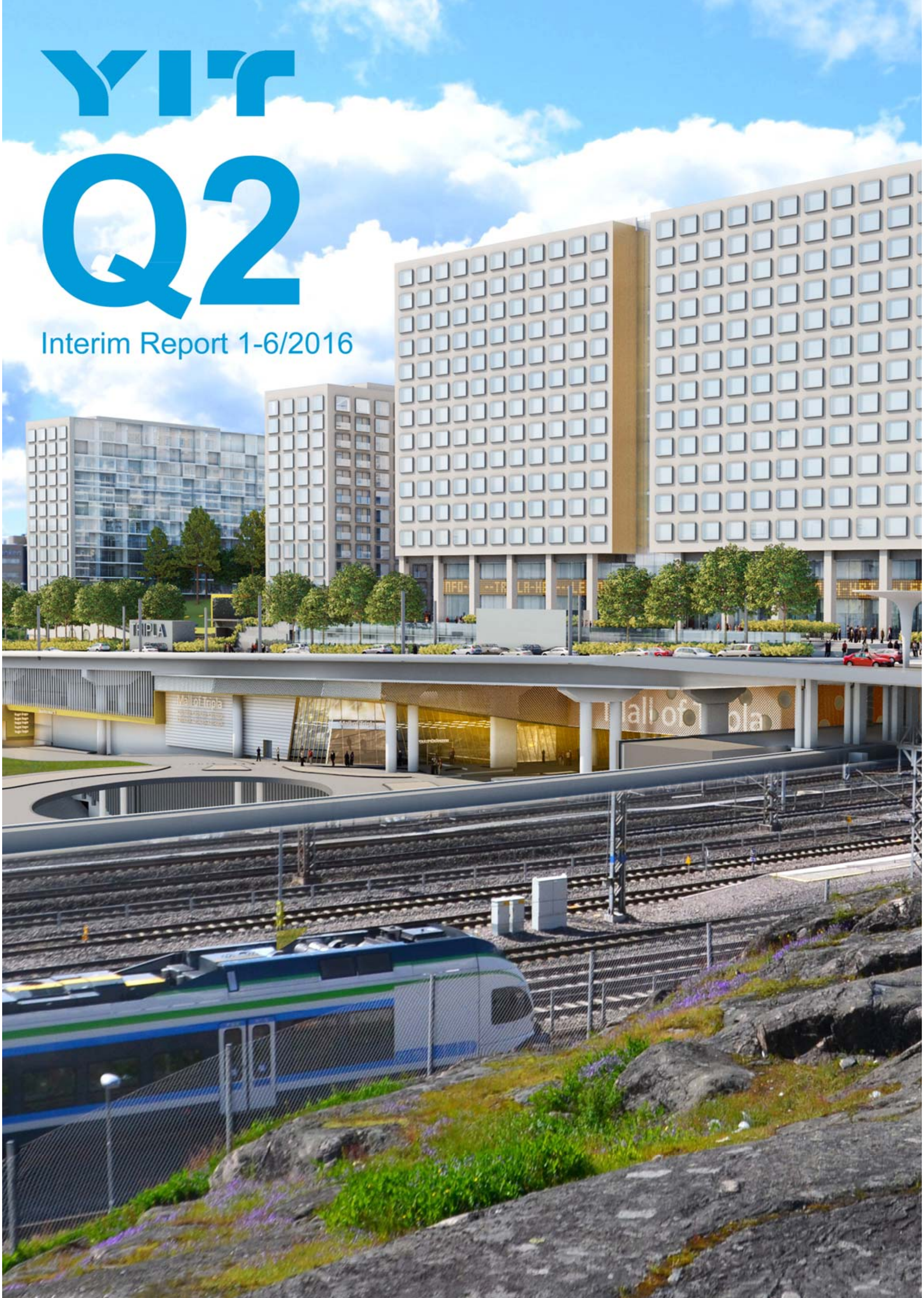
Q2

Interim Report 1-6/2016



Interim Report January 1–June 30, 2016: Strong development continued in Finland and CEE in Q2, Russia still weak

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

Segment reporting, POC

Residential projects for consumers recognised as income in line with sales and construction[1]

April-June

- Revenue increased by 11% to EUR 463.7 (416.1) million. At comparable exchange rates, revenue increased by 15%.
- Adjusted operating profit amounted to EUR 20.2 (18.6) million and operating profit margin was 4.3% (4.5%). There were no adjustments in the period.
- Order backlog increased by 21% from the end of March, amounting to EUR 2,714.1 million.
- Operating cash flow after investments amounted to EUR 26.2 (113.3) million.

January-June

- Revenue increased by 4% to EUR 826.1 (791.0) million. At comparable exchange rates, revenue increased by 7%.
- Adjusted operating profit amounted to EUR 32.2 (39.1) million and operating profit margin was 3.9% (4.9%). There were no adjustments in the period.
- Operating cash flow after investments amounted to EUR 1.1 (128.4) million.

Group reporting, IFRS

Residential projects for consumers recognised as income upon completion[1]

April-June

- Revenue decreased by 14% to EUR 396.4 (462.9) million.
- Operating profit amounted to EUR 6.6 (24.6) million and operating profit margin was 1.7% (5.3%).

January-June

- Revenue decreased by 14% to EUR 734.0 (856.8) million.
- Operating profit amounted to EUR 13.3 (51.7) million and operating profit margin was 1.8% (6.0%).

Guidance for 2016 specified (segment reporting, POC)

The Group revenue growth is estimated to be in the range of 5–10% at comparable exchange rates.

The adjusted operating profit[2] is estimated to grow from the level of 2015 (2015: EUR 76.0 million).

The adjusted operating profit does not include material reorganisation costs or impairment.

Previously, YIT estimated the revenue growth to be in the range of 0–10% at comparable exchange rates.

[1] In segment reporting, the revenue and profit are recognised by multiplying the percentage of completion by the percentage of sale, i.e. according to the percentage of completion method, which does not fully comply with the Group's IFRS accounting principles. According to the Group's IFRS accounting principles, revenue from residential projects for consumers is recognised upon completion. Furthermore, in Group reporting, part of the interest expenses are capitalised according to the IAS 23 standard, which causes differences in operating profit and financial expenses between segment reporting and Group reporting.

[2] Due to the new guidelines from the European Securities and Market Authority concerning alternative performance measures, the performance measure "operating profit excluding non-recurring items" is replaced with "adjusted operating profit". The content of adjustments equals items previously disclosed as nonrecurring items and consist of material reorganization costs and impairment. Adjusted operating profit is disclosed to improve comparability between reporting periods.

Kari Kauniskangas, President and CEO:

Our result for April–June showed an expected turn for the better, with our adjusted operating result based on segment reporting increasing by 9% year-on-year. We expect this positive trend to continue, and the outlook is good particularly in the Business Premises and Infrastructure segment and the Housing Finland and CEE segment.

The result of the Business Premises and Infrastructure segment showed excellent development in the first half of the year. The segment's revenue grew by 41% and its operating profit margin improved by 2.4 percentage points year-on-year. Growth and profitability were supported by the achievement of a significant milestone in the Tripla project currently in development in Helsinki's Pasila district, i.e. closing of the investor deals for the Mall of Tripla. The investor deals allowed us to start the recognition of income on the project, and Tripla will play a significant role in improving our revenue growth and profitability in the coming years. We were also successful in several contracting tenders in the second quarter, which further strengthened our order backlog. The segment's outlook is strong, and in the second half of the year, we expect the profit performance to be at the same level as in the first six months of the year.

The profitability of the Housing Finland and CEE segment also turned to growth. Our key goals in the Housing Finland and CEE segment have been to gradually shift our focus to consumer sales and to maintain strong growth in the CEE countries. Positive developments were seen in both areas during the spring. In Finland consumer demand improved, and in the first half of the year, we increased our start-ups for consumers by approximately 25% year-on-year. We also launched Smartti, our new affordable and flexible concept for consumers. The demand for Smartti apartments has been pleasingly strong in the pre-marketing phase of the first projects. In addition, we achieved our goal of normalising the level of completed unsold apartments in Finland in the second quarter. The reduced need for capital release measures was favourably reflected in the segment's profitability already in the second quarter. In the CEE countries, we started several new projects, with our first residential project in Poland being one of the most important. The high level of residential start-ups is expected to be reflected in higher sales in the CEE countries in the coming quarters.

In the Housing Russia segment, cash flow was positive in line with previously set targets, but the result still showed a loss. The segment's sales, measured in terms of the number of residential units sold, remained close to the target level, but we were forced to reduce our forecasted margins in certain projects. Our aim is to achieve a positive operating result in the second half of the year while continuing to reduce the amount of invested capital in Russia.

Key figures

Group reporting, IFRS

EUR million	4–6/16	4–6/15	Change	1–6/16	1–6/15	Change	1–12/15
Revenue	396.4	462.9	-14%	734.0	856.8	-14%	1,732.2
Operating profit	6.6	24.6	-73%	13.3	51.7	-74%	81.6
Operating profit margin, %	1.7%	5.3%		1.8%	6.0%		4.7%
Profit before taxes	1.8	22.5	-92%	0.6	44.9	-99%	61.3
Profit for the review period[1]	1.4	17.7	-92%	0.5	35.2	-99%	47.2
Earnings per share, EUR	0.01	0.14	-92%	0.00	0.28	-99%	0.38
Operating cash flow after investments	26.2	113.3	-77%	1.1	128.4	-99%	183.7
Net interest-bearing debt at end of period	556.6	587.3	-5%	556.6	587.3	-5%	529.0
Gearing ratio at end of period, %	104.8%	98.7%		104.8%	98.7%		101.1%
Equity ratio at end of period, %	33.0%	33.8%		33.0%	33.8%		32.9%

