0.14	0.14	0.18	0.13	0.02	0.12
Gross capital expenditures, EUR million	4.0	2.5	5.0	3.2	3.6	2.0
% of revenue	0.9%	0.6%	0.9%	0.7%	1.0%	0.5%

	6/15	3/15	12/14	9/14	6/14	3/14
Balance sheet total, EUR million	2,216.1	2,218.5	2,238.4	2,567.8	2,633.4	2,509.9
Equity per share, EUR	4.73	4.60	4.26	5.12	5.25	5.06
Average share price during the period, EUR	5.85	5.28	7.35	8.02	8.37	8.88
Share price at the end of the period, EUR	6.41	5.12	4.27	6.11	8.41	7.73
Weighted average share-issue adjusted number of shares outstanding, diluted and undiluted, 1,000 pcs	125,583	125,584	125,587	125,588	125,589	125,590
Share-issue adjusted number of shares outstanding at the end of the period, 1,000 pcs	125,582	125,583	125,584	125,585	125,586	125,588
Market capitalisation at the end of the period, EUR million	805.0	643.0	536.2	767.3	1,056.2	970.8
Return on investment, from the last 12 months	8.1%	6.8%	6.4%	6.1%	5.2%	6.1%
Equity ratio	33.8%	32.1%	29.2%	31.9%	32.2%	31.6%
Net interest-bearing debt, EUR million	587.3	678.0	696.0	817.9	860.2	840,3
Gearing ratio	98.7%	117.3%	129.9%	127.2%	130.4%	132,1%
Unrecognised order backlog at the end of the period, EUR million	2,914.6	2,550.1	2,507.1	3,278.5	3,480.3	3,146.4
-of which activities outside Finland, EUR million	1,194.3	1,123.2	1,061.4	1,697.3	1,838.2	1,568.3
Personnel at the end of the period	5,847	5,534	5,881	6,384	6,358	6,076
Personnel, average from the beginning of the year	5,665	5,616	6,116	6,172	6,169	6,102

3.2 Accounting principles of the Financial Statements Bulletin

YIT Corporation's Interim Report for January 1 – June 30, 2015, 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 Financial Statement 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 accordance with the International Financial Reporting Standards (IFRS), and the principles for preparing the Interim Report are the same as those used for preparing the financial statements 2014.

Currency exchange rates used in the Financial Statement

		Average rates			Balance sheet rates		
		1–6/15	1–6/14	1–12/14	6/15	6/14	12/14
1 EUR =	CZK	27.5039	27.4434	27.5364	27.2530	27.4530	27.7350
	PLN	4.1396	4.1757	4.1843	4.1911	4.1568	4.2732
	RUB	64.5240	48.0165	51.0378	62.3550	46.3779	72.3370
	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	1–6/15	1–6/14	Change	1–12/14
Housing Finland and CEE				-6.1
Housing Russia				-6.0
Business Premises and Infrastructure				-0.2
Group total				**-12.4**

In year 2014 the operating profit of Housing Finland and CEE included non-recurring costs of EUR 6.1 million, of which EUR 0.2 million was related to restructuring measures in Finland and EUR 5.9 million was related to write-downs of assets under the capital release program in Baltic countries.

In year 2014 the operating profit of Housing Russia included non-recurring costs of EUR 6.0 million, of which EUR 3.1 million was related to restructuring measures and EUR 3.0 million was related to write-downs of assets under the capital release program.

In year 2014 the operating profit of Business Premises and Infrastructure included non-recurring costs of EUR 0.2 million, of which EUR 0.1 million was related to restructuring measures in Finland, and EUR 0.1 million was related to write-downs of assets under the capital release program in the Baltic countries.

3.5 Business combinations and disposals

There have been no acquisitions or disposals in year 2015.