Segment reporting, POC

EUR million	4–6/16	4–6/15	Change	1–6/16	1–6/15	Change	1–12/15
Revenue	**463.7**	**416.1**	**11%**	**826.1**	**791.0**	**4%**	**1,651.2**
Housing Finland and CEE	184.8	207.6	-11%	350.8	391.2	-10%	777.8
Housing Russia	58.8	69.6	-16%	107.9	140.9	-23%	266.4
Business Premises and Infrastructure	222.5	141.0	58%	371.9	263.0	41%	615.6
Other items	-2.4	-2.1		-4.6	-4.1		-8.6
Operating profit	**20.2**	**18.6**	**9%**	**32.2**	**39.1**	**-17%**	**65.7**
Operating profit margin, %	**4.3%**	**4.5%**		**3.9%**	**4.9%**		**4.0%**
Adjusted operating profit	**20.2**	**18.6**	**9%**	**32.2**	**39.1**	**-17%**	**76.0**
Housing Finland and CEE	15.8	16.2	-2%	28.6	30.3	-6%	56.0
Housing Russia	-2.7	2.3		-5.8	8.5		10.9
Business Premises and Infrastructure	12.7	3.7	242%	18.8	6.8	176%	22.7
Other items	-5.6	-3.6		-9.3	-6.6		-13.5
Adjusted operating profit margin, %	**4.3%**	**4.5%**		**3.9%**	**4.9%**		**4.6%**
Housing Finland and CEE	8.5%	7.8%		8.2%	7.8%		7.2%
Housing Russia	-4.6%	3.2%		-5.4%	6.0%		4.1%
Business Premises and Infrastructure	5.7%	2.6%		5.0%	2.6%		3.7%
Profit before taxes	10.2	11.2	-9%	9.5	21.5	-56%	27.0
Profit for the review period[1]	7.9	8.4	-7%	7.3	16.3	-55%	20.0
Earnings per share, EUR	0.06	0.07	-7%	0.06	0.13	-55%	0.16
Return on investment (last 12 months), %	5.0%	6.4%		5.0%	6.4%		5.3%
Net interest-bearing debt at end of period	466.2	544.9	-14%	466.2	544.9	-14%	460.8
Equity ratio at end of period, %	36.4%	36.0%		36.4%	36.0%		35.5%
Order backlog at end of period	2,714.1	2,573.5	5%	2,714.1	2,573.5	5%	2,172.9

[1] Attributable to equity holders of the parent company

Accounting principles applied in the interim report

YIT reports on its operations in accordance with IFRS guidelines, where the company applies, for example, the IFRIC 15 guidelines. In group reporting, self-developed residential projects are recognised as income upon project handover. 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 result and financial expenses between segment reporting and group reporting.

YIT Corporation's management follows the development of the company's business according to the percentage of completion based segment reporting (POC). Therefore, the company's performance is described in the explanatory statement of the interim report also according to segment reporting. The effects of the differences of the recognition principles are presented in detail in the tables to the interim report.

Group financial development, group reporting (IFRS)

Residential projects for consumers recognised as income upon completion

IFRS, EUR million	4–6/16	4–6/15	Change	1–6/16	1–6/15	Change	1–12/15
Revenue	396.4	462.9	-14%	734.0	856.8	-14%	1,732.2
Operating profit	6.6	24.6	-73%	13.3	51.7	-74%	81.6
Operating profit margin, %	1.7%	5.3%		1.8%	6.0%		4.7%
Adjusted operating profit	6.6	24.6	-73%	13.3	51.7	-74%	91.9
Adjusted operating profit margin, %	1.7%	5.3%		1.8%	6.0%		5.3%
Profit before taxes	1.8	22.5	-92%	0.6	44.9	-99%	61.3
Profit for the review period[1]	1.4	17.7	-92%	0.5	35.2	-99%	47.2
Earnings per share, EUR	0.01	0.14	-92%	0.00	0.28	-99%	0.38
Order backlog at end of period	3,124.1	2,914.6	7%	3,124.1	2,914.6	7%	2,467.3
Effective tax rate, %	20.2%	21.8%		23.5%	21.9%		22.9%

[1] Attributable to equity holders of the parent company

April-June

The Group's IFRS revenue decreased by 14% year-on-year. At comparable exchange rates, revenue decreased by 13%. Revenue decreased due to clearly lower residential project completions. However, revenue was supported by the progress of the significant business premise and infra projects, especially the Tripla project.

IFRS operating profit decreased by 73% year-on-year, and the Group's operating profit margin was 1.7% (4–6/15: 5.3%). Profitability was especially burdened by low residential project completions and weakened projects margins in Russia, among other things.

January-June

The Group's IFRS revenue decreased by 14% year-on-year. At comparable exchange rates, revenue decreased by 13%. Revenue decreased due to clearly lower residential project completions. However, revenue was supported by the progress of the significant business premise and infra projects, especially the Tripla project.

IFRS operating profit decreased by 74% year-on-year, and the Group's operating profit margin was 1.8% (1–6/15: 6.0%). Profitability was especially burdened by low residential project completions and weakened projects margins in Russia, among other things.

Acquisitions and capital expenditure

IFRS, EUR million	4–6/16	4–6/15	Change	1–6/16	1–6/15	Change	1–12/15
Gross capital expenditure on non-current assets	48.1	4.0	Over thousand %	51.0	6.5	687%	12.0
% of revenue	12.1%	0.9%		7,0 %	0,8 %		0.7%
Depreciation	3.2	3.2	1%	6.4	6.2	3%	12.1

YIT did not make any business acquisitions in January-June. Gross capital expenditure on non-current assets amounted to EUR 51.0 million, or 7.0% of revenue. Investments in construction equipment amounted to EUR 6.5 million (1–6/15: EUR 2.2 million) and investments in information technology totalled EUR 2.0 million (1–6/15: EUR 2.5 million). Other investments amounted to EUR 42.5 million (1–6/15: EUR 1.8 million), and consisted mainly of investments in the joint ventures of the Tripla project and the Kasarmikatu office project.

Cash flow and invested capital

IFRS, EUR million	4–6/16	4–6/15	Change	1–6/16	1–6/15	Change	1–12/15
Operating cash flow after investments	26.2	113.3	-77%	1.1	128.4	-99%	183.7
Cash flow of plot investments	-13.5	-29.7	-55%	-66.3	-68.1	-3%	-138.1

IFRS, EUR million	6/16	6/15	Change	6/16	3/16	Change	1–12/15
Invested capital	1,159.6	1,311.0	-12%	1,159.6	1,187.6	-2%	1,174.3
Return on investment (last 12 months), %	3.6%	8.1%		3.6%	4.9%		6.4%

Operating cash flow after investments in January-June was EUR 1.1 million (1–6/15: EUR 128.4 million). EUR 27.6 million of dividends were paid during the review period. Cash flow of plot investments was EUR -66.3 million (1–6/15: EUR -68.1 million).

Invested capital remained on the level of the end of March. Return on investment weakened from the end of March due to modest operating profit.

Capital structure and liquidity position

IFRS, EUR million	6/16	6/15	Change	6/16	3/16	Change	12/15
Net interest-bearing debt	556.6	587.3	-5%	556.6	554.5	0%	529.0
Cash and cash equivalents	71.8	129.0	-44%	71.8	122.4	-41%	122.2
Interest-bearing debt	628.4	716.3	-12%	628.4	676.9	-7%	651.2
Bonds	152.2	207.5	-27%	152.2	252.2	-40%	204.9
Commercial papers	65.0	91.7	-29%	65.0	10.0	550%	38.8
Construction-stage financing	228.0	205.8	11%	228.0	221.6	3%	213.8
Pension loans	92.1	113.1	-19%	92.1	100.9	-9%	102.6
Bank loans	91.1	98.2	-7%	91.1	92.2	-1%	91.1
Average interest rate, %	3.78%	3.89%		3.78%	4.16%		3.86%
Revolving credit facilities	300.0	300.0		300.0	300.0		300.0
Overdraft facilities	64.8	64.5	0%	64.8	64.5	0%	63.2
Equity ratio, %	33.0%	33.8%		33.0%	31.5%		32.9%
Gearing ratio, %	104.8%	98.7%		104.8%	108.6%		101.1%

IFRS, EUR million	4–6/16	4–6/15	Change	1–6/16	1–6/15	Change	1–12/15
Net financial expenses	-4.9	-2.1	132%	-12.7	-6.8	87%	-20.3

YIT's liquidity position was strong in the end of June. Cash and cash equivalents amounted to EUR 71.8 million, in addition to which YIT had undrawn overdraft facilities amounting to EUR 63.5 million. YIT also has an undrawn, EUR 300.0 million revolving credit facility maturing in 2018.

The most important financing transactions in Q2 were securing the financing package for the Mall of Tripla with competitive terms and conditions as well as repayment of EUR 100 million bond in June according to the original schedule.

YIT's revolving credit facilities, the bonds issued in 2015 and 2016 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 33.0% and the gearing ratio was 104.8%.

The total amount of interest-bearing debt was EUR 628.4 million at the end of June and net interest-bearing debt was EUR 556.6 million. A total of EUR 16.7 million of long-term loans will mature during the remainder of 2016.

Net financial expenses increased year-on-year and amounted to EUR 12.7 million (1–6/15: EUR 6.8 million). Interest expenses at the amount of EUR 10.1 million (1–6/15: EUR 10.7 million) were capitalized in accordance with IAS 23. Financial expenses of the review period were increased by unrealised losses on interest rate derivatives.

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 1.9 million in January-June (1–6/15: EUR 1.6 million).

At the end of June, EUR 101.7 million of the capital invested in Russia was debt investments (3/16: EUR 114.9 million) and EUR 240.2 million was equity investments or similar permanent net investments (3/16: EUR 225.9 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.

Group financial development, segment reporting (POC)

Residential projects for consumers recognised as income in line with sales and construction

Revenue

POC, EUR million	4–6/16	4–6/15	Change	Change[1]	1–6/16	1–6/15	Change	Change[1]	1–12/15
Revenue	**463.7**	**416.1**	**11%**	**15%**	**826.1**	**791.0**	**4%**	**7%**	**1,651.2**
Housing Finland and CEE	184.8	207.6	-11%	-11%	350.8	391.2	-10%	-10%	777.8
Housing Russia	58.8	69.6	-16%	6%	107.9	140.9	-23%	-7%	266.4
Business Premises and Infrastructure	222.5	141.0	58%	58%	371.9	263.0	41%	41%	615.6
Other items	-2.4	-2.1			-4.6	-4.1			-8.6

[1] At comparable exchange rates

April-June

The Group's revenue based on segment reporting increased by 11% year-on-year. At comparable exchange rates, revenue increased by 15%.

Revenue grew especially in the Business Premises and Infrastructure segment thanks to the closing of the Mall of Tripla investor deals. In Housing Finland and CEE, revenue decreased due to less revenue from capital release actions. In Housing Russia, revenue was supported by year-on-year higher apartment sales.

January-June

The Group's revenue based on segment reporting increased by 4% year-on-year. At comparable exchange rates, revenue increased by 7%.

Revenue grew especially in the Business Premises and Infrastructure segment thanks to the closing of the Mall of Tripla investor deals. In Housing Russia, revenue was burdened by year-on-year lower construction volume. In Housing Finland and CEE, revenue decreased due to year-on-year lower completion rate of sold apartments and lower revenue from capital release actions.

Revenue by geographical area, %	4–6/16	4–6/15	1–6/16	1–6/15	1–12/15
Finland	78%	72%	78%	72%	73%
Russia	13%	17%	13%	18%	16%
The CEE countries	9%	11%	9%	10%	11%

Result

POC, EUR million	4–6/16	4–6/15	Change	1–6/16	1–6/15	Change	1–12/15
Operating profit	**20.2**	**18.6**	**9%**	**32.2**	**39.1**	**-17%**	**65.7**
Operating profit margin, %	**4.3%**	**4.5%**		**3.9%**	**4.9%**		**4.0%**
Adjustments							**-10.4**
Adjusted operating profit	**20.2**	**18.6**	**9%**	**32.2**	**39.1**	**-17%**	**76.0**
Housing Finland and CEE	15.8	16.2	-2%	28.6	30.3	-6%	56.0
Housing Russia	-2.7	2.3		-5.8	8.5		10.9
Business Premises and Infrastructure	12.7	3.7	242%	18.8	6.8	176%	22.7
Other items	-5.6	-3.6		-9.3	-6.6		-13.5
Adjusted operating profit margin, %	**4.3%**	**4.5%**		**3.9%**	**4.9%**		**4.6%**
Housing Finland and CEE	8.5%	7.8%		8.2%	7.8%		7.2%
Housing Russia	-4.6%	3.2%		-5.4%	6.0%		4.1%
Business Premises and Infrastructure	5.7%	2.6%		5.0%	2.6%		3.7%

April-June

The Group's operating profit based on segment reporting increased by 9% year-on-year. Operating profit margin was 4.3% (4–6/15: 4.5%). The Business Premises and Infrastructure segment's profitability improved clearly due to the closing of the Mall of Tripla investor deals and the increased volume. Profitability development was positive also in the Housing Finland and CEE segment due to less capital release actions. In Housing Russia, operating result was still negative.

Changes in foreign exchange rates had a positive impact of EUR 0.5 million on operating profit.

January-June

The Group's operating profit based on segment reporting decreased by 17% year-on-year. Operating profit margin was 3.9% (1–6/15: 4.9%). Profitability was burdened by the negative operating result of Housing Russia. The Business Premises and Infrastructure segment's profitability improved clearly due to the increased volume and the improved margin content of the order backlog. Profitability development was positive also in the Housing Finland and CEE segment due to less capital release actions.

Changes in foreign exchange rates had a positive impact of EUR 0.9 million on operating profit.

POC, EUR million	4–6/16	4–6/15	Change	1–6/16	1–6/15	Change	1–12/15
Profit before taxes	10.2	11.2	-9%	9.5	21.5	-56%	27.0
Profit for the review period[1]	7.9	8.4	-7%	7.3	16.3	-55%	20.0
Earnings per share, EUR	0.06	0.07	-7%	0.06	0.13	-55%	0.16
Effective tax rate, %	23.1%	24.8%		23.4%	24.5%		25.5%

[1] Attributable to equity holders of the parent company

Order backlog

POC, EUR million	6/16	6/15	Change	6/16	3/16	Change	12/15
Order backlog	**2,714.1**	**2,573.5**	**5%**	**2,714.1**	**2,246.8**	**21%**	**2,172.9**
Housing Finland and CEE	865.7	834.7	4%	865.7	857.2	1%	802.7
Housing Russia	495.6	740.4	-33%	495.6	508.7	-3%	508.5
Business Premises and Infrastructure	1,352.8	998.3	36%	1,352.8	880.9	54%	861.6

The order backlog increased by 21% from the end of March since around EUR 500 million from the Tripla project was booked in the backlog. At the end of June, 50% of the order backlog had been sold (3/16: 48%).

Changes in foreign exchange rates increased the order backlog by EUR 30.3 million from the end of March.

Invested capital

POC, EUR million	6/16	6/15	Change	6/16	3/16	Change	1–12/15
Invested capital	1,102.9	1,308.0	-16%	1,102.9	1,140.6	-3%	1,131.5
Return on investment (last 12 months), %	5.0%	6.4%		5.0%	4.7%		5.3%

Invested capital declined by 3% from the end March. Return on investment improved to 5.0%.

One of YIT's key focus areas is to improve capital efficiency. In January-June, capital release actions were continued actively. Nearly 90% of the ongoing EUR 380 million capital release program had been completed by the end of June, in addition to which slow-moving assets were reduced by an impairment of EUR 9 million in the fourth quarter of 2014. The aim is to complete the program in 2016.

Housing Finland and CEE

Operating environment

Consumer confidence picked up in January-June in Finland, which was also seen as an improvement in residential demand in the consumer segment. Investor demand remained on a good level. Demand focused especially on small, affordable apartments in growth centres.

Positive development of macro economy continued in the CEE countries. Residential prices stayed stable on average and demand on a good level.

Mortgage interest rates were on a low level in all operating countries and the availability of financing was good. In Finland, new drawdowns of mortgages increased year-on-year.

POC, EUR million	4–6/16	4–6/15	Change	1–6/16	1–6/15	Change	1–12/15
Revenue	184.8	207.6	-11%	350.8	391.2	-10%	777.8
Operating profit	15.8	16.2	-2%	28.6	30.3	-6%	56.0
Operating profit margin, %	8.5%	7.8%		8.2%	7.8%		7.2%
Adjusted operating profit	15.8	16.2	-2%	28.6	30.3	-6%	56.0
Adjusted operating profit margin, %	8.5%	7.8%		8.2%	7.8%		7.2%
Operative invested capital at end of period	441.4	490.6	-10%	441.4	490.6	-10%	437.1
Return on operative invested capital (last 12 months), %	11.6%	9.9%		11.6%	9.9%		11.0%
Order backlog at end of period	865.7	834.7	4%	865.7	834.7	4%	802.7

April-June

The segment’s revenue decreased by 11% year-on-year due to less capital release actions.

The segment’s operating profit decreased by 2% year-on-year, but the operating profit margin improved to 8.5% (4–6/15: 7.8%). The profitability improvement is explained by less capital release actions. In addition, the segment’s return on operative invested capital improved.

In April-June, YIT’s consumer sales in Finland were on a good level and increased from the previous quarters. In May, YIT launched a new, affordable and flexible housing concept, Smartti. The demand for the Smartti projects in pre-marketing has been excellent.

In April-June, YIT signed a pre-agreement with OP-Vuokratuotto non-UCITS fund on the construction of 180 apartments in different parts of Finland. The aim is to start the projects in 2016. In addition, YIT signed agreements on the sale of 60 apartments and selected plots for Ålandsbanken’s funds.

In the CEE countries, unit sales were on a modest level in April-June. However, the sales are expected to increase in the coming quarters due to increased residential start-ups. The start-ups grew clearly in Q2, but majority of them took place in the end of the quarter. YIT started its first residential project in Warsaw, Poland, in addition to which new projects were started actively also in other operating countries.

January-June

The segment’s revenue decreased by 10% year-on-year due to less capital release actions.

The segment’s operating profit decreased by 6% year-on-year, but the operating profit margin improved to 8.2% (1–6/15: 7.8%).

During the first half of the year, YIT aimed at shifting its customer focus in Finnish housing from investors to consumers, in line with its strategy. Consumer start-ups were increased by 24% year-on-year and the unit sales to consumers grew by 7%. The Smartti concept aimed at increasing the supply of affordable and flexible apartments in Finland was launched to support the strategy implementation.

The strategy execution progressed as planned also in the CEE countries. In January-June, the number of start-ups increased by 133% year-on-year. Expansion to Poland proceeded with the first plot acquisition and the project start-up.

Residential construction in Finland, units	4–6/16	4–6/15	Change	1–6/16	1–6/15	Change	1–12/15
Sold	705	1,100	-36%	1,317	1,815	-27%	3,192
of which initially started to consumers[1]	427	465	-8%	777	911	-15%	1,715
Start-ups	657	1,097	-40%	1,474	1,656	-11%	2,864
of which to consumers	380	462	-18%	935	752	24%	1,387
Completed	764	1,226	-38%	1,304	1,822	-28%	2,626
of which to consumers	236	785	-70%	523	1,189	-56%	1,600
Under construction at end of period	3,667	3,096	18%	3,667	3,096	18%	3,500
of which sold at end of period, %	68%	69%		68%	69%		73%
For sale at end of period	1,412	1,428	-1%	1,412	1,428	-1%	1,259
of which completed	237	473	-50%	237	473	-50%	302
Plot reserve in the balance sheet at end of period, EUR million	133.5	148.3	-10%	133.5	148.3	-10%	134.0
Plot reserve at end of period[2], floor sq. m.	1,644,000	1,796,000	-8%	1,644,000	1,796,000	-8%	1,628,500
Cost of completion at end of period, EUR million	244	215	13%	244	215	13%	213

[1] Includes apartments sold to residential funds: 4–6/16: 54 units; 4–6/15: 91 units; 1–6/16: 90 units; 1–6/15: 266 units; 1–12/15: 464 units.

[2] Includes pre-agreements and rental plots.

Residential construction in the CEE countries, units	4–6/16	4–6/15	Change	1–6/16	1–6/15	Change	1–12/15
Sold	235	256	-8%	436	531	-18%	1,023
Start-ups	489	206	137%	805	346	133%	1,021
Completed	242	204	19%	295	271	9%	717
Under construction at end of period	1,952	1,209	61%	1,952	1,209	61%	1,442
of which sold at end of period, %	35%	43%		35%	43%		40%
For sale at end of period	1,383	827	67%	1,383	827	67%	1,014
of which completed	115	138	-17%	115	138	-17%	145
Plot reserve in the balance sheet at end of period, EUR million	106.7	79.2	35%	106.7	79.2	35%	112.7
Plot reserve at end of period, floor sq. m.	525,700	427,000	23%	525,700	427,000	23%	558,000
Cost of completion at end of period, EUR million	99	44	125%	99	44	125%	72

Housing Russia

Operating environment

The uncertainty of Russian economy continued to be reflected in the residential market, although some stabilisation was seen towards the end of the review period. Demand focused especially on small apartments. Residential prices remained stable on average in nominal terms, but decreased in real terms.

The state mortgage subsidy program for new apartments was extended until the end of 2016, and the mortgage interest rates for new apartments were on a level of around 12%.

POC, EUR million	4–6/16	4–6/15	Change	1–6/16	1–6/15	Change	1–12/15
Revenue	58.8	69.6	-16%	107.9	140.9	-23%	266.4
Operating profit	-2.7	2.3		-5.8	8.5		0.6
Operating profit margin, %	-4.6%	3.2%		-5.4%	6.0%		0.2%
Adjusted operating profit	-2.7	2.3		-5.8	8.5		10.9
Adjusted operating profit margin, %	-4.6%	3.2%		-5.4%	6.0%		4.1%
Operative invested capital at end of period	388.5	443.9	-12%	388.5	443.9	-12%	363.0
Return on operative invested capital (last 12 months), %	-3.3%	6.2%		-3.3%	6.2%		0.2%
Order backlog at end of period	495.6	740.4	-33%	495.6	740.4	-33%	508.5

April-June

The segment's revenue decreased by 16% year-on-year. At comparable exchange rates, revenue increased by 6%.