3.6 Property, plant and equipment

EUR million	6/15	6/14	Change	12/14
Carrying value at the beginning of the period	55.4	65.2	-15%	65.2
Translation difference	1.0	-0.2		-3.7
Increase	4.0	3.6	12%	6.5
Decrease	-2.0	-1.0	104%	-2.3
Depreciation and value adjustments	-5.4	-5.9	-9%	-11.5
Reclassifications	-0.4			1.2
Carrying value at the end of the period	**52.6**	**61.7**	**-15%**	**55.4**

3.7 Inventories

EUR million	6/15	6/14	Change	12/14
Raw materials and consumables	7.1	8.4	-16%	6.0
Work in progress	858.2	1,147.4	-25%	874.0
Land areas and plot owning companies	537.5	624.2	-14%	509.1
Shares in completed housing and real estate companies	236.2	251.2	-6%	223.8
Advance payments	88.6	89.7	-1%	73.3
Other inventories	1.1	0.8	32%	2,7
Total inventories	**1,728.6**	**2,121.7**	**-19%**	**1,688.9**

3.8 Notes on equity

Share capital and share premium reserve	Number of outstanding shares, pcs	Share capital, EUR million	Treasury shares, EUR million
Shares outstanding on January 1, 2015	125,583,992	149.2	-8.2
Return of treasury shares January 1–March 31, 2015	-1,413		-0.0
Return of treasury shares April 1–June 30, 2015	-752		
Shares outstanding on June 30, 2015	**125,581,827**	**149.2**	**-8.2**

3.9 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 the year 2014.

3.10 Borrowings and fair value

Borrowings which have different fair value and carrying value

EUR million	6/15 Carrying value	6/15 Fair value	12/14 Carrying value	12/14 Fair value
Non-current liabilities				
Bonds	102.1	102.9	105.3	109.6
Loans from credit institutions	93.2	97.8	67.3	63.7
Pension loans	92.1	96.7	102.5	95.3
Non-current liabilities. total	**287.4**	**297.4**	**275.1**	**268.6**
Current liabilities				
Bonds	105.4	108.6	105.4	106.6

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 calculated by adding the risk-free market interest rate on the company and maturity related risk premium 2.16-5.92% (2.12-4.08% on December 31, 2014) p.a.

Fair value estimation

Group measures the fair value measurement hierarchy as follows:

Level 1: The fair values of financial instruments are based on quoted prices in active markets. A market can be considered active if quoted prices are regularly available and the prices represent the actual value of the instrument in liquid trading.
Level 2: Financial instruments are not traded in active and liquid markets. The value of a financial instrument can be determined based on market value and potentially partially derived value measurement. If, however, the factors affecting the fair value of the instrument are available and observable, the instrument belongs to level 2.
Level 3: The valuation of a financial instrument is not based on observable market data, and other factors affecting the fair value of the instrument are not available and observable. The following table presents the Group's assets and liabilities that are measured at fair value and their levels.Following table presents the group's assets and liabilities that are measured at fair value and their levels.

Assets, EUR million	6/15 Level 1	6/15 Level 2	12/14 Level 1	12/14 Level 2
Available-for-sale investments	0.1		0.1	
Derivatives (hedge accounting not applied)		1.2		2.4
Total assets	**0.1**	**1.2**	**0.1**	**2.4**

Liabilities, EUR million	6/15 Level 1	6/15 Level 2	12/14 Level 1	12/14 Level 2
Derivatives (hedge accounting not applied)		4.0		4.9
Derivatives (hedge accounting applied)		2.4		1.1
Total liabilities		**6.4**		**6.0**

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

3.11 Change in contingent liabilities and assets and commitments

EUR million	6/15	6/14	Change	12/14
Collateral given for own commitments				
Corporate mortgages				
Guarantees on behalf of its associated companies	5.0	6.8	-27%	6.8
Other commitments				
Repurchase commitments	464.5	437.4	6%	490.9
Operating leases	142.7	159.6	-11%	142.2
Rental guarantees for clients	4.9	0.9	462%	1.4
Liability under derivative contracts				
Value of underlying instruments				
Interest rate derivatives	342.5	340.5	1%	318.0
Foreign exchange derivatives	44.6	86.6	-48%	62.2
Commodity derivatives		0.0		
Fair value				
Interest rate derivatives	-4.9	-4.9		-6.0
Foreign exchange derivatives	-0.3	-0.8	-63%	2.4
Commodity derivatives		0.0		
YIT Corporation's guarantees on behalf of its subsidiaries	1,021.1	983.0	4%	961.9

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 86.0 million on June 30, 2015 (EUR 129.1 million on June 30, 2014).

3.12 Transactions with associated companies and joint ventures

EUR million	1–6/15	1–6/14	Change	1–12/14
Sales	1.5	12.8	-89%	26.7
Purchases				
EUR million	**6/15**	**6/14**	**Change**	**12/14**
Trade and other receivables	0.1	0.0	207%	0.0
Trade and other liabilities				

Together we can do it.

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