The operating result turned negative and the operating profit margin was -4.6% (4–6/15: 3.2%). Profitability was weighed down by changes in project margins, among other things. Weakening of the ruble had a positive impact of EUR 0.5 million on operating result.

YIT targets to reduce the operative invested capital in Russia by continuing active sales. In addition, the company targets to achieve a positive operating result in Russia for the second half of the year.

In April-June, YIT started projects in Kazan and Moscow region.

The share of residential deals financed with mortgages was 50% (4–6/15: 58%). At the end of June, YIT was responsible for the service and maintenance of over 23,000 apartments in Russia.

January-June

The segment's revenue decreased by 23% year-on-year. The revenue was weighed down by the year-on-year lower construction volume and the weakening of the ruble. At comparable exchange rates, revenue decreased by 7%.

The operating result turned negative and the operating profit margin was -5.4% (1–6/15: 6.0%). Profitability was weighed down by year-on-year lower revenue and changes in project margins, among other things. Weakening of the ruble had a positive impact of EUR 0.8 million on operating profit.

The share of residential deals financed with mortgages was 51% (1–6/15: 45%).

In autumn 2015, YIT announced to revise the Housing Russia segment's residential development division structure. From the beginning of 2016, the divisions are St. Petersburg, Moscow (City and region) and Russian regions (Kazan, Tyumen, Rostov-on-Don and Yekaterinburg). The number of apartments under construction is reported with the new division structure.

Residential construction in Russia, units	4–6/16	4–6/15	Change	1–6/16	1–6/15	Change	1–12/15
Sold	826	769	7%	1,718	1,736	-1%	3,129
Start-ups	389	879	-56%	1,171	1,486	-21%	2,542
Completed[1]	154	444	-65%	605	1,690	-64%	4,053
Under construction at end of period	8,685	9,407	-8%	8,685	9,407	-8%	8,100
of which sold at end of period, %	49%	43%		49%	43%		40%
For sale at end of period	4,788	5,668	-16%	4,788	5,668	-16%	5,329
of which completed	345	311	11%	345	311	11%	484
Plot reserve in the balance sheet at end of period[2], EUR million	209.8	215.0	-2%	209.8	215.0	-2%	174.7
Plot reserve at end of period[2], floor sq. m.	2,140,000	2,349,000	-9%	2,140,000	2,349,000	-9%	2,193,000
Cost of completion at end of period, EUR million	206	357	-42%	206	357	-42%	220

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

Under construction at end of period, units	6/16	6/15	Change	6/16	3/16	Change	12/15
St. Petersburg	3,211	3,970	-19%	3,211	3,211	0%	3,211
Moscow	2,357	3,141	-25%	2,357	2,349	0%	1,736
Russian regions	3,117	2,296	36%	3,117	2,886	8%	3,153

Business Premises and Infrastructure

Operating environment

During the review period, investors' interest towards projects in prime locations was on a good level in the Finnish business premises market, but the competition over tenants remained intense. Investors' yield requirements and rental levels remained stable. The contracting market was active and several large projects were in the tendering phase. The volume of construction was increasing.

In the Baltic countries and Slovakia, rental levels for business premises and investors' yield requirements remained stable in the review period. The contracting market was most active in Slovakia and most quiet in Latvia.

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

POC, EUR million	4–6/16	4–6/15	Change	1–6/16	1–6/15	Change	1–12/15
Revenue	222.5	141.0	58%	371.9	263.0	41%	615.6
Operating profit	12.7	3.7	242%	18.8	6.8	176%	22.7
Operating profit margin, %	5.7%	2.6%		5.0%	2.6%		3.7%
Adjusted operating profit	12.7	3.7	242%	18.8	6.8	176%	22.7
Adjusted operating profit margin, %	5.7%	2.6%		5.0%	2.6%		3.7%
Operative invested capital at end of period	173.3	205.1	-16%	173.3	205.1	-16%	168.6
Return on operative invested capital (last 12 months), %	18.3%	8.4%		18.3%	8.4%		11.7%
Order backlog at end of period	1,352.8	998.3	36%	1,352.8	998.3	36%	861.6

Business premises, EUR million	6/16	6/15	Change	6/16	3/16	Change	12/15
Plot reserve in the balance sheet	74.8	95.1	-21%	74.8	79.2	-6%	78.1
Plot reserve, floor sq. m.	922,000	1,054,000	-13%	922,000	979,432	-6%	1,002,700
Cost of completion	27	16	69%	27	28	-4%	13

April-June

The segment's revenue increased by 58% year-on-year. Revenue increased both in business premises and infra services. In June, YIT signed the financing package of the Mall of Tripla and the parking facility, which secured the implementation of the project as a joint venture. The project was booked in the order backlog, and revenue and profit recognition started. As a result, also around EUR 30 million from the Tripla-related construction works carried out before the second quarter were recognised as revenue in Q2.

Operating profit increased by 242% and operating profit margin stood at 5.7% (4–6/15: 2.6%). The improvement in profitability is explained the closing of the Mall of Tripla investor deals and the increased revenue.

In April-June, YIT was chosen as the constructor of Lahti police station. The value of the project is over EUR 20 million. In addition, YIT signed a frame agreement with Hemsö Fastighets AB on the construction of nine care facility projects in different parts of Finland. If all projects under the frame agreement would materialise, the total value of the agreement would be around EUR 75 million.

In June, YIT announced to have established a joint venture with HGR property partners for new, large-scale real estate development projects.

January-June

The segment's revenue increased by 41% year-on-year. Revenue increased both in business premises and infra services. The start of the revenue recognition from the Mall of Tripla was in key role.

Operating profit increased by 176% and operating profit margin stood at 5.0% (1–6/15: 2.6%). The improvement in profitability is explained by higher revenue and the improved margin content of the order backlog.

YIT's reporting structure was changed from the beginning of 2016. YIT's equipment business is reported as part of the Business Premises and Infrastructure segment instead of Other items. The reason behind the change is the integral role of the equipment as part of the segment's business, especially for special equipment in infrastructure construction.

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.
Mall of Tripla, Helsinki	~600	Retail	17%	2019	YIT's ownership 38.75%	85,000
Kasarmikatu 21, Helsinki	n/a	Office	11%	12/17	YIT's ownership 40%	16,000
Lauttasaari shopping centre, Helsinki	~40	Retail	84%	11/16	Sold	5,700
Dixi II, Tikkurila Railway Station, Vantaa	n/a	Office	51%	4/17	Sold	8,900
Extension of Business Park Rantatie, Helsinki	~25	Office	17%	11/17	Sold	6,000

The largest ongoing business premises and infrastructure contracts

Project	Value, EUR million	Project type	Completion rate %	Estimated completion
E18 Hamina-Vaalimaa motorway	~260	Infra	38%	12/18
Naantali CHP power plant	~40	Infra	77%	9/17
Otaniemi metro station	~40	Infra	99%	7/16
Espoo's road maintenance contract	~30	Infra	37%	10/19
Töölö Parking Facility	~30	Infra	12%	5/19

Personnel

Personnel by business segment	6/16	6/15	Change	6/16	3/16	Change	12/15
Housing Finland and CEE	1,849	1,926	-4%	1,849	1,745	6%	1,719
Housing Russia	1,493	1,790	-17%	1,493	1,519	-2%	1,582
Business Premises and Infrastructure	2,098	1,930	9%	2,098	1,821	15%	1,847
Group Services	192	201	-4%	192	191	1%	192
Personnel by geographical area	**6/16**	**6/15**	**Change**	**6/16**	**3/16**	**Change**	**12/15**
Finland	3,431	3,405	1%	3,431	3,077	12%	3,104
Russia	1,482	1,774	-16%	1,482	1,507	-2%	1,569
The CEE countries	719	668	8%	719	692	4%	667
Group, total	**5,632**	**5,847**	**-4%**	**5,632**	**5,276**	**7%**	**5,340**

In January-June, the Group employed 5,388 people on average (1–6/15: 5,665). In Russia, the number of personnel in the residential construction business was adjusted clearly, but the number of the service business personnel was increased due to strong growth in the volume of the service business.

Personnel expenses amounted to EUR 118.1 million (1–6/15: EUR 120.3 million). The cost effect of YIT's share-based incentive scheme was approximately EUR 1.7 million (1–6/15: EUR 1.3 million). The Group's accident frequency (accidents per million hours worked) was on the level of 10 (1–6/15: 10).

YIT is a significant employer for students in the field of construction, and during the review period, the company employed around 650 trainees and summer employees.

Strategic objectives

YIT published its updated strategic focus areas on September 16, 2015. Reaching the targeted net debt level ahead of schedule has allowed a gradual shift of focus back to profitability and investing in growth initiatives. As one of the growth initiatives, YIT established a new unit in Warsaw to tap into the opportunities in Poland. Work to improve capital efficiency has continued which has enabled financing of the growth in its part.

The Board of Directors also decided to revise YIT's long-term return on investment (ROI) target to 15% from the earlier 20% due to lower weight of Russia in invested capital and future capital allocation. Other long-term financial targets remained unchanged. Separate short-term targets were abandoned after reaching the net debt target.

YIT's strategy and financial targets were described at YIT's Capital Markets Day on September 24, 2015, 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	15%
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 (POC)

Resolutions passed at the Annual General Meeting

The Annual General Meeting of YIT Corporation was held on March 15, 2016. YIT published stock exchange releases on the resolutions passed at the Annual General Meeting and the organisation of the Board of Directors on March 15, 2016. 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 2016 (2015: EUR 149,216,748.22), and the number of shares outstanding was 127,223,422 (2015: 127,223,422).

Treasury shares and authorisations of the Board of Directors

The Annual General Meeting of YIT Corporation resolved on March 15, 2016, 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, 2017. The share issue authorisation also includes an authorisation to decide on the conveyance of treasury shares. YIT Corporation held 1,644,581 treasury shares at the beginning of the year 2016. During the review period, 2,186 shares were returned to the company in accordance with the terms and conditions of the share-based incentive scheme, after which the company held 1,646,767 treasury shares at the end of June.

Trading on shares

The opening price of YIT's share was EUR 5.12 on the first trading day of 2016. The closing price of the share on the last trading day of the review period on June 30, 2016, was EUR 6.45. YIT's share price increased by approximately 26% during the review period. The highest price of the share during the review period was EUR 6.79, the lowest EUR 4.32 and the average price was EUR 5.37. Share turnover on Nasdaq Helsinki in January-June was approximately 68.3 million (1–6/15: 92.5 million) shares. The value of the share turnover was approximately EUR 367.0 million (1–6/15: EUR 531.6 million), source: Nasdaq Helsinki.

During the review period, approximately 75.4 million (1–6/15: 52.6 million) YIT Corporation shares changed hands in alternative market places, corresponding to approximately 53% (1–6/15: 36%) of the total share trade, source: Fidessa Fragmentation Index.

YIT Corporation's market capitalisation on the last trading day of the review period on June 30, 2016 was EUR 810.0 million (June 30, 2015: 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, the number of registered shareholders was 40,623 (6/15: 42,186) and a total of 26.4% of the shares were owned by nominee-registered and non-Finnish investors (6/15: 28.6%).

During the review period YIT received the following announcements under Chapter 9, Section 5 of the Securities Markets Act: On January 12, 2016, the holding of the mutual funds managed by BlackRock, Inc. in YIT had exceeded the threshold of 5 per cent. On January 13, 2016, the holding of the mutual funds managed by BlackRock, Inc. in YIT had gone below the threshold of 5 per cent. On January 22, 2016, the holding of the mutual funds managed by BlackRock, Inc. in YIT had exceeded the threshold of 5 per cent. On January 29, 2016, the holding of the mutual funds managed by BlackRock, Inc. in YIT had gone below the threshold of 5 per cent. On February 1, 2016, the holding of the mutual funds managed by BlackRock, Inc. in YIT had exceeded the threshold of 5 per cent. On February 11, 2016, the holding of the mutual funds managed by BlackRock, Inc. in YIT had gone below the threshold of 5 per cent. On February 12, 2016, the holding of the mutual funds managed by BlackRock, Inc. had exceeded the threshold of 5 per cent. On February 15, 2016, the holding of the mutual funds managed by BlackRock, Inc. in YIT had gone below the threshold of 5 per cent. On January 25, 2016, the holding of Polaris Capital Management, LLC. in YIT had gone below 5 per cent. On February 5, 2016, the holding of Structor S.A. in YIT had gone below the threshold of 5 per cent. On June 14, 2016, the holding of JPMorgan Chase & Co and its funds in YIT had exceeded the threshold of 5 per cent. On June 28, 2016, the holding of JPMorgan Chase & Co and its funds in YIT had gone below the threshold of 5 per cent.

Most significant short-term business risks

The general economic development, functioning of the financial markets and the political environment in YIT's operating countries have a significant impact on the company's business. Negative development in consumers' purchasing power, consumer or business confidence, the availability of financing or interest rates would likely weaken the demand for YIT's products and services. A drop in residential prices or an increase in investors' yield requirements would pose a risk for the profitability of the company, should these factors materialise.

At the moment, there is significant uncertainty related to the economic development of Russia in particular. The volatility of the oil price and the ruble, geopolitical tensions and high inflation may further weaken the demand for apartments due to a weakening in purchasing power and consumer confidence. Declining purchasing power means there is also a risk that residential prices will decrease.

In 2015, Finland accounted for 73% of the company's revenue, which highlights the significance of Finland's economic development for YIT's business. If it persists, the weakness of the Finnish economy and the indebtedness of the public sector may further weaken consumers' purchasing power and general confidence, which would have a negative impact on the demand for apartments and business premises. A persistent increase of public sector debt could also make it more difficult to finance infrastructure investments. Investors have played an exceptionally central role in YIT's Finnish business in recent years. An increase in interest rates or weakening in tenant demand on the business premises or residential market could lead to a significant decrease in investor demand.

Ensuring competitive products and services corresponding to customer demand is critical for YIT's business. Changes in customer preferences and in the offerings of competitors present risks related to the demand for the company's products and services. In Finland, the availability of the resources needed for growing the production volume might prevent increasing the production as planned. Competitors' need for resources also presents a risk of losing key personnel and expertise.

Most of the company's business is project business, meaning that successful project management plays an integral role in ensuring the company's profit. The most significant project management risks are related to factors such as pricing, planning, scheduling, cost management and, in the company's self-developed business, also the management of sales risk. YIT's major business premises and infrastructure projects in Finland, such as the Tripla project in Central Pasila and the E18 Hamina-Vaalimaa motorway, make up a significant share of the company's expected revenue in coming years, meaning that successful project management in the projects is integral.

Changes in legislation and authorities' permit processes may slow down the progress of projects or prevent them from being realised. There are uncertainty factors related to authorities' actions, permit processes and their efficiency particularly in Russia and the CEE countries.

One of YIT's strategic focus areas is improving capital efficiency, 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.

The most significant financial risks are the risks related to foreign exchange rate development and the availability of financing. The Group's most significant currency risk is related to ruble-denominated investments. Further information can be found in the Capital structure and liquidity position section. More information on financial risks and their management is provided in Note 30 to the financial statements.

More information on the company's risks and risk management is provided in the Annual Report 2015.

Events after the review period

In July, residential sales for consumers are estimated to be around 90 units (7/15: around 90) in Finland, over 60 units (7/15: around 60) in the CEE countries and over 200 units (7/15: around 200) in Russia.

Outlook for 2016

Guidance specified (Segment reporting, POC)

The Group revenue growth is estimated to be in the range of 5–10% at comparable exchange rates.

The adjusted operating profit is estimated to grow from the level of 2015 (2015: EUR 76.0 million).

The adjusted operating profit does not include material reorganisation costs or impairment.

Previously, YIT estimated the revenue growth to be in the range of 0–10% at comparable exchange rates.

In addition to the market outlook, the 2016 guidance is based on the following factors: At the end of June, 50% of YIT's order backlog was sold. Projects already sold and signed pre-agreements are estimated to contribute over 60% of H2/2016 revenue. The rest of the revenue estimate is based on estimated new sales during 2016 and capital release actions.

In Business Premises and Infrastructure, the profit performance is expected to be on the level of the first half of 2016. The demanding market situation in Russia is expected to keep the profitability of Housing Russia on a low level. Similarly to the year 2015, the investor projects' share of revenue is estimated to remain high in Housing Finland and CEE, which will impact the segment's adjusted operating profit margin negatively. The execution of the capital release program started in autumn 2013 will continue actively in 2016, and the capital release actions are expected to have a negative effect on the adjusted operating profit margin.

Market outlook

Finland

In Finland, the macroeconomic uncertainty is estimated to affect the residential and business premises markets also in 2016.

Consumer demand is estimated to pick up slightly and the demand to focus especially on small, affordable apartments in growth centres. The investor activity is estimated remain on a good level but even more focus will be paid on the location. Residential price polarization is estimated to continue especially between growth centres and the rest of Finland. Access to mortgage financing is estimated to remain good.

In Finland, the tenants' demand for business premises is estimated to remain modest. The real estate investors' activity is expected to remain on a good level with focus on prime locations in the capital region. Business premises contracting is estimated to remain active. Political support for new infrastructure projects is estimated to revitalise the infrastructure market. High activity in the construction market has resulted in lack of resources.

Russia

The Russian economy is not expected to weaken further, but the visibility is weak and economic uncertainty is estimated to continue to have a negative impact also on the residential market. The construction cost inflation is expected to moderate. The nominal residential prices are estimated to remain stable. Demand is estimated to focus especially on small apartments.

The CEE countries

In the CEE countries, the demand in the residential and business premises markets is expected to be supported by the improved economic situation. Residential prices are estimated to increase in the Czech Republic, Slovakia and Lithuania, and to remain stable in Poland, Estonia and Latvia. The construction costs are estimated to increase slightly.

Access to mortgage financing is expected to remain good and interest rates to remain on a low level.

Interim Report January 1 – June 30, 2016: Tables

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

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1 Summary of Financial Statements

1.1 Consolidated income statement, IFRS

EUR million	4–6/16	4–6/15	Change	1–6/16	1–6/15	Change	1–12/15
Revenue	396.4	462.9	-14%	734.0	856.8	-14%	1,732.2
of which activities outside Finland	59.4	86.7	-31%	114.9	212.1	-46%	492.1
Other operating income and expenses	-386.4	-435.2	-11%	-714.1	-799.1	-11%	-1,638.5
Share of results of associated companies and joint ventures	-0.1	0.2		-0.2	0.2		0.0
Depreciation	-3.2	-3.2	1%	-6.4	-6.2	3%	-12.1
Operating profit	6.6	24.6	-73%	13.3	51.7	-74%	81.6
% of revenue	1.7%	5.3%		1.8%	6.0%		4.7%
Financial income and expenses	-4.9	-2.1	132%	-12.7	-6.8	87%	-20.3
Profit before taxes	1.8	22.5	-92%	0.6	44.9	-99%	61.3
% of revenue	0.4%	4.9%		0.1%	5.2%		3.5%
Income taxes	-0.4	-4.9	-93%	-0.1	-9.9	-99%	-14.0
Profit for the review period	1.4	17.6	-92%	0.5	35.1	-99%	47.2
Equity holders of the parent company	1.4	17.7	-92%	0.5	35.2	-99%	47.2
Non-controlling interest	0.0	-0.0			-0.1		0.0
Earnings per share, attributable to the equity holders of the parent company							
Undiluted, EUR	0.01	0.14	-92%	0.00	0.28	-99%	0.38
Diluted, EUR	0.01	0.14	-92%	0.00	0.28	-99%	0.37

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	1–6/16	1–6/15	Change	1–12/15
Profit for the review period	0.5	35.1	-99%	47.2
Items that may be reclassified subsequently to profit/loss:				
Cash flow hedges	0.2	0.2	-2%	0.2
-Deferred tax	-0.0	-0.0	-1%	-0.0
Change in fair value of for available for sale investments				0.0
-Deferred tax				-0.0
Change in translation differences	34.8	45.2	-23%	-32.9
Items that may be reclassified subsequently to profit/loss, total	**35.0**	**45.4**	**-23%**	**-32.7**
Items that will not be reclassified to profit/loss				
Change in fair value of defined benefit pension				-0.0
- Deferred tax				0.0
Items that will not be reclassified to profit/loss, total				**-0.0**
Other comprehensive income, total	**35.0**	**45.4**	**-23%**	**-32.7**
Total comprehensive result	**35.4**	**80.4**	**-56%**	**14.5**
Attributable to equity holders of the parent company	35.4	80.5	-56%	14.5
Attributable to non-controlling interest	0.0	-0.1	-58%	0.0

1.3 Consolidated balance sheet, IFRS

EUR million	6/16	6/15	Change	12/15
ASSETS				
Non-current assets				
Property, plant and equipment	49.4	52.6	-6%	47.3
Goodwill	10.9	10.9	0%	10.9
Other intangible assets	14.6	12.9	13%	14.1
Shares in associated companies and joint ventures	41.6	1.0	over thousand %	0.7
Other investments	0.4	0.8	-48%	0.4
Other receivables	2.4	3.1	-22%	3.7
Deferred tax assets	46.6	45.0	4%	40.5
Current assets				
Inventories	1,656.2	1,721.3	-4%	1,528.4
Trade and other receivables	214.3	233.8	-8%	198.3
Cash and cash equivalents	71.8	129.0	-44%	122.2
Total assets	**2,108.4**	**2,210.3**	**-5%**	**1,966.6**
EQUITY AND LIABILITIES				
Equity				
Share capital	149.2	149.2		149.2
Other equity	382.0	439.5	-13%	373.8
Non-controlling interest		0.1		0.1
Equity total	**531.2**	**588.9**	**-10%**	**523.1**
Non-current liabilities				
Deferred tax liabilities	19.0	17.2	10%	18.5
Pension liabilities	0.9	0.9	0%	0.9
Provisions	41.9	41.6	1%	40.8
Borrowings	258,4	287.5	-10%	266.1
Other liabilities	13.8	13.7	1%	10.4
Current liabilities				
Advances received	496.2	455.2	9%	376.9
Trade and other payables	354.4	355.8	0%	324.7
Provisions	22.5	20.7	9%	20.2
Borrowings	370.0	428.8	-14%	385.1
Liabilities total	**1,577.2**	**1,621.4**	**-3%**	**1,443.5**
Total equity and liabilities	**2,108.4**	**2,210.3**	**-5%**	**1,966.6**

1.4 Consolidated cash flow statement

EUR million	4–6/16	4–6/15	Change	1–6/16	1–6/15	Change	1–12/15
Net profit for the period	1.4	17.6	-92%	0.5	35.1	-99%	47.2
Reversal of accrual-based items	14.9	16.8	-11%	27.2	35.3	-23%	69.1
Change in trade and other receivables	0.8	-1.3		-15.6	-9.5	63%	23.7
Change in inventories	-29.2	19.6		-49.5	57.6		91.4
Change in current liabilities	104.1	95.1	10%	110.0	54.9	100%	11.0
Change in working capital, total	75.7	113.3	-33%	44.9	102.9	-56%	126.2
Cash flow of financial items	-18.8	-20.8	-10%	-21.5	-29.6	-27%	-35.9
Taxes paid	1.1	-9.3		-0.4	-7.9	-95%	-10.9
Continuing operations, total	74.3	117.7	-37%	50.7	135.8	-63%	195.7
Discontinued operations	-0.0	-0.5	-90%	-0.1	-1.1	-91%	-1.3
Net cash generated from operating activities	**74.3**	**117.2**	-37%	**50.6**	**134.7**	-62%	**194.4**
Acquisition of subsidiaries, net of cash	-1.0	-1.7	-45%	-1.0	-3.9	-76%	-6.2
Acquisition of associated companies and joint ventures	-41.2			-41.2			-0.1
Disposal of associated companies and joint ventures				1.0			
Cash outflow from investing activities	-6.0	-4.0	49%	-9.0	-6.4	40%	-11.6
Cash inflow from investing activities	-0.1	1.3		0.6	2.9	-80%	5.8
Continuing operations, total	-48.2	-4.4	993%	-49.5	-7.4	568%	-12.1
Discontinued operations							
Net cash used in investing activities	**-48.2**	**-4.4**	**993%**	**-49.5**	**-7.4**	**568%**	**-12.1**
Continuing operations, total	26.2	113.3	-77%	1.1	128.4	-99%	183.7
Discontinued operations, total	-0.0	-0.5	-91%	-0.1	-1.1	-91%	-1.3
Operating cash flow after investments	**26.1**	**112.8**	-77%	**1.0**	**127.3**	-99%	**182.3**
Change in loan receivables	-0.3	-0.3	-2%	-0.4	1.5		2.6
Change in current liabilities	60.0	-96.2		39.0	-116.0		-160.5
Proceeds from borrowings		25.0		50.0	125.0	-60%	125.0
Repayments of borrowings	-111.3	-10.4	970%	-115.7	-190.7	-39%	-203.9
Payments of financial leasing debts	-0.0	-0.0	-99%	-0.0	-0.1	-69%	-0.1
Dividends paid	-27.6	-22.6	22%	-27.6	-22.6	22%	-22.6
Continuing operations, total	-79.2	-104.5	-24%	-54.8	-202.9	-73%	-259.5
Discontinued operations							
Net cash used in financing activities	**-79.2**	**-104.5**	-24%	**-54.8**	**-202.9**	**-73%**	**-259.5**
Net change in cash and cash equivalents	-53.1	8.2		-53.7	-75.6	-29%	-77.1
Cash and cash equivalents at the beginning of the period	122.4	118.6	3%	122.2	199.4	-39%	199.4
Change in the fair value of the cash equivalents	1.2	1.4	-18%	2.1	4.4	-52%	-0.1
Cash and cash equivalents at the end of the period	70.5	128.3	-45%	70.5	128.3	-45%	122.2

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, 2015	149.2	1.5	-0.1	-227.3	-0.8	-8.3	616.1	530.3	0.3	530.6
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					0.0			0.0		0.0
Translation differences				45.2				45.2		45.2
Comprehensive income, total				**45.2**	**0.2**		**35.2**	**80.5**	**-0.1**	**80.4**
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
Changes 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**	**-182.2**	**-0.7**	**-8.3**	**629.2**	**588.8**	**0.1**	**588.9**

	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, 2015	149.2	1.5	-0.1	-227.3	-0.8	-8.3	616.1	530.3	0.3	530.6
Comprehensive income										
Profit for the period							47.2	47.2	0.0	47.2
Other comprehensive income:										
Cash flow hedges					0.2			0.2		0.2
- Deferred tax					-0.0			-0.0		-0.0
Change in fair value of available-for-sale assets					0.0			0.0		0.0
- Deferred tax					-0.0			-0.0		-0.0
Change in fair value of defined benefit pension							-0.0	-0.0		-0.0
- Deferred tax							0.0	0.0		0.0
Translation differences				-32.9				-32.9		-32.9
Comprehensive income, total				**-32.9**	**0.2**		**47.2**	**14.5**	**0.0**	**14.5**
Transactions with owners										
Dividend distribution							-22.6	-22.6		-22.6
Share-based incentive schemes			0.1			-0.0	1.2	1.2		1.2
Transactions with owners, total			**0.1**			**-0.0**	**-21.5**	**-21.4**		**-21.4**
Changes in ownership shares in subsidiaries										
Change in non-controlling interest							-0.4	-0.4	-0.3	-0.7
Changes in ownership shares in subsidiaries, total							**-0.4**	**-0.4**	**-0.3**	**-0.7**
Equity on December 31, 2015	**149.2**	**1.5**		**-260.2**	**-0.7**	**-8.3**	**641.4**	**523.0**	**0.1**	**523.1**

EUR million	Share capital	Legal 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, 2016	149.2	1.5	-260.2	-0.7	-8.3	641.4	523.0	0.1	523.1
Comprehensive income									
Profit for the period						0.5	0.5	-0.0	0.5
Other comprehensive income:									
Cash flow hedges				0.2			0.2		0.2
- Deferred tax				-0.0			-0.0		-0.0
Translation differences			34.8				34.8		34.8
Comprehensive income, total			**34.8**	**0.2**		**0.5**	**35.4**	**-0.0**	**35.4**
Transactions with owners									
Dividend distribution						-27.6	-27.6		-27.6
Share-based incentive schemes					-0.0	0.7	0.7		0.7
Transactions with owners, total					**-0.0**	**-26.9**	**-26.9**		**-26.9**
Acquisition of non-controlling interest, no loss of control						-0.2	-0.2	-0.0	-0.3
Changes in ownership shares in subsidiaries, total						**-0.2**	**-0.2**	**-0.0**	**-0.3**
Equity on June 30, 2016	**149.2**	**1.5**	**-225.4**	**-0.5**	**-8.3**	**614.7**	**531.2**		**531.2**

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.

YIT's reporting structure was changed from the beginning of 2016 in a way that the construction equipment business is reported as part of the Business Premises and Infrastructure segment instead of Other items. The reason behind the change is the integral role of the construction equipment as part of the segment's business, especially for special equipment in infrastructure construction. The restated figures for 2015 are presented in the Q1/2016 interim report's tables section's chapter 4.

2.2 Consolidated income statement, segment reporting POC

EUR million	4–6/16	4–6/15	Change	1–6/16	1–6/15	Change	1–12/15
Revenue	463.7	416.1	11%	826.1	791.0	4%	1,651.2
of which activities outside Finland	99.4	115.2	-14%	184.8	223.9	-17%	446.6
Other operating income and expenses	-440.2	-394.5	12%	-787.3	-745.9	6%	-1,573.4
Share of results of associated companies and joint ventures	-0.1	0.2		-0.2	0.2		0.0
Depreciation	-3.2	-3.2	1%	-6.4	-6.2	3%	-12.1
Operating profit	20.2	18.6	9%	32.2	39.1	-17%	65.7
% of revenue	4.3%	4.5%		3.9%	4.9%		4.0%
Financial income and expenses	-9.9	-7.4	35%	-22.7	-17.5	30%	-38.7
Profit before taxes	10.2	11.2	-9%	9.5	21.5	-56%	27.0
% of revenue	2.2%	2.7%		1.1%	2.7%		1.6%
Income taxes	-2.4	-2.8	-15%	-2.2	-5.3	-58%	-6.9
Profit for the review period	7.9	8.4	-7%	7.3	16.3	-55%	20.1
Equity holders of the parent company	7.9	8.4	-7%	7.3	16.3	-55%	20.0
Non-controlling interest	0.0	0.0	-50%		-0.0		0.0
Earnings per share, attributable to the equity holders of the parent company							
Undiluted, EUR	0.06	0.07	-7%	0.06	0.13	-55%	0.16
Diluted, EUR	0.06	0.07	-7%	0.06	0.13	-56%	0.16

2.3 Consolidated balance sheet, segment reporting POC

EUR million	6/16	6/15	Change	12/15
ASSETS				
Non-current assets				
Property, plant and equipment	49.4	52.6	-6%	47.3
Goodwill	10.9	10.9	0%	10.9
Other intangible assets	14.6	12.9	13%	14.1
Shares in associated companies and joint ventures	41.6	1.0	over thousand %	0.7
Other investments	0.4	0.8	-48%	0.4
Other receivables	2.4	3.1	-22%	3.7
Deferred tax assets	37.9	40.7	-7%	34.6
Current assets				
Inventories	1,287.2	1,419.9	-9%	1,265.2
Trade and other receivables	270.0	278.1	-3%	242.3
Cash and cash equivalents	71.8	129.0	-44%	122.2
Total assets	**1,786.3**	**1,948.9**	**-8%**	**1,741.4**
EQUITY AND LIABILITIES				
Equity				
Share capital	149.2	149.2		149.2
Other equity	415.7	478.7	-13%	399.1
Non-controlling interest		0.3		0.1
Equity total	**564.9**	**628.3**	**-10%**	**548.5**
Non-current liabilities				
Deferred tax liabilities	18.2	22.4	-19%	18.0
Pension liabilities	0.9	0.9	0%	0.9
Provisions	41.9	41.6	1%	40.8
Borrowings	258.4	287.5	-10%	266.1
Other liabilities	13.8	13.7	1%	10.4
Current liabilities				
Advances received	234.1	192.9	21%	195.6
Trade and other payables	354.3	354.1	0%	324.6
Provisions	20.2	21.2	-5%	19.6
Borrowings	279.6	386.4	-28%	317.0
Liabilities total	**1,221.4**	**1,320.6**	**-8%**	**1,193.0**
Total equity and liabilities	**1,786.3**	**1,948.9**	**-8%**	**1,741.4**

2.4 Revenue by segments, segment reporting POC

EUR million	1–6/16	1–6/15	Change	1–12/15
Housing Finland and CEE	350.8	391.2	-10%	777.8
Housing Russia	107.9	140.9	-23%	266.4
Business Premises and Infrastructure	371.9	263.0	41%	615.6
Other items	-4.6	-4.1		-8.6
Revenue total, POC	826.1	791.0	4%	1,651.2
IFRS adjustment	-92.1	65.9		81.0
Revenue total, IFRS	734.0	856.8	-14%	1,732.2

2.5 Operating profit and operating profit margin by segments, segment reporting POC

Operating profit

EUR million	1–6/16	1–6/15	Change	1–12/15
Housing Finland and CEE	28.6	30.3	-6%	56.0
Housing Russia	-5.8	8.5		0.6
Business Premises and Infrastructure	18.8	6.8	176%	22.7
Other items	-9.3	-6.6		-13.6
Operating profit total, POC	32.2	39.1	-17%	65.7
IFRS adjustment	-18.9	12.6		15.9
Operating profit total, IFRS	13.3	51.7	-74%	81.6

Operating profit margin

%	1–6/16	1–6/15	1–12/15
Housing Finland and CEE	8.2%	7.8%	7.2%
Housing Russia	-5.4%	6.0%	0.2%
Business Premises and Infrastructure	5.0%	2.6%	3.7%
Group total, POC	3.9%	4.9%	4.0%
Group total, IFRS	1.8%	6.0%	4.7%

2.6 Segment information reconciliation

Reconciliation of profit for the review period

EUR million	1–6/16	1–6/15	Change	1–12/15
Operating profit, POC	32.2	39.1	-17%	65.7
Unallocated items:				
Financial income	1.3	1.3	3%	1.5
Foreign exchange differences, net	-5.3	-4.4	19%	-7.5
Financial expenses	-18.8	-14.4	31%	-32.8
Financial income and expenses, total	-22.7	-17.5	30%	-38.7
Profit before taxes, POC	9.5	21.5	-56%	27.0
Income taxes	-2.2	-5.3	-58%	-6.9
Profit for the review period, POC	7.3	16.3	-55%	20.1
Equity holders of the parent company	7.3	16.3	-55%	20.0
Non-controlling interest		-0.0		0.0
IFRS adjustments:				
Operating profit	-18.9	12.6		15.9
Financial income and expenses	10.1	10.7	-6%	18.4
Deferred taxes	2.1	-4.6		-7.2
Profit for the review period, IFRS	0.5	35.1	-99%	47.2
Equity holders of the parent company	0.5	35.2	-99%	47.2
Non-controlling interest		-0.1		0.0

Reconciliation of earnings per share

EUR	1–6/16	1–6/15	Change	1–12/15
Earnings per share, attributable to the equity holders of the parent company				
Undiluted, POC	0.06	0.13	-55%	0.16
IFRS adjustment	-0.05	0.15		0.22
Undiluted, IFRS	0.00	0.28	-99%	0.38
Diluted, POC	0.06	0.13	-56%	0.16
IFRS adjustment	-0.05	0.15		0.21
Diluted, IFRS	0.00	0.28	-99%	0.37

Reconciliation of invested capital

EUR million	6/16	6/15	Change	12/15
Housing Finland and CEE	441.4	490.6	-10%	437.1
Housing Russia	388.5	443.9	-12%	363.0
Business Premises and Infrastructure	173.3	205.1	-16%	168.6
Other items	19.1	25.4	-24%	21.0
Invested capital allocated to segments total, POC	1,022.3	1,165.0	-12%	989.6
Unallocated items:				
Cash and cash equivalents	71.8	129.0	-44%	122.2
Non-current receivables	2.0	3.0	-35%	1.6
Tax related receivables and liabilities	24.9	20.6	21%	25.9
Periodisations of financial items	-18.1	-9.6	87%	-7.9
Invested capital group total, POC	1,102.9	1,308.0	-16%	1,131.5
IFRS adjustments:				
Inventories	369.0	301.4	22%	263.2
Other current receivables	-55.7	-44.4	26%	-44.0
Deferred tax receivables and liabilities, net	7.9	9.5	-16%	5.5
Other current and non-current liabilities	-264.6	-263.5	0%	-182.0
Invested capital group total, IFRS	1,159.6	1,311.0	-12%	1,174.3

2.7 Order backlog, segment reporting POC

EUR million	6/16	6/15	Change	12/15
Housing Finland and CEE	865.7	834.7	4%	802.7
Housing Russia	495.6	740.4	-33%	508.5
Business Premises and Infrastructure	1,352.8	998.3	36%	861.6
Order backlog, POC	2,714.1	2,573.5	5%	2,172.9
IFRS adjustment	410.1	341.1		294.4
Order backlog, IFRS	3,124.1	2,914.6	7%	2,467.3

2.8 Personnel

At the end of the period	6/16	6/15	Change	12/15
Housing Finland and CEE	1,849	1,926	-4%	1,719
Housing Russia	1,493	1,790	-17%	1,582
Business Premises and Infrastructure	2,098	1,930	9%	1,847
Group Services	192	201	-4%	192
Personnel, total	5,632	5,847	-4%	5,340

2.9 Group figures by quarter, segment reporting POC

Revenue by segments

EUR million	4–6/16	1–3/16	10–12/15	7–9/15	4–6/15	1–3/15
Housing Finland and CEE	184.8	166.0	220.8	165.8	207.6	183.6
Housing Russia	58.8	49.1	61.6	63.9	69.6	71.3
Business Premises and Infrastructure	222.5	149.4	188.5	164.1	141.0	122.0
Other items	-2.4	-2.1	-2.4	-2.0	-2.1	-2.0
Revenue total, POC	463.7	362.4	468.5	391.7	416.1	374.9
IFRS adjustment	-67.3	-24.8	43.1	-27.9	46.8	19.0
Revenue total, IFRS	396.4	337.6	511.6	363.8	462.9	394.0

Operating profit by segments

EUR million	4–6/16	1–3/16	10–12/15	7–9/15	4–6/15	1–3/15
Housing Finland and CEE	15.8	12.9	13.4	12.3	16.2	14.2
Housing Russia	-2.7	-3.1	0.7	-8.6	2.3	6.2
Business Premises and Infrastructure	12.7	6.0	7.5	8.3	3.7	3.1
Other items	-5.6	-3.7	-5.0	-2.1	-3.6	-3.0
Operating profit total, POC	20.2	12.1	16.6	10.0	18.6	20.5
IFRS adjustment	-13.5	-5.4	11.7	-8.5	6.1	6.6
Operating profit total, IFRS	6.6	6.7	28.4	1.5	24.6	27.1

Operating profit margin by segments

%	4–6/16	1–3/16	10–12/15	7–9/15	4–6/15	1–3/15
Housing Finland and CEE	8.5%	7.7%	6.0%	7.4%	7.8%	7.7%
Housing Russia	-4.6%	-6.3%	1.2%	-13.4%	3.2%	8.7%
Business Premises and Infrastructure	5.7%	4.0%	4.0%	5.1%	2.6%	2.5%
Group total, POC	4.3%	3.3%	3.6%	2.6%	4.5%	5.5%
Group total, IFRS	1.7%	2.0%	5.5%	0.4%	5.3%	6.9%

Key figures, segment reporting POC

	4–6/16	1–3/16	10–12/15	7–9/15	4–6/15	1–3/15
Profit before taxes, EUR million	10.2	-0.8	6.1	-0.7	11.2	10.3
Profit for the review period, attributable to equity holders of the parent company, EUR million	7.9	-0.6	4.6	-0.8	8.4	7.8
Earnings per share, undiluted, EUR	0.06	-0.00	0.04	-0.01	0.07	0.06
Earnings per share, diluted, EUR	0.06	-0.00	0.04	-0.01	0.07	0.06

	6/16	3/16	12/15	9/15	6/15	3/15
Equity per share, EUR	4.50	4.27	4.37	4.60	5.05	4.97
Invested capital, EUR million	1,102.9	1,140.6	1,131.5	1,195.6	1,308.0	1,344.0
Return on investment, from the last 12 months	5.0%	4.7%	5.3%	5.1%	6.4%	7.5%
Equity ratio	36.4%	34.1%	35.5%	35.5%	36.0%	35.2%
Net interest-bearing debt, EUR million	466.2	481.3	460.8	529.2	544.9	600.7
Gearing	82.5%	89.6%	84.0%	91.5%	85.9%	96.2%
Personnel at the end of the period	5,632	5,276	5,340	5,574	5,847	5,534

Order backlog by segments

EUR million	6/16	3/16	12/15	9/15	6/15	3/15
Housing Finland and CEE	865.7	857.2	802.7	823.0	834.7	784.2
Housing Russia	495.6	508.7	508.5	599.1	740.4	701.5
Business Premises and Infrastructure	1,352.8	880.9	861.6	892.4	998.3	684.1
Order backlog total, POC	2,714.1	2,246.8	2,172.9	2,314.6	2,573.5	2,169.8
IFRS adjustment	410.1	328.4	294.4	334.4	341.1	380.3
Order backlog total, IFRS	3,124.1	2,575.2	2,467.3	2,649.0	2,914.6	2,550.1

Operative invested capital

EUR million	6/16	3/16	12/15	9/15	6/15	3/15
Housing Finland and CEE	441.4	442.0	437.1	457.9	490.6	567.8
Housing Russia [1)]	388.5	382.6	363.0	390.6	443.9	428.5
Business Premises and Infrastructure	173.3	194.7	168.6	214.3	205.1	235.9

Return on operative invested capital

Rolling 12 months, %	6/16	3/16	12/15	9/15	6/15	3/15
Housing Finland and CEE	11.6%	10.8%	11.0%	10.1%	9.9%	9.0%
Housing Russia [1)]	-3.3%	-2.1%	0.2%	2.5%	6.2%	9.0%
Business Premises and Infrastructure	18.3%	11.9%	11.7%	7.5%	8.4%	9.4%

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

	4–6/16	1–3/16	10–12/15	7–9/15	4–6/15	1–3/15
Revenue, EUR million	396.4	337.6	511.6	363.8	462.9	394.0
Operating profit, EUR million	6.6	6.7	28.4	1.5	24.6	27.1
% of revenue	1.7%	2.0%	5.5%	0.4%	5.3%	6.9%
Financial income, EUR million	1.1	0.2	0.1	0.1	0.9	0.4
Exchange rate differences (net), EUR million	-2.3	-3.0	-1.9	-1.2	-1.5	-2.9
Financial expenses, EUR million	-3.7	-5.0	-5.2	-5.5	-1.4	-2.2
Financial income and expenses net, EUR million	-4.9	-7.8	-7.0	-6.6	-2.1	-4.7
Profit before taxes, EUR million	1.8	-1.2	21.4	-5.1	22.5	22.4
% of revenue	0.4%	-0.3%	4.2%	-1.4%	4.9%	5.7%
Earnings per share, undiluted, EUR	0.01	-0.01	0.13	-0.03	0.14	0.14
Earnings per share, diluted, EUR	0.01	-0.01	0.13	-0.03	0.14	0.14
Gross capital expenditures, EUR million	48.1	2.9	3.4	2.1	4.0	2.5
% of revenue	12.1%	0.9%	0.7%	0.6%	0.9%	0.6%

	6/16	3/16	12/15	9/15	6/15	3/15
Balance sheet total, EUR million	2,108.4	2,035.4	1,966.6	2,062.1	2,210.3	2,212.7
Equity per share, EUR	4.23	4.07	4.16	4.31	4.73	4.60
Average share price during the period[1], EUR	5.37	4.92	5.60	5.72	5.75	5.31
Share price at the end of the period, EUR	6.45	4.97	5.24	4.89	6.41	5.12
Weighted average share-issue adjusted number of shares outstanding, undiluted, 1,000 pcs	125,577	125,578	125,582	125,582	125,583	125,584
Weighted average share-issue adjusted number of shares outstanding, diluted, 1,000 pcs	127,366	127,367	126,773	126,773	126,774	126,774
Share-issue adjusted number of shares outstanding at the end of the period, 1,000 pcs	125,577	125,577	125,579	125,581	125,582	125,583
Market capitalisation at the end of the period, EUR million	810.0	624.1	658.0	614.1	805.0	643.0
Return on investment, from the last 12 months	3.6%	4.9%	6.4%	6.6%	8.1%	6.8%
Equity ratio	33.0%	31.5%	32.9%	33.1%	33.8%	32.1%
Net interest-bearing debt, EUR million	556.6	554.5	529.0	574.6	587.3	678.0
Gearing ratio	104.8%	108.6%	101.1%	106.1%	98.7%	117.3%
Unrecognised order backlog at the end of the period, EUR million	3,124.1	2,575.2	2,467.3	2,649.0	2,914.6	2,550.1
-of which activities outside Finland, EUR million	1,072.7	963.1	898.3	1,053.0	1,194.3	1,123.2
Personnel at the end of the period	5,632	5,276	5,340	5,574	5,847	5,534
Personnel, average from the beginning of the year	5,388	5,297	5,613	5,675	5,665	5,616

[1] The calculation principle for average share price was changed from the beginning of 2016. The formula used is provided in the section 3.3. Definitions of key financial figures

3.2 Accounting principles of the Financial Statements Bulletin

YIT Corporation's Interim Report for January 1 – June 30, 2016, 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 2015.

Currency exchange rates used in the Financial Statement

		Average rates			Balance sheet rates		
		1–6/16	1–6/15	1–12/15	6/16	6/15	12/15
1 EUR =	CZK	27.0392	27.5039	27.2831	27.1310	27.2530	27.0230
	PLN	4.3683	4.1396	4.1828	4.4362	4.1911	4.2639
	RUB	78.3384	64.5240	67.9899	71.5200	62.3550	80.6763

3.3 Definitions of key financial figures

The key financial figures according to segment reporting (POC) and IFRS reporting have been calculated by using the same definitions unless otherwise noted.

Return on investment (ROI, %) =	Group's profit before taxes + interest expenses + other financial expenses +/- exchange rate differences x 100 Equity + interest bearing liabilities (average)
Segment's operative invested capital =	Tangible and intangible assets + goodwill + shares in associated companies and joint ventures + 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 x 100 Equity + liabilities - advances received
Net interest-bearing debt =	Interest-bearing liabilities - cash and cash equivalents
Gearing ratio (%) =	Net interest-bearing debt x 100 Equity
Gross capital expenditures =	Investments in tangible and intangible assets, shares in subsidiaries, associated companies and joint ventures
Earnings / share (EUR) =	Net profit for the period (attributable to equity holders) 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
Average share price =	EUR value of shares traded during period Number of shares traded during period
Adjusted operating profit =	Reported operating profit – Provisions made on the basis of statutory personnel negotiations and adaptation measures – impairment of assets – other adjustment items[1]

[1] Adjustment items have been reported as non-recurring items and the more detailed definition is described in the accounting principles for the Financial Statements for year 2015.

3.4 Adjustments to operating profit

Due to the new guidelines from the European Securities and Market Authority concerning alternative performance measures, the performance measure “operating profit excluding non-recurring items” is replaced with “adjusted operating profit”. The content of adjustments equals items previously disclosed as nonrecurring items and consist of material reorganization costs and impairment. Adjusted operating profit is disclosed to improve comparability between reporting periods.

EUR million	1–6/16	1–6/15	Change	1–12/15
Housing Finland and CEE				
Housing Russia				-10.3
Business Premises and Infrastructure				
Other items				-0.1
Group total				**-10.4**

In 2015 the third-quarter operating profit of Housing Russia included non-recurring costs of EUR 10.3 million, of which EUR 2.6 million were related to the restructuring of the Russian operations and EUR 7.7 million impairment charge related to development costs of projects in the Moscow region that YIT has decided not to implement.

In 2015 the third-quarter operating profit of Other items included non-recurring costs of EUR 0.1 million, which are related to the restructuring of the Russian operations.

Adjustment items are previously reported as non-recurring items.

Reconciliation of adjustment items

EUR million	1–6/16	1–6/15	Change	1–12/15
Operating profit, IFRS	**13.3**	**51.7**	**-74%**	**81.6**
Provisions made on the basis of statutory personnel negotiations and adaptation measures				2.7
Impairment of plots of land				7.7
Adjusted operating profit, IFRS	**13.3**	**51.7**	**-74%**	**91.9**
IFRS adjustments	18.9	-12.6		-15.9
Adjusted operating profit, POC	**32.2**	**39.1**	**-17%**	**76.0**

3.5 Business combinations and disposals

There have been no acquisitions or disposals in year 2016.

3.6 Property, plant and equipment

EUR million	6/16	6/15	Change	12/15
Carrying value at the beginning of the period	47.3	55.4	-15%	55.4
Translation difference	0.6	1.0	-37%	-0.5
Increase	7.0	4.0	73%	6.6
Decrease	-0.4	-2.0	-80%	-3.8
Depreciation and value adjustments	-5.1	-5.4	-5%	-10.3
Reclassifications	0.1	-0.4		-0.1
Carrying value at the end of the period	**49.4**	**52.6**	**-6%**	**47.3**

3.7 Inventories

EUR million	6/16	6/15	Change	12/15
Raw materials and consumables	6.0	7.1	-16%	8.5
Work in progress	889.7	850.9	5%	749.9
Land areas and plot owning companies	524.9	537.5	-2%	499.6
Shares in completed housing and real estate companies	173.3	236.2	-27%	203.8
Advance payments	59.6	88.6	-33%	66.0
Other inventories	2.7	1.1	152%	0.6
Total inventories	**1,656.2**	**1,721.3**	**-4%**	**1,528.4**

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, 2016	125,578,841	149.2	-8.3
Return of treasury shares January 1 – March 31, 2016	-2,186		-0.0
Return of treasury shares April 1 – June 30, 2016			
Shares outstanding on June 30, 2016	**125,576,655**	**149.2**	**-8.3**

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 2015.

3.10 Borrowings and fair value

Borrowings which have different fair value and carrying value

EUR million	6/16 Carrying value	6/16 Fair value	12/15 Carrying value	12/15 Fair value
Non-current liabilities				
Bonds	149.5	150.6	99.5	100.5
Loans from credit institutions	37.8	36.3	84.9	85.4
Pension loans	71.1	66.1	81.6	76.6
Non-current liabilities, total	**258.4**	**253.0**	**266.0**	**262.5**
Current liabilities				
Bonds	2.7	2.7	105.4	107.5

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 closing date. It consists of risk free market rate and company and maturity related risk premium 2.43-4.13% (2.51-3,97% on December 31, 2015) 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	6/16 Level 1	6/16 Level 2	12/15 Level 1	12/15 Level 2
Available-for-sale investments	0.1		0.1	
Derivatives (hedge accounting not applied)		0.2		6.2
Total assets	**0.1**	**0.2**	**0.1**	**6.2**

Liabilities, EUR million	6/16 Level 1	6/16 Level 2	12/15 Level 1	12/15 Level 2
Derivatives (hedge accounting not applied)		13.4		6.3
Derivatives (hedge accounting applied)		0.7		0.9
Total liabilities		**14.1**		**7.2**

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	6/16	6/15	Change	12/15
Collateral given for own commitments				
Corporate mortgages				
Guarantees on behalf of its associated companies	5.0	5.0		5.0
Other commitments				
Repurchase commitments	367.6	464.5	-21%	396.5
Operating leases	128.0	142.7	-10%	126.9
Rental guarantees for clients	6.7	4.9	38%	7.1
Liability under derivative contracts				
Value of underlying instruments				
Interest rate derivatives	337.5	342.5	-1%	340.0
Foreign exchange derivatives	78.8	44.6	77%	86.4
Commodity derivatives				
Fair value				
Interest rate derivatives	-9.7	-4.9	98%	-7.1
Foreign exchange derivatives	-4.2	-0.3	over thousand %	6.1
Commodity derivatives				
YIT Corporation’s guarantees on behalf of its subsidiaries	1,306.0	1,021.1	28%	1,058.5

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 on June 30, 2016 EUR 41.4 million (on June 30, 2015: EUR 80.6).

3.12 Transactions with associated companies and joint ventures

EUR million	1–6/16	1–6/15	Change	1–12/15
Sales	93.1	1.5	over thousand %	32.3
Purchases				

EUR million	6/16	6/15	Change	12/15
Trade and other receivables	-1.7	0.1		0.1
Trade and other liabilities				2.3

Together we can do it.

